

PRELIMINARY OFFICIAL STATEMENT DATED DECEMBER 1, 2020

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

The City will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

New Issue

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

CITY OF FITCHBURG, WISCONSIN (Dane County)

\$20,590,000* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2020A

BID OPENING: December 8, 2020, 10:00 A.M., C.T.

CONSIDERATION: December 8, 2020, 7:30 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$20,590,000* General Obligation Corporate Purpose Bonds, Series 2020A (the "Bonds") of the City of Fitchburg, Wisconsin (the "City") are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purposes of financing the purchase of fire equipment, street improvement projects and current refunding certain obligations of the City. The Bonds are general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF BONDS: December 30, 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	\$880,000	2028	\$1,240,000	2035	\$895,000
2022	900,000	2029	1,265,000	2036	955,000
2023	905,000	2030	895,000	2037	1,175,000
2024	910,000	2031	860,000	2038	1,180,000
2025	1,085,000	2032	865,000	2039	1,190,000
2026	1,180,000	2033	880,000	2040	1,215,000
2027	1,230,000	2034	885,000		

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

TERM BONDS: See "Term Bond Option" herein.

INTEREST: March 1, 2021 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on March 1, 2028 and thereafter are subject to call for prior optional redemption on March 1, 2027 or any date thereafter, at a price of par plus accrued interest.

MINIMUM BID: \$20,342,920.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$411,800 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: City officials or a bank or trust company to be selected by the City.

BOND & DISCLOSURE

COUNSEL: Quarles & Brady LLP.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

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

This 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 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 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.



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REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representation other than those contained in this 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 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 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 Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete. Quarles & Brady LLP will serve as Disclosure Counsel to the City with respect to the Bonds. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the 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 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 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 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 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 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 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 Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Bonds, (b) neither the corporate existence or boundaries of the City nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the City which indicates that the City does not expect to use the proceeds of the Bonds in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

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CITY OF FITCHBURG COMMON COUNCIL

		<u>Term Expires</u>
Aaron Richardson	Mayor	April 2023
Julia Arata-Fratta	Council Member	April 2021
Joe Maldonado	Council Member	April 2022
Tom Clauder	Council Member	April 2021
Dorothy Krause	Council Member	April 2021
Gabriella Gerhardt	Council Member	April 2022
Sarah Schroeder	Council Member	April 2021
Randy Udell	Council Member	April 2022
Shannon Strassman	Council Member	April 2022

ADMINISTRATION

Patrick Marsh, City Administrator
Misty Dodge, Finance Director/Treasurer
Tracy Oldenburg, City Clerk

PROFESSIONAL SERVICES

Valerie Zisman, City Attorney, Fitchburg, Wisconsin
Quarles & Brady LLP, Bond Counsel and Disclosure Counsel, Milwaukee, Wisconsin
Ehlers and Associates, Inc., Municipal Advisors, Waukesha, Wisconsin
(Other offices located in Roseville, Minnesota and Denver, Colorado)

INTRODUCTORY STATEMENT

This Official Statement contains certain information regarding the City of Fitchburg, Wisconsin (the "City") and the issuance of its \$20,590,000* General Obligation Corporate Purpose Bonds, Series 2020A (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution awarding the sale of the Bonds ("Award Resolution") to be adopted by the Common Council on December 8, 2020.

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 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 December 30, 2020. The Bonds will mature on March 1 in the years and amounts set forth on the cover of this 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 Award Resolution.

The City may select City officials or a bank or trust company to act as paying agent (the "Paying Agent"). If a bank or trust company is selected, 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, 2028 shall be subject to optional redemption prior to maturity on March 1, 2027 or any date thereafter, at a price of par plus accrued interest.

*Preliminary, subject to change

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

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

AUTHORITY; PURPOSE

The Bonds are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purposes of financing the purchase of fire equipment, street improvement projects and current refunding the outstanding General Obligation Corporate Purpose Bonds, Series 2012B, dated March 21, 2012 (the “2012B Bonds”) as follows:

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded	CUSIP Base 338158
Series 2012B Bonds	3/21/12	1/8/21	Par	2021	2.000%	\$280,000	PB8
				2022	2.000%	290,000	PC6
				2023	2.125%	300,000	PD4
				2024	2.250%	310,000	PE2
				2025	3.000%	330,000	PF9
				2026	3.000%	340,000	PG7
				2027	3.000%	360,000	PH5
				2028	3.000%	375,000	PJ1
				2029	3.000%	400,000	PK8
Total Series 2012B Bonds Being Refunded						<u>\$2,985,000</u>	

A portion of the proceeds of the Bonds will be used to call and prepay the maturities described above.

ESTIMATED SOURCES AND USES*

Sources

Par Amount of Bonds	\$20,590,000	
Estimated Interest Earnings	<u>5,990</u>	
Total Sources		\$20,595,990

Uses

Estimated Underwriter's Discount	\$247,080	
Costs of Issuance	118,600	
Deposit to Project Construction Fund	17,217,168	
Deposit to Current Refunding Fund	3,012,834	
Rounding Amount	<u>308</u>	
Total Uses		\$20,595,990

*Preliminary, subject to change

SECURITY

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

RATING

General obligation debt of the City is currently rated "Aa1" by Moody's Investors Service, Inc. ("Moody's"). The City has requested a rating on the Bonds from Moody's, and bidders will be notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from Moody's. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

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

CONTINUING DISCLOSURE

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Bonds, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the City shall agree to provide certain information to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access

("EMMA") system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events. The Disclosure Undertaking includes the two new material events effective February 27, 2019 under the Rule.

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

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

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

LEGAL MATTERS

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

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

TAX EXEMPTION

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

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

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

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

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

ORIGINAL ISSUE DISCOUNT

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

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

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

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

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

BOND PREMIUM

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

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

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

NON-QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

MUNICIPAL ADVISOR

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

MUNICIPAL ADVISOR AFFILIATED COMPANIES

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

INDEPENDENT AUDITORS

The basic financial statements of the City for the fiscal year ended December 31, 2019 have been audited by Baker Tilly Virchow Krause LLP, Madison, Wisconsin, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Official Statement.

RISK FACTORS

Following is a description of possible risks to holders of the Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here. Potential investors should review this Official Statement, including the appendices, in its entirety.

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

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

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

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

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

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

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

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

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

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

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

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

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 (the "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 Order was extended from April 24, 2020 through May 26, 2020. Schools remained closed for the duration of the 2019-2020 school year, but certain non-essential businesses were 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 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 Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provides for federal payments from the Coronavirus Relief Fund to the State for the discrete purpose of covering expenses directly incurred as a result of COVID-19 between March 1 and December 30, 2020. On May 27, 2020, Governor Tony Evers announced a program titled, "Routes to Recovery: Local Government Aid Grants," which will distribute \$190 million of the State's Coronavirus Relief Fund monies to all counties, cities, villages and towns across Wisconsin for unbudgeted eligible expenditures incurred due to COVID-19 between March 1 and November 17, 2020. The State allocated funds based on population with a guaranteed minimum allocation of \$5,000. The City's allocation is \$474,346. These funds will be disbursed up to the amount of the allocation after eligible expenditures are reported through the State's cost tracker application.

On July 30, 2020, Governor Evers issued Executive Order #82, declaring a public health emergency in Wisconsin to combat the spread of COVID-19. In conjunction with Executive Order #82, Governor Evers issued Emergency Order #1, requiring most people to wear face coverings when indoors, with certain exemptions in accordance with CDC guidelines. On September 22, 2020, Emergency Order #1 was extended through November 21, 2020. On November 20, 2020, the public health emergency was continued and Emergency Order #1 was extended through January 19, 2021.

On October 6, 2020, Emergency Order #3 was issued, which limited public gatherings to no more than 25% of the total occupancy limits for the room or building (or no more than 10 people for indoor spaces without occupancy limits), with certain exceptions. Emergency Order #3 expired November 6, 2020.

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

2020 Equalized Value	\$3,706,378,900
2020 Equalized Value Reduced by Tax Increment Valuation	\$3,209,720,600
2020 Assessed Value	\$3,738,640,300

2020 EQUALIZED VALUE BY CLASSIFICATION

	2020 Equalized Value ¹	Percent of Total Equalized Value
Residential	\$ 2,224,642,900	60.022%
Commercial	1,092,681,400	29.481%
Manufacturing	287,255,300	7.750%
Agricultural	2,525,100	0.068%
Undeveloped	1,557,200	0.042%
Ag Forest	3,868,100	0.104%
Forest	686,200	0.019%
Other	24,810,900	0.669%
Personal Property	68,351,800	1.844%
Total	<u>\$ 3,706,378,900</u>	<u>100.000%</u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value ¹	Percent Increase/Decrease in Equalized Value
2016	\$2,766,790,100	\$2,830,645,500	4.40%
2017	2,936,371,100	2,954,018,100	4.36%
2018	3,078,410,600	3,135,272,200	6.14%
2019	3,324,638,700	3,419,112,900	9.05%
2020	3,738,640,300	3,706,378,900	8.40%

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	2020 Equalized Value ¹	Percent of City's Total Equalized Value
Promega Corp.	Manufacturing	\$ 208,811,416	5.63%
Fiduciary Real Estate Development Inc.	Real Estate Developer	83,062,343	2.24%
Weidner Investment Services Inc.	Investments	81,347,919	2.19%
Sub Zero/Wolf	Manufacturing	81,265,732	2.19%
Avante Properties	Property Management	80,935,898	2.18%
Ej Plesko & Associates Inc.	Real Estate Developer	46,397,190	1.25%
Goldleaf Fitchburg LLC	Apartments	41,857,243	1.13%
CMC 2 The New Fountains	Apartments	39,937,353	1.08%
Orchard Pointe Fitchburg	Commercial	26,097,590	0.70%
Certco Inc.	Wholesale Grocer	19,102,553	0.52%
Target Corporation	Retail	18,534,279	0.50%
Oneneck	Computer Storage	18,351,885	0.50%
Total		\$ 745,701,401	20.12%

City's Total 2020 Equalized Value² \$3,706,378,900

Source: The City.

¹ Calculated by dividing the 2020 Assessed Values by the 2020 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)*	<u>\$ 61,640,000</u>
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*Preliminary, subject to change.

¹ Outstanding debt is as of the dated date of the Bonds and excludes the obligations to be refunded.

City of Fitchburg, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 12/30/2020)

Calendar Year Ending	Promissory Notes Series 2011A		Community Development Bonds Series 2011B		Promissory Notes Series 2012A		Promissory Notes Series 2013A		Promissory Notes Series 2015A	
	Dated	Amount	Dated	Amount	Dated	Amount	Dated	Amount	Dated	Amount
	12/13/2011	\$1,190,000	12/13/2011	\$5,395,000	03/21/2012	\$6,195,000	11/14/2013	\$1,040,000	04/14/2015	\$3,240,000
	12/01		12/01		03/01		11/01		04/01	
	Principal	55,000	Principal	425,000	Principal	345,000	Principal	125,000	Principal	300,000
	Interest	1,155	Interest	88,038	Interest	10,450	Interest	8,478	Interest	28,400
2021				450,000		350,000		125,000		310,000
2022				500,000				140,000		315,000
2023				500,000						320,000
2024				550,000						325,000
2025				575,000						
2026										
2027										
2028										
2029										
2030										
2031										
2032										
2033										
2034										
2035										
2036										
2037										
2038										
2039										
2040										
		55,000		3,575,000		695,000		390,000		1,570,000
		1,155		389,113		13,950		17,745		79,700

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City of Fitchburg, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 12/30/2020)

Calendar Year Ending	Corporate Purpose Bonds Series 2015B			Promissory Notes Series 2016A			Fire Station Bonds Series 2016B			Promissory Notes Series 2017A			Corporate Purpose Bonds Series 2017B		
	Dated	Amount	Maturity	Dated	Amount	Maturity	Dated	Amount	Maturity	Dated	Amount	Maturity	Dated	Amount	Maturity
2021	04/14/2015	\$5,085,000	04/01	06/15/2016	\$4,465,000	06/01	06/15/2016	\$5,235,000	06/01	10/12/2017	\$1,055,000	10/01	10/12/2017	\$7,935,000	10/01
				Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022				380,000	72,475	645,000	45,450	230,000	91,250	130,000	15,750	305,000	200,250	305,000	200,250
2023				385,000	64,825	365,000	35,350	235,000	86,600	135,000	11,850	315,000	191,100	315,000	191,100
2024				390,000	57,075	395,000	27,750	240,000	81,850	75,000	7,800	325,000	181,650	325,000	181,650
2025				400,000	49,175	395,000	19,850	240,000	77,050	75,000	6,300	335,000	171,900	335,000	171,900
2026				410,000	41,075	395,000	11,950	245,000	72,200	80,000	4,800	345,000	161,850	345,000	161,850
2027				420,000	31,725	400,000	4,000	255,000	67,200	80,000	3,200	355,000	151,500	355,000	151,500
2028				435,000	21,038			255,000	62,100	80,000	1,600	370,000	140,850	370,000	140,850
2029				60,000	14,700			265,000	56,900			380,000	129,750	380,000	129,750
2030				60,000	12,900			270,000	51,550			390,000	118,350	390,000	118,350
2031				60,000	11,100			270,000	46,150			400,000	106,650	400,000	106,650
2032				60,000	9,300			300,000	40,300			415,000	94,650	415,000	94,650
2033				60,000	7,500			300,000	33,850			425,000	82,200	425,000	82,200
2034				70,000	5,550			300,000	27,100			435,000	69,450	435,000	69,450
2035				70,000	3,450			300,000	20,050			450,000	56,400	450,000	56,400
2036				80,000	1,200			320,000	12,450			465,000	42,900	465,000	42,900
2037								325,000	4,225			475,000	28,950	475,000	28,950
2038															
2039															
2040															
				3,340,000	403,088	2,595,000	144,350	4,350,000	830,825	655,000	51,300	6,675,000	1,943,100	6,675,000	1,943,100

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City of Fitchburg, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 12/30/2020)

Calendar Year Ending	Promissory Notes Series 2018A		Corporate Purpose Bonds Series 2018B		Corporate Purpose Bonds Series 2019A		Corporate Purpose Bonds Series 2020A		Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
	Dated Amount	Maturity	Principal	Interest	Principal	Interest	Principal	Interest				
2021			295,000	30,675	405,000	201,365	880,000	190,976	6,179,593	56,665,000	8.07%	2021
2022	03/14/2018 \$1,745,000	03/01	310,000	21,600	420,000	188,990	900,000	281,350	6,108,763	51,760,000	16.03%	2022
2023			315,000	12,225	435,000	176,165	905,000	275,709	5,762,659	47,105,000	23.58%	2023
2024			50,000	6,750	455,000	162,815	910,000	269,583	5,337,568	42,785,000	30.59%	2024
2025			50,000	5,250	475,000	148,865	1,085,000	262,329	5,519,314	38,190,000	38.04%	2025
2026			50,000	3,750	490,000	134,390	1,180,000	252,950	5,283,660	33,735,000	45.27%	2026
2027			50,000	2,250	505,000	119,465	1,230,000	241,183	4,928,405	29,540,000	52.08%	2027
2028			50,000	750	515,000	104,165	1,240,000	226,975	3,860,923	26,320,000	57.30%	2028
2029					530,000	88,490	1,265,000	210,686	3,795,459	23,100,000	62.52%	2029
2030					555,000	72,215	895,000	195,659	3,011,156	20,600,000	66.58%	2030
2031					225,000	60,515	860,000	182,505	2,645,253	18,415,000	70.12%	2031
2032					230,000	53,690	865,000	168,920	2,627,318	16,200,000	73.72%	2032
2033					240,000	46,460	880,000	154,740	2,617,255	13,945,000	77.38%	2033
2034					245,000	38,821	885,000	139,736	2,600,153	11,655,000	81.09%	2034
2035					255,000	30,819	895,000	123,938	2,590,351	9,320,000	84.88%	2035
2036					260,000	22,450	955,000	107,049	2,604,359	6,915,000	88.78%	2036
2037					265,000	13,753	1,175,000	86,759	2,472,732	4,585,000	92.56%	2037
2038					275,000	4,641	1,190,000	63,208	1,950,768	2,720,000	95.59%	2038
2039							1,190,000	38,618	1,551,493	1,215,000	98.03%	2039
2040							1,215,000	13,061	1,228,061	0	100.00%	2040
			1,170,000	83,250	6,780,000	1,668,074	20,590,000	3,485,931	11,035,240	61,640,000		
					9,200,000	1,923,660			72,675,240			

* Preliminary, subject to change.

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	\$ 3,706,378,900
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit ¹	\$ 185,318,945
Less: General Obligation Debt (includes the Bonds)*	<u>(61,640,000)</u>
Unused Debt Limit*	<u>\$ 123,678,945</u>

*Preliminary, subject to change.

OVERLAPPING DEBT²

Taxing District	2020 Equalized Value ³	% In City	Total G.O. Debt ⁴	City's Proportionate Share
Dane County	\$ 74,243,627,000	4.9922%	\$ 422,520,000	\$ 21,093,043
Madison Metro Sewerage District	55,713,006,105	6.3801%	108,933,043	6,950,037
Verona Area School District	5,386,271,161	25.9632%	171,296,998	44,474,182
School District of Oregon	2,899,963,345	18.6512%	88,180,000	16,446,628
Madison Metropolitan School District	33,128,221,768	5.3340%	58,440,764	3,117,230
Madison Area Technical College District ⁵	100,506,585,126	3.6877%	175,608,000	<u>6,475,896</u>
City's Share of Total Overlapping Debt				<u>\$ 98,557,017</u>

¹ The City has established an internal debt limit of 3% of the current equalized value. City ordinance requires a two-thirds vote by roll call to exceed the 3% limit.

² 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.

³ Includes tax increment valuation.

⁴ Outstanding debt based on information obtained on EMMA and the Municipal Advisor's records.

⁵ Includes the \$3,500,000 General Obligation Promissory Notes, Series 2020-21D which is expected to close December 15, 2020.

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$3,706,378,900	Debt/ Per Capita 30,391¹
Total General Obligation Debt*	\$ 61,640,000	1.66%	\$ 2,028.23
City's Share of Total Overlapping Debt	<u>98,557,017</u>	<u>2.66%</u>	<u>3,242.97</u>
Total*	\$160,197,017	4.32%	\$ 5,271.20

*Preliminary, subject to change.

DEBT PAYMENT HISTORY

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

FUTURE FINANCING

The City intends to borrow approximately \$13.6 million of general obligation debt to finance capital projects within the next 12 months. Aside from the preceding, the City has no current plans for further financing within the next 12 months.

¹ Estimated 2020 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
2016/17	\$21,501,214	100%	\$8.35
2017/18	22,634,178	100%	8.50
2018/19	22,776,255	100%	8.05
2019/20	23,733,084	100%	7.74
2020/21	24,883,702	<div style="border: 1px dashed black; padding: 2px; display: inline-block;"> To Be Collected </div>	7.75

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 2019 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 adopted such resolutions. The City cannot predict whether and how much payment of property taxes will be impacted by COVID-19 in future years. 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
2016/17	\$12.89	\$3.13	\$8.35	\$0.19	\$24.56
2017/18	13.00	3.15	8.50	0.00	24.65
2018/19	12.68	2.97	8.05	0.00	23.70
2019/20	12.64	2.90	7.74	0.00	23.28
2020/21	12.66	2.87	7.75	0.00	23.28

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

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.

by a super majority vote of the political subdivision's governing body (three-quarters vote if the governing body is comprised of five or more members, two-thirds vote if the governing body is comprised of fewer than five members) (except in the case of towns) if the amount of the carry forward levy adjustment is greater than 0.5% up to the maximum increase of 1.5%. For towns, the use of the carry forward levy adjustment needs to be approved by a majority vote of the annual town meeting or special town meeting after the town board has adopted a resolution in 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 as a City in April 1983 and is governed by a Mayor and an eight-member Common Council. The Mayor does not vote except in the case of a tie. All Council Members are elected to two-year terms. The Mayor is elected to a three-year term. The appointed City Administrator, City Clerk and City Finance Director/Treasurer are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The City employs a staff of 159 full-time, 20 part-time, and 31 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 \$973,591, \$1,003,750 and \$1,041,915, respectively.

The City implemented Governmental Accounting Standards Board Statement No. 68 ("GASB 68") for the fiscal year ended December 31, 2015.

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

As of December 31, 2018, the total pension liability of the WRS was calculated as \$100.29 billion and the fiduciary net position of the WRS was calculated as \$96.74 billion, resulting in a net pension liability of \$3.56 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 a liability of \$3,374,727 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 0.09485735% of the aggregate WRS net pension liability as of December 31, 2018.

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

Recognized and Certified Bargaining Units

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

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

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

The following bargaining units represent employees of the City:

Bargaining Unit	Expiration Date of Current Contract
Wisconsin Police Professional Association (Patrol)	December 31, 2021
Fire Local 311	December 31, 2021

OTHER POST EMPLOYMENT BENEFITS

The City provides "other post-employment benefits" ("OPEB") (i.e., post-employment benefits, other than pension benefits, owed to its employees and former employees) to employees who have terminated their employment with the City and have satisfied specified eligibility standards through a single-employer defined benefit plan. Membership of the plan consisted of 5 retirees receiving benefits and 158 active plan members as of December 31, 2018, the date of the latest actuarial valuation.

OPEB calculations are required to be updated every two years. Prior to fiscal years beginning after June 15, 2017, OPEB calculations were required to be prepared in accordance with Statement No. 45 of the Governmental Accounting Standards Board ("GASB 45") regarding retiree health and life insurance benefits, and related standards. For fiscal years beginning after June 15, 2017, OPEB calculations are required to be prepared in accordance with Statement No. 75 of the Governmental Accounting Standards Board ("GASB 75"). An actuarial study for the plan prepared in accordance with GASB 75 was most recently completed by Menard Consulting, Inc in January 2019 with an actuarial valuation date of December 31, 2018 (the "Actuarial Report").

For Fiscal Year 2019, City expenditures for premiums under the plan were \$150,819. The City's current funding practice is to pay the amount of benefits due in a given year on a "pay-as-you-go" basis.

Under GASB 75, a net OPEB liability (or asset) is calculated as the difference between the plan's total OPEB liability and the plan's fiduciary net position, which terms have similar meanings as under GASB 68 for pension plans.

As of December 31, 2018, the plan's total OPEB liability was \$1,208,585 and the plan fiduciary net position was \$0, resulting in a net OPEB liability of \$1,208,585. The City has designated fund balances for OPEB liabilities, with a balance of \$1,707,584 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. For more detailed information, see Note I.D. in "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 October 31, 2020)

Fund	Total Cash and Investments
General	\$ 13,834,778
Donation	93,392
Park Fees Pre Act 243	1,474,675
Park Fees Post Act 243	1,341,849
Cable/FACTv	200,710
Refuse & Recycling	744,490
CEDA	816,795
Affordable Housing Fund	87,342
Cemetery	71,577
Library	1,017,755
Debt Service	873,537
Debt Service - 2019 Debt Proceeds	60,417
Capital Projects - General	2,481,861
Capital Projects - Fire Impact Fees	386,002
Capital Projects - Unspent Donations	5,403
Capital Projects - Debt Proceeds	5,345
TID 4 - FTC, Agora, FTC II/Uptown	9,550,147
TID 6 - Orchard Pointe/Arrowhead	7,854,634
TID 9 - Sub Zero	338,127
TID 10 - North Fish Hatchery	1,439,125
TID 11 - @Edge Live/Work	330
TID 12 - Promega	173,054
TID 13 - Uptown	26,652
Water Utility	6,808,787
Water - Water Impact Fees	1,112,076
Sewer Utility	1,454,665
Stormwater Utility (SUD)	2,571,689
Technology Fund	309,923
Risk Management/Insurance	399,651
Total Funds on Hand	<u><u>\$ 55,534,789</u></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	2018	2019
Utility District No. 1			
Total Operating Revenues	\$ 5,216,020	N/A	N/A
Less: Operating Expenses	<u>(4,509,427)</u>	N/A	N/A
Operating Income	\$ 706,593	N/A	N/A
Plus: Depreciation	950,292	N/A	N/A
Interest Income	<u>109,958</u>	N/A	N/A
Revenues Available for Debt Service	<u><u>\$ 1,766,843</u></u>	N/A	N/A
Stormwater Utility			
Total Operating Revenues	\$ 1,167,269	\$ 1,175,554	\$ 1,215,562
Less: Operating Expenses	<u>(1,072,980)</u>	<u>(1,227,696)</u>	<u>(1,283,325)</u>
Operating Income	\$ 94,289	\$ (52,142)	\$ (67,763)
Plus: Depreciation	573,514	637,137	677,613
Interest Income	<u>13,381</u>	<u>39,828</u>	<u>59,938</u>
Revenues Available for Debt Service	<u><u>\$ 681,184</u></u>	<u><u>\$ 624,823</u></u>	<u><u>\$ 669,788</u></u>
Water Utility¹			
Total Operating Revenues	N/A	\$ 2,811,034	\$ 2,711,296
Less: Operating Expenses	N/A	<u>(1,960,385)</u>	<u>(1,891,728)</u>
Operating Income	N/A	\$ 850,649	\$ 819,568
Plus: Depreciation	N/A	699,310	718,652
Interest Income	N/A	<u>162,552</u>	<u>131,337</u>
Revenues Available for Debt Service	N/A	<u><u>\$ 1,712,511</u></u>	<u><u>\$ 1,669,557</u></u>
Sewer Utility			
Total Operating Revenues	N/A	\$ 2,691,083	\$ 2,711,587
Less: Operating Expenses	N/A	<u>(2,720,175)</u>	<u>(2,778,653)</u>
Operating Income	N/A	\$ (29,092)	\$ (67,066)
Plus: Depreciation	N/A	308,895	302,951
Interest Income	N/A	<u>52,086</u>	<u>37,421</u>
Revenues Available for Debt Service	N/A	<u><u>\$ 331,889</u></u>	<u><u>\$ 273,306</u></u>

¹ Starting in 2018, Utility District No. 1 was split into a separate Water Utility and Sewer Utility.

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 statements are available upon request. Appendix A includes the 2019 audited financial statements.

FISCAL YEAR ENDING DECEMBER 31						
COMBINED STATEMENT	2016 Audit	2017 Audit	2018 Audit	2019 Audit	2020 Budget 1)	2021 Budget 3)
Revenues						
Taxes	\$13,823,536	\$14,343,903	\$14,992,780	\$15,335,767	\$16,042,771	\$16,845,191
Intergovernmental revenues	2,344,733	2,705,051	2,846,900	3,087,047	2,838,710	2,798,869
Licenses and permits	821,762	669,801	890,543	1,664,152	593,271	621,000
Penalties and forfeitures	222,958	255,607	297,295	297,737	250,000	144,750
Public charges for services	313,141	344,099	363,337	351,137	347,155	289,640
Special assessments	724	6,582	3,922	3,844	500	25
Interest	105,801	134,747	224,582	430,600	150,000	150,000
Intergovernmental charges for services	1,992	15,240	16,140	12,540	16,140	12,540
Miscellaneous general revenues	468,326	429,872	440,711	193,563	405,825	422,505
Total Revenues	\$18,102,973	\$18,904,902	\$20,076,210	\$21,376,387	\$20,644,372	\$21,284,520
Expenditures						
Current:						
General government	\$3,076,264	\$3,151,199	\$2,915,323	\$2,743,696	\$3,606,580	\$3,442,513
Public safety	10,326,298	10,851,551	11,441,975	11,869,670	12,707,231	13,059,053
Public works	2,096,647	1,813,464	2,169,292	2,268,843	2,583,417	2,635,418
Health and social services	507,750	549,709	626,077	665,528	709,836	722,940
Culture and recreation	1,236,814	1,366,974	1,473,610	1,456,754	1,576,829	1,624,214
Conservation and development	571,480	635,288	604,758	546,121	642,528	669,382
Capital Outlay	0	0	0	0	0	0
Total Expenditures	\$17,815,253	\$18,368,185	\$19,231,035	\$19,550,612	\$21,826,421	\$22,153,520
Excess of revenues over (under) expenditures	\$287,720	\$536,717	\$845,175	\$1,825,775	(\$1,182,049)	(\$869,000)
Other Financing Sources (Uses)						
Sale of City Property	8,318	10,014	2,484	9,520	0	2000
Operating transfers in	637,823	878,105	715,444	732,437	720,000	725,000
Operating transfers out	(1,067,195)	(1,698,095)	(276,712)	(335,905)	(368,039)	(444,618)
Total Other Financing Sources (Uses)	(421,054)	(809,976)	441,216	406,052	351,961	282,382
Net changes in Fund Balances	(\$133,334)	(\$273,259)	\$1,286,391	\$2,231,827	(\$830,088) 2)	(\$586,618)
General Fund Balance January 1	\$7,640,897	\$7,507,563	\$7,234,304	\$8,520,695		
Prior Period Adjustment	0	0	0	0		
Residual Equity Transfer in (out)	0	0	0	0		
General Fund Balance December 31	\$7,507,563	\$7,234,304	\$8,520,695	\$10,752,522		
DETAILS OF DECEMBER 31 FUND BALANCE						
Nonspendable	\$385,407	\$332,288	\$883,460	\$775,401		
Committed	56,484	66,187	64,816	69,551		
Assigned	1,087,438	1,199,225	3,396,045	3,498,309		
Unassigned	5,978,234	5,636,604	4,176,374	6,409,261		
Total	\$7,507,563	\$7,234,304	\$8,520,695	\$10,752,522		

1. The 2020 Budget was adopted on November 12, 2019 and last amended on November 24, 2020. The City expects to further amend the budget on December 8, 2020 to reflect the receipt of CARES Act funding.
2. Based on results to date, the City currently expects to end 2020 with a small surplus in its General Fund.
3. The 2021 Budget was adopted on November 10, 2020.

GENERAL INFORMATION

LOCATION

The City, with a 2010 U.S. Census population of 25,260 and a current estimated population of 30,391 comprises an area of 35.15 square miles of land and is located adjacent to the City of Madison in south central Wisconsin, and is within the Madison Standard Metropolitan Statistical Area.

LARGER EMPLOYERS¹

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Sub-Zero Group Inc. ²	Appliance manufacturer	1,500
Promega Corp.	Pharmaceutical research laboratories	920
Agrace HospiceCare Inc.	Hospice care	556
Placon Corporation	Consumer, food, stock and medical packaging	480
Super Target	Retail	450
Thermo Fisher Scientific	Analytical instruments, lab equipment and software	430
Hy-Vee	Grocers - retail	406
Certco	Wholesale grocery distributor	296
CDW	Technology products and services	261
Tri-North Builders	Construction management firm	250

Source: *The City.*

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 In March 2020, Sub-Zero announced layoffs of more than 1,000 employees due to decreased demands from the COVID-19 pandemic. As of September 2020, all laid off employees returned to work at the Fitchburg campus.

BUILDING PERMITS

	2016	2017	2018	2019	2020 ¹
<u>New Single Family Homes</u>					
No. of building permits	35	57	115	95	155
Valuation	\$10,544,173	\$13,967,207	\$28,346,908	\$49,509,194	\$35,426,625
<u>New Multiple Family Buildings</u>					
No. of building permits	5	2	11	10	5
Valuation	\$26,138,000	\$23,000,000	\$37,312,399	\$38,301,176	\$74,512,259
<u>New Commercial/Industrial</u>					
No. of building permits	7	1	6	18	8
Valuation	\$26,442,797	\$955,973	\$20,527,339	\$337,107,494	\$18,540,092
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	868	952	1,050	1,080	971
Valuation	\$78,385,512	\$62,591,015	\$118,064,136	\$433,408,021	\$141,978,922

Source: The City.

¹ As of October 27, 2020.

U.S. CENSUS DATA

Population Trend: The City

2000 U.S. Census	20,501
2010 U.S. Census	25,260
2020 Estimated Population	30,391
Percent of Change 2000 - 2010	23.21%

Income and Age Statistics

	The City	Dane County	State of Wisconsin	United States
2018 per capita income	\$40,969	\$38,757	\$32,018	\$32,621
2018 median household income	\$69,338	\$70,541	\$59,209	\$60,293
2018 median family income	\$81,427	\$94,813	\$75,313	\$73,965
2018 median gross rent	\$993	\$1,031	\$837	\$1,023
2018 median value owner occupied units	\$306,400	\$252,300	\$173,600	\$204,900
2018 median age	34.6 yrs.	34.9 yrs.	39.3 yrs.	37.9 yrs.

	State of Wisconsin	United States
City % of 2018 per capita income	127.96%	125.59%
City % of 2018 median family income	108.12%	110.09%

Housing Statistics

	<u>The City</u>		
	2010	2018	Percent of Change
All Housing Units	10,668	12,693	18.98%

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

Year	<u>Average Employment</u>		<u>Average Unemployment</u>		
	The City	Dane County	The City	Dane County	State of Wisconsin
2016	16,034	309,163	2.7%	2.8%	4.0%
2017	16,402	312,894	2.3%	2.4%	3.3%
2018	16,593	312,787	2.1%	2.2%	3.0%
2019	16,648	313,824	2.4%	2.4%	3.3%
2020, September ¹	16,743	315,610	3.6%	3.8%	4.7%

Source: Wisconsin Department of Workforce Development.

¹ Preliminary County.

FINANCIAL STATEMENTS

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

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

CITY OF FITCHBURG, WISCONSIN
Fitchburg, Wisconsin

COMPREHENSIVE ANNUAL FINANCIAL REPORT

As of and for the Year Ended

December 31, 2019

Prepared By:

Finance Department
Misty Dodge, Finance Director

CITY OF FITCHBURG, WISCONSIN

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CITY OF FITCHBURG, WISCONSIN

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May 19, 2020

To the Honorable Mayor, Members of the City Council, and Residents of the City of Fitchburg:

The Comprehensive Annual Financial Report for the City of Fitchburg for the year ended December 31, 2019, is hereby submitted. This report consists of management's representations concerning the finances of the City of Fitchburg. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City Council retained the accounting firm of Baker Tilly to perform an audit of the City's financial statements. Baker Tilly has issued an unmodified ("clean") opinion on the City of Fitchburg's financial statements as of and for the year ended December 31, 2019. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City first incorporated as a town in 1847 and then as a city in 1983. It is located in the northwestern corner of Dane County, in the south-central part of Wisconsin, 10 miles south of the state capitol in Madison. The City currently has a land area of approximately 35 square miles and an estimated population for 2019 of 29,177. The City is empowered to levy a property tax on both real and personal property located within its boundaries. The City also has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the City Council. The City is also preparing for the dissolution of the Town of Madison, of which some of the parcels will become part of the City of Fitchburg and the remainder will go to the City of Madison.

The City has operated under a Mayor-Council form of government since its incorporation as a City. Policymaking and legislative authority is vested in the City Council, which consists of a mayor and an eight-member council. This governing council is responsible, among other things, for passing ordinances, adopting the budget, and hiring the City's Administrator. The City Administrator is responsible for carrying out the policies and ordinances of the governing council and for overseeing the day-to-day operations of the City government. The mayor is responsible for appointing committees, boards, and commissions, subject to the approval of the City Council. The mayor and the council are elected on a non-partisan basis. Council members are elected from within their respective districts to two-year terms that will be staggered starting in 2020. The mayor is elected at large to three-year terms starting in 2020 (previously two-year terms).

Early in its history, Fitchburg attracted European immigrants with the largest being Irish settlers looking for farmland. By the 1860's, Irish settlers constituted a third of Fitchburg's population. As the years passed, the City grew in population and business prospered. Today, Fitchburg is ideally nestled between urban Madison and the scenic farmlands for which Wisconsin is famous. With its close proximity to Madison, Fitchburg continues to attract visitors, new businesses, and new residents with its natural beauty, favorable location, diverse and thriving businesses and industries, fine services, and year-round recreational activities.

The City provides a full range of services including police and fire protection; sanitation services; the construction and maintenance of streets, highways, and other infrastructure; and recreational activities and cultural events. In addition to the general activities, the City Council exercises control over the wastewater, water, and stormwater utilities and, therefore, they have been included as an integral part of the City's financial statements.

The annual budget serves as the foundation for the City's financial planning and controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the general fund, special revenue funds, debt service fund, and internal service funds are included in the annual appropriated budget. Project-length budgets are prepared for capital project funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the function level.

Local Economy

The City is affected locally by the national economy. Over the long-term, the City will continue to experience significant residential and commercial growth in the years ahead as development continues to grow. Fitchburg has easy access to the State Capitol, University of Wisconsin-Madison Campus, east and west sides of Madison and the Interstates 39/90/94. In 2018, the City had net new construction growth of 3.517% or \$110 million. Even with the current public health emergency in early 2020, the construction activity in the City has remained strong.

The Fitchburg economy comprises targeted industry clusters including: agriculture, advanced manufacturing, life sciences, information technology, and headquarter, regional, and back-office operations.

The Fitchburg Technology Neighborhood, dedicates more than 2,000 acres for high quality technology businesses in mixed-use commercial and residential settings connected by parks, open space and multi-modal transportation, creating the ideal place for technology companies to call home. The neighborhood consists of three developments: Fitchburg Center, Fitchburg Technology Campus/RDC Fitchburg Technology Campus Phase II, and Uptown Fitchburg.

The City is also expecting continued industrial development with two Sub-Zero/Wolf expansions and two Promega expansions, which are expected to bring a significant number of jobs to the City.

The City is covered by three school districts. The City's 2019 overall net property tax rate per \$1,000 in assessed value is \$21.70 for properties within the Madison School District, \$20.34 for the Oregon School District, and \$23.25 for the Verona School District.

Long-term Financial Planning

The City continues to focus on how to improve Fitchburg's services and vitality. The City has committed to improving Fitchburg through various actions and continues to improve their long-term financial planning efforts.

Fitchburg is a growing community and recognizes that balancing urban and rural interests requires planning for managed and orderly growth while looking for infill and redevelopment opportunities. Fitchburg's Comprehensive Plan is used to manage and direct growth in areas identified in the plan as desirable for future urban development. Prior to any urban service adjustment being considered or undertaken, a plan shall be accomplished for the neighborhood area in which the urban service adjustment may be taken. Neighborhood Plans, which analyze and plan for all elements of the built environment, are adopted into the Comprehensive Plan.

To date, the City has six neighborhood plans or area plans adopted into the City's long-range Comprehensive Plan. These plans contain detailed recommendations for land use, transportation, recreation, utilities, and environmental considerations. The Comprehensive Plan, and the detailed neighborhood plans, direct community development decisions by the city officials.

The City's Zoning Ordinance is one regulatory tool to implement the Comprehensive Land Use Plan. In 2010 Fitchburg became the first municipality in the state of Wisconsin to adopt SmartCode zoning, a form-based zoning district used to create Traditional Neighborhood Development (TND). The code works to maximize efficiency in land use by allowing for increased density as well as diverse types of building forms and uses within a walkable area, and also works to create an environment that is pedestrian and bike friendly.

The City has six active Tax Incremental Districts (TID) to assist with redevelopment and community development projects. During 2019, one existing district was amended. Tax Incremental District 9, an industrial TID, was created in 2015 and first amended in 2016. The 2019 amendment expanded the boundaries and added project costs, primarily for development incentives, road expansion projects, and regional stormwater improvements. Two large expansion projects were incorporated into this TID amendment. The first large project was a \$50,000 square foot office, research and development, testing, and manufacturing facility for Sub-Zero Wolf, a large manufacturer in the City. The second large project was a 145,000 square foot manufacturing facility for Promega Company, a long time corporate resident of the City, to support increasing demand for its products. In addition to these two large projects, two smaller buildings have also been approved within the amended area including an 11,000 square foot brewpub and a combined warehouse and office building of approximately 15,000 square feet.

In addition to the efforts detailed above, the City annually updates and adopts a ten-year capital improvement plan. This plan focuses on the strategic initiatives of the City and addresses the City's capital needs over ten years. A Financial Management Plan is also presented by the City's financial advisors and includes estimated impacts of both capital and operating needs over ten years and the impact on the City's tax rate. These documents assist the Council in setting the priorities of the City as well as determining how we will finance the needs of the City in the future.

Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the city for its comprehensive annual financial report for the fiscal year ended December 31, 2018. This was the fourth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the city must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report was made possible through the dedicated services of the Finance Department staff, other City departments, and our independent auditors. We express our appreciation to all those that assisted and contributed to the preparation of this report. We also thank the Mayor, the City Council, and the City Administrator – without their leadership and continuing support, preparation of this report would not have been possible.

Sincerely,



Misty Dodge, CPA, CFPFO
Finance Director



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Fitchburg Wisconsin

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

December 31, 2018

Christopher P. Merrill

Executive Director/CEO

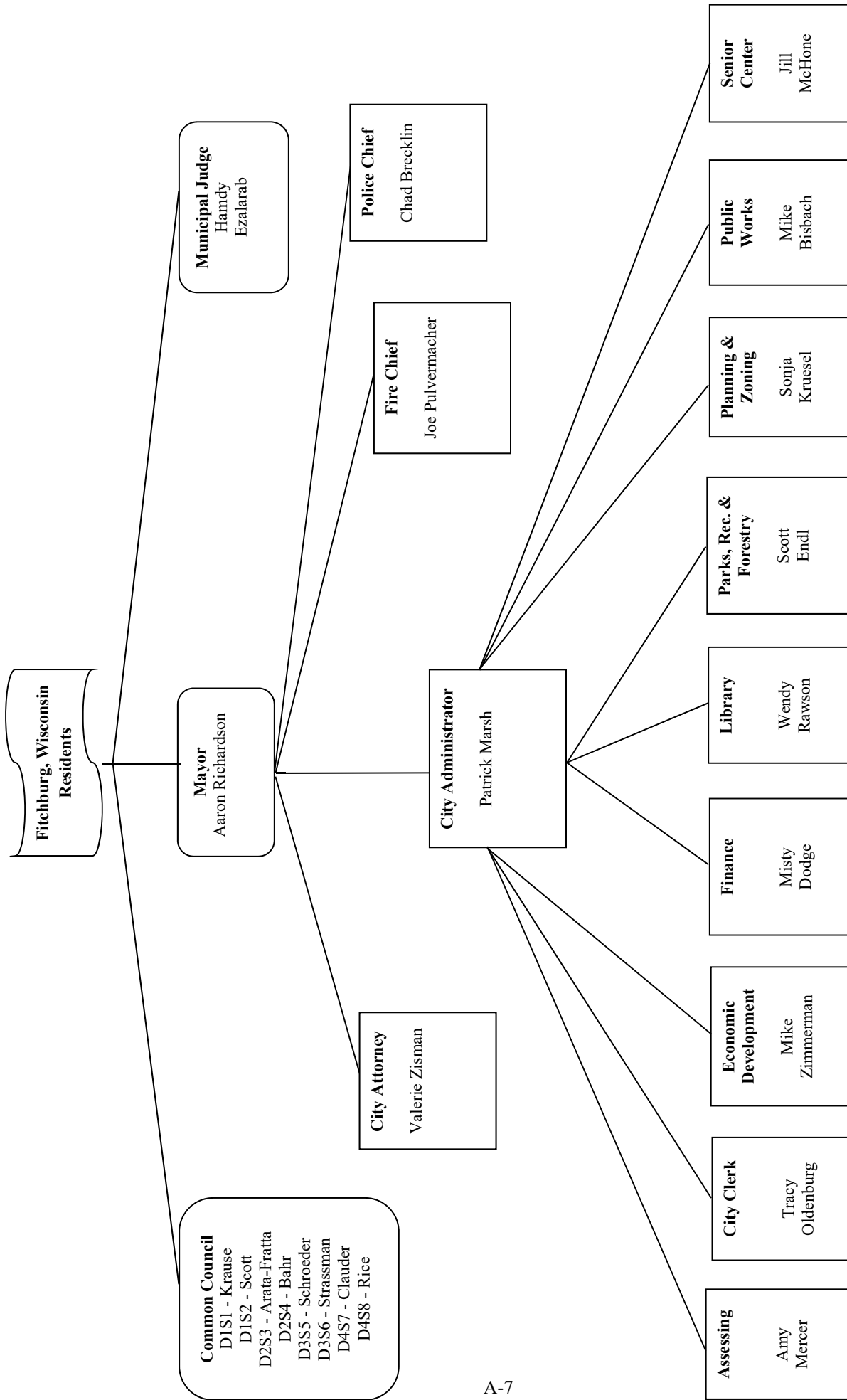
City of Fitchburg, Wisconsin List of Elected and Appointed Officials December 31, 2019

ELECTED OFFICIALS

Mayor	Aaron Richardson
Council Member	Dorothy Krause Anne Scott Julia Arata-Fratta Dan Bahr Sarah Schroeder Shannon Strassman Tom Clauder Janell Rice
Municipal Court Judge	Hamdy Ezalarab

APPOINTED OFFICIALS

Administrator	Patrick Marsh
Attorney	Valerie Zisman
Finance Director	Misty Dodge
Clerk	Tracy Oldenburg
Police Chief	Chad Brecklin
Fire Chief	Joseph Pulvermacher
Public Works Director/City Engineer	Mike Bisbach
Library Director	Wendy Rawson
Senior Center Director	Jill McHone
Parks and Recreation Director	Scott Endl
City Assessor	Amy Mercer
Economic Development Director	Michael Zimmerman
City Planner	Sonja Kruesel



INDEPENDENT AUDITORS' REPORT

To the City Council
City of Fitchburg
Fitchburg, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fitchburg, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City of Fitchburg's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City of Fitchburg'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 of Fitchburg'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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fitchburg, 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.

Emphasis of Matter

As discussed in Note 1, the City of Fitchburg adopted the provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, effective January 1, 2019. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Fitchburg's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Fitchburg's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
May 19, 2020

CITY OF FITCHBURG, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
For the Year Ended December 31, 2019

As management of the City of Fitchburg, we offer readers of the financial statements of the city this narrative overview and analysis of the financial activities of the City of Fitchburg for the fiscal year ended December 31, 2019. We encourage the reader to consider the information presented here in conjunction with the city's financial statements.

FINANCIAL HIGHLIGHTS

When revenues exceed expenses, the result is an increase in net position. When expenses exceed revenues, the result is a decrease in net position. This relationship between revenues and expenses is considered the city's results of operations. Changes in net position are one indicator of financial health or financial position. Over time, increases or decreases in net position as measured in the Statement of Activities are one indicator of improving or deteriorating financial health.

- The assets and deferred outflows of resources of the City of Fitchburg exceeded its liabilities and deferred inflows of resources as of December 31, 2019 by \$213,095,974 (net position). Of this amount, \$24,190,050 (unrestricted net position) may be used to meet the city's ongoing obligations to citizens and creditors, \$16,226,299 is restricted for specific purposes (restricted net position) and \$172,679,625 is the net investment in capital assets, including all infrastructure.
- The City of Fitchburg's total net position increased by \$17,554,467 over the previous year's net position. Net position relating to Governmental Activities increased by \$13,169,941 while net position relating to Business-type Activities increased by \$4,384,526.
- As of December 31, 2019, the city's governmental funds reported combined fund balances of \$42,732,781, an increase of \$1,893,511 from 2018.
- Unassigned fund balance for the general fund was \$6,409,261 or 30.0 percent of 2019 general fund expenditures.
- The 3 percent debt limit set by local ordinance as of December 31, 2019 was \$102,573,387. Total general obligation debt outstanding at the end of the year was \$48,215,000 (47.0 percent of the allowable limit).

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the city's basic financial statements. These financial statements consist of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The basic financial statements include two kinds of statements that present different views of the city:

- The first two statements are government-wide financial statements that 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 city government, reporting the city's operations in more detail than the government-wide statements.

These financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by sections of required and not required supplementary information that further explain and support the information in the financial statements. The final section is a statistical section that provides up to ten years of historical data to provide context to the financial statements. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

CITY OF FITCHBURG, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
For the Year Ended December 31, 2019

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the city 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, deferred outflows of resources, liabilities, and deferred inflows of resources. 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 position and how they have changed. Net Position – the difference between the city's assets and deferred outflows of resources and 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 position 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.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses reported in this statement for some items will only result in cash flows in future fiscal periods.

The government-wide financial statements include the City of Fitchburg (primary government) and the Fitchburg Community and Economic Development Authority (component unit). The Fitchburg Community and Economic Development Authority is a separate legal entity for which the city is financially accountable. Financial information for the component unit is presented as a discrete column in the financial statements. The Fitchburg Community and Economic Development Authority does not issue separate financial statements.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The city, like other 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 essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

CITY OF FITCHBURG, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
For the Year Ended December 31, 2019

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

FUND FINANCIAL STATEMENTS (cont.)

The city maintains nineteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the general debt service fund, the general capital projects fund, the TID No. 4 fund, and the TID No. 6 fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these 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 schedule has been provided for the general fund to demonstrate compliance with this budget. Budgetary comparison schedules have also been provided for all special revenue funds that have an annual adopted budget.

Proprietary Funds – The city maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, and stormwater utilities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the management of its technology and insurance/risk management functions. Because these services are predominantly to benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements. Proprietary fund financial statements present the same type of information as the government-wide financial statements, only in more detail.

Custodial Funds – Custodial funds are used to account for resources held for the benefit of parties outside the government. Custodial 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 custodial funds is much like that used for proprietary funds.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, required supplementary information presents a detailed budgetary comparison schedule for the general fund to demonstrate compliance with the budget. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

An analysis of the city's financial position begins with a review of the Statement of Net Position and the Statement of Activities. These two statements report the city's net position and changes therein. It should be noted that the financial position could also be affected by non-financial factors, including economic conditions, population growth, and changes in the regulatory environment.

CITY OF FITCHBURG, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
For the Year Ended December 31, 2019

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the city, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$213,095,974 at the close of 2019.

General capital assets (e.g., land, construction in progress, land improvements, buildings, machinery, infrastructure, and equipment) for the governmental activities of the city (less any outstanding debt used to acquire those assets) equals \$101,747,076 or 75.5 percent of governmental net position. Including governmental and business-type activities, 81.0 percent of total net position is represented by capital assets. The dollar values of net investment in capital assets increased due to several large capital projects occurring in 2019 (see further discussion below). The percentages of total net position, however, are comparable to last year. The city uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the city's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the city's total net position (\$16,226,299 or 7.6 percent) represents resources that are subject to external restrictions on how they may be used. This portion decreased significantly from last year due to large construction projects within the City's TID activities and the shift from a net pension asset to a net pension liability.

The remaining balance of unrestricted net position (\$24,190,050 or 11.4 percent) may be used to meet the government's ongoing obligations to citizens or creditors. This amount increased significantly from last year due to a surplus resulting from general operations during the year.

At the end of the current fiscal year, the city reported positive balances in all three categories of net position, for the city as a whole, as well as for its governmental and business-type activities individually.

A summary of the city's Statement of Net Position is presented below in Table 1.

**Table 1
Condensed Statements of Net Position**

	2019		2018	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
Current and other assets	\$ 81,242,202	\$ 9,989,838	\$ 91,232,040	\$ 9,050,080
Capital assets	140,561,909	70,932,549	211,494,458	67,917,196
Total Assets	221,804,111	80,922,387	302,726,498	76,967,276
Total Deferred Outflows of Resources	8,826,957	351,676	9,178,633	211,621
Long-term liabilities outstanding	46,766,605	127,841	46,894,446	48,601,582
Other liabilities	11,362,577	2,649,781	14,012,358	2,891,839
Total Liabilities	58,129,182	2,777,622	60,906,804	51,493,421
Total Deferred Inflows of Resources	37,719,195	183,158	37,902,353	36,200,658
Net Position	101,747,076	70,932,549	172,679,625	67,917,196
Net investment in capital assets	14,732,123	1,494,176	16,226,299	21,210,088
Restricted	18,303,492	5,886,558	24,190,050	9,048,605
Unrestricted				5,276,284
Total Net Position	\$ 134,782,691	\$ 78,313,283	\$213,095,974	\$ 73,928,757

The 2018 total column reflects a capital debt adjustment for capital assets owned by the business-type activities but financed by the debt of the governmental activities. This debt was paid off in 2019, so an adjustment was not needed for 2019 total column.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

GOVERNMENTAL FUNDS

The focus of the City of Fitchburg'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, unassigned fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

At December 31, 2019, the city's governmental funds reported combined fund balances of \$42,732,781. Approximately 14.2 percent of this amount, \$6,088,971 constitutes unassigned fund balance, which is available to meet the city's current and future needs. The remaining \$36,643,810 is non-spendable for noncurrent asset balances, or restricted, committed, or assigned for specific purposes of the city. This increase is primarily due to current year positive variances in budgeted revenues and expenditures within the general fund.

General Fund

The city's general fund is the chief operating fund of the city. The total general fund balance is \$10,752,522, an increase of \$2,231,827 or 26.2%. This increase in fund balance is primarily due to positive variances in budgeted revenues and expenditures.

The city evaluates general fund balance by measuring the unassigned general fund balance as a percentage of the current year's general fund revenues. For 2019, unassigned fund balance is \$6,409,261 and the 2019 general fund revenues were \$21,376,387, resulting in an unassigned fund balance of 30.0 percent of revenues. This amount is an increase from prior year and is primarily the result of current year positive variances in budgeted revenues and expenditures within the general fund. See budget section below for additional details.

General 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. As of the end of 2019, the restricted fund balance of \$170,669 is premium on debt issued in 2019 that will be used to make interest payments in 2020. The rest of the fund balance of \$340,547 is assigned for future debt service.

General Capital Projects Fund

The city's capital projects fund accounts for financial resources that are restricted, or committed to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The fund balance of \$13,545,944 is an increase of \$609,142 or 4.7 percent over the previous year. The increase is due primarily to unspent bond proceeds received in 2019 that will be spent in 2020.

TID No. 4 Capital Projects Fund

TID No. 4 is currently the city's largest tax incremental district. This TID was amended for boundaries and project plan costs three times. The 2011 boundary amendment added Nine Springs. This portion of the TID is a traditional TID with the city's major financial involvement being an interchange at Highway 14. Funds were borrowed in 2009, 2011, and 2012 for the interchange. The 2009 debt was called in 2018 and the 2012 debt was called in 2019, both with cash available within the TID. An additional amount was borrowed in 2015 for railroad crossings. The entire fund balance of \$4,445,494 is restricted for TID activities and is a significant decrease from last year due to the large debt call described above.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

As previously noted, the Statement of Net Position shows the change in financial position of net position. The specific nature or source of these changes becomes more evident in the Condensed Statement of Activities shown below.

GOVERNMENTAL ACTIVITIES

Governmental activities increased the city's net position by \$13,169,941. This increase is primarily a result of developer and other government contributions of capital assets. The increase is also from property taxes levied to re-pay the principal portion of long-term debt and to finance capital projects capitalized within the statements.

BUSINESS-TYPE ACTIVITIES

Business-type activities increased the city's net position by \$4,384,526. This increase is also primarily a result of developer, other government, and governmental activities contributions of capital assets.

As previously noted, the Statement of Net Position shows the change in financial position of net position. The specific nature or source of these changes then becomes more evident in the Statement of Activities as shown in Table 2.

**Table 2
Condensed Statement of Activities**

	Governmental Activities	Business-type Activities	2019 Totals	Governmental Activities	Business-type Activities	2018 Totals
Revenues:						
Program Revenues	\$ 4,272,074	\$ 6,638,445	\$ 10,910,519	\$ 2,892,718	\$ 6,677,671	\$ 9,560,389
Fees for services	2,360,561	2,390,561	4,751,122	2,214,463	-	2,214,463
Operating grants and contributions	4,582,012	3,778,103	8,340,115	10,924,956	3,633,124	14,558,080
Capital grants and contributions	-	-	-	-	-	-
General Revenues	30,028,656	-	30,028,656	29,792,121	-	29,792,121
Property taxes	62,866	-	62,866	50,060	-	50,060
Other taxes	2,594,861	-	2,594,861	2,369,108	-	2,369,108
Intergovernmental	2,239,969	262,945	2,502,914	3,044,019	284,310	3,328,329
Other revenues	46,150,999	10,679,493	56,830,492	51,277,445	10,595,105	61,872,550
Total Revenues	33,302,190	5,973,855	39,276,025	31,959,477	5,939,004	37,898,481
Expenses:						
General government	13,610,960	-	13,610,960	12,763,729	-	12,763,729
Public safety	8,913,683	-	8,913,683	4,871,127	-	4,871,127
Public works	621,378	-	621,378	557,844	-	557,844
Health and human services	3,789,324	-	3,789,324	3,952,097	-	3,952,097
Culture, education, and recreation	1,347,666	-	1,347,666	4,744,902	-	4,744,902
Conservation and development	1,272,184	-	1,272,184	1,203,649	-	1,203,649
Interest and fiscal charges	-	1,891,728	1,891,728	-	1,960,385	1,960,385
Water utility	-	2,778,653	2,778,653	-	2,720,175	1,720,175
Sewer utility	-	3,033,954	3,033,954	-	1,638,464	4,238,444
Stormwater utility	-	39,276,025	39,276,025	-	5,939,004	37,898,481
Total Expenses	28,975,001	23,035,360	52,010,361	28,346,605	10,257,643	38,604,248
Increase in Net Position Before Transfers	4,327,189	2,938,495	7,265,684	3,612,872	4,681,361	9,294,233
Transfers in	321,132	(321,132)	-	(637,058)	637,058	-
Transfers out	(13,169,941)	(4,384,526)	(17,554,467)	18,670,910	(5,293,159)	(12,882,759)
Change in Net Position	(9,521,620)	(1,767,163)	(11,288,783)	11,006,724	(4,904,850)	(6,282,059)
Net Position – Beginning of Year	121,612,750	73,928,757	195,541,507	102,941,840	68,635,598	171,577,438
Net Position – End of Year	\$ 134,792,691	\$ 76,313,283	\$ 211,105,974	\$ 113,948,564	\$ 63,730,748	\$ 177,684,216

CITY OF FITCHBURG, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
For the Year Ended December 31, 2019

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (cont.)

GOVERNMENTAL FUNDS (cont.)

TID No. 6 Capital Projects Fund

TID No. 6 is currently the city's second largest tax incremental district. This TID was amended once to add the Arrowhead area. The majority of the City's obligations for the amendment were spent in 2014 with the construction of Spoke and Sprocket Drives. Funds were borrowed in 2015 to reimburse the TID for those construction costs. The entire fund balance of \$6,728,459 is restricted for TID activities and has decreased from last year due to two large infrastructure projects in 2019. The roundabout at Nesbitt road was constructed and the preliminary design and land acquisition for the McKee Road reconstruction was completed in 2019. Both of these projects will be funded with cash accumulated in the TID fund.

Nonmajor Governmental Funds

Fund balance of nonmajor governmental funds is \$6,749,146, which is nonspendable, restricted, or committed for future projects and expenditures. This balance includes negative fund balances of \$31,569 for TID No. 11, \$47,588 for TID No. 12, and \$24,697 for TID No. 13 due to the districts being new and having a small amount of implementation/administration costs that have not yet been recovered. The negative fund balance of \$216,436 in TID No. 9 is due to an infrastructure project constructed in 2018 that will be funded by future years' tax increments. Funds have been advanced by the general fund with a charge for interest.

Proprietary Funds

The City of Fitchburg's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of these funds have already been addressed in the discussion of the city's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The 2019 adopted General Fund budget was amended during the year. The total original appropriations, including transfers out, were \$20,911,903 and final appropriations were \$21,216,675. The \$304,772 increase was primarily due to the carryover of unspent budget appropriations from 2018 into 2019 and the amendment to add the additional police officer funded by a Beat Patrol grant. There were other budget amendments approved that either did not affect total expenditures or had a smaller effect.

Actual expenditures and other financing uses were \$19,886,517 resulting in a favorable variance of \$1,330,158. Total revenues and other funding sources were \$22,118,344, which is \$1,393,201 more than amended budget. The overall operating result of the general fund was a gain of \$2,231,827 and was primarily due to:

- Building and related permit revenues in excess of budget, primarily due to the favorable economic climate and several large projects that began construction in 2019.
- Investment income in excess of budget by \$330,600 due to conservative budgeting, an increase in fund balance, and an increase in investment returns.
- Waived disability premium costs.
- Favorable variances in the fire department vehicle repairs and maintenance due to fewer than expected repairs being needed during the year and fewer than budgeted paid-on-call employee hours worked.

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CITY OF FITCHBURG, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
For the Year Ended December 31, 2019

GENERAL FUND BUDGETARY HIGHLIGHTS (cont.)

- Vacancies in the public works department that resulted in unspent wages/benefits and unfinished projects.
- Budgeted transfer of \$335,905 from general fund unassigned fund balance to general capital projects to weather a future expected gap in state aid.
- Administrative charges to other funds are budgeted as general fund revenues but are reclassified as negative expenses for the financial statements. The net financial impact is zero.

CAPITAL ASSETS

At the end of 2019, the city had invested a total of \$211,494,458 in capital assets. This investment in capital assets includes land, buildings and improvements, machinery and equipment, and infrastructure.

**Table 3
Capital Assets**

	2019		2018	
	Governmental Activities	Business-type Activities	Totals	Totals
Land and other assets not being depreciated	\$ 41,900,378	\$ 7,687,675	\$ 49,588,053	\$ 41,892,403
Land improvements	412,878	-	412,878	412,878
Building and improvements	45,000,464	4,882,812	49,883,276	36,731,323
Machinery and equipment	16,243,950	3,810,872	20,054,802	16,077,686
Roads, paths, and sidewalks	72,444,186	-	72,444,186	69,421,337
Utility plant	-	76,579,127	76,579,127	74,636,162
Intangible	176,001,636	197,057	176,198,693	197,057
Total Capital Assets	(35,439,927)	85,157,543	271,169,479	184,535,697
Less: Accumulated Depreciation	-	(24,224,994)	(24,224,994)	(33,067,497)
Net Capital Assets	\$ 140,561,909	\$ 70,932,549	\$ 211,494,458	\$ 131,468,130

More information on net capital assets can be found in the notes to the financial statements, Note III. D.

GOVERNMENTAL ACTIVITIES

Total capital assets from governmental activities increased \$11,466,209. Major capital asset events during the current fiscal year included the following:

- Additional costs for the east fire station completion.
- HVAC replacement at City Hall.
- Construction of Nesbitt Road Roundabout
- Preliminary design and land acquisition costs for Fish Hatchery Road reconstruction project.
- Contributions from developers for parkland and infrastructure.

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CITY OF FITCHBURG, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS—UNAUDITED
For the Year Ended December 31, 2019

CAPITAL ASSETS (cont.)

BUSINESS-TYPE ACTIVITIES

Total utility capital assets increased \$1,648,679 for water; \$1,707,664 for sewer; and \$1,248,692 for storm water. Major capital asset events during the current fiscal year included the following:

- Water work in process at year-end includes Glacier Valley (future improvements), Northeast Water Main Loop, Fish Hatchery Road, and Verona Road Relocates.
- Sewer work in process at year-end includes Rolfsmeyer Road and Verona Rd
- Storm water work in process at year-end includes Area H drainage and flooding projects, Schumann Northwest Pond, and storm pond dredging.
- New lift station added in sewer utility, funded primarily by a development.
- There were 113 water services added and 103 sanitary sewer services added during 2019.
- There were 12,835 feet of water main added in 2019, so total footage increased to 575,534 feet, which equates to just over 109.1 miles of water main.

LONG-TERM DEBT

As of December 31, 2019, the city had \$48,215,000 of long-term bonds and notes outstanding, including utilities. All of the city's external debt is for general obligation issues. This is a decrease of \$2,675,000 from 2018 due scheduled payments on the existing debt of \$4,750,000; a pre-payment of TID #4 debt for \$7,425,000; and the issuance of \$9,500,000 in new debt during 2019.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the city may not exceed five percent of the equalized value of taxable property within the city's jurisdiction. The debt limit as of December 31, 2019 was \$170,955,645. The city was at 28.2 percent of the legal debt limit.

The city has chosen to further restrict its borrowing, not to exceed 3 percent of the equalized value of taxable property. The city's internal debt limit as of December 31, 2019 was \$102,573,387 and the city had used 47.0 percent. This amount is lower than last year due to the debt pre-payment discussed above, as well as the growth in the City's equalized value.

Also see notes to the financial statements, Note III.F.

CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS

In November 2019, all currently known facts and economic conditions were considered in preparing the 2020 city budget.

In December 2019, a novel strain of coronavirus was reported in Wuhan, Hubei province, China. In the first several months of 2020, the virus, SARS-CoV-2, and resulting disease, COVID-19, spread to the United States, including to areas impacting the City. The City's evaluation of the effects of these events is ongoing; however we anticipate this situation could impact investment valuations and decreased investment income; declines in revenues such as room tax, fines and forfeitures, recreation and senior program fees, park rentals, and state aids; increase in delinquencies or uncollectible accounts receivable or loans receivable (excluding real estate property tax); timing or ability to issue bonds as planned or obtain financing if the bond market is disrupted; and increased costs for sick time and overtime if the City's labor force is significantly affected.

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CITY OF FITCHBURG, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS—UNAUDITED
For the Year Ended December 31, 2019

CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS (cont.)

TID No. 4: During 2003, TID No. 4 was created as an industrial TID and was amended the first time in 2005. Various projects were authorized with development incentives funded by future tax increments. During 2011, the City received approval for a second amendment to TID No. 4. This amendment involves a developer agreement with Green Tech and Tech Lands for development of the Nine Springs Property. The City's main investment in the amended TID has been the construction of an interchange at Highway 14, which was completed in 2012. During 2018 the City amended TID No. 4 to include additional infrastructure costs. The additional costs will be funded directly by the TID and are not expected to delay the early closure of the TID.

As of the date of the financial statements there are two outstanding municipal revenue obligations (one issued in 2017 and one issued in 2019) related to specific portions of the development in TID No. 4. These obligations do not constitute a charge upon any funds of the City. In the event that future tax increments are not sufficient to pay off the obligations, the obligations terminates with no further liability to the city. Since the amount of future payments is contingent on the collection of future TID increments, these obligations are not reported as liabilities in our financial statements. During 2019, payments were able to be made based on the payment schedules.

TID No. 6: During 2006, TID No. 6 was created for the Orchard Pointe area. During 2013, the City received approval for an amendment to TID No. 6. This amendment involves the construction of Spoke and Sprocket Drives with the intention to spur development in the Arrowhead area. The construction of those two roads was substantially completed in 2014.

As of the date of the financial statements there is one outstanding rent guarantee for a project. This obligation does not constitute a charge upon any funds of the City. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the City. Since the amount of future payments is contingent on the collection of future TID increments, these obligations are not reported as liabilities in our financial statements. During 2019, only a partial payment was able to be made based on the available increment.

TID No. 9: During 2015, TID No. 9 was created to assist in the expansion of an existing major employer through a future municipal revenue obligation. During 2016, the City amended TID No. 9 because the expansion project was increased in size and scope. This expansion required additional infrastructure costs, including costs within a ½ mile of the TID boundaries. During 2019, the City expanded the boundaries and added project costs for this area, primarily for development incentives, road projects, and regional stormwater improvements. Increment from the expanded project is expected to fund the additional costs. As of the date of the financial statements, one large infrastructure project was completed within TID No. 9 that was supported by a grant awarded by the State of Wisconsin.

As of the date of the financial statements there is one outstanding municipal revenue obligations (issued in 2018) related to specific portions of the development in TID No. 9. This obligation does not constitute a charge upon any funds of the City. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the city. Since the amount of future payments is contingent on the collection of future TID increments, these obligations are not reported as liabilities in our financial statements. During 2019, payments were able to be made based on the payment schedules.

TID No. 10: During 2015, TID No. 10 was created to help stimulate redevelopment of a major business corridor with a planned hotel/conference center/restaurant project that was expected to be supported through a future municipal revenue obligation. During 2018, TID No. 10 was amended to expand the boundaries and add project costs for one of the City's main corridors. This TID is expected to be financed partially through municipal revenue obligations and partially through future general obligation debt for the major road reconstruction project. As of the date of the financial statements, the design costs for the road reconstruction had begun and the project is included in construction in progress. There are no municipal revenue bonds outstanding.

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CITY OF FITCHBURG, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
For the Year Ended December 31, 2019

CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS (cont.)

TID No. 11: During 2018, TID No. 11 was created to assist in the redevelopment of a previously active waste site that was expected to be supported through a future municipal revenue obligation. As of the date of the financial statements, the development project is no longer being pursued and only administrative costs relating to the creation of the TID have been incurred.

TID No. 12: During 2018, TID No. 12 was created to assist with the expansion of an existing major employer through a future municipal revenue obligation. As of the date of the financial statements, the expansion is under construction and there are no municipal revenue bonds outstanding.

TID No. 13: During 2018, TID No. 13 was created to help stimulate development in the northeast section of the City through future municipal revenue obligations. As of the date of the financial statements, one new commercial building has been constructed and the companion project is under construction. Initial infrastructure costs for new roads in the district have been incurred but are expected to be paid through special assessments to benefiting property owners. There are no municipal revenue bonds outstanding.

REQUESTS FOR INFORMATION

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the city's finances. If you have questions about this report or need any additional information, contact the city Finance Director at (608) 270-4252, Monday through Friday, 8:00 a.m. – 4:30 p.m.

CITY OF FITCHBURG, WISCONSIN

STATEMENT OF NET POSITION As of December 31, 2019

	Governmental Activities	Business-type Activities	Totals	Component Unit
ASSETS				
Cash and investments	\$ 42,834,672	\$ 7,955,714	\$ 50,790,386	\$ 818,163
Receivables (net)				
Taxes	33,270,132	-	33,270,132	-
Delinquent personal property taxes	5,081	-	5,081	-
Accounts	1,644,512	1,809,857	3,454,369	114,996
Loans	-	-	-	60,000
Special assessments	116,590	192,744	309,334	-
Delinquent special assessments	1,596	-	1,596	-
Accrued interest	13,683	-	13,683	-
Land contract	18,277	-	18,277	-
Internal balances	1,506,793	(1,506,793)	-	-
Due from other governmental units	476	-	476	-
Inventories	-	41,803	41,803	-
Prepaid items	666,877	2,337	669,214	435
Investment in joint venture	702,557	-	702,557	-
Restricted cash and investments	460,956	1,494,176	1,955,132	-
Capital Assets				
Land	38,611,908	6,249,079	44,860,987	-
Intangible plant - land	-	1,221,377	1,221,377	-
Construction in progress	3,288,470	217,219	3,505,689	-
Other capital assets, net of depreciation	<u>98,661,531</u>	<u>63,244,874</u>	<u>161,906,405</u>	-
Total Assets	<u>221,804,111</u>	<u>80,922,387</u>	<u>302,726,498</u>	<u>993,594</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - pension	<u>8,826,957</u>	<u>351,676</u>	<u>9,178,633</u>	-
Total Deferred Outflows of Resources	<u>8,826,957</u>	<u>351,676</u>	<u>9,178,633</u>	-
LIABILITIES				
Accounts payable	2,062,765	1,042,046	3,104,811	91,301
Accrued and other liabilities	1,083,795	9,961	1,093,756	-
Due to other governmental units	18,272	-	18,272	-
Deposits	298,214	1,438,214	1,736,428	-
Unearned revenues	3,422	-	3,422	-
Noncurrent Liabilities				
Due within one year	4,663,189	17,753	4,680,942	-
Due in more than one year	46,766,605	127,841	46,894,446	-
Net pension liability	<u>3,232,920</u>	<u>141,807</u>	<u>3,374,727</u>	-
Total Liabilities	<u>58,129,182</u>	<u>2,777,622</u>	<u>60,906,804</u>	<u>91,301</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for future period	33,223,214	-	33,223,214	-
Deferred inflows - pension	<u>4,495,981</u>	<u>183,158</u>	<u>4,679,139</u>	-
Total Deferred Inflows of Resources	<u>37,719,195</u>	<u>183,158</u>	<u>37,902,353</u>	-

See accompanying notes to financial statements.

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>	<u>Component Unit</u>
NET POSITION				
Net investment in capital assets	\$101,747,076	\$ 70,932,549	\$172,679,625	\$ -
Restricted for				
MDC Revolving Loans	-	-	-	135,901
Park and recreational fees	2,323,817	-	2,323,817	-
Impact fees	386,002	1,494,176	1,880,178	-
Library	603,371	-	603,371	-
Housing	86,965	-	86,965	-
Senior and other projects	59,217	-	59,217	-
Park projects	93,395	-	93,395	-
TID activities	11,173,953	-	11,173,953	-
Future capital projects funded by donations	5,403	-	5,403	-
Unrestricted	<u>18,303,492</u>	<u>5,886,558</u>	<u>24,190,050</u>	<u>766,392</u>
 TOTAL NET POSITION	 <u>\$134,782,691</u>	 <u>\$ 78,313,283</u>	 <u>\$213,095,974</u>	 <u>\$ 902,293</u>

See accompanying notes to financial statements.

CITY OF FITCHBURG, WISCONSIN

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2019

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 3,746,995	\$ 1,304,783	\$ 54,180	\$ 4,570
Public safety	13,610,960	892,112	354,112	-
Public works	8,913,683	968,554	1,864,538	4,247,151
Health and human services	621,378	-	19,565	-
Culture, education and recreation	3,789,324	1,042,832	98,166	310,291
Conservation and development	1,347,666	63,793	-	-
Interest and fiscal charges	1,272,184	-	-	-
Total Governmental Activities	33,302,190	4,272,074	2,390,561	4,562,012
Business-type Activities				
Water	1,891,728	2,711,296	-	2,647,084
Sewer	2,778,653	2,711,587	-	494,445
Stormwater	1,303,454	1,215,562	-	636,574
Total Business-type Activities	5,973,835	6,638,445	-	3,778,103
Total Primary Government	\$ 39,276,025	\$ 10,910,519	\$ 2,390,561	\$ 8,340,115
Component Unit				
Community development authority	\$ 480,957	\$ -	\$ -	\$ -

General Revenues

 Taxes

 Property taxes, levied for general purposes

 Property taxes, levied for debt service

 Property taxes, levied for capital assets

 Property taxes, levied for the library

 Property taxes, levied for TIF districts

 Other taxes

Intergovernmental revenues not restricted to specific programs

Investment income

Gain on disposal of assets

Miscellaneous

Transfers

 Total General Revenues and Transfers

Change in net position

NET POSITION - Beginning of Year

NET POSITION - END OF YEAR

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Totals	Component Unit
\$ (2,383,462)	\$ -	\$ (2,383,462)	\$ -
(12,364,736)	-	(12,364,736)	-
(1,833,440)	-	(1,833,440)	-
(601,813)	-	(601,813)	-
(2,338,035)	-	(2,338,035)	-
(1,283,873)	-	(1,283,873)	-
(1,272,184)	-	(1,272,184)	-
<u>(22,077,543)</u>	<u>-</u>	<u>(22,077,543)</u>	<u>-</u>
-	3,466,652	3,466,652	-
-	427,379	427,379	-
-	<u>548,682</u>	<u>548,682</u>	-
-	<u>4,442,713</u>	<u>4,442,713</u>	-
<u>(22,077,543)</u>	<u>4,442,713</u>	<u>(17,634,830)</u>	-
-	-	-	(480,957)
15,272,901	-	15,272,901	-
3,876,320	-	3,876,320	-
1,788,363	-	1,788,363	-
1,835,488	-	1,835,488	-
7,255,584	-	7,255,584	-
62,866	-	62,866	488,580
2,594,861	-	2,594,861	-
1,200,385	228,696	1,429,081	22,999
64,555	236	64,791	-
975,029	34,013	1,009,042	5,945
<u>321,132</u>	<u>(321,132)</u>	<u>-</u>	<u>-</u>
<u>35,247,484</u>	<u>(58,187)</u>	<u>35,189,297</u>	<u>517,524</u>
13,169,941	4,384,526	17,554,467	36,567
<u>121,612,750</u>	<u>73,928,757</u>	<u>195,541,507</u>	<u>865,726</u>
<u>\$ 134,782,691</u>	<u>\$ 78,313,283</u>	<u>\$ 213,095,974</u>	<u>\$ 902,293</u>

See accompanying notes to financial statements.

CITY OF FITCHBURG, WISCONSIN

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2019

	General	General Debt Service	General Capital Projects
ASSETS			
Cash and investments	\$ 9,778,844	\$ 511,216	\$ 13,371,001
Receivables (net)			
Taxes	16,034,489	4,188,342	1,721,154
Delinquent personal property taxes	5,081	-	-
Accounts	578,082	-	845,374
Interest	10,607	-	3,076
Special assessments	-	-	116,590
Delinquent special assessments	1,596	-	-
Land contract	18,277	-	-
Due from other governments	476	-	-
Due from other funds	1,084,269	-	-
Advances to other funds	512,000	-	783,156
Prepaid items	256,724	-	-
Restricted cash and investments	69,551	-	391,405
TOTAL ASSETS	\$ 28,349,996	\$ 4,699,558	\$ 17,231,756
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 520,521	\$ -	\$ 997,377
Accrued liabilities	819,452	-	-
Deposits	229,959	-	17,486
Due to other governments	18,272	-	-
Due to other funds	-	-	-
Advances from other funds	-	-	-
Unearned revenues	3,422	-	-
Total Liabilities	1,591,626	-	1,014,863
Deferred Inflows of Resources			
Property taxes levied for future period	15,987,571	4,188,342	1,721,154
Unavailable revenues	18,277	-	949,795
Total Deferred Inflows of Resources	16,005,848	4,188,342	2,670,949
Fund Balances			
Nonspendable	775,401	-	-
Restricted	69,551	170,669	5,176,806
Committed	-	-	-
Assigned	3,498,309	340,547	8,369,138
Unassigned (deficit)	6,409,261	-	-
Total Fund Balances	10,752,522	511,216	13,545,944
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 28,349,996	\$ 4,699,558	\$ 17,231,756

See accompanying notes to financial statements.

TID No. 4	TID No. 6	Nonmajor Governmental Funds	Totals
\$ 4,751,136	\$ 6,914,578	\$ 7,289,935	\$ 42,616,710
4,957,883	2,338,444	4,029,820	33,270,132
-	-	-	5,081
-	-	163,670	1,587,126
-	-	-	13,683
-	-	-	116,590
-	-	-	1,596
-	-	-	18,277
-	-	-	476
-	-	-	1,084,269
-	-	-	1,295,156
-	-	2,559	259,283
-	-	-	460,956
<u>\$ 9,709,019</u>	<u>\$ 9,253,022</u>	<u>\$ 11,485,984</u>	<u>\$ 80,729,335</u>

\$ 305,642	\$ 186,119	\$ 52,681	\$ 2,062,340
-	-	10,936	830,388
-	-	50,769	298,214
-	-	-	18,272
-	-	80,632	80,632
-	-	512,000	512,000
-	-	-	3,422
<u>305,642</u>	<u>186,119</u>	<u>707,018</u>	<u>3,805,268</u>

4,957,883	2,338,444	4,029,820	33,223,214
-	-	-	968,072
<u>4,957,883</u>	<u>2,338,444</u>	<u>4,029,820</u>	<u>34,191,286</u>

-	-	2,559	777,960
4,445,494	6,728,459	6,099,870	22,690,849
-	-	967,007	967,007
-	-	-	12,207,994
-	-	(320,290)	6,088,971
<u>4,445,494</u>	<u>6,728,459</u>	<u>6,749,146</u>	<u>42,732,781</u>

<u>\$ 9,709,019</u>	<u>\$ 9,253,022</u>	<u>\$ 11,485,984</u>	<u>\$ 80,729,335</u>
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See accompanying notes to financial statements.

CITY OF FITCHBURG, WISCONSIN

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2019

Total Fund Balances - Governmental Funds	\$ 42,732,781
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.

Land	38,611,908
Construction in progress	3,288,470
Other capital assets, net of depreciation	98,563,143

Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	968,072
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The net pension liability does not relate to current financial resources and is not reported in the governmental funds.	(3,232,920)
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Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	8,826,957
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Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(4,495,981)
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Internal service funds are reported in the statement of net position as governmental activities.	497,638
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The city's equity interest in joint ventures is reported on the statement of net position.	702,557
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Some liabilities, including long-term debt, are not due and payable in the current period and therefore, are not reported in the funds.

Bonds and notes payable	(48,215,000)
Vested compensated absences	(2,542,250)
Accrued interest	(250,140)
Unamortized premium on debt	<u>(672,544)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 134,782,691</u>
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CITY OF FITCHBURG, WISCONSIN

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2019

	General	General Debt Service	General Capital Projects	TID No. 4
REVENUES				
Taxes	\$ 15,335,767	\$ 3,876,320	\$ 1,788,363	\$ 4,496,179
Intergovernmental	3,087,047	-	1,221,266	678,681
Licenses and permits	1,664,152	-	380,556	-
Fines, forfeitures and penalties	297,737	-	-	-
Public charges for services	351,137	-	-	-
Special assessments	3,844	237,537	44,771	-
Investment income	430,600	51,505	280,404	111,088
Intergovernmental charges for services	12,540	-	-	-
Miscellaneous	193,563	54,180	14,963	-
Total Revenues	21,376,387	4,219,542	3,730,323	5,285,948
EXPENDITURES				
Current				
General government	2,743,696	-	-	-
Public safety	11,869,670	-	-	-
Public works	2,268,843	-	-	-
Health and human services	665,528	-	-	-
Culture, recreation and education	1,456,754	-	-	-
Conservation and development	546,121	-	-	257,887
Capital Outlay	-	-	9,317,134	570,955
Debt Service				
Principal	-	12,175,000	-	-
Interest and fiscal charges	-	1,238,103	44,751	-
Total Expenditures	19,550,612	13,413,103	9,361,885	828,842
Excess (deficiency) of revenues over expenditures	1,825,775	(9,193,561)	(5,631,562)	4,457,106
OTHER FINANCING SOURCES (USES)				
Debt issued	-	-	5,290,000	-
Premium on debt issued	-	260,002	-	-
Property sales	9,520	-	509,786	-
Transfers in	732,437	9,138,526	697,408	-
Transfers out	(335,905)	(300,000)	(256,490)	(8,758,763)
Total Other Financing Sources (Uses)	406,052	9,098,528	6,240,704	(8,758,763)
Net Change in Fund Balances	2,231,827	(95,033)	609,142	(4,301,657)
FUND BALANCES - Beginning of Year	8,520,695	606,249	12,936,802	8,747,151
FUND BALANCES - END OF YEAR	\$ 10,752,522	\$ 511,216	\$ 13,545,944	\$ 4,445,494

See accompanying notes to financial statements.

TID No. 6	Nonmajor Governmental Funds	Totals
\$ 2,143,382	\$ 2,451,511	\$ 30,091,522
86,573	352,057	5,425,624
-	315,980	2,360,688
-	-	297,737
-	1,688,434	2,039,571
-	-	286,152
183,433	139,556	1,196,586
-	-	12,540
-	<u>127,722</u>	<u>390,428</u>
<u>2,413,388</u>	<u>5,075,260</u>	<u>42,100,848</u>
-	-	2,743,696
-	45,673	11,915,343
-	1,005,324	3,274,167
-	24,295	689,823
-	2,259,349	3,716,103
210,529	126,928	1,141,465
2,185,344	1,899,400	13,972,833
-	-	12,175,000
-	<u>51,308</u>	<u>1,334,162</u>
<u>2,395,873</u>	<u>5,412,277</u>	<u>50,962,592</u>
<u>17,515</u>	<u>(337,017)</u>	<u>(8,861,744)</u>
-	4,210,000	9,500,000
-	-	260,002
-	-	519,306
-	-	10,568,371
<u>(377,250)</u>	<u>(64,016)</u>	<u>(10,092,424)</u>
<u>(377,250)</u>	<u>4,145,984</u>	<u>10,755,255</u>
(359,735)	3,808,967	1,893,511
<u>7,088,194</u>	<u>2,940,179</u>	<u>40,839,270</u>
<u>\$ 6,728,459</u>	<u>\$ 6,749,146</u>	<u>\$ 42,732,781</u>

See accompanying notes to financial statements.

CITY OF FITCHBURG, WISCONSIN

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2019

Net change in fund balances - total governmental funds	\$	1,893,511
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.</p>		
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements		13,972,833
Some items reported as capital outlay were not capitalized		(4,017,713)
Depreciation is reported in the government-wide financial statements		(3,024,431)
Net book value of assets retired		(541,859)
Contributed capital assets are reported as revenues in the government-wide financial statements.		3,009,066
Net capital asset contributions by governmental activities to business-type activities		(402,505)
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.		758,089
<p>Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
Debt issued		(9,500,000)
Principal repaid		12,175,000
<p>Governmental funds report debt premiums and discounts as other financing sources (uses) or expenditures. However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.</p>		
Debt premium		(260,002)
Amortization of premium		40,446
<p>Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Vested compensated absences		(100,556)
Accrued interest on debt		21,532
Net pension liability/asset		(5,816,250)
Deferred outflows of resources related to pensions		4,044,821
Deferred inflows of resources related to pensions		597,278

See accompanying notes to financial statements.

CITY OF FITCHBURG, WISCONSIN

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2019**

The proportionate share of the change in net position related to joint ventures reported in the statement of activities neither provides nor uses current financial resources and is not reported in the fund financial statements.	\$ 43,630
Internal service funds are used by management to charge technology and insurance costs to individual funds. The change in net position of the internal service fund reported with governmental activities.	<u>277,051</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 13,169,941</u>

CITY OF FITCHBURG, WISCONSIN

STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Stormwater Utility	Totals	
ASSETS					
Current Assets					
Cash and investments	\$ 4,648,023	\$ 704,824	\$ 2,602,867	\$ 7,955,714	\$ 217,962
Accounts receivable	788,088	741,967	279,802	1,809,857	57,386
Inventories	37,416	4,387	-	41,803	-
Prepaid items	1,166	784	387	2,337	407,594
Total Current Assets	5,474,693	1,451,962	2,883,056	9,809,711	682,942
Noncurrent Assets					
Restricted Assets					
Impact fees	1,494,176	-	-	1,494,176	-
Capital Assets					
Land and land rights	368,843	117,940	5,762,296	6,249,079	-
Construction in progress	82,905	69,903	64,411	217,219	-
Intangible plant	94,259	147,285	979,833	1,221,377	-
Capital assets being depreciated	40,164,419	21,938,344	25,367,105	87,469,868	107,332
Less: Accumulated depreciation	(10,936,863)	(4,421,211)	(8,866,920)	(24,224,994)	(8,944)
Other Assets					
Special assessments	106,212	86,532	-	192,744	-
Total Noncurrent Assets	31,373,951	17,938,793	23,306,725	72,619,469	98,388
Total Assets	36,848,644	19,390,755	26,189,781	82,429,180	781,330
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows - pension	166,696	95,689	89,291	351,676	-
Total Deferred Outflows of Resources	166,696	95,689	89,291	351,676	-

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Stormwater Utility	Totals	
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 230,357	\$ 774,773	36,916	\$ 1,042,046	\$ 425
Accrued wages	4,123	1,428	1,334	6,885	3,267
Deposits held from developers	10,000	1,347,343	15,000	1,372,343	-
Accrued interest	-	-	3,076	3,076	-
Due to other funds	723,637	-	-	723,637	280,000
Compensated absences	9,035	7,173	1,545	17,753	-
Current portion of advances	-	-	55,940	55,940	-
Total Current Liabilities	<u>977,152</u>	<u>2,130,717</u>	<u>113,811</u>	<u>3,221,680</u>	<u>283,692</u>
Noncurrent Liabilities					
Long-Term Obligations					
Advances from other funds	-	-	727,216	727,216	-
Compensated absences	57,026	57,026	13,789	127,841	-
Net pension liability	81,323	24,274	36,210	141,807	-
Other Liabilities					
Customer advances for construction	-	-	65,871	65,871	-
Total Noncurrent Liabilities	<u>138,349</u>	<u>81,300</u>	<u>843,086</u>	<u>1,062,735</u>	<u>-</u>
Total Liabilities	<u>1,115,501</u>	<u>2,212,017</u>	<u>956,897</u>	<u>4,284,415</u>	<u>283,692</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows - pension	<u>87,751</u>	<u>47,975</u>	<u>47,432</u>	<u>183,158</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>87,751</u>	<u>47,975</u>	<u>47,432</u>	<u>183,158</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	29,773,563	17,852,261	23,306,725	70,932,549	98,388
Restricted for Impact fees	1,494,176	-	-	1,494,176	-
Unrestricted (deficit)	<u>4,544,349</u>	<u>(625,809)</u>	<u>1,968,018</u>	<u>5,886,558</u>	<u>399,250</u>
TOTAL NET POSITION	<u>\$ 35,812,088</u>	<u>\$ 17,226,452</u>	<u>\$ 25,274,743</u>	<u>\$ 78,313,283</u>	<u>\$ 497,638</u>

See accompanying notes to financial statements.

CITY OF FITCHBURG, WISCONSIN

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Stormwater Utility	Totals	
OPERATING REVENUES					
Public charges for services	\$ 2,711,296	\$ 2,711,587	\$ 1,215,562	\$ 6,638,445	\$ -
Intergovernmental charges for services	-	-	-	-	1,439,698
Total Operating Revenues	2,711,296	2,711,587	1,215,562	6,638,445	1,439,698
OPERATING EXPENSES					
Operation and maintenance	1,173,076	2,475,702	605,712	4,254,490	-
Depreciation expense	718,652	302,951	677,613	1,699,216	8,944
Information technology	-	-	-	-	934,315
Property and liability insurance	-	-	-	-	237,108
Other insurance	-	-	-	-	261,554
Total Operating Expenses	1,891,728	2,778,653	1,283,325	5,953,706	1,441,921
Operating Income (Loss)	819,568	(67,066)	(67,763)	684,739	(2,223)
NONOPERATING REVENUES (EXPENSES)					
Investment income	131,337	37,421	59,938	228,696	7,403
Interest expense	-	-	(20,129)	(20,129)	-
Sales of fixed assets	-	236	-	236	-
Miscellaneous revenues	12,920	10,942	10,151	34,013	24,181
Total Nonoperating Revenues (Expenses)	144,257	48,599	49,960	242,816	31,584
Income Before Contributions and Transfers	963,825	(18,467)	(17,803)	927,555	29,361

See accompanying notes to financial statements.

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Stormwater Utility</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
CONTRIBUTIONS AND TRANSFERS					
Capital contributions	\$ 2,647,084	\$ 494,445	\$ 636,574	\$ 3,778,103	\$ -
Capital contributions - municipality	97,242	-	305,263	402,505	-
Transfers in	-	-	-	-	247,690
Transfers out	<u>(723,637)</u>	<u>-</u>	<u>-</u>	<u>(723,637)</u>	<u>-</u>
Total Contributions and Transfers	<u>2,020,689</u>	<u>494,445</u>	<u>941,837</u>	<u>3,456,971</u>	<u>247,690</u>
Change in Net Position	2,984,514	475,978	924,034	4,384,526	277,051
NET POSITION - Beginning of Year	<u>32,827,574</u>	<u>16,750,474</u>	<u>24,350,709</u>	<u>73,928,757</u>	<u>220,587</u>
NET POSITION - END OF YEAR	<u>\$ 35,812,088</u>	<u>\$ 17,226,452</u>	<u>\$ 25,274,743</u>	<u>\$ 78,313,283</u>	<u>\$ 497,638</u>

See accompanying notes to financial statements.

CITY OF FITCHBURG, WISCONSIN

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2019

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Funds</u>
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Stormwater Utility</u>	<u>Totals</u>	
CASH FLOWS FROM OPERATING ACTIVITIES					
Received from customers	\$ 2,852,912	\$ 2,775,667	\$ 1,253,116	\$ 6,881,695	\$ 1,460,728
Customer deposits received	10,000	-	-	10,000	-
Paid to suppliers for goods and services	(727,152)	(2,207,324)	(407,310)	(3,341,786)	(986,706)
Paid to employees for services	<u>(411,350)</u>	<u>(139,463)</u>	<u>(188,135)</u>	<u>(738,948)</u>	<u>(503,764)</u>
Net Cash Flows From Operating Activities	<u>1,724,410</u>	<u>428,880</u>	<u>657,671</u>	<u>2,810,961</u>	<u>(29,742)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	<u>131,337</u>	<u>37,416</u>	<u>59,938</u>	<u>228,691</u>	<u>7,403</u>
Net Cash Flows From Investing Activities	<u>131,337</u>	<u>37,416</u>	<u>59,938</u>	<u>228,691</u>	<u>7,403</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Paid to municipality for tax equivalent	(715,444)	-	-	(715,444)	-
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Net Cash Flows From Noncapital Financing Activities	<u>(715,444)</u>	<u>-</u>	<u>-</u>	<u>(715,444)</u>	<u>50,000</u>

See accompanying notes to financial statements.

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Funds</u>
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Stormwater Utility</u>	<u>Totals</u>	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Interest paid	\$ -	\$ -	\$ (22,340)	\$ (22,340)	\$ -
Payments on advance	-	-	(55,940)	(55,940)	-
Special assessments received	23,954	18,423	-	42,377	-
Acquisition and construction of capital assets	(668,688)	(1,318,024)	(324,420)	(2,311,132)	(107,332)
Capital contributions received	1,024,537	3,421	15,000	1,042,958	-
Transfers in	-	-	-	-	247,690
Net Cash Flows From Capital and Related Financing Activities	<u>379,803</u>	<u>(1,296,180)</u>	<u>(387,700)</u>	<u>(1,304,077)</u>	<u>140,358</u>
Net Change in Cash and Cash Equivalents	1,520,106	(829,884)	329,909	1,020,131	168,019
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>4,622,093</u>	<u>1,534,708</u>	<u>2,272,958</u>	<u>8,429,759</u>	<u>49,943</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 6,142,199</u>	<u>\$ 704,824</u>	<u>\$ 2,602,867</u>	<u>\$ 9,449,890</u>	<u>\$ 217,962</u>

See accompanying notes to financial statements.

CITY OF FITCHBURG, WISCONSIN

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Stormwater Utility	Totals	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ 819,568	\$ (67,066)	\$ (67,763)	\$ 684,739	\$ (2,223)
Nonoperating revenue	12,920	11,178	10,151	34,249	24,181
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities					
Depreciation	718,652	302,951	677,613	1,699,216	8,944
Depreciation charged to sewer	45,500	-	-	45,500	-
Changes in assets, deferred outflows, liabilities and deferred inflows					
Accounts receivable	83,022	52,902	27,403	163,327	(3,151)
Prepays	(710)	(578)	-	(1,288)	(29,930)
Inventories	(3,568)	(680)	363	(3,885)	-
Accounts payable	7,669	111,192	(9,626)	109,235	(30,083)
Compensated absences	(4,283)	9,298	2,356	7,371	-
Accrued wages	-	-	-	-	2,520
Other current liabilities	2,953	1,325	778	5,056	-
Pension related deferrals and assets	32,687	8,358	16,396	57,441	-
Customer deposits	10,000	-	-	10,000	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 1,724,410</u>	<u>\$ 428,880</u>	<u>\$ 657,671</u>	<u>\$ 2,810,961</u>	<u>\$ (29,742)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS					
Cash and investments	\$ 4,648,023	\$ 704,824	\$ 2,602,867	\$ 7,955,714	\$ 217,962
Restricted cash and investments	<u>1,494,176</u>	<u>-</u>	<u>-</u>	<u>1,494,176</u>	<u>-</u>
CASH AND CASH EQUIVALENTS	<u>\$ 6,142,199</u>	<u>\$ 704,824</u>	<u>\$ 2,602,867</u>	<u>\$ 9,449,890</u>	<u>\$ 217,962</u>

See accompanying notes to financial statements.

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Stormwater Utility</u>	
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
City and developer financed additions to plant	<u>\$ 1,719,789</u>	<u>\$ 494,445</u>	<u>\$ 941,837</u>	<u>\$ -</u>
Capital costs assessed to customers	<u>\$ 106,212</u>	<u>\$ 86,532</u>	<u>\$ -</u>	<u>\$ -</u>
Capital related payables	<u>\$ 17,209</u>	<u>\$ 49,970</u>	<u>\$ 6,975</u>	<u>\$ -</u>

See accompanying notes to financial statements.

CITY OF FITCHBURG, WISCONSIN

STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
As of December 31, 2019

	Tax Collection Fund
ASSETS	
Cash and investments	\$ 32,574,812
Tax roll receivable	<u>15,072,350</u>
Total Assets	<u>47,647,162</u>
LIABILITIES	
Due to other taxing units	<u>47,647,162</u>
Total Liabilities	<u>47,647,162</u>
NET POSITION	
TOTAL NET POSITION	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

CITY OF FITCHBURG, WISCONSIN

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND
For the Year Ended December 31, 2019

	Tax Collection Fund
ADDITIONS	
Property taxes collected for other governments	\$ 31,029,248
Total Additions	<u>31,029,248</u>
DEDUCTIONS	
Property taxes distributed to other governments	<u>31,029,248</u>
Total Deductions	<u>31,029,248</u>
Change in Fiduciary Net Position	-
NET POSITION - Beginning of Year	<u>-</u>
NET POSITION - END OF YEAR	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

CITY OF FITCHBURG, WISCONSIN

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As of and for the Year Ended December 31, 2019

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CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Fitchburg, Wisconsin (the city) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the city. The reporting entity for the city consists of the primary government and its component unit. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of three methods, discrete presentation, blended, or fiduciary. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

Discretely Presented Component Unit

Community and Economic Development Authority

The government-wide financial statements include the Community and Economic Development Authority ("CDA") as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the mayor. Wisconsin Statutes provide for circumstances whereby the city can impose its will on the CDA, and also create a potential financial benefit to or burden on the city. See Note III.H. As a component unit, the CDA's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2019. The CDA does not issue separate financial statements.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In January 2017, the GASB issued statement No. 84 - *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. This standard was implemented January 1, 2019.

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Fund Financial Statements

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

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the city or meets the following criteria:

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

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

The city reports the following major governmental funds:

- General Fund - accounts for the city's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- General Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs, other than enterprise debt.
- General Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.
- Tax Incremental District (TID) No. 4 Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TID project plan.
- Tax Incremental District (TID) No. 6 Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TID project plan.

The city reports the following major enterprise funds:

- Water Utility - accounts for operations of the water system
- Sewer Utility - accounts for operations of the wastewater system
- Stormwater Utility - accounts for operations of the stormwater system.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The city reports the following nonmajor governmental funds:

Special Revenue Funds - used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

- | | |
|---------------------------------|--------------------|
| Recycling and Refuse Collection | Park Dedication |
| Park Improvement | Cable TV |
| Cemetery | Library Services |
| Grants and Donations | Affordable Housing |
| Beat Patrol Over Time | |

Capital Projects Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

- | | |
|---------------------------------------|---------------------------------------|
| Tax Incremental District (TID) No. 9 | Tax Incremental District (TID) No. 10 |
| Tax Incremental District (TID) No. 11 | Tax Incremental District (TID) No. 12 |
| Tax Incremental District (TID) No. 13 | |

In addition, the city reports the following fund types:

Internal Service Funds - used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the city, or to other governmental units, on a cost-reimbursement basis.

Technology
Insurance

Custodial Fund - used to account for and report assets controlled by the city and the assets are for the benefit of individuals, private organizations, and/or other governmental units.

Tax Collection Fund

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the city considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the city is entitled to the resources and the amounts are available. Amounts owed to the city which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues. At December 31, 2019, there were \$3,804,811 of unrecorded assessments which are not recorded as receivables because collection is subject to certain events occurring in the future and no formal repayment schedule has been established.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements (cont.)

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Utility, the Sewer Utility and the Stormwater Utility are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Deposits and Investments

For purposes of the statement of cash flows, the city considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

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

- a. Time deposits in any credit union, bank, savings bank or trust company.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

The city has adopted an investment policy. That policy contains the following guidelines for allowable investments.

Custodial credit risk - A maximum of \$500,000 may be invested at any one financial institution, except the Local Government Investment Pool, unless properly collateralized by federal government securities having a market value of 100% of the investment or collateralization shall have been waived by the City Council.

Concentration of credit risk - With the exception of U.S. Treasury securities and the Local Government Investment Pool, no more than 40% of the city's total investment portfolio should be invested in a single security type or with a single financial institution for extended periods of time.

Credit risk - Investment types will be limited to those authorized and the investment portfolio should be diversified to minimize the impact of potential losses in any individual investment.

Interest rate risk - The investment portfolio should be structured so that security maturities match cash requirements for ongoing operations, and operating funds should primarily be invested in shorter-term investments.

At December 31, 2019, the city has deposits which do not meet the custodial credit risk investment policy guidelines and are uninsured and uncollateralized. See Note III.A.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note III.A. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2019, the fair value of the city's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

The Madison Community Foundation ("the Foundation") is a community endowment fund. The Foundation is not registered with the Securities and Exchange Commission. It constitutes a contractual agreement between the city and the Foundation with respect to investment of city assets. The Foundation reports the fair value of its underlying assets annually. At December 31, 2019, the fair value of the Foundation's assets was substantially equal to the city's share as reported in Note III. A.

PMA Financial Network, Inc. is the administrator for the Wisconsin Investment Series Cooperative (WISC). The investment manager for WISC is PMA Financial Network, Inc. The WISC is not registered with the Securities and Exchange Commission, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in WISC are valued at WISC's share price, the price for which the investments could be sold. At December 31, 2019 the city's share of the WISC's assets was substantially equal to the amount reported in these statements.

See Note III. A. for further information.

2. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the city, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of fiduciary net position.

Property tax calendar - 2019 tax roll:

Lien date and levy date	December 2019
Tax bills mailed	December 2019
Real property taxes payment in full, or	January 31, 2020
Real property taxes first installment due	January 31, 2020
Real property taxes second installment due	July 31, 2020
Personal property taxes in full	January 31, 2020
Tax sale - 2019 delinquent real estate taxes	October 2022

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

2. Receivables (cont.)

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the water, sewer, or stormwater utilities because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

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." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

3. Inventories and Prepaid Items

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction and/or operation and maintenance expense when used.

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

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

5. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$10,000 for general capital assets and \$10,000 for infrastructure assets, 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 capital assets are recorded at their estimated acquisition 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 investments and borrowed fund proceeds. No interest was capitalized during the current year. 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. The range of estimated useful lives by type of asset is as follows:

Buildings	50 Years
Land improvements	30 Years
Machinery and equipment	5 - 15 Years
Utility systems	15 - 100 Years
Infrastructure	15 - 50 Years

Fund Financial Statements

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

6. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

7. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred 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, and are payable with expendable resources.

The city provides postemployment health insurance benefits for eligible employees. Eligibility is based on retirement from the city. The benefits are based on contractual agreements with employee groups, local ordinances, or employee benefit policies. Employees may convert a maximum 1,120 hours of accumulated sick leave value for health care premiums. The cost of those premiums is recognized as an expenditure as the premiums are paid. The entire cost is paid by the city. Funding for those costs is provided out of the current operating budget of the city. The contributions are financed on a pay as you go basis. Total expenditures for such premiums during the year were \$150,819. The number of participants currently eligible to receive benefits is eleven. The total value of convertible accrued sick leave at year-end to be paid in the future is \$321,655 and is included in the government-wide statement of net position.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2019, are determined on the basis of current salary rates and include salary related payments.

8. Long-Term Obligations/Conduit Debt

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line or effective interest method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

The city has approved Midwest Disaster Area Bonds for the benefit of private business enterprises. They are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the city. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of bonds outstanding at the end of the year is approximately \$31,962,438, made up of two issues.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

9. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

10. Equity Classifications

Government-Wide Statements

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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

Fund Statements

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

10. Equity Classifications (cont.)

Fund Statements (cont.)

- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City Council that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Council may take official action to assign amounts. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The city considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the city would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The city has a formal minimum fund balance policy to maintain its general fund unassigned fund balance between 15 and 25% of total general fund annual revenues. The balance at year-end was \$6,409,261, or 29.98%.

See Note III. G. for further information.

11. Pension

For purposes of measuring the net pension (asset) 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 to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

12. Basis for Existing Rates

Water Utility

Current water rates were approved by the Public Service Commission of Wisconsin on May 26, 2016. Effective on June 8, 2016.

Sewer Utility

Current sewer rates were approved by the City Council and they are updated every year based on treatment cost. The new rates are effective on January 1 of each year. In 2019 the sewer utility approved new rates effective January 1, 2019 for changes in treatment costs.

Stormwater Utility

Current stormwater rates were approved by the City Council effective January 1, 2014.

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. EXCESS EXPENDITURES AND OTHER FINANCING USES OVER APPROPRIATIONS

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
TID No. 6	\$ 2,294,836	\$ 2,773,123	\$ 478,287
Cemetery	-	2,867	2,867
Grants and donations	29,949	64,708	34,759
Affordable housing fund	2,267	2,327	60
TID No. 12	16,650	26,311	9,661

The city controls expenditures at the function level. Some individual functions experienced expenditures which exceeded appropriations. The detail of those items can be found in the city's year-end budget to actual report.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

B. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2019, the following individual funds held a deficit balance:

Fund	Amount	Reason
TID No. 9	216,436	Expenditures in excess of revenues
TID No. 11	31,569	Expenditures in excess of revenues
TID No. 12	47,588	Expenditures in excess of revenues
TID No. 13	24,697	Expenditures in excess of revenues

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases.

C. LIMITATIONS ON THE CITY'S TAX LEVY

Wisconsin law limits the city's future tax levies. Generally the city is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the city's equalized value due to net new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The city is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The city's deposits and investments at year end were comprised of the following:

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 40,761,642	\$ 40,779,296	Custodial credit
Certificates of deposit (negotiable)	2,205,000	2,223,539	Credit, custodial credit, concentration of credit, and interest rate
U.S. agencies-implicitly guaranteed	1,374,000	1,370,655	Credit, custodial credit, concentration of credit, and interest rate
WISC (2a-7 like pool)	5,782,408	5,782,408	Credit
LGIP	35,864,192	35,864,192	Credit
Madison Community Foundation	150,501	150,501	Credit
Petty cash	750	-	N/A
Total Deposits and Investments	\$ 86,138,493	\$ 86,170,591	

Reconciliation to financial statements

Per statement of net position	
Unrestricted cash and investments	\$ 50,790,386
Restricted cash and investments	1,955,132
Cash and investments - component unit	818,163
Per statement of fiduciary net position	
Tax Collection Fund	32,574,812
Total Deposits and Investments	\$ 86,138,493

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts. Deposits in the credit union are insured by the National Credit Union Administration in the amount of \$250,000 for all share draft accounts and \$250,000 for all share certificate and regular share accounts.

Bank accounts and credit unions are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing custodial credit risk.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

The city categorizes its fair value measurements within 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 for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring fair value measurements are as follows:

- > U.S. agencies implicitly guaranteed - quoted market prices for similar assets
- > Certificates of deposit (negotiable) - quoted market prices for similar assets

Investment Type	December 31, 2019			Total
	Level 1	Level 2	Level 3	
U.S. agencies implicitly guaranteed	\$ -	\$ 1,370,655	\$ -	\$ 1,370,655
Certificates of deposit (negotiable)	-	2,223,539	-	2,223,539
Total	\$ -	\$ 3,594,194	\$ -	\$ 3,594,194

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the city's deposits may not be returned to the city.

As of December 31, 2019, \$11,222,139 of the city's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 11,222,139
Total	\$ 11,222,139

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the city will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of December 31, 2019, the city's investments were exposed to custodial credit risk as follows:

U.S. agencies-implicitly guaranteed	\$ 1,370,655
Neither insured nor registered and held by counterparty	\$ -

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2019, the city's investments were rated as follows:

Investment Type	Standard & Poors	Not Rated
U.S. agencies implicitly guaranteed Certificates of deposit (negotiable)	AA+	Not rated
WISC (2a-7 like pool)	AAAmm	

The city also held investments in the following external pools which are not rated:

LGIP
Madison Community Foundation

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2019, the city's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)	
		Less than 1	2-5
Certificates of deposit (negotiable)	\$ 2,223,539	\$ 1,225,631	\$ 997,908
U.S. agencies implicitly guaranteed	<u>1,370,655</u>	-	<u>1,370,655</u>
Totals	<u>\$ 3,594,194</u>	<u>\$ 1,225,631</u>	<u>\$ 2,368,563</u>

See Note I.D.1. for further information on deposit and investment policies.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES

Receivables as of year end for the government's individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund
Receivables	
Taxes	\$ 16,034,489
Delinquent personal property taxes	184,384
Accounts	2,934,067
Delinquent special assessments	1,596
Land contract	18,277
Interest	<u>10,607</u>
Gross receivables	19,183,420
Less: Allowance for uncollectibles	<u>(2,535,288)</u>
Net Total Receivables	<u>\$ 16,648,132</u>

All of the receivables on the balance sheet are expected to be collected within one year, except for \$5,081 of delinquent personal property taxes, \$1,596 of delinquent special assessments, and the land contract of \$18,277.

Governmental funds report *unavailable* or *unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unearned	Unavailable
Property taxes receivable for subsequent year	\$ 33,223,214	\$ -
Special assessments not yet due	-	116,590
Land contract	-	18,277
Other unearned revenues	3,422	-
Due from county	-	833,205
Total Unearned/Unavailable Revenue for Governmental Funds	<u>\$ 33,226,636</u>	<u>\$ 968,072</u>
Unearned revenue included in liabilities	\$ 3,422	
Unearned revenue included in deferred inflows	<u>33,223,214</u>	
Total Unearned Revenue for Governmental Funds	<u>\$ 33,226,636</u>	

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Impact Fee Account

The city has received impact fees which must be spent in accordance with the local ordinance and state statutes. Any unspent funds must be refunded to the current property owner.

Following is a list of restricted assets at December 31, 2019:

	Restricted Assets
Water impact fee account	\$ 1,494,176
Fire impact fee account	386,002
Donor-restricted for park projects	69,551
Donor-restricted for other	5,403
Total	<u>\$ 1,955,132</u>

D. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 36,353,408	\$ 2,267,939	\$ 9,439	\$ 38,611,908
Construction in progress	5,538,995	2,236,339	4,486,864	3,288,470
Total Capital Assets Not Being Depreciated	41,892,403	4,504,278	4,496,303	41,900,378
Capital assets being depreciated				
Land improvements	412,878	-	-	412,878
Buildings and improvements	36,731,323	8,269,141	-	45,000,464
Machinery and equipment	16,077,686	1,253,664	1,087,420	16,243,930
Infrastructure	69,421,337	3,138,233	115,384	72,444,186
Total Capital Assets Being Depreciated	122,643,224	12,661,038	1,202,804	134,101,458
Total Capital Assets	<u>164,535,627</u>	<u>17,165,316</u>	<u>5,699,107</u>	<u>176,001,836</u>

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Governmental Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Less: Accumulated depreciation for				
Land improvements	\$ (369,392)	\$ (1,925)	\$ -	\$ (371,317)
Buildings and improvements	(10,410,268)	(706,695)	-	(11,116,963)
Machinery and equipment	(7,853,261)	(1,079,688)	632,669	(8,300,280)
Infrastructure	(14,434,576)	(1,245,067)	28,276	(15,651,367)
Total Accumulated Depreciation	<u>(33,067,497)</u>	<u>(3,033,375)</u>	<u>660,945</u>	<u>(35,439,927)</u>
Net Capital Assets Being Depreciated	89,575,727	9,627,663	541,859	98,661,531
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$131,468,130</u>	<u>\$14,131,941</u>	<u>\$ 5,038,162</u>	<u>\$ 140,561,909</u>

Depreciation expense was charged to functions as follows:

Governmental Activities			
General government	\$	656,088	
Public safety		719,337	
Public works, which includes the depreciation of infrastructure		1,323,937	
Culture, education and recreation		334,013	
Total Governmental Activities Depreciation Expense		<u>\$ 3,033,375</u>	

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Business-type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
Water				
Capital assets not being depreciated/amortized	\$ 368,843	\$ -	\$ -	\$ 368,843
Land and land rights	78,639	15,400	-	94,269
Intangible plant	295,733	20,655	233,483	82,905
Construction in progress				
Total Capital Assets Not Being Depreciated/Amortized	743,435	36,055	233,483	546,007
Capital assets being depreciated				
Buildings and improvements	1,313,882	-	-	1,313,882
Machinery and equipment	2,232,397	28,336	26,355	2,234,378
Infrastructure	34,772,033	1,881,271	37,145	36,616,159
Total Capital Assets Being Depreciated	38,318,312	1,909,607	63,500	40,164,419
Total Capital Assets	39,061,747	1,945,662	296,983	40,710,426
Less: Accumulated depreciation for Buildings and improvements	(627,198)	(42,044)	-	(669,242)
Machinery and equipment	(1,838,389)	(55,966)	26,355	(1,868,000)
Infrastructure	(7,770,624)	(866,142)	37,145	(8,399,621)
Total Accumulated Depreciation	(10,236,211)	(764,152)	63,500	(10,936,863)
Net Capital Assets Being Depreciated	28,082,101	1,145,455	-	29,227,556
Net Water Capital Assets	\$ 28,825,536	\$ 1,181,510	\$ 233,483	\$ 29,773,563

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Sewer				
Capital assets not being depreciated/amortized	\$ 110,910	\$ 7,030	\$ -	\$ 117,940
Land and land rights	132,162	15,123	-	147,285
Intangible plant	856,415	1,403,605	2,190,117	69,903
Construction in progress				
Total Capital Assets Not Being Depreciated/Amortized	1,099,487	1,425,758	2,190,117	335,128
Capital assets being depreciated/amortized				
Buildings and improvements	-	665,685	-	665,685
Machinery and equipment	670,320	589,518	-	1,259,838
Infrastructure	18,598,944	1,271,026	54,206	19,815,764
Intangible	197,957	-	-	197,957
Total Capital Assets Being Depreciated/Amortized	19,466,321	2,526,229	54,206	21,938,344
Total Capital Assets	20,565,808	3,951,987	2,244,323	22,273,472
Less: Accumulated depreciation/amortization for Buildings and improvements	-	(10,651)	-	(10,651)
Machinery and equipment	(395,708)	(41,993)	-	(437,701)
Infrastructure	(3,635,191)	(247,350)	54,206	(3,828,335)
Intangible	(141,568)	(2,956)	-	(144,524)
Total Accumulated Depreciation/Amortization	(4,172,467)	(302,950)	54,206	(4,421,211)
Net Capital Assets Being Depreciated/Amortized	15,293,854	2,223,279	-	17,517,133
Net Sewer Capital Assets	\$ 16,393,341	\$ 3,649,037	\$ 2,190,117	\$ 17,852,261

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Stormwater Capital assets not being depreciated/amortized	\$ 5,631,882	\$ 130,404	\$ -	\$ 5,762,286
Land and land rights	933,364	46,469	-	979,833
Intangible plant	52,096	38,074	25,759	64,411
Construction in progress	-	-	-	-
Total Capital Assets Not Being Depreciated/Amortized	<u>6,617,352</u>	<u>214,947</u>	<u>25,759</u>	<u>6,806,540</u>
Capital assets being depreciated				
Buildings and improvements	2,725,760	183,195	5,710	2,903,245
Machinery and equipment	316,656	-	-	316,656
Infrastructure	21,265,185	913,635	31,616	22,147,204
Total Capital Assets Being Depreciated	<u>24,307,601</u>	<u>1,096,830</u>	<u>37,326</u>	<u>25,367,105</u>
Total Capital Assets	<u>30,924,953</u>	<u>1,311,777</u>	<u>63,085</u>	<u>32,173,645</u>
Less: Accumulated depreciation for				
Buildings and improvements	(540,593)	(56,290)	5,710	(591,173)
Machinery and equipment	(182,031)	(35,172)	-	(217,203)
Infrastructure	(7,504,010)	(586,150)	31,616	(8,058,544)
Total Accumulated Depreciation	<u>(8,226,634)</u>	<u>(677,612)</u>	<u>37,326</u>	<u>(8,866,920)</u>
Net Capital Assets Being Depreciated	<u>16,080,987</u>	<u>419,218</u>	<u>-</u>	<u>16,500,185</u>
Net Stormwater Capital Assets	<u>\$ 22,698,319</u>	<u>\$ 634,165</u>	<u>\$ 25,759</u>	<u>\$ 23,306,725</u>
Business-type Capital Assets, Net of Accumulated Depreciation/Amortization	<u>\$ 67,917,196</u>	<u>\$ 5,464,712</u>	<u>\$ 2,449,359</u>	<u>\$ 70,932,549</u>

Depreciation expense was charged to functions as follows:

Business-type Activities		\$	718,652
Water		302,951	
Sewer		677,613	
Storm		-	
Total Business-type Activities Depreciation/Amortization Expense		<u>\$ 1,699,216</u>	

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Depreciation expense may be different from business-type activity accumulated depreciation additions because of joint metering, salvage, cost of removal, internal allocations, or costs associated with the disposal of assets.

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

	Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General fund	-	Water utility	\$ 723,637	-
General fund	-	Insurance fund	280,000	-
General fund	-	Beat patrol over time	7,632	-
General fund	-	TID No. 12	48,000	-
General fund	-	TID No. 13	25,000	-
Total - Fund Financial Statements			<u>1,084,269</u>	
Less: Fund eliminations			(80,632)	
Less: Government-wide eliminations			(280,000)	
Add: Interfund advances			<u>783,156</u>	
Total Internal Balances - Government-Wide Statement of Net Position			<u>\$ 1,506,793</u>	

The principal purpose of the interfunds between the general fund and the utility is for payment in lieu of taxes. All remaining balances resulted from the time lag 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.

Advances

The general fund is advancing funds to TID No. 9, TID No. 10, and TID No. 11 funds. The amount advanced is determined by the deficit cash balance since the districts in inception. No repayment schedule has been established.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

Advances (cont.)

The General Capital Projects fund is advancing funds to the Stormwater Utility. The purpose of the advance is for acquisition of land for the Stormwater Utility. Interest is being accrued at 2.00 - 3.125%. A repayment schedule has been established and requires the Stormwater Utility to make quarterly principal payments of \$13,985, plus accrued interest, until the advance is repaid.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General fund	TID. No. 9	\$ 190,000	\$ 190,000
General fund	TID. No. 10	290,000	290,000
General fund	TID. No. 11	32,000	32,000
General Capital Projects	Stormwater Utility	<u>783,156</u>	<u>727,216</u>
Total - Fund Financial Statements		1,295,156	
Less: Fund eliminations		<u>(512,000)</u>	
Total - Interfund Advances		<u>\$ 783,156</u>	

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General Fund	Water Utility	\$ 723,637	Tax-equivalent
General Fund	General Capital Projects	8,800	Capital projects
General Debt Service	TID. No. 4	8,758,763	Debt repayment
General Debt Service	TID. No. 6	377,250	Debt repayment
General Debt Service	Recycling and Refuse	2,513	Rent
General Capital Projects	General Fund	335,905	Capital projects
General Capital Projects	Park Dedication	16,503	Capital projects
General Capital Projects	Cable TV	45,000	Capital projects
General Capital Projects	General Debt Service	300,000	Special assessment revenue
Technology Internal Service Fund	General Capital Projects	<u>247,690</u>	Capital Projects
Total - Fund Financial Statements		10,816,061	
Less: Fund eliminations		(9,844,734)	
Less: Government-wide eliminations		(247,690)	
Less: Capital asset contributions from governmental activities to business-type activities		<u>(402,505)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 321,132</u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF FITCHBURG, WISCONSIN
 NOTES TO FINANCIAL STATEMENTS
 As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 50,890,000	\$ 9,500,000	\$ 12,175,000	\$ 48,215,000	\$ 4,180,000
Premiums	452,983	260,002	40,148	672,837	
Sub-totals	51,342,983	9,760,002	12,215,148	48,887,837	4,180,000
Other Liabilities					
Vested compensated absences	2,441,694	251,704	151,148	2,542,250	483,189
Total Other Liabilities	2,441,694	251,704	151,148	2,542,250	483,189
Total Governmental Activities Long-Term Liabilities	\$ 53,784,677	\$ 10,011,706	\$ 12,366,296	\$ 51,429,787	\$ 4,663,189
Business-type Activities					
Other Liabilities					
Vested compensated absences	\$ 137,759	\$ 7,835	\$ -	\$ 145,594	\$ 17,753
Total Business-type Activities Long-Term Liabilities	\$ 137,759	\$ 7,835	\$ -	\$ 145,594	\$ 17,753

In accordance with Wisconsin Statutes, total general obligation indebtedness of the city may not exceed 5% of the equalized value of taxable property within the city's jurisdiction. The debt limit as of December 31, 2019, was \$170,955,645. Total general obligation debt outstanding at year end was \$48,215,000.

CITY OF FITCHBURG, WISCONSIN
 NOTES TO FINANCIAL STATEMENTS
 As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the city. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund.

In addition to the liabilities above, information on the net pension liability (asset) is provided in Note IV.

Governmental Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
2011 general obligation promissory notes	12/13/11	12/1/21	2.00-2.10%	\$ 1,190,000	\$ 110,000
2011 general obligation bonds	12/13/11	12/1/27	2.00-2.850%	5,395,000	3,975,000
2012 general obligation promissory note	3/21/12	3/1/22	1.00-2.00%	6,195,000	1,035,000
2012 general obligation corporate purpose bonds	3/21/12	3/1/29	2.00-3.00%	15,350,000	3,255,000
2013 general obligation promissory notes	11/14/13	11/1/23	0.40-2.35%	1,040,000	515,000
2015 general obligation promissory notes	4/14/15	4/1/25	1.00-2.00%	3,240,000	1,915,000
2015 general obligation corporate purpose bonds	4/14/15	4/1/35	2.00-3.00%	5,085,000	3,710,000
2016 general obligation promissory notes	6/15/16	6/1/26	1.25-2.00%	4,465,000	3,205,000
2016 general obligation fire station bonds	6/15/16	6/1/36	2.00-2.60%	5,235,000	4,620,000
2017 general obligation promissory notes	10/12/17	10/1/27	2.00-3.00%	1,055,000	780,000
2017 general obligation corporate purpose bonds	10/12/17	10/1/37	3.00%	7,935,000	6,970,000
2018 general obligation promissory notes	3/14/18	3/1/28	3.00%	1,745,000	1,465,000
2018 general obligation corporate purpose bonds	3/14/18	3/1/38	3.00 - 3.375%	7,535,000	7,170,000
2019 general obligation corporate purpose bonds	12/4/19	12/1/39	2.00 - 3.00%	9,500,000	9,500,000
Total Governmental Activities - General Obligation Debt					\$ 48,215,000

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities	
	Principal	Interest
2020	\$ 4,180,000	\$ 1,180,028
2021	4,375,000	1,089,719
2022	4,295,000	992,811
2023	4,050,000	896,264
2024	3,720,000	805,623
2025-2029	15,490,000	2,649,262
2030-2034	7,060,000	1,214,574
2035-2039	5,045,000	310,133
Totals	\$ 48,215,000	\$ 9,138,414

Other Debt Information

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences attributable to governmental activities will be liquidated primarily by the general fund.

G. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2019, includes the following:

Governmental Activities	
Net Investment in Capital Assets	
Land	\$ 38,611,908
Construction in progress	3,288,470
Other capital assets, net of accumulated depreciation	98,661,531
Less: Long-term debt outstanding	(48,215,000)
Plus: Unspent capital related debt proceeds	3,744,438
Plus: Noncapital debt proceeds	6,328,273
Less: Unamortized debt premium	(672,544)
Total Net Investment in Capital Assets	\$ 101,747,076

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. NET POSITION/FUND BALANCES (cont.)

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2019, include the following:

	General Fund	General Debt Service	General Capital Projects	TID No. 4	TID No. 6	Nonmajor Funds	Totals
Fund Balances							
Nonspendable:							
Delinquent personal property taxes	\$ 5,081	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,081
Debt service capital assessments	1,596	-	-	-	-	-	1,596
Advances to other funds	512,000	-	-	-	-	-	512,000
Prepaid items	256,724	-	-	-	-	2,559	259,283
Sub-total	775,401	-	-	-	-	2,559	777,960
Restricted for:							
Debt service	-	170,669	-	-	-	-	170,669
Capital projects	-	-	4,790,804	-	-	-	4,790,804
Park and recreational improvement fees	-	-	-	-	-	2,323,817	2,323,817
Library	-	-	386,002	-	-	-	386,002
TID activities	-	-	-	4,445,494	-	3,004,557	601,470
Park projects	69,551	-	-	-	6,728,459	-	14,178,510
Senior programs	-	-	-	-	-	23,844	93,395
Other projects	-	-	-	-	-	37,846	37,846
Affordable Housing	-	-	-	-	-	1,425	1,425
K9 unit	-	-	-	-	-	86,965	86,965
Sub-total	69,551	170,669	5,176,806	4,445,494	6,728,459	19,946	22,690,849
Committed to:							
Recycling and refuse	-	-	-	-	-	534,398	534,398
Cable TV	-	-	-	-	-	377,983	377,983
Cemetery	-	-	-	-	-	54,626	54,626
Sub-total	-	-	-	-	-	967,007	967,007
Assigned to:							
Debt service	-	340,547	-	-	-	-	340,547
Capital projects	-	-	8,369,138	-	-	-	8,369,138
Payment in lieu of taxes	723,637	-	-	-	-	-	723,637
Employee retirement	1,707,584	-	-	-	-	-	1,707,584
Next year's budget	522,194	-	-	-	-	-	522,194
Shared revenue	467,890	-	-	-	-	-	467,890
Carryovers	37,894	-	-	-	-	-	37,894
Sub-total	3,496,309	340,547	8,369,138	-	-	-	12,207,994
Unassigned (deficit):							
	6,409,261	-	-	-	-	(320,290)	6,088,971
Total Fund Balances (Deficit)	\$ 10,752,522	\$ 511,216	\$ 13,545,944	\$ 4,445,494	\$ 6,728,459	\$ 6,749,146	\$ 42,732,781

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. NET POSITION/FUND BALANCES (cont.)

Business-type Activities

Net Investment in Capital Assets	
Land	\$ 6,249,079
Construction in progress	217,219
Intangible plant - land	1,221,377
Other capital assets, net of accumulated depreciation	<u>63,244,874</u>
Total Net Investment in Capital Assets	<u>\$ 70,932,549</u>

H. COMPONENT UNIT

COMMUNITY AND ECONOMIC DEVELOPMENT AUTHORITY

This report contains the Community and Economic Development Authority (CDA), which is included as a component unit.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

- a. Basis of Accounting/Measurement Focus
The CDA follows the full accrual basis of accounting and the flow of economic resources measurement focus.
- b. Deposits and Investments
At year end, the carrying amount of the CDA's deposits was \$818,163 and is part of the city's commingled cash. See Note III. A.
- c. Loans Receivable
In 1999, the city established a revolving loan fund by providing \$375,000 of development incentive money to the CDA. At December 31, 2019, the CDA's loans receivable balance was \$183,319 and its allowance for doubtful accounts was \$123,319, leaving a net receivable balance of \$60,000.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' 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 1,200 hours a year (880 hours teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement participants, if hired on or before 12/31/2016) are entitled to retirement benefit based on a formula factor, their average earnings, and creditable service.

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

Vested participants may retire at age 55 (50 for protective occupations) and receive an actuarially reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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
2009	(2.1)%	(42.0)%
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$1,006,878 in contributions from the city.

Contribution rates for the plan year reported as of December 31, 2019 are:

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

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

At December 31, 2019, the city reported a liability of \$3,374,727 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The city's proportion of the net pension liability was based on the city's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the city's proportion was 0.09485735%, which was an increase of 0.00379790% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the city recognized pension expense of \$2,235,342.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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	\$ 2,628,401	\$ 4,646,068
Changes in assumptions	568,855	-
Net differences between projected and actual earnings on pension plan investments	4,928,557	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	10,905	33,071
Employer contributions subsequent to the measurement date	1,041,915	-
Totals	<u>\$ 9,178,633</u>	<u>\$ 4,679,139</u>

\$1,041,915 reported as 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 (asset) 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 Outflows of Resources and Deferred Inflows of Resources (net)
2020	\$ 1,258,239
2021	308,774
2022	544,833
2023	1,345,733

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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 Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
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.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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:

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
<u>Variable Fund Asset Class</u>			
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 (Initiation) 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.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

City's proportionate share of the net pension (asset)/liability	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
	\$13,411,519	\$3,374,727	\$(4,088,406)

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

At December 31, 2019, the city reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

B. RISK MANAGEMENT

The city is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

Public Entity Risk Pool

Wisconsin Municipal Insurance Commission (WMIC)
Cities and Villages Mutual Insurance Company (CVMIC)

The WMIC is an intergovernmental cooperation commission created by contract under Section 66.30 of the Wisconsin Statutes. It was created in August, 1987 for the purpose of facilitating the organization, establishment and capitalization of the CVMIC, and has numerous cities and villages as members.

The CVMIC is a municipal mutual insurance company established on September 14, 1987 under Section 611.23 of the Wisconsin Statutes. The CVMIC provides liability insurance coverage to the cities and villages which make up the membership of the WMIC.

The CVMIC is self-insured up to a maximum of \$2,000,000 of each insurance risk. Losses paid by CVMIC plus administrative expenses will be recovered through premiums to the participating pool of municipalities. The city's share of such losses is less than 1%.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool (cont.)

**Wisconsin Municipal Insurance Commission (WMIC)
Cities and Villages Mutual Insurance Company (CVMIC) (cont.)**

Management of each organization consists of a board of directors or officers comprised of representatives elected by each of three classes of participants based on population. The city does not exercise any control over the activities of the agencies beyond the election of the officers and board.

Financial statements of WMIC and CVMIC can be obtained directly from CVMIC's offices.

The city pays an annual premium to CVMIC for its general liability insurance, which provides coverage up to \$5,000,000 per occurrence, less the city's retained liability. The city's retained liability is limited to \$37,500 per occurrence and an annual aggregate limit of \$150,000. An actuarially determined estimate has been recorded for this liability, as well as for claims incurred but not reported at December 31, 2019. The amount related to the city is \$0.

C. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

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

The city has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

The city has active construction projects as of December 31, 2019. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

The city has the following encumbrances outstanding at year end expected to be honored upon performance by the vendor:

General Fund	\$	738,805
General Capital Projects		26,829,474
TID No. 4		923,931
Nonmajor funds		1,922,523

In 2018, the city issued a municipal revenue obligation as part of a development agreement. The amount of the obligation was \$3,250,000, and is payable to the developer solely from tax increments collected from a specific portion of the development in TIF No. 9.

Payments are scheduled through the year 2035, and carry an interest rate of 6%. The obligation does not constitute a charge upon any funds of the city. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the city. Since the amount of future payments is contingent on the collection of future TIF increments, the obligation is not reported as a liability in the accompanying financial statements. The balance of the commitment outstanding including accrued interest at year-end was \$3,449,055.

D. JOINT VENTURES

FitchRona EMS District

The City of Fitchburg, City of Verona, and Town of Verona jointly operate the local EMS District, which is called the FitchRona EMS District.

The district adopts its own budget. Net operating costs including debt service are shared by the three communities based on the ratio of equalized values. The department is governed by the FitchRona EMS Commission. The board consists of the citizens from each community. City of Fitchburg representatives are appointed by the mayor (2 members) and city council (1 member). The city made a payment to the district in 2019 of \$506,566.

Financial information of the district is available directly from the district's office.

The city's equity interest in the district is equal to its percentage share of participation. The equity interest is reported in the governmental activities column of the government-wide statement of net position. Changes in the equity interest are reported on the statement of activities.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

D. JOINT VENTURES (cont.)

Multijurisdictional Public Safety Information System Commission (MPSISC)

The City of Fitchburg, City of Sun Prairie, City of Middleton, City of Verona, and City of Monona jointly operate the Multijurisdictional Public Safety Information System Commission. On March 20, 2003, the City of Middleton, City of Fitchburg, and City of Sun Prairie executed an intergovernmental agreement under authority of Section 66.0301 of the Wisconsin Statutes. The City of Verona and the City of Monona joined the commission in 2009. The commission adopts its own budget. Net operating costs including debt service are shared by the five communities based on the agreed upon formula. The department is governed by the Intermunicipal Commission. The commission consists of one representative from each community. The city's share of the joint costs was \$127,482 in 2019. The transactions of the commission are not reflected in these financial statements.

The city does not have an equity interest in this joint venture.

Town of Madison Cooperative Plan

On November 8, 2002, the Town of Madison, City of Fitchburg, and City of Madison executed an intergovernmental agreement under authority of Section 66.0301 of the Wisconsin Statutes.

The term and implementation phases within the plan recognize and attempt to balance the competing desires of the cities, the town and existing town property owners and residents. The plan provides for the eventual dissolution of the Town after a protected period of up to 20 years, but allows early annexations within several areas to address near-term problems and opportunities.

The plan shall terminate on October 30, 2022, or at such earlier time as the town may cease to exist as a separate entity in accordance with the terms of this plan. A complete copy of the City of Madison, City of Fitchburg and Town of Madison Cooperative Plan can be obtained at the Town of Madison, 2120 Fish Hatchery Road, Madison, WI 53713.

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

E. TAX ABATEMENT

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The city is disclosing all abatement agreements individually.

The city through its Tax Incremental Financing Districts has entered into tax abatement agreements with a developers in the form of tax incremental financing incentive payments to stimulate economic development. The abatements are authorized through the TID project plans. The developers pay property taxes as they become due, and after meeting the criteria established in the development agreements, are entitled to future incentive payments that directly correlate to the taxes paid.

Agreement Description	Calculation Method	Developer Commitment	2019 Payments
In 2017, the city issued a municipal revenue obligation in the amount of \$1,500,000, and is payable solely from tax increments collected from a specific portion of the development in TID No. 4. Payments are scheduled through 2026 at an interest rate of 5%. The balance of the commitment outstanding, including accrued interest at year-end was \$1,107,810.	Increment on specific property	Construction of facility	\$ 219,390
In 2019, the city issued a municipal revenue obligation in the amount of \$545,985, and was payable solely from tax increments collected from a specific portion of the development in TID No. 4. The balance of commitment outstanding including accrued interest at year-end was \$600,277	Increment on specific property	Construction of facility	30,014

CITY OF FITCHBURG, WISCONSIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

F. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

- > Statement No. 87, *Leases*
- > Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- > Statement No. 90, *Majority Equity Interests and amendment of GASB Statements No. 14 and No. 61*
- > Statement No. 91, *Conduit Debt Obligations*
- > Statement No. 92, *Omnibus*
- > Statement No. 93, *Replacement of Interbank Offered Rates*
- > Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 96, *Postponement of Effective Dates of Certain Authoritative Guidance*, with the exception of Statement No. 87 which was postponed by one and a half years. When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
TAXES				
General property taxes	\$ 15,276,084	\$ 15,276,084	\$ 15,272,901	\$ (3,183)
Mobile home lottery credit and parking fees	4,000	4,000	3,766	(234)
Public accommodation (room) taxes	31,900	31,900	36,775	4,875
Other taxes	15,000	15,000	19,828	4,828
Interest and penalties on taxes	1,500	1,500	2,497	997
Total Taxes	<u>15,328,484</u>	<u>15,328,484</u>	<u>15,335,767</u>	<u>7,283</u>
INTERGOVERNMENTAL REVENUES				
State shared revenues	488,000	488,000	497,915	9,915
Payments for municipal services aids	75,000	75,000	75,216	216
State aid - general transportation	1,761,000	1,761,000	1,760,635	(365)
Aid on certain lands equivalent to property taxes	30,000	30,000	30,236	236
Fire insurance tax (2% fire dues)	110,000	110,000	126,590	16,590
Other state shared taxes	319,255	319,255	321,334	2,079
State aid - other law enforcement	-	121,430	178,577	57,147
Federal aid - parks/urban forestry	19,562	19,562	12,926	(6,636)
Fed law - operating	-	-	2,947	2,947
Other local government grants - operating	80,459	80,459	78,690	(1,769)
Other fed - operating	1,700	1,700	1,981	281
Total Intergovernmental Revenues	<u>2,884,976</u>	<u>3,006,406</u>	<u>3,087,047</u>	<u>80,641</u>
LICENSES AND PERMITS				
Business and occupational licenses	39,840	39,840	61,280	21,440
Other nonbusiness licenses	11,873	11,873	11,459	(414)
Building permits	325,000	325,000	831,749	506,749
Zoning permits and fees	170,000	170,000	720,758	550,758
Other regulatory permits and fees	4,015	4,015	38,906	34,891
Total Licenses and Permits	<u>550,728</u>	<u>550,728</u>	<u>1,664,152</u>	<u>1,113,424</u>
FINES AND FORFEITURES				
Law and ordinance violations	296,000	296,000	297,737	1,737
PUBLIC CHARGES FOR SERVICES				
General government	18,000	18,000	26,464	8,464
Public safety	31,000	31,000	47,823	16,823
Engineering	1,000	1,000	6,938	5,938
Senior program fees	53,400	53,400	40,223	(13,177)
Recreation programs	190,000	190,000	165,228	(24,772)
Park rental	45,000	45,000	61,948	16,948
Other public charges for services	100	100	2,513	2,413
Total Public Charges for Services	<u>338,500</u>	<u>338,500</u>	<u>351,137</u>	<u>12,637</u>

See independent auditors' report and accompanying notes to required supplementary information.

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
SPECIAL ASSESSMENTS				
Interest on delinquent special assessments	\$ 500	\$ 500	\$ 3,844	\$ 3,344
INVESTMENT INCOME				
Investment income	100,000	100,000	430,600	330,600
INTERGOVERNMENTAL CHARGES				
FOR SERVICES				
Local - emergency services (law enforcement share)	16,140	16,140	12,540	(3,600)
MISCELLANEOUS				
Rent	20,000	20,000	18,476	(1,524)
WPPRA ticket commission	100	100	161	61
Reimbursement from stormwater	15,000	15,000	33,757	18,757
Maintenance facility reimbursement from utility	1,000	1,000	420	(580)
Transfer from CEDA	49,170	68,085	68,085	-
Administrative charges to utilities	84,500	84,500	-	(84,500)
Administrative charge to library	116,600	116,600	-	(116,600)
Administrative charge to cable	19,800	19,800	-	(19,800)
Brush collection reimbursement	20,000	20,000	20,000	-
Senior advertising sales	2,000	2,000	1,994	(6)
Donations	7,000	7,000	9,097	2,097
Other miscellaneous	500	500	12,094	11,594
Insurance recoveries - other	10,000	10,000	4,568	(5,432)
P Card rebate	15,000	15,000	21,444	6,444
Workers compensation reimbursement	-	-	3,467	3,467
Total Miscellaneous	<u>360,670</u>	<u>379,585</u>	<u>193,563</u>	<u>(186,022)</u>
Total Revenues	<u>19,875,998</u>	<u>20,016,343</u>	<u>21,376,387</u>	<u>1,360,044</u>

See independent auditors' report and accompanying notes to required supplementary information.

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES				
GENERAL GOVERNMENT				
Mayor and city council	\$ 77,031	\$ 77,031	\$ 61,807	\$ 15,224
Administrator	281,788	281,788	226,308	55,480
Municipal court	181,741	181,741	168,048	13,693
Clerk	443,801	443,801	412,245	31,556
Legal	183,265	207,779	163,144	44,635
Treasury	422,446	422,571	333,354	89,217
Assessment of property	498,955	498,955	435,357	63,598
Other buildings - safety	50,950	7,924	43,026	7,924
Other buildings - maintenance	48,575	33,847	33,847	14,728
Police evidence processing facility	11,000	11,107	(107)	(107)
Other buildings - fire station # 2	77,000	67,470	67,470	9,530
Office supplies	14,000	14,000	11,101	2,899
Miscellaneous	12,335	12,335	16,002	(3,667)
Illegal taxes	-	-	340	(340)
Employee retirement reserve	116,800	116,800	150,974	(34,174)
Contingency	12,500	12,500	-	12,500
New city hall	405,756	405,757	373,046	32,711
Bad debt expense	3,000	3,000	(946)	3,946
Human resources	213,459	215,549	183,809	31,740
Sustainability	106,403	151,318	88,759	62,559
Total General Government	<u>3,160,805</u>	<u>3,232,450</u>	<u>2,743,696</u>	<u>488,754</u>
PUBLIC SAFETY				
Police	7,921,565	8,040,780	7,952,976	87,804
Fire protection	3,070,555	3,070,555	2,883,550	187,005
Building inspection	360,701	360,701	359,793	908
Ambulance	506,566	506,566	506,566	-
Sealer of weights and measures	3,600	3,600	3,600	-
Dane Com	200,225	200,225	162,119	38,106
Other public safety	3,865	3,865	1,066	2,799
Total Public Safety	<u>12,067,077</u>	<u>12,186,292</u>	<u>11,869,670</u>	<u>316,622</u>
PUBLIC WORKS				
Mass transit	522,490	563,313	483,323	79,990
Public works/highway administration	<u>1,985,468</u>	<u>2,038,757</u>	<u>1,785,520</u>	<u>253,237</u>
Total Public Works	<u>2,507,958</u>	<u>2,602,070</u>	<u>2,268,843</u>	<u>333,227</u>
HEALTH AND HUMAN SERVICES				
Senior citizens program	<u>666,238</u>	<u>666,238</u>	<u>665,528</u>	<u>710</u>

See independent auditors' report and accompanying notes to required supplementary information.
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CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
CULTURE, EDUCATION AND RECREATION				
Parks	\$ 1,057,122	\$ 1,065,922	\$ 1,053,656	\$ 12,266
Community center	108,523	108,523	68,999	39,524
Recreation programs and events	350,263	350,263	334,089	16,164
Total Culture, Education and Recreation	<u>1,515,908</u>	<u>1,524,708</u>	<u>1,456,754</u>	<u>67,954</u>
CONSERVATION AND DEVELOPMENT				
Zoning	395,023	406,023	334,878	71,145
Economic development	262,989	262,989	211,243	51,746
Total Conservation and Development	<u>658,012</u>	<u>669,012</u>	<u>546,121</u>	<u>122,891</u>
Total Expenditures	<u>20,575,998</u>	<u>20,880,770</u>	<u>19,550,612</u>	<u>1,330,158</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(700,000)</u>	<u>(864,427)</u>	<u>1,825,775</u>	<u>2,690,202</u>
OTHER FINANCING SOURCES (USES)				
Property sales	-	-	9,520	9,520
Transfers in	700,000	708,800	732,437	23,637
Total Other Financing Sources (Uses)	<u>(335,905)</u>	<u>(335,905)</u>	<u>(335,905)</u>	<u>-</u>
Net Change in Fund Balance	<u>364,095</u>	<u>372,895</u>	<u>406,052</u>	<u>33,157</u>
FUND BALANCE - Beginning of Year	<u>(335,905)</u>	<u>(491,532)</u>	<u>2,231,827</u>	<u>2,723,359</u>
FUND BALANCE - END OF YEAR	<u>\$ 8,520,695</u>	<u>\$ 8,520,695</u>	<u>\$ 8,520,695</u>	<u>\$ -</u>
FUND BALANCE - END OF YEAR	<u>\$ 8,184,790</u>	<u>\$ 8,029,163</u>	<u>\$ 10,752,522</u>	<u>\$ 2,723,359</u>

See independent auditors' report and accompanying notes to required supplementary information.
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CITY OF FITCHBURG, WISCONSIN

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2019

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I, C.

The budgeted amounts presented include any amendments made. The department heads may authorize transfers of up to 5% and no more than \$5,000 of their department budget within their respective departments, with mayoral approval. Transfers between departments and changes to the overall budget must be approved by a two-thirds council action.

Appropriations lapse at year-end unless specifically carried over. Carryovers to the following year were \$57,894. Budgets are adopted at the department level of expenditure.

WISCONSIN RETIREMENT SYSTEM

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

The city is required to present the last ten years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

Changes in benefit terms. There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

Changes in 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 FITCHBURG, WISCONSIN

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) -
WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2019

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll		Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
			Covered Payroll	Payroll	
12/31/19	0.09485735%	\$ 3,374,727	\$ 11,693,384	28.86%	96.45%
12/31/18	0.09105945%	(2,703,663)	11,262,161	24.01%	102.93%
12/31/17	0.08776580%	723,400	10,840,607	6.67%	99.12%
12/31/16	0.08657502%	1,406,827	10,331,881	13.62%	98.20%
12/31/15	0.08786894%	(2,158,302)	10,010,948	21.56%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2019

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Contributions as a Percentage of Covered Payroll	
				Covered Payroll	Payroll
12/31/19	\$ 1,041,915	\$ 1,041,915	-	\$ 12,251,077	8.50%
12/31/18	1,003,750	1,003,750	-	11,668,150	8.60%
12/31/17	973,591	973,591	-	11,262,161	8.64%
12/31/16	862,383	862,383	-	10,840,607	7.96%
12/31/15	838,381	838,381	-	10,331,881	8.11%

This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

See independent auditors' report and accompanying notes to the required supplementary information.

See independent auditors' report.

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL DEBT SERVICE FUND
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 3,876,320	\$ 3,876,320	\$ 3,876,320	\$ -
Special assessments	141,172	141,172	237,537	96,365
Investment income	13,500	13,500	51,505	38,005
Miscellaneous	54,180	54,180	54,180	-
Total Revenues	4,085,172	4,085,172	4,219,542	134,370
EXPENDITURES				
Debt Service				
Principal	12,175,000	12,175,000	12,175,000	-
Interest and fiscal charges	1,467,716	1,364,591	1,238,103	126,488
Total Expenditures	13,642,716	13,539,591	13,413,103	126,488
Deficiency of revenues over expenditures	(9,557,544)	(9,454,419)	(9,193,561)	260,858
OTHER FINANCING SOURCES (USES)				
Premium on debt issued	125,000	125,000	260,002	135,002
Transfers in	9,229,651	9,229,651	9,138,526	(91,125)
Transfers out	-	(300,000)	(300,000)	-
Total Other Financing Sources (Uses)	9,354,651	9,054,651	9,098,528	43,877
Net Change in Fund Balance	(202,893)	(399,768)	(85,033)	304,735
FUND BALANCE - Beginning	606,249	606,249	606,249	-
FUND BALANCE - ENDING	\$ 403,356	\$ 206,481	\$ 511,216	\$ 304,735

SUPPLEMENTARY INFORMATION

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL CAPITAL PROJECTS FUND
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,788,363	\$ 1,788,363	\$ 1,788,363	\$ -
Intergovernmental	(1,238,350)	39,646	1,221,266	1,181,620
Licenses and permits	-	-	380,556	380,556
Special assessments	1,655,000	1,720,000	44,771	(1,673,228)
Investment income	-	-	280,404	280,404
Miscellaneous	-	3,495,960	14,963	(3,480,997)
Total Revenues	2,205,013	7,043,969	3,730,323	(3,313,646)
EXPENDITURES				
Capital Outlay	6,412,776	14,350,914	9,317,134	5,033,780
Debt Service	-	-	44,751	(44,751)
Interest and fiscal charges	-	-	9,361,885	4,989,029
Total Expenditures	6,412,776	14,350,914	9,361,885	4,989,029
Deficiency of revenues over expenditures	(4,207,763)	(7,306,945)	(5,631,562)	1,675,383
OTHER FINANCING SOURCES (USES)				
Debt issued	4,075,663	6,958,020	5,290,000	(1,668,020)
Property sales	47,100	47,100	509,786	462,686
Transfers in	380,905	703,905	697,408	(6,497)
Transfers out	-	(256,493)	(256,490)	3
Total Other Financing Sources (Uses)	4,503,668	7,452,532	6,240,704	(1,211,828)
Net Change in Fund Balance	295,905	145,587	609,142	463,555
FUND BALANCE - Beginning	12,936,802	12,936,802	12,936,802	-
FUND BALANCE - ENDING	\$ 13,232,707	\$ 13,082,389	\$ 13,545,944	\$ 463,555

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - TID NO. 4 FUND
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 4,678,000	\$ 4,678,000	\$ 4,496,179	\$ (181,821)
Intergovernmental	672,770	672,770	678,681	5,911
Investment income	10,000	10,000	111,088	101,088
Total Revenues	5,360,770	5,360,770	5,285,948	(74,822)
EXPENDITURES				
Current				
Conservation and development	233,790	233,790	257,887	(24,097)
Capital outlay	6,500	725,330	570,955	154,375
Total Expenditures	240,290	959,120	828,842	130,278
Excess of revenues over expenditures	5,120,480	4,401,650	4,457,106	55,456
OTHER FINANCING USES				
Transfers out	(8,849,888)	(8,849,888)	(8,758,763)	91,125
Total Other Financing Uses	(8,849,888)	(8,849,888)	(8,758,763)	91,125
Net Change in Fund Balance	(3,729,408)	(4,448,238)	(4,301,657)	146,581
FUND BALANCE - Beginning	8,747,151	8,747,151	8,747,151	-
FUND BALANCE - ENDING	\$ 5,017,743	\$ 4,298,913	\$ 4,445,494	\$ 146,581

CITY OF FITCHBURG, WISCONSIN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - TID NO. 6 FUND
For the Year Ended December 31, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,241,000	\$ 2,241,000	\$ 2,143,382	\$ (97,618)
Intergovernmental	85,893	85,893	86,573	680
Investment income	15,000	15,000	183,433	168,433
Total Revenues	<u>2,341,893</u>	<u>2,341,893</u>	<u>2,413,388</u>	<u>71,495</u>
EXPENDITURES				
Current				
Conservation and development	206,286	331,286	210,529	120,757
Capital outlay	1,350,000	1,586,300	2,185,344	(599,044)
Total Expenditures	<u>1,556,286</u>	<u>1,917,586</u>	<u>2,395,873</u>	<u>(478,287)</u>
Excess of revenues over expenditures	<u>785,607</u>	<u>424,307</u>	<u>17,515</u>	<u>(406,792)</u>
OTHER FINANCING USES				
Transfers out	(377,250)	(377,250)	(377,250)	-
Total Other Financing Uses	<u>(377,250)</u>	<u>(377,250)</u>	<u>(377,250)</u>	<u>-</u>
Net Change in Fund Balance	408,357	47,057	(359,735)	(406,792)
FUND BALANCE - Beginning	7,088,194	7,088,194	7,088,194	-
FUND BALANCE - ENDING	<u>\$ 7,496,551</u>	<u>\$ 7,135,251</u>	<u>\$ 6,728,459</u>	<u>\$ (406,792)</u>

CITY OF FITCHBURG, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of December 31, 2019

	Special Revenue Fund
ASSETS	
Cash and investments	\$ 562,740
Taxes receivable	\$ 1,558,022
Accounts receivable	1,157,589
Prepaid items	-
TOTAL ASSETS	<u>\$ 1,720,329</u>
	<u>\$ 1,558,022</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
Liabilities	
Accounts payable	\$ 116
Accrued liabilities	\$ 1,865
Deposits	26,361
Due to other funds	14,408
Advances from other funds	-
Total Liabilities	<u>28,342</u>
Deferred Inflows of Resources	
Property taxes levied for future period	1,157,589
Total Deferred Inflows of Resources	<u>1,157,589</u>
Fund Balances (Deficit)	
Nonspendable	-
Restricted	1,543,378
Committed	534,398
Unassigned (deficit)	-
Total Fund Balances (deficit)	<u>534,398</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 1,720,329</u>
	<u>\$ 1,558,022</u>

CITY OF FITCHBURG, WISCONSIN
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 As of December 31, 2019

Special Revenue Fund						
Park Improvement	Cable TV	Cemetery	Library Services	Grants and Donations	Affordable Housing Fund	
\$ 707,669	\$ 300,059	\$ 54,626	\$ 616,663	\$ 84,322	\$ 86,965	
-	-	-	1,900,097	-	-	
72,770	79,539	-	379	3,350	-	
-	658	-	1,901	-	-	
<u>\$ 780,439</u>	<u>\$ 380,256</u>	<u>\$ 54,626</u>	<u>\$ 2,519,040</u>	<u>\$ 87,672</u>	<u>\$ 86,965</u>	
\$ -	\$ -	\$ -	\$ 8,116	\$ 4,611	\$ -	
-	1,615	-	7,456	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>-</u>	<u>1,615</u>	<u>-</u>	<u>15,572</u>	<u>4,611</u>	<u>-</u>	
-	-	-	1,900,097	-	-	
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,900,097</u>	<u>-</u>	<u>-</u>	
-	658	-	1,901	-	-	
780,439	377,983	54,626	601,470	83,061	86,965	
<u>-</u>	<u>378,641</u>	<u>54,626</u>	<u>603,371</u>	<u>83,061</u>	<u>86,965</u>	
<u>\$ 780,439</u>	<u>\$ 380,256</u>	<u>\$ 54,626</u>	<u>\$ 2,519,040</u>	<u>\$ 87,672</u>	<u>\$ 86,965</u>	

CITY OF FITCHBURG, WISCONSIN
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 As of December 31, 2019

Special Revenue Fund				Capital Project Fund
ASSETS	Special Revenue Fund	Beat Patrol Over Time	TID No. 9	Capital Project Fund
Cash and investments	\$ -	-	-	6,653
Taxes receivable	-	-	-	646,554
Accounts receivable	7,632	-	-	-
Prepaid items	-	-	-	-
TOTAL ASSETS	<u>\$ 7,632</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 653,207</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities	\$ -	-	-	33,089
Accounts payable	-	-	-	-
Accrued liabilities	-	-	-	-
Deposits	-	-	-	-
Due to other funds	7,632	-	-	-
Advances from other funds	-	-	-	190,000
Total Liabilities	<u>7,632</u>	<u>-</u>	<u>-</u>	<u>223,089</u>
Deferred Inflows of Resources	-	-	-	-
Property taxes levied for future period	-	-	-	646,554
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>646,554</u>
Fund Balances (Deficit)	-	-	-	-
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Unassigned (deficit)	-	-	-	(216,436)
Total Fund Balances (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(216,436)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 7,632</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 653,207</u>

CITY OF FITCHBURG, WISCONSIN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2019

Capital Project Funds					Total Nonmajor Governmental Funds
TID No. 10	TID No. 11	TID No. 12	TID No. 13		
\$ 3,311,068	\$ 431	\$ 412	\$ 305	\$ 7,289,935	
32,590	275	223,812	68,903	4,029,820	
-	-	-	-	163,670	
-	-	-	-	2,559	
<u>\$ 3,343,658</u>	<u>\$ 706</u>	<u>\$ 224,224</u>	<u>\$ 69,208</u>	<u>\$ 11,485,984</u>	
\$ 6,511	\$ -	\$ -	\$ 2	\$ 52,681	
-	-	-	-	10,936	
10,000	-	-	-	50,769	
-	-	48,000	25,000	80,632	
290,000	32,000	-	-	512,000	
<u>306,511</u>	<u>32,000</u>	<u>48,000</u>	<u>25,002</u>	<u>707,018</u>	
32,590	275	223,812	68,903	4,029,820	
<u>32,590</u>	<u>275</u>	<u>223,812</u>	<u>68,903</u>	<u>4,029,820</u>	
-	-	-	-	2,559	
3,004,557	-	-	-	6,099,870	
-	-	-	-	967,007	
<u>3,004,557</u>	<u>(31,569)</u>	<u>(47,588)</u>	<u>(24,697)</u>	<u>(320,290)</u>	
	<u>(31,569)</u>	<u>(47,588)</u>	<u>(24,697)</u>	<u>6,749,146</u>	
<u>\$ 3,343,658</u>	<u>\$ 706</u>	<u>\$ 224,224</u>	<u>\$ 69,208</u>	<u>\$ 11,485,984</u>	

	Special Revenue Funds			
	Recycling and Refuse Collection	Park Dedication	Park Improvement	
REVENUES				
Taxes	\$ -	\$ -	\$ -	
Intergovernmental	106,203	-	-	
Licenses and permits	-	-	-	
Public charges for services	913,001	-	737,639	
Investment income	22,547	45,125	10,707	
Miscellaneous	25,546	-	-	
Total Revenues	<u>1,067,297</u>	<u>45,125</u>	<u>748,346</u>	
EXPENDITURES				
Current				
Public safety	-	-	-	
Public works	1,005,324	-	-	
Health and human services	-	-	-	
Culture, recreation and education	-	-	-	
Conservation and development	-	-	-	
Capital Outlay	-	518,838	-	
Debt Service	-	-	-	
Interest and fiscal charges	-	-	-	
Total Expenditures	<u>1,005,324</u>	<u>518,838</u>	<u>-</u>	
Excess (deficiency) of revenues over expenditures	<u>61,973</u>	<u>(473,713)</u>	<u>748,346</u>	
OTHER FINANCING SOURCES (USES)				
Debt issued	-	-	-	
Transfers out	(2,513)	(16,503)	-	
Total Other Financing Sources (Uses)	<u>(2,513)</u>	<u>(16,503)</u>	<u>-</u>	
Net Change in Fund Balances	<u>59,460</u>	<u>(490,216)</u>	<u>748,346</u>	
FUND BALANCES (DEFICIT) - Beginning of Year	<u>474,938</u>	<u>2,033,594</u>	<u>32,093</u>	
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 534,398</u>	<u>\$ 1,543,378</u>	<u>\$ 780,439</u>	

CITY OF FITCHBURG, WISCONSIN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2019

		Special Revenue Funds					Capital Project Fund
	Cable TV	Cemetery	Library Services	Grants and Donations	Affordable Housing Fund	Beat Patrol Over Time	TID No. 9
\$	-	-	\$ 1,835,488	\$ 17,740	-	-	\$ 616,023
			61,707	-	-	29,488	136,919
	315,980	-	-	-	-	-	-
	7,209	14,295	16,290	-	-	-	-
	7,377	1,173	41,378	-	-	-	-
	251	-	48,080	53,845	2,025	-	4,987
	330,817	15,468	2,002,943	71,585	2,025	29,488	757,929
	-	-	-	16,185	-	29,488	-
	-	-	-	-	-	-	-
	-	2,867	-	21,428	-	-	-
	354,376	-	1,891,628	13,345	-	-	-
	-	-	-	13,750	2,327	-	45,626
	-	-	-	-	-	-	327,818
	-	-	-	-	-	-	9,486
	354,376	2,867	1,891,628	64,708	2,327	29,488	382,930
	(23,559)	12,601	111,315	6,877	(302)	-	374,999
	(45,000)	-	-	-	-	-	-
	(45,000)	-	-	-	-	-	-
	(88,559)	12,601	111,315	6,877	(302)	-	374,999
	447,200	42,025	492,056	76,184	87,267	-	(591,435)
\$	378,641	54,626	603,371	83,061	86,965	-	(216,436)

		Capital Project Funds		
	TID No. 10	TID No. 11	TID No. 12	
REVENUES	\$	\$	\$	
Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Public charges for services	-	-	-	-
Investment income	4,151	28	26	26
Miscellaneous	-	-	-	-
Total Revenues	4,151	28	26	26
EXPENDITURES				
Current				
Public safety	-	-	-	-
Public works	-	-	-	-
Health and human services	-	-	-	-
Culture, recreation and education	-	-	-	-
Conservation and development	38,419	360	25,211	25,211
Capital Outlay	1,052,744	-	-	-
Debt Service	-	-	-	-
Interest and fiscal charges	39,547	635	1,100	1,100
Total Expenditures	1,130,710	995	26,311	26,311
Excess (deficiency) of revenues over expenditures	(1,126,559)	(967)	(26,285)	(26,285)
OTHER FINANCING SOURCES (USES)				
Debt issued	4,210,000	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	4,210,000	-	-	-
Net Change in Fund Balances	3,083,441	(967)	(26,285)	(26,285)
FUND BALANCES (DEFICIT) - Beginning of Year	(78,884)	(30,602)	(21,303)	(21,303)
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 3,004,557	\$ (31,569)	\$ (47,588)	(47,588)

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - RECYCLING AND REFUSE COLLECTION FUND
For the Year Ended December 31, 2019

	Capital Project Fund	Total Nonmajor Governmental Funds	Budgeted Amounts		Actual	Variance with Final Budget
			Original	Final		
TID No. 13						
\$	-	\$ 2,451,511	\$ 103,000	\$ 103,000	\$ 106,203	\$ 3,203
	-	352,057	927,102	927,102	913,001	(14,101)
	-	315,980	1,500	1,500	22,547	21,047
	-	1,688,434	16,200	16,200	25,546	9,346
	32	139,556	1,047,802	1,047,802	1,067,297	19,495
	-	127,722				
	32	5,075,260				
	-	45,673	1,037,870	1,047,815	1,005,324	42,491
	-	1,005,324	1,037,870	1,047,815	1,005,324	42,491
	-	24,295				
	-	2,259,349				
	1,235	126,928				
	-	1,899,400	9,932	(13)	61,973	61,986
	540	51,308				
	1,775	5,412,277				
	(1,743)	(337,017)				
	-	4,210,000	(2,513)	(2,513)	(2,513)	-
	-	(64,016)	(2,513)	(2,513)	(2,513)	-
	-	4,145,984				
	(1,743)	3,808,967	7,419	(2,526)	59,460	61,986
	(22,954)	2,940,179	474,938	474,938	474,938	-
\$	(24,697)	6,749,146	482,357	472,412	534,398	61,986

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - PARK IMPROVEMENT FUND
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Public charges for services	\$ -	\$ -	\$ 737,639	\$ 737,639
Investment income	-	-	10,707	10,707
Total Revenues	-	-	748,346	748,346
EXPENDITURES				
Current				
Culture, recreation, and education	26,720	26,720	-	26,720
Total Expenditures	26,720	26,720	-	26,720
Excess (deficiency) of revenues over expenditures	(26,720)	(26,720)	748,346	775,066
FUND BALANCE - Beginning	32,093	32,093	32,093	-
FUND BALANCE - ENDING	\$ 5,373	\$ 5,373	\$ 780,439	\$ 775,066

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - PARK DEDICATION FUND
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Public charges for services	\$ 671,785	\$ 671,785	\$ -	\$ (671,785)
Investment income	10,000	10,000	45,125	35,125
Total Revenues	681,785	681,785	45,125	(636,660)
EXPENDITURES				
Capital Outlay	1,217,065	1,493,574	518,838	974,736
Total Expenditures	1,217,065	1,493,574	518,838	974,736
Excess (deficiency) of revenues over expenditures	(535,280)	(811,789)	(473,713)	338,076
OTHER FINANCING USES				
Transfers out	-	-	(16,503)	(16,503)
Total Other Financing Uses	-	-	(16,503)	(16,503)
Net Change in Fund Balance	(535,280)	(811,789)	(490,216)	321,573
FUND BALANCE - Beginning	2,033,594	2,033,594	2,033,594	-
FUND BALANCE - ENDING	\$ 1,498,314	\$ 1,221,805	\$ 1,543,378	\$ 321,573

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - CABLE TV FUND
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses and permits	\$ 276,000	\$ 276,000	\$ 315,980	\$ 39,980
Public charges for services	10,000	10,000	7,209	(2,791)
Investment income	1,000	1,000	7,377	6,377
Miscellaneous	300	300	251	(49)
Total Revenues	287,300	287,300	330,817	43,517
EXPENDITURES				
Current				
Culture, recreation, and education	379,518	379,518	354,376	25,142
Total Expenditures	379,518	379,518	354,376	25,142
Deficiency of revenues over expenditures	(92,218)	(92,218)	(23,559)	68,659
OTHER FINANCING USES				
Transfers out	(45,000)	(45,000)	(45,000)	-
Total Other Financing Uses	(45,000)	(45,000)	(45,000)	-
Net Change in Fund Balance	(137,218)	(137,218)	(68,559)	68,659
FUND BALANCE - Beginning	447,200	447,200	447,200	-
FUND BALANCE - ENDING	\$ 309,982	\$ 309,982	\$ 378,641	\$ 68,659

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - CEMETERY FUND
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines, forfeitures and penalties	\$ 2,000	\$ 2,000	\$ 14,295	\$ 12,295
Investment income	-	-	1,173	1,173
Total Revenues	2,000	2,000	15,468	13,468
EXPENDITURES				
Current				
Health and human services	-	-	2,867	(2,867)
Total Expenditures	-	-	2,867	(2,867)
Excess of revenues over expenditures	2,000	2,000	12,601	10,601
FUND BALANCE - Beginning	42,025	42,025	42,025	-
FUND BALANCE - ENDING	\$ 44,025	\$ 44,025	\$ 54,626	\$ 10,601

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - LIBRARY SERVICES FUND
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,835,488	\$ 1,835,488	\$ 1,835,488	\$ -
Intergovernmental	61,705	61,705	61,707	2
Public charges for services	15,700	15,700	16,290	590
Investment income	-	-	41,378	41,378
Miscellaneous	41,240	41,240	48,080	6,840
Total Revenues	<u>1,954,133</u>	<u>1,954,133</u>	<u>2,002,943</u>	<u>48,810</u>
EXPENDITURES				
Current				
Culture, recreation, and education	1,960,037	1,960,037	1,891,628	68,409
Total Expenditures	<u>1,960,037</u>	<u>1,960,037</u>	<u>1,891,628</u>	<u>68,409</u>
Excess (deficiency) of revenues over expenditures	(5,904)	(5,904)	111,315	117,219
FUND BALANCE - Beginning	492,056	492,056	492,056	-
FUND BALANCE - ENDING	\$ <u>486,152</u>	\$ <u>486,152</u>	\$ <u>603,371</u>	\$ <u>117,219</u>

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GRANTS AND DONATIONS FUND
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 17,740	\$ 17,740
Miscellaneous	-	-	53,845	53,845
Total Revenues	<u>-</u>	<u>-</u>	<u>71,585</u>	<u>71,585</u>
EXPENDITURES				
Current				
Public safety	14,483	14,483	16,185	(1,702)
Health and human services	7,846	7,846	21,428	(13,582)
Culture, recreation, and education	7,620	7,620	13,345	(5,725)
Conservation and development	-	-	13,750	(13,750)
Total Expenditures	<u>29,949</u>	<u>29,949</u>	<u>64,708</u>	<u>(34,759)</u>
Excess (deficiency) of revenues over expenditures	(29,949)	(29,949)	6,877	36,826
FUND BALANCE - Beginning	76,184	76,184	76,184	-
FUND BALANCE - ENDING	\$ <u>46,235</u>	\$ <u>46,235</u>	\$ <u>83,061</u>	\$ <u>36,826</u>

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BEAT PATROL OVERTIME FUND
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 90,000	\$ 29,488	\$ (60,512)
Total Revenues	-	90,000	29,488	(60,512)
EXPENDITURES				
Current				
Public safety	-	90,000	29,488	60,512
Total Expenditures	-	90,000	29,488	60,512
Excess (deficiency) of revenues over expenditures	-	-	-	-
FUND BALANCE - Beginning	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -	\$ -

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - AFFORDABLE HOUSING FUND
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 2,025	\$ 2,025
Total Revenues	-	-	2,025	2,025
EXPENDITURES				
Current				
Conservation and development	2,267	2,267	2,327	(60)
Total Expenditures	2,267	2,267	2,327	(60)
Deficiency of revenues over expenditures	(2,267)	(2,267)	(302)	1,965
FUND BALANCE - Beginning	87,267	87,267	87,267	-
FUND BALANCE - ENDING	\$ 85,000	\$ 85,000	\$ 86,965	\$ 1,965

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - TID NO. 9 FUND
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 605,907	\$ 605,907	\$ 616,023	\$ 10,116
Intergovernmental	135,703	135,703	136,919	1,216
Investment income	1,000	1,000	4,987	3,987
Total Revenues	<u>742,610</u>	<u>742,610</u>	<u>757,929</u>	<u>15,319</u>
EXPENDITURES				
Current				
Conservation and development	12,650	12,650	45,626	(32,976)
Capital Outlay	335,694	444,219	327,818	116,401
Debt Service	500	500	9,486	(8,986)
Interest and fiscal charges	348,844	457,369	362,930	74,439
Total Expenditures	<u>393,766</u>	<u>285,241</u>	<u>374,999</u>	<u>89,758</u>
Excess of revenues over expenditures				
OTHER FINANCING SOURCES				
Debt issued	1,116,000	1,224,525	-	(1,224,525)
Total Other Financing Sources	<u>1,116,000</u>	<u>1,224,525</u>	<u>-</u>	<u>(1,224,525)</u>
Net Change in Fund Balance	1,509,766	1,509,766	374,999	(1,134,767)
FUND BALANCE (DEFICIT) - Beginning	(591,435)	(591,435)	(591,435)	-
FUND BALANCE (DEFICIT) - ENDING	\$ <u>918,331</u>	\$ <u>918,331</u>	\$ <u>(216,436)</u>	\$ <u>(1,134,767)</u>

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - TID NO. 10 FUND
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 4,151	\$ 4,151
Total Revenues	<u>-</u>	<u>-</u>	<u>4,151</u>	<u>4,151</u>
EXPENDITURES				
Current				
Conservation and development	33,150	33,150	38,419	(5,269)
Capital Outlay	18,084,352	20,079,063	1,052,744	19,026,319
Debt Service	10,000	10,000	39,547	(29,547)
Interest and fiscal charges	18,127,502	20,122,213	1,130,710	18,991,503
Total Expenditures	<u>(18,127,502)</u>	<u>(20,122,213)</u>	<u>(1,126,559)</u>	<u>18,995,654</u>
Deficiency of revenues over expenditures				
OTHER FINANCING SOURCES				
Debt issued	13,318,952	15,313,663	4,210,000	(11,103,663)
Total Other Financing Sources	<u>13,318,952</u>	<u>15,313,663</u>	<u>4,210,000</u>	<u>(11,103,663)</u>
Net Change in Fund Balance	(4,808,550)	(4,808,550)	3,083,441	7,891,991
FUND BALANCE (DEFICIT) - Beginning	(78,884)	(78,884)	(78,884)	-
FUND BALANCE (DEFICIT) - ENDING	\$ <u>(4,887,434)</u>	\$ <u>(4,887,434)</u>	\$ <u>3,004,557</u>	\$ <u>7,891,991</u>

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - TID NO. 11 FUND
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income			28	28
Total Revenues			28	28
EXPENDITURES				
Current				
Conservation and development	20,150	20,150	360	19,790
Debt Service			635	(615)
Interest and fiscal charges	20	20	995	19,175
Total Expenditures	20,170	20,170	995	19,175
Excess (deficiency) of revenues over expenditures	(20,170)	(20,170)	(967)	19,203
FUND BALANCE (DEFICIT) - Beginning	(30,602)	(30,602)	(30,602)	-
FUND BALANCE (DEFICIT) - ENDING	(50,772)	(50,772)	(31,569)	19,203

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - TID NO. 12 FUND
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income			26	26
Total Revenues			26	26
EXPENDITURES				
Current				
Conservation and development	16,150	16,150	25,211	(9,061)
Debt Service			1,100	(600)
Interest and fiscal charges	500	500	26,311	(9,661)
Total Expenditures	16,650	16,650	26,311	(9,661)
Excess (deficiency) of revenues over expenditures	(16,650)	(16,650)	(26,285)	(9,635)
FUND BALANCE (DEFICIT) - Beginning	(21,303)	(21,303)	(21,303)	-
FUND BALANCE (DEFICIT) - ENDING	(37,953)	(37,953)	(47,588)	(9,635)

CITY OF FITCHBURG, WISCONSIN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - TID NO. 13 FUND
For the Year Ended December 31, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income			32	32
Total Revenues			32	32
EXPENDITURES				
Current				
Conservation and development	12,150	12,150	1,235	10,915
Debt Service				
Interest and fiscal charges	500	500	540	(40)
Total Expenditures	12,650	12,650	1,775	10,875
Excess (deficiency) of revenues over expenditures	(12,650)	(12,650)	(1,743)	10,907
FUND BALANCE (DEFICIT) - Beginning	(22,954)	(22,954)	(22,954)	-
FUND BALANCE (DEFICIT) - ENDING	(35,604)	(35,604)	(24,697)	10,907

CITY OF FITCHBURG, WISCONSIN

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
As of December 31, 2019**

	Technology	Insurance	Totals
ASSETS			
Current Assets			
Cash and investments	\$ 211,165	\$ 6,797	\$ 217,962
Accounts receivable	57,386	-	57,386
Prepaid items	12,909	394,685	407,594
Total Current Assets	281,460	401,482	682,942
Noncurrent Assets			
Capital assets			
Capital assets being depreciated	107,332	-	107,332
Less: Accumulated depreciation	(8,944)	-	(8,944)
Total Noncurrent Assets	98,388	-	98,388
Total Assets	379,848	401,482	781,330
LIABILITIES			
Current Liabilities			
Accounts payable	425	-	425
Accrued wages	3,267	-	3,267
Due to other funds	-	280,000	280,000
Total Current Liabilities	3,692	280,000	283,692
Total Liabilities	3,692	280,000	283,692
NET POSITION			
Net investment in capital assets	98,388	-	98,388
Unrestricted	277,768	121,482	399,250
TOTAL NET POSITION	\$ 376,156	\$ 121,482	\$ 497,638

CITY OF FITCHBURG, WISCONSIN

COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2019

	Technology	Insurance	Totals
OPERATING REVENUES			
Intergovernmental charges for services	\$ 965,228	\$ 474,470	\$ 1,439,698
Total Operating Revenues	<u>965,228</u>	<u>474,470</u>	<u>1,439,698</u>
OPERATING EXPENSES			
Information technology	934,315	-	934,315
Depreciation	8,944	-	8,944
Property and liability insurance	-	237,108	237,108
Other insurance	-	261,554	261,554
Total Operating Expenses	<u>943,259</u>	<u>498,662</u>	<u>1,441,921</u>
Operating Income (Loss)	<u>21,969</u>	<u>(24,192)</u>	<u>(2,223)</u>
NONOPERATING REVENUES			
Investment income	3,799	3,604	7,403
Miscellaneous revenues	5,183	18,998	24,181
Total Nonoperating Revenues	<u>8,982</u>	<u>22,602</u>	<u>31,584</u>
Income (Loss) Before Transfers	<u>30,951</u>	<u>(1,590)</u>	<u>29,361</u>
TRANSFERS			
Transfers in	247,690	-	247,690
Total Transfers	<u>247,690</u>	<u>-</u>	<u>247,690</u>
Change in net position	278,641	(1,590)	277,051
NET POSITION - Beginning of Year	97,515	123,072	220,587
NET POSITION - END OF YEAR	<u>\$ 376,156</u>	<u>\$ 121,482</u>	<u>\$ 497,638</u>

CITY OF FITCHBURG, WISCONSIN

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2019

	Technology	Insurance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from customers	\$ 967,260	\$ 493,468	\$ 1,460,728
Paid to suppliers for goods and services	(443,940)	(542,766)	(986,706)
Paid to employees for services	(503,764)	-	(503,764)
Net Cash Flows From Operating Activities	<u>19,556</u>	<u>(49,298)</u>	<u>(29,742)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	3,799	3,604	7,403
Net Cash Flows From Investing Activities	<u>3,799</u>	<u>3,604</u>	<u>7,403</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Due to other funds	-	50,000	50,000
Net Cash Flows From Noncapital Financing Activities	<u>-</u>	<u>50,000</u>	<u>50,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(107,332)	-	(107,332)
Transfers in	247,690	-	247,690
Net Cash Flows From Capital and Related Financing Activities	<u>140,358</u>	<u>-</u>	<u>140,358</u>
Net Change in Cash and Cash Equivalents	163,713	4,306	168,019
CASH AND CASH EQUIVALENTS - Beginning of Year	47,452	2,491	49,943
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 211,165</u>	<u>\$ 6,797</u>	<u>\$ 217,962</u>

CITY OF FITCHBURG, WISCONSIN

STATEMENT OF CASH FLOWS
COMPONENT UNIT
For the Year Ended December 31, 2019

	Technology	Insurance	Totals	Component Unit
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 21,969	\$ (24,192)	\$ (2,223)	\$ 503,473
Nonoperating revenue	5,183	18,998	24,181	(497,280)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities				6,193
Depreciation	8,944	-	8,944	
Changes in assets and liabilities	(3,151)	-	(3,151)	22,999
Accounts receivable	(12,909)	-	(29,930)	22,999
Prepaid items	(3,000)	(17,021)	(30,083)	
Accounts payable	-	(27,083)	(30,083)	
Accrued wages	2,520	-	2,520	
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 19,556	\$ (49,298)	\$ (29,742)	\$ 818,163
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
None				
NET CASH FLOWS FROM OPERATING ACTIVITIES				\$ 7,623
Operating income				5,945
Nonoperating revenue				(2,641)
Changes in assets and liabilities				7,819
Accounts receivables				(24,142)
Prepays				11,589
Accounts payable				
Loans receivable				
NET CASH FLOWS FROM OPERATING ACTIVITIES				\$ 6,193
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
None				
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from customers				
Paid to suppliers for goods and services				
Net Cash Flows From Operating Activities				
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income				
Net Cash Flows From Investing Activities				
Net Change in Cash and Cash Equivalents				
CASH AND CASH EQUIVALENTS - Beginning of Year				788,971
CASH AND CASH EQUIVALENTS - END OF YEAR				\$ 818,163
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income				
Nonoperating revenue				
Changes in assets and liabilities				
Accounts receivables				
Prepays				
Accounts payable				
Loans receivable				

City of Fitchburg, Wisconsin

Statistical Section Table of Contents

This section of the City of Fitchburg's comprehensive annual financial report presents detailed information as context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial condition through multi-year comparative data.

<u>Contents</u>	<u>Pages</u>
Financial Trends - Schedules 1 - 4	
These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	104 - 107
Revenue Capacity - Schedules 5 - 8	
These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.	108 - 111
Debt Capacity - Schedules 9 - 12	
These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	112 - 115
Demographic and Economic Information - Schedules 13 & 14	
These schedules provide demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time with other governments.	116 - 117
Operating Information - Schedules 15 - 17	
These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.	118 - 120

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant years.

City of Fitchburg, Wisconsin

Table 1 - Net Position by Category
Last Ten Years
(accrual basis of accounting)

	2019		2018		2017		2016		2015	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Governmental Activities										
Net Investment in Capital Assets	\$ 101,747,076	75.5%	\$ 91,354,057	75.2%	\$ 76,784,970	74.6%	\$ 62,363,768	72.8%	\$ 60,626,176	77.8%
Restricted	14,732,123	10.9%	21,210,088	17.4%	16,998,508	16.5%	13,480,270	15.7%	12,928,873	16.6%
Unrestricted	18,303,492	13.6%	9,048,605	7.4%	9,158,362	8.9%	9,887,620	11.5%	4,325,315	5.6%
Total Governmental Activities	134,782,691	100.0%	121,612,750	100.0%	102,941,840	100.0%	85,731,658	100.0%	77,880,364	100.0%
Business-Type Activities										
Net Investment in Capital Assets	70,932,549	90.6%	67,917,196	91.9%	63,697,880	92.8%	55,741,112	91.3%	53,547,126	90.3%
Restricted	1,494,176	1.9%	735,277	1.0%	753,313	1.1%	513,230	0.8%	284,056	0.5%
Unrestricted	5,886,568	7.5%	5,276,284	7.1%	4,184,405	6.1%	4,845,635	7.9%	5,444,202	9.2%
Total Business-Type Activities	78,313,283	100.0%	73,928,757	100.0%	68,635,598	100.0%	61,099,977	100.0%	59,275,384	100.0%
Primary Government										
Net Investment in Capital Assets	\$ 172,679,625	80.8%	\$ 157,625,972 (1)	80.4%	\$ 138,382,329 (1)	80.5%	\$ 115,688,720 (1)	78.6%	\$ 111,443,166 (1)	81.3%
Restricted	16,226,299	7.6%	21,945,365	11.2%	17,751,821	10.3%	13,993,500	9.5%	13,212,929	9.6%
Unrestricted	24,190,050	11.4%	15,970,170 (1)	8.2%	15,443,288 (1)	9.0%	17,149,415 (1)	11.7%	12,499,653 (1)	9.1%
Total Primary Government	213,095,974	100.0%	195,541,507	100.0%	171,577,438	100.0%	146,831,635	100.0%	137,155,748	100.0%
Governmental Activities										
Net Investment in Capital Assets	\$ 63,461,581	96.3%	\$ 51,664,883	92.3%	\$ 45,915,944	90.8%	\$ 43,510,847	84.1%	\$ 41,471,524	79.6%
Restricted	5,773,293	8.8%	6,227,641	11.1%	5,450,356	10.8%	5,160,984	10.0%	2,354,964	4.5%
Unrestricted	(3,346,395)	-5.1%	(1,886,694)	-3.4%	(809,909)	-1.6%	3,031,475	5.9%	8,266,312	15.9%
Total Governmental Activities	65,888,479	100.0%	56,005,830	100.0%	50,556,391	100.0%	51,703,306	100.0%	52,092,800	100.0%
Business-Type Activities										
Net Investment in Capital Assets	51,117,061	90.8%	48,376,833	92.0%	48,119,904	93.8%	44,517,323	94.9%	45,169,405	97.3%
Restricted	260,949	0.5%	103,713	0.2%	-	0.0%	-	0.0%	-	0.0%
Unrestricted	4,865,786	8.7%	4,081,923	7.8%	3,158,459	6.2%	2,403,020	5.1%	1,235,186	2.7%
Total Business-Type Activities	56,243,796	100.0%	52,562,469	100.0%	51,278,363	100.0%	46,920,343	100.0%	46,404,591	100.0%
Primary Government										
Net Investment in Capital Assets	111,599,665 (1)	91.4%	96,855,440 (1)	89.2%	90,332,252 (1)	88.7%	86,878,170 (1)	88.1%	85,490,929 (1)	86.8%
Restricted	6,034,242	4.9%	6,331,354	5.8%	5,450,356	5.4%	5,160,984	5.2%	2,354,964	2.4%
Unrestricted	4,498,368 (1)	3.7%	5,381,505 (1)	5.0%	6,023,146 (1)	5.9%	6,584,495 (1)	6.7%	10,651,498 (1)	10.8%
Total Primary Government	122,132,275	100.0%	108,568,299	100.0%	101,805,754	100.0%	98,623,649	100.0%	98,497,391	100.0%

Notes:

(1) Adjustment made to primary government net position totals for capital assets owned by the business-type activities but financed by the governmental activities.

City of Fitchburg, Wisconsin
Table 2 - Changes in Net Position
 Last Ten Years
 (accrual basis of accounting)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses										
Governmental Activities										
General Government	\$ 3,746,995	\$ 3,876,129	\$ 3,700,734	\$ 4,214,796	\$ 3,871,581	\$ 3,219,898	\$ 4,194,646	\$ 3,712,572	\$ 4,171,270	\$ 3,873,747
Public Safety	13,610,960	12,763,729	12,011,684	11,611,091	10,335,633	10,957,835	9,707,764	9,934,613	9,848,882	9,532,990
Public Works	8,913,683	4,871,127	7,302,138	5,943,845	6,847,114	11,334,075	6,143,365	6,696,726	4,123,594	5,284,437
Health and Human Services	621,378	557,844	452,086	452,309	473,545	419,820	400,169	405,611	392,272	372,777
Culture, Education, and Recreation	3,789,324	3,952,097	4,516,517	3,876,686	4,020,494	3,524,529	3,919,726	3,786,584	5,034,454	1,610,606
Conservation and Development	1,347,666	4,744,902	1,895,179	3,263,485	1,014,751	1,311,610	55,856	5,091,478	3,786,905	1,579,305
Interest and Fiscal Charges	1,272,184	1,203,649	1,284,925	1,060,455	989,630	1,011,119	1,085,047	1,024,447	882,357	862,136
Total Governmental Activities	<u>33,302,190</u>	<u>31,969,477</u>	<u>31,213,263</u>	<u>30,422,687</u>	<u>27,552,748</u>	<u>31,778,886</u>	<u>25,506,573</u>	<u>30,632,031</u>	<u>28,239,734</u>	<u>23,115,998</u>
Business-Type Activities										
Water Utility	1,891,728	1,980,385	1,762,231	1,732,204	2,067,801	1,576,951	1,593,790	-	-	-
Sewer Utility	2,178,653	2,720,175	2,747,196	2,578,738	2,256,787	2,234,661	2,172,957	-	-	-
Utility District No. 1	1,303,454	1,258,444	1,100,895	993,407	956,835	902,526	1,032,225	3,538,650	3,342,005	3,421,216
Stormwater Utility	5,973,835	5,939,004	5,610,322	5,304,349	5,281,423	4,714,138	4,798,972	4,357,228	843,985	812,722
Total Business-Type Activities	<u>11,224,647</u>	<u>11,906,008</u>	<u>11,223,444</u>	<u>11,608,736</u>	<u>11,582,739</u>	<u>11,427,683</u>	<u>12,507,944</u>	<u>13,436,453</u>	<u>7,568,995</u>	<u>4,047,663</u>
Total Primary Government	<u>\$ 39,276,025</u>	<u>\$ 37,908,481</u>	<u>\$ 36,823,585</u>	<u>\$ 35,727,016</u>	<u>\$ 32,834,171</u>	<u>\$ 36,493,024</u>	<u>\$ 30,305,545</u>	<u>\$ 34,989,259</u>	<u>\$ 32,425,724</u>	<u>\$ 27,349,936</u>
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	\$ 1,304,783	\$ 791,335	\$ 642,190	\$ 739,032	\$ 551,308	\$ 505,508	\$ 479,105	\$ 546,264	\$ 91,000	\$ 78,971
Public Safety	892,112	646,742	495,940	446,128	679,530	488,171	480,779	428,565	889,267	815,662
Public Works	968,554	984,145	896,671	840,560	804,677	833,943	779,170	771,541	715,641	733,364
Culture, Education, and Recreation	1,042,832	422,196	1,071,356	484,546	442,313	1,003,541	331,859	248,933	160,004	157,660
Other Activities	63,793	38,300	59,991	43,602	60,483	46,401	40,399	39,920	44,542	66,442
Operating Grants and Contributions	2,390,581	2,214,463	2,190,691	2,254,765	2,115,694	1,937,917	1,709,573	1,776,574	1,694,184	1,150,289
Capital Grants and Contributions	4,582,012	10,924,956	11,605,782	2,687,644	3,599,622	10,998,263	2,711,549	4,261,364	1,530,803	1,107,091
Total Governmental Activities	<u>11,224,647</u>	<u>16,022,137</u>	<u>16,962,621</u>	<u>7,496,277</u>	<u>8,253,927</u>	<u>15,813,744</u>	<u>6,532,434</u>	<u>8,073,161</u>	<u>5,125,441</u>	<u>4,108,479</u>
Business-Type Activities										
Charges for Services										
Water Utility	2,711,296	2,811,034	2,766,623	2,539,352	2,229,284	2,229,520	2,215,653	-	-	-
Sewer Utility	2,711,587	2,691,083	2,449,397	2,374,224	2,282,454	2,250,576	2,148,958	-	-	-
Utility District No. 1	-	-	-	-	-	-	-	4,436,598	4,001,334	3,737,204
Stormwater Utility	1,215,562	1,175,554	1,167,269	1,126,026	1,102,836	1,083,515	1,041,100	980,580	903,795	839,242
Operating Grants and Contributions	3,778,103	3,633,124	7,317,485	1,674,275	3,044,423	2,018,146	1,102,373	1,229,477	279,833	193,740
Capital Grants and Contributions	10,416,548	10,310,795	13,700,774	7,713,877	8,658,997	7,581,757	6,908,084	6,646,655	5,184,962	4,770,166
Total Business-Type Activities	<u>17,125,506</u>	<u>17,521,496</u>	<u>18,292,279</u>	<u>14,301,626</u>	<u>15,028,190</u>	<u>14,822,905</u>	<u>13,369,110</u>	<u>16,191,767</u>	<u>10,468,122</u>	<u>9,803,752</u>
Total Primary Government	<u>\$ 21,641,195</u>	<u>\$ 26,332,932</u>	<u>\$ 30,663,395</u>	<u>\$ 15,210,154</u>	<u>\$ 16,912,524</u>	<u>\$ 23,395,501</u>	<u>\$ 13,040,518</u>	<u>\$ 14,719,816</u>	<u>\$ 10,310,403</u>	<u>\$ 8,878,665</u>
Net (Expense) Revenue	<u>\$ (22,077,543)</u>	<u>\$ (15,947,340)</u>	<u>\$ (14,250,642)</u>	<u>\$ (22,926,390)</u>	<u>\$ (19,299,221)</u>	<u>\$ (15,965,142)</u>	<u>\$ (18,974,139)</u>	<u>\$ (22,568,870)</u>	<u>\$ (23,114,293)</u>	<u>\$ (19,007,519)</u>
Governmental Activities	4,442,713	4,371,791	8,090,452	2,409,528	3,377,574	2,867,619	1,709,112	2,289,427	998,972	536,248
Business-Type Activities	<u>(17,634,830)</u>	<u>(11,575,549)</u>	<u>(6,160,190)</u>	<u>(20,516,862)</u>	<u>(15,921,647)</u>	<u>(13,097,523)</u>	<u>(17,265,027)</u>	<u>(20,289,443)</u>	<u>(22,115,321)</u>	<u>(18,471,271)</u>
Changes in Net Position										
Governmental Activities										
Property Taxes	\$ 30,028,666	\$ 29,792,121	\$ 27,576,882	\$ 26,483,919	\$ 23,154,063	\$ 22,794,686	\$ 20,833,535	\$ 20,456,378	\$ 19,688,989	\$ 16,874,220
Other	5,218,828	4,826,129	3,883,942	4,293,765	4,016,688	3,053,106	3,619,043	927,577	3,035,810	3,824,066
Total Governmental Activities	<u>35,247,494</u>	<u>34,618,250</u>	<u>31,460,824</u>	<u>30,777,684</u>	<u>27,170,751</u>	<u>25,847,791</u>	<u>24,452,578</u>	<u>21,382,955</u>	<u>22,724,799</u>	<u>20,698,286</u>
Business-Type Activities	(68,187)	921,368	(554,831)	(584,935)	(551,233)	813,708	(425,006)	2,068,593	(483,220)	(500,174)
Total Primary Government	<u>\$ 35,189,297</u>	<u>\$ 35,539,618</u>	<u>\$ 30,905,993</u>	<u>\$ 30,192,749</u>	<u>\$ 26,619,518</u>	<u>\$ 26,661,499</u>	<u>\$ 24,027,572</u>	<u>\$ 23,451,548</u>	<u>\$ 22,241,579</u>	<u>\$ 20,198,112</u>
Total Change in Net Position										
Governmental Activities	\$ 13,169,941	\$ 18,670,910	\$ 17,210,182	\$ 7,851,294	\$ 7,871,530	\$ 9,882,649	\$ 5,478,439	\$ (1,175,915)	\$ (389,494)	\$ 1,690,767
Business-Type Activities	4,384,526	5,293,159	7,535,621	1,824,593	2,826,341	3,681,327	1,284,106	4,388,020	515,752	96,074
Total Primary Government	<u>\$ 17,554,467</u>	<u>\$ 23,964,069</u>	<u>\$ 24,745,803</u>	<u>\$ 9,675,887</u>	<u>\$ 10,697,871</u>	<u>\$ 13,563,976</u>	<u>\$ 6,762,545</u>	<u>\$ 3,182,105</u>	<u>\$ 126,258</u>	<u>\$ 1,726,841</u>

City of Fitchburg, Wisconsin

Table 3 - Fund Balances of Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

<u>General Fund</u>	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Post-GASB 54 Categories										
Nonspendable	\$ 775,401	\$ 883,460	\$ 332,288	\$ 385,407	\$ 405,800	\$ 311,438	\$ 329,353	\$ 305,005	\$ 332,323	\$ -
Restricted	69,551	64,816	66,187	56,484	53,539	53,255	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	3,498,309	3,396,045	1,199,225	1,087,438	1,974,201	1,867,236	694,840	681,987	633,730	-
Unassigned	6,409,261	4,176,374	5,636,604	5,978,234	5,207,357	4,538,150	4,880,303	4,630,165	4,258,986	-
Pre-GASB 54 Categories										
Reserved	-	-	-	-	-	-	-	-	-	853,840
Designated	-	-	-	-	-	-	-	-	-	105,000
Undesignated	-	-	-	-	-	-	-	-	-	4,234,005
Total General Fund	10,752,522	8,520,695	7,234,304	7,507,563	7,640,897	6,770,079	5,904,496	5,617,157	5,225,039	5,192,845
All Other Governmental Funds										
Post-GASB 54 Categories										
Nonspendable	2,559	573	897	2,055,657	1,017,118	1,070,574	1,133,723	3,134	3,217	-
Restricted	22,621,298	24,455,271	22,159,309	15,631,826	10,905,887	6,180,758	7,960,573	8,243,629	8,314,261	-
Committed	967,007	963,635	929,665	886,926	924,662	821,650	757,366	743,069	826,706	-
Assigned	8,709,685	7,644,274	6,602,607	4,923,305	1,898,822	138,815	1,049,006	4,734,644	1,625,192	-
Unassigned/(Deficit)	(320,290)	(745,178)	(49,802)	(1,033,500)	(68,531)	(1,878,297)	(36,452)	(39,270)	(79,102)	-
Pre-GASB 54 Categories										
Reserved	-	-	-	-	-	-	-	-	-	9,242,300
Designated	-	-	-	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-	-	-	5,723,729
Total Other Governmental Funds	31,980,259	32,318,575	29,642,676	22,464,214	14,677,958	6,333,500	10,864,216	13,685,206	10,690,274	14,966,029
Total Governmental Funds										
Post-GASB 54 Categories										
Nonspendable	777,960	884,033	333,185	2,441,064	1,422,918	1,382,012	1,463,076	308,139	335,540	-
Restricted	22,690,849	24,520,087	22,225,496	15,688,310	10,959,426	6,234,013	7,960,573	8,243,629	8,314,261	-
Committed	967,007	963,635	929,665	886,926	924,662	821,650	757,366	743,069	826,706	-
Assigned	12,207,994	11,040,319	7,801,832	6,010,743	3,873,023	2,006,051	1,743,846	5,416,631	2,258,922	-
Unassigned	6,088,971	3,431,196	5,586,802	4,944,734	5,138,826	2,659,853	4,843,851	4,590,895	4,179,884	-
Pre-GASB 54 Categories										
Reserved	-	-	-	-	-	-	-	-	-	10,096,140
Designated	-	-	-	-	-	-	-	-	-	105,000
Undesignated	-	-	-	-	-	-	-	-	-	9,957,734
Total Governmental Funds	\$ 42,732,781	\$ 40,839,270	\$ 36,876,980	\$ 29,971,777	\$ 22,318,855	\$ 13,103,579	\$ 16,768,712	\$ 19,302,363	\$ 15,915,313	\$ 20,158,874

Notes:

(1) The City implemented GASB #54 in 2011, which resulted in new fund balance categories. Prior years have not been restated.

City of Fitchburg, Wisconsin
Table 4 - Changes in Fund Balances of Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues										
Taxes	\$ 30,091,522	\$ 29,842,181	\$ 27,643,788	\$ 26,483,919	\$ 23,154,063	\$ 22,832,142	\$ 20,872,258	\$ 20,495,750	\$ 19,728,476	\$ 16,952,782
Intergovernmental	5,425,624	4,638,324	4,755,625	4,290,824	4,018,382	5,572,311	3,561,861	4,041,750	3,748,154	2,564,925
Licenses and Permits	2,360,688	1,207,050	991,901	1,154,537	1,225,550	960,557	870,164	821,365	552,148	524,650
Fines, Forfeitures, and Penalties	297,737	297,295	287,320	232,298	326,402	284,380	303,297	314,120	288,845	305,846
Public Charges for Services	2,039,571	1,398,559	2,004,318	1,363,146	1,266,516	1,884,479	1,153,002	1,055,426	923,930	943,121
Special Assessments	286,152	873,004	182,765	194,832	223,762	202,637	99,191	42,677	70,230	50,326
Investment Income	1,196,586	1,271,475	428,537	257,761	200,208	358,024	(62,888)	277,798	176,789	221,737
Intergovernmental Charges for Service	12,540	16,140	15,240	1,992	84,790	91,579	261,246	280,251	212,156	143,461
Miscellaneous	390,428	850,950	922,991	1,015,708	1,046,697	1,288,564	1,161,651	1,260,171	1,997,391	1,631,252
Total Revenues	42,100,848	40,394,978	37,212,485	34,995,017	31,546,370	33,474,673	28,219,782	28,589,308	27,698,119	23,338,100
Expenditures										
General Government	2,743,696	2,915,323	3,151,199	3,076,264	3,288,940	3,281,529	3,094,802	3,202,117	3,272,931	3,092,896
Public Safety	11,915,343	11,452,111	10,882,181	10,352,561	9,659,217	9,352,979	9,117,655	9,300,777	9,049,363	8,740,223
Public Works	3,274,167	3,145,744	2,763,951	2,991,602	2,890,147	2,974,789	2,895,458	2,666,824	2,594,961	2,553,795
Health and Human Services	689,823	637,905	581,373	516,357	467,098	403,668	383,175	380,598	379,794	367,967
Culture, Education, and Recreation	3,716,103	3,695,803	3,525,224	3,700,636	3,259,171	3,354,690	3,233,577	3,295,936	2,981,085	1,358,447
Conservation and Development	1,141,465	4,210,804	981,655	571,480	555,654	497,879	470,767	456,292	484,560	591,727
Capital Outlay	13,972,833	10,506,237	12,581,636	11,099,099	6,252,430	13,272,961	8,692,032	19,650,936	17,100,277	10,613,367
Debt Service										
Principal	12,175,000	(2)	4,810,000	4,410,000	3,732,170	3,570,164	3,318,234	7,856,786	2,174,782	1,861,010
Interest and Fiscal Charges	1,334,162	1,485,180	1,290,429	1,276,750	1,170,472	1,028,711	1,276,787	1,416,162	1,133,149	583,254
Total Expenditures	50,962,592	47,864,107	40,567,648	37,994,749	31,555,299	37,737,370	32,482,487	48,226,428	39,170,902	29,762,886
Revenues Over/(Under) Expenditures	(8,861,744)	(7,469,129)	(3,355,163)	(2,999,732)	11,071	(4,262,697)	(4,262,705)	(19,637,120)	(11,472,783)	(6,424,586)
Other Financing Sources/(Uses)										
Debt Issued	9,500,000	9,280,000	8,990,000	9,700,000	8,325,000	-	1,040,000	22,045,000	6,585,000	7,545,000
Premium on Debt Issued	260,002	244,964	507,880	201,679	190,066	-	-	462,526	100,492	-
Property Sales	519,306	1,191,011	76,973	113,152	71,938	7,613	84,214	-	-	-
Transfers In	10,568,371	2,914,942	4,664,899	3,963,215	2,171,204	1,724,029	2,108,302	1,069,068	1,410,411	1,497,662
Transfers Out	(10,092,424)	(2,199,498)	(3,979,386)	(3,325,392)	(1,554,003)	(1,134,078)	(1,503,462)	(552,424)	(866,681)	(972,893)
Total Other Financing Sources/(Uses)	10,755,255	11,431,419	10,280,366	10,652,654	9,204,205	597,564	1,729,054	23,024,170	7,229,222	8,069,769
Net Change in Fund Balances	\$ 1,893,511	\$ 3,962,290	\$ 6,905,203	\$ 7,652,922	\$ 9,215,276	\$ (3,665,133)	\$ (2,533,651)	\$ 3,387,050	\$ (4,243,561)	\$ 1,645,183
Debt Service as a Percentage of Noncapital Expenditures (1)	32.9%	(2)	29.3%	(3)	19.1%	18.0%	17.9%	23.6%	11.9%	10.7%
Capital Expenditures as a Percentage of Total Expenditures	19.5%	19.4%	21.3%	16.7%	18.0%	35.9%	21.2%	18.4%	29.1%	23.4%

Notes:

(1) Total non-capital expenditures include reconciling items found on page 10 of the CAFR.

(2) Includes a debt pre-payment with cash-on-hand in TID #4 of \$7,425,000 in principal. Excluding that amount, the debt service as a percentage of noncapital expenditures is 18.1%.

(3) Includes a debt pre-payment with cash-on-hand of \$1,115,000 in principal and a current refunding of \$3,410,000 in principal. Excluding those two amounts, the debt service as a percentage of noncapital expenditures is 19.9%.

City of Fitchburg, Wisconsin

Table 5 - Assessed and Estimated Actual Value of Taxable Property ⁽¹⁾
Last Ten Years

	Taxes Payable 2019 Values 1/1/18		Taxes Payable 2018 Values 1/1/17		Taxes Payable 2017 Values 1/1/16		Taxes Payable 2016 Values 1/1/15		Taxes Payable 2015 Values 1/1/14	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real Property Assessed Value ⁽²⁾										
Residential	\$ 1,885,375,000	61.2%	\$ 1,782,603,500	60.7%	\$ 1,709,077,100	61.8%	\$ 1,655,989,900	62.3%	\$ 1,640,615,000	63.3%
Commercial	874,226,100	28.4%	828,863,500	28.2%	746,769,200	27.0%	697,653,200	26.2%	656,597,400	25.3%
Manufacturing	228,138,000	7.4%	229,356,800	7.8%	215,854,500	7.8%	212,455,400	8.0%	207,412,200	8.0%
Other	24,263,600	0.8%	21,447,600	0.7%	21,158,200	0.8%	19,837,600	0.7%	18,676,400	0.7%
Subtotal Real Property	3,012,002,700	97.8%	2,862,271,400	97.5%	2,692,859,000	97.3%	2,585,936,100	97.3%	2,523,301,000	97.3%
Personal Property Assessed Value ⁽²⁾	66,407,900	2.2%	74,099,700	2.5%	73,931,100	2.7%	72,035,430	2.7%	69,497,500	2.7%
Total Taxable Assessed Value	\$ 3,078,410,600	100.0%	\$ 2,936,371,100	100.0%	\$ 2,766,790,100	100.0%	\$ 2,657,971,530	100.0%	\$ 2,592,798,500	100.0%
Total City Direct Tax Rate ⁽³⁾	\$ 8.19		\$ 8.55		\$ 8.54		\$ 8.29		\$ 7.95	
Estimated Actual Taxable Value ⁽⁴⁾	3,135,272,200		2,954,018,100		2,830,645,500		2,711,401,700		2,623,964,200	
Assessed Value as a Percentage of Actual Value ⁽⁵⁾	98.2%		99.4%		97.7%		98.0%		98.8%	
Real Property Assessed Value ⁽²⁾										
Residential	\$ 1,618,483,400	64.4%	\$ 1,626,712,500	66.4%	\$ 1,630,129,500	66.7%	\$ 1,628,679,100	65.4%	\$ 1,638,425,800	64.5%
Commercial	626,927,300	24.9%	593,346,400	24.2%	585,628,900	24.0%	622,700,300	25.0%	647,691,200	25.5%
Manufacturing	181,336,300	7.2%	141,180,500	5.8%	129,489,500	5.3%	130,182,200	5.2%	134,752,800	5.3%
Other	17,949,500	0.7%	18,245,300	0.7%	18,387,600	0.8%	19,135,600	0.8%	19,132,300	0.8%
Subtotal Real Property	2,444,696,500	97.2%	2,379,484,700	97.1%	2,363,635,500	96.7%	2,400,697,200	96.4%	2,440,002,100	96.1%
Personal Property Assessed Value ⁽²⁾	69,871,900	2.8%	70,751,000	2.9%	80,510,500	3.3%	89,329,600	3.6%	99,790,699	3.9%
Total Taxable Assessed Value	\$ 2,514,568,400	100.0%	\$ 2,450,235,700	100.0%	\$ 2,444,146,000	100.0%	\$ 2,490,026,800	100.0%	\$ 2,539,792,799	100.0%
Total City Direct Tax Rate ⁽³⁾	\$ 7.84		\$ 7.56		\$ 7.58		\$ 7.13		\$ 5.95	
Estimated Actual Taxable Value ⁽⁴⁾	2,503,773,000		2,447,132,400		2,489,764,900		2,524,627,800		2,582,226,200	
Assessed Value as a Percentage of Actual Value ⁽⁵⁾	100.4%		100.1%		98.2%		98.6%		98.4%	

Notes:

- (1) Information presented in the year for which taxes were levied.
- (2) Assessed values are prepared by the City of Fitchburg Assessor.
- (3) Tax rates are expressed in rate per \$1,000 in assessed value.
- (4) Estimated actual values (equalized values) are prepared by the Wisconsin Department of Revenue, Bureau of Property Tax and include TID values.
- (5) The Wisconsin Department of Revenue does not consider any amendments to the Statement of Assessment when calculating the equalized ratio. Therefore, the percentage of actual value calculated above may differ slightly from what was printed on the tax bills.

City of Fitchburg, Wisconsin

Table 6 - Property Tax Rates - Direct and Overlapping Governments ⁽¹⁾
(Per \$1,000 of Assessed Valuation)
Last Ten Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Direct Rates:										
General Fund	\$ 5.496	\$ 5.648	\$ 5.672	\$ 5.775	\$ 5.337	\$ 5.505	\$ 5.412	\$ 5.321	\$ 5.008	\$ 4.910
Library Fund	0.660	0.674	0.688	0.697	0.658	0.668	0.659	0.648	0.681	0.055
Debt Service Fund	1.395	1.646	1.612	1.513	1.484	1.379	1.220	1.188	1.049	0.575
Capital Projects Fund	0.643	0.581	0.568	0.303	0.470	0.287	0.268	0.419	0.389	0.415
Total City Rate ⁽²⁾	8.194	8.550	8.540	8.288	7.949	7.839	7.559	7.576	7.127	5.955
Overlapping Rates ⁽³⁾:										
Dane County	3.021	3.166	3.203	3.209	3.155	3.104	3.001	2.922	2.753	2.907
State of Wisconsin	-	-	0.174	0.173	0.172	0.169	0.169	0.173	0.172	0.173
Madison College	0.926	0.947	0.988	0.946	0.945	1.833	1.813	1.741	1.495	1.335
School Districts ⁽⁴⁾:										
Madison Schools	11.289	11.670	12.195	12.316	12.089	11.717	11.502	11.354	11.218	10.360
Oregon Schools	11.589	11.613	12.000	11.906	12.122	12.319	12.183	12.164	11.894	11.137
Verona Schools	12.985	12.872	12.259	12.364	12.181	12.328	12.762	12.544	12.440	11.898
Less: State School Tax Credit	(1.915)	(1.978)	(1.870)	(1.942)	(1.719)	(1.770)	(1.808)	(1.831)	(1.835)	(1.855)
Totals by School District:										
Madison Schools	21.516	22.355	23.230	22.990	22.591	22.892	22.236	21.935	20.930	18.875
Oregon Schools	21.815	22.297	23.035	22.580	22.624	23.494	22.917	22.745	21.606	19.652
Verona Schools	23.211	23.557	23.294	23.039	22.683	23.503	23.496	23.125	22.152	20.413

Notes:

(1) Information presented in the year for which taxes were levied.

(2) Effective for 2010 and 2011 budgets, the state extended levy limits for an additional two years at 3% or net new construction, whichever is greater, and allowed the carryforward of the previous two years' unused levy limit capacity. Effective for 2012, 2013, 2014, and 2015 budgets, the state extended levy limits for an additional two years at 0% or net new construction, whichever is greater, and allowed the carryforward of the previous two years' unused levy limit capacity.

(3) Overlapping rates are those of local, county, and state governments that apply to property owners within the City.

(4) Not all overlapping rates apply to all City property owners. The rates for school districts apply only to the portion of the City's property owners whose property is located within the geographic boundaries of the school district.

Source: City of Fitchburg's Treasurer's Office

City of Fitchburg, Wisconsin

Table 7 - Principal Taxpayers ⁽¹⁾
Current Year and Nine Years Ago

Taxpayer	Taxes Payable 2019			Taxes Payable 2010		
	Taxable Assessed Value ⁽²⁾	Rank	% of Total Taxable Assessed Value	Taxable Assessed Value ⁽²⁾	Rank	% of Total Taxable Assessed Value
Promega Corp	\$ 118,315,900	1	3.8%	\$ 25,775,500	2	1.0%
Sub Zero/Wolf	100,235,300	2	3.3%	46,133,200	1	1.8%
Fred-The Vue	48,326,000	3	1.6%			
New Fountains Partnership	35,951,100	4	1.2%	21,660,000	3	0.9%
Goldleaf Fitchburg LLC	33,740,400	5	1.1%			
Riva West LLC	19,342,500	6	0.6%			
Orchard Pointe	19,285,000	7	0.6%			
One Neck Data	17,736,400	8	0.6%			
Target Corp	16,718,700	9	0.5%	16,540,000	4	0.7%
Orion	16,496,500	10	0.5%			
Certco				16,460,000	5	0.6%
Realty Income Corp				16,070,800	6	0.6%
Hatchery Hill Invest LLC				14,845,000	7	0.6%
Hatchery Hill 3 LLC				10,425,000	8	0.4%
Placon Corp				8,448,400	9	0.3%
Hatchery Hill Sr. Housing				6,735,000	10	0.3%
Total Principal Taxpayers	426,147,800		13.8%	183,092,900		7.2%
All Other Taxpayers	2,652,262,800		86.2%	2,356,699,899		92.8%
Total	\$ 3,078,410,600		100.0%	\$ 2,539,792,799		100.0%

Notes:

(1) Information presented in the year for which taxes were levied.

(2) Assessed values include real and personal property.

City of Fitchburg, Wisconsin

Table 8 - Property Tax Levies and Collections ⁽¹⁾
Last Ten Years

Year	Total Tax Levy ⁽²⁾		Collected Within the Year of the Levy ⁽³⁾		Collections in Subsequent Years ⁽⁴⁾		Total Collections to Date	
	Amount	% of Levy	Amount	% of Levy	Subsequent Years ⁽⁴⁾	Amount	% of Levy	
2019	\$ 31,176,266		\$ 30,990,739	99.4%	n/a	\$ 31,169,271	100.0%	
2018	30,885,159		30,695,768	99.4%	179,980	30,875,747	100.0%	
2017	28,829,635		28,790,659	99.9%	28,121	28,818,780	100.0%	
2016	27,584,921		27,548,422	99.9%	30,387	27,578,809	100.0%	
2015	24,187,218		24,169,240	99.9%	7,990	24,177,230	100.0%	
2014	23,963,313		23,941,368	99.9%	10,240	23,951,608	100.0%	
2013	21,711,680		21,648,014	99.7%	23,465	21,671,479	99.8%	
2012	21,460,340		21,395,413	99.7%	48,868	21,444,281	99.9%	
2011	20,532,537		20,455,175	99.6%	26,569	20,481,744	99.8%	
2010	17,799,728		17,690,573	99.4%	104,805	17,795,378	100.0%	

Notes:

- (1) Information presented in the year for which taxes were levied.
- (2) Total tax levy includes only the City portion of tax levy, TID increment, special assessments and charges, all omitted taxes for prior years, and correction of errors.
- (3) The City collects only the first installment of the real estate taxes through January 31. Real estate taxes are then turned over to the Dane County Treasurer for collection after January 31 of the fiscal year.
- (4) Responsibility for the collection of delinquent personal property taxes remains with the City. Collection of delinquent special assessments is performed by the County with remittances to the City as they are collected. Collections in subsequent years include payments received by the City for delinquent personal property taxes and delinquent special assessments.

City of Fitchburg, Wisconsin

Table 9 - Ratios of Outstanding Debt by Type ⁽¹⁾
Last Ten Years

Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Adjusted Gross Income ⁽²⁾	Per Capita ⁽²⁾
	General Obligation Bonds and Notes ⁽⁴⁾	General Obligation Bonds and Notes ⁽⁴⁾	General Obligation Bonds and Notes ⁽⁴⁾	General Obligation Bonds and Notes ⁽⁴⁾			
2019	\$ 48,887,544	\$ -	\$ -	\$ -	48,887,544	n/a ⁽³⁾	1,675.55
2018	51,342,988	-	-	-	51,342,988	5.4%	1,813.21
2017	51,905,434	-	-	-	51,905,434	5.7%	1,858.01
2016	47,245,000	150,000	150,000	150,000	47,395,000	5.5%	1,715.04
2015	41,955,000	275,000	275,000	275,000	42,230,000	5.0%	1,604.42
2014	37,362,170	400,000	400,000	400,000	37,762,170	4.8%	1,447.38
2013	40,932,334	500,000	500,000	500,000	41,432,334	5.8%	1,627.03
2012	43,210,568	550,000	550,000	550,000	43,760,568	6.9%	1,733.37
2011	29,022,355	575,000	575,000	575,000	29,597,355	4.9%	1,174.87
2010	24,612,137	685,495	685,495	685,495	25,297,632	4.3%	1,067.86

Notes:

- (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.
- (2) See the Table 13 - Demographic and Economic Statistics for adjusted gross income and population data.
- (3) n/a - data not available
- (4) Presented net of premiums on long-term debt.

City of Fitchburg, Wisconsin

Table 10 - Ratios of General Bonded Debt Outstanding ⁽¹⁾
Last Ten Years

Year	General Obligation Bonds ⁽²⁾	General Obligation Notes ⁽²⁾	Total General Obligation Debt ⁽²⁾	Percentage of Estimated Actual Taxable Value of Property ⁽³⁾	Per Capita ⁽⁴⁾
2019	\$ 39,843,816	\$ 9,043,728	\$ 48,887,544	1.59%	1,675.55
2018	40,245,156	11,097,832	51,342,988	1.75%	1,813.21
2017	38,633,498	13,271,936	51,905,434	1.88%	1,858.01
2016	32,700,000	14,695,000	47,395,000	1.78%	1,715.04
2015	27,030,000	15,200,000	42,230,000	1.63%	1,604.42
2014	26,365,000	11,397,170	37,762,170	1.50%	1,447.38
2013	27,915,000	13,517,334	41,432,334	1.69%	1,627.03
2012	29,250,000	14,510,568	43,760,568	1.79%	1,733.37
2011	14,100,000	15,497,355	29,597,355	1.19%	1,174.87
2010	9,360,000	15,937,632	25,297,632	1.00%	1,067.86

Notes:

- (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.
- (2) Includes governmental and business-type activities. Presented net of premiums on long-term debt.
- (3) See Table 8 - Assessed and Estimated Actual Value of Taxable Property for property value data.
- (4) See Table 13 - Demographic and Economic Statistics for population.

City of Fitchburg, Wisconsin

Table 11 - Computation of Direct and Overlapping Bonded Debt ⁽¹⁾
December 31, 2019

Jurisdiction	Total Governmental Activities Debt		Net Governmental Activities Debt Outstanding ⁽²⁾		Estimated Percentage Applicable ⁽³⁾	Estimated Share of Overlapping Debt
	Outstanding		Outstanding			
Direct:						
City of Fitchburg	\$ 48,215,000		\$ 48,887,544		100.00%	\$ 48,887,544
Overlapping ⁽⁴⁾ :						
Madison School District	64,861,166		64,861,166		5.05%	3,275,489
Oregon School District	94,175,000		94,175,000		14.57%	13,721,298
Verona School District	184,255,808		182,561,902		24.57%	44,855,459
Dane County	405,410,000		405,410,000		4.61%	18,689,401
Madison College	180,411,058		180,411,058		3.39%	6,115,935
Subtotal Overlapping	929,113,032		927,419,126			86,657,582
Total Direct and Overlapping Debt	\$ 977,328,032		\$ 976,306,670			\$ 135,545,126

Notes:

- (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.
- (2) Net of sinking funds or assets available in the debt service for payment of principal. Presented net of premiums on long-term debt.
- (3) Applicable percentages were estimated by determining the portion of another government unit's equalized value that is within the City's geographic boundaries and dividing it by each government's total equalized valuation.
- (4) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City.

City of Fitchburg, Wisconsin

Table 12 - Computation of Legal Debt Margin
Last Ten Years

<u>Year</u>	<u>Debt Limit</u>	<u>Total Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Total Net Debt Applicable to the Limit as a Percentage of Debt Limit</u>
2019	\$ 170,955,645	\$ 48,215,000	\$ 122,740,645	28.20%
2018	156,763,610	50,890,000	105,873,610	32.46%
2017	147,700,905	51,425,000	96,275,905	34.82%
2016	141,532,275	47,395,000	94,137,275	33.49%
2015	135,570,085	42,230,000	93,340,085	31.15%
2014	131,198,210	37,762,170	93,436,040	28.78%
2013	125,188,650	41,432,334	83,756,316	33.10%
2012	122,356,620	43,760,568	78,596,052	35.76%
2011	124,488,245	29,597,355	94,890,890	23.78%
2010	126,231,390	25,297,632	100,933,758	20.04%

Legal Debt Margin Calculation for 2019:

Estimated Actual Value of Real and Personal Property

\$ 3,419,112,900

Debt Limit - 5% of Estimated Actual Value

\$ 170,955,645 (1)

Total Bonded Debt Applicable to Limitation

48,215,000

Legal Debt Margin

\$ 122,740,645

Notes:

(1) Wisconsin State Statute 67.03 limits general obligation borrowing for general city purposes to 5% of the estimated actual value of real and personal property.

City of Fitchburg, Wisconsin
Table 13 - Demographic and Economic Statistics
Last Ten Years

Year	Population ⁽¹⁾	Adjusted Gross Income ⁽²⁾		Per Capita Adjusted Gross Income	School Enrollment ⁽³⁾			Dane County Unemployment Rate ⁽⁴⁾
		\$	n/a		Madison Schools	Oregon Schools	Verona Schools	
2019	29,177		n/a	n/a	27,063	4,145	5,747	2.3%
2018	28,316	\$	957,610,314	\$ 40,969	27,149	4,096	5,662	1.9%
2017	27,936		912,447,735	36,792	27,103	4,047	5,549	1.9%
2016	27,635		868,432,120	35,664	25,239	3,990	5,474	2.9%
2015	26,321		841,245,246	31,961	28,101	3,945	5,472	2.9%
2014	26,090		782,146,700	29,979	27,274	3,828	5,411	2.9%
2013	25,465		711,272,300	27,931	27,181	3,793	5,433	3.8%
2012	25,246		632,471,120	25,052	27,112	3,736	5,316	4.4%
2011	25,192		608,757,870	24,165	26,817	3,718	4,892	4.4%
2010	23,690		586,705,401	24,766	24,806	3,725	4,889	4.6%

Notes:

- (1) The 2000 population is the official U.S. Census. Population estimates for the other years are prepared by the Wisconsin Department of Administration, Demographic Services Center.
- (2) Source: Wisconsin Department of Revenue, Division of Research and Policy.
- (3) Fitchburg residents are split amount three different school districts. The amounts shown above are the total enrollments, not just Fitchburg residents. Source: Department of Public Instruction; School District.
- (4) Source: Wisconsin Department of Workforce Development.

n/a - data not available

Year	Median Age	Percent Graduates	
		High School	College
2019	n/a	94.9%	49.6%
2018	34.8	93.0%	46.5%
2017	34.5	95.3%	49.0%
2016	34.2	91.3%	46.4%
2015	34.4	91.1%	46.0%
2014	34.6	94.9%	47.6%

Source: U.S. Bureau of the Census. Dane County Wisconsin

Note: 2018 median age not available @ 5/9/19

City of Fitchburg, Wisconsin

Table 14 - Principal Employers
Current Year and Thirteen Years Ago (2)

Employer	2019			2006 (1)		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
SubZero/Wolf	1,400	1	4.9%			
Promega	886	2	3.1%	468	1	2.0%
Agrace Hospice Care	556	3	2.0%			
Super Target	450	5	1.6%			
Thermo Fisher	425	6	1.5%	473	2	2.1%
Placon	486	4	1.7%	260	3	1.1%
Hy-Vee	406	7	1.4%			
Certco	280	8	1.0%	135	7	0.6%
CDW	250	9	0.9%	162	4	0.7%
Tri-North Builders	250	10	0.9%			
Oakhill				150	5	0.7%
DNR				140	6	0.6%
Wingra Stone				125	8	0.5%
General Beverage Sales Co.				110	9	0.5%
All Juice				70	10	0.3%
Total	5,389		19.0%	2,093		9.1%

Notes:

(1) Estimated based on information obtained for 2000 employer counts.

(2) Nine years prior to the current year would be 2010; however, that information is not accessible. Instead, information is provided for the current year and thirteen years prior.

Source: Wisconsin Department of Workforce Development.

City of Fitchburg, Wisconsin
 Table 15 - Full-Time Equivalent City Government Employees by Function
 Last Ten Years

Function	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government ⁽³⁾	19.65	19.65	19.40	20.60 ⁽²⁾	23.80	20.07	19.67	19.67	19.17	20.17
Public Safety										
Police										
Officers	51.00	50.00	49.00	49.00	49.00	46.00	45.00	45.00	44.00	44.00
Civilians	12.00	12.00	12.00	12.00	11.50	11.50	11.50	12.00	12.00	12.00
Fire										
Firefighters	23.00	23.00	23.00	23.00	19.33	19.33	19.33	19.33	19.33	19.33
Civilians	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Building Inspection	3.00	3.50	3.50	3.50	3.75	4.25	4.25	4.25	4.25	4.25
Health and Human Services	6.00	5.80	5.80	5.30	5.30	5.30	4.90	4.90	4.90	4.90
Public Works	19.00	20.00	19.20	18.10	17.85	16.35	16.35	16.35	16.35	15.35
Culture, Recreation, and Education	26.60	26.35 ⁽⁴⁾	27.35	26.35	25.35	24.35	24.35	23.35	22.85 ⁽³⁾	8.60
Conservation and Development	6.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Utility District #1 (Water & Sewer)	7.00	6.00	6.00	5.00	5.00	4.00	4.00	4.00	4.00	4.00
Stormwater Utility	2.00	2.00	2.00	2.00	2.00	1.75	1.75	1.75	1.75	1.75
Technology	5.00	5.00	5.00	5.00 ⁽²⁾	-	-	-	-	-	-
Total	181.25	179.30	178.25	175.85	168.88	158.90	157.10	156.60	154.60	140.35

Notes:

- (1) The FTE's presented are the approved number of positions and may not agree to the number of positions filled. Schedule does not include seasonal part-time employees, pollworkers, or elected officials.
- (2) Technology employees moved from general government to the internal service fund in 2016.
- (3) New library operational in 2011.
- (4) 2018 culture and recreation employee count corrected from 2018 CAFR.

Source: Annual adopted budgets

City of Fitchburg, Wisconsin

Table 16 - Operating Indicators by Function
Last Ten Years

Function	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government										
Number of Assessable Parcels	8,363	8,212	7,938	7,939	8,152	8,118	8,099	8,102	8,125	8,244
Equalized Value - TID In	3,419,112,900	3,135,272,200	2,954,018,100	2,830,645,500	2,711,401,700	2,623,964,200	2,503,773,000	2,447,132,400	2,489,764,900	2,524,627,800
Equalized Value - TID	353,140,300	304,383,200	290,853,700	254,856,300	278,301,100	156,655,300	183,053,200	138,892,600	125,083,400	123,314,900
Net New Construction Value	110,271,500	83,740,200	87,645,200	81,012,600	51,214,800	75,728,200	60,774,500	31,754,200	20,992,000	19,294,700
Net New Construction %	3.517%	2.835%	3.096%	2.988%	1.952%	3.025%	2.483%	1.275%	0.831%	0.747%
Pet Licenses Issued	1,729	1,600	1,630	1,595	1,527	1,485	1,448	1,410	1,399	1,454
Operator Licenses	291	349	309	215	359	466		473	367	266
Public Safety										
Police Department										
Calls for Police Service	23,521	25,583	18,531	19,194	20,530	19,299	19,695	21,382	21,532	20,327
Total Arrests	785	1,068	1,001	708	814	874	1,131	1,207	1,278	1,295
Fire Department										
Fire Responses	2,091	2,103	2,054	2,033	2,010	1,807	1,542	1,575	1,384	1,315
Fire Inspections	2,221	2,349	2,320	2,790	2,521	2,244	2,515	2,798	2,333	2,312
EMS Assists	1,185	1,169	1,202	1,220	1,226	993	739	748	583	574
Building Inspection Department										
Building Permits Issued	1,080	1,050	985	870	682	644	653	628	642	634
Property Maintenance Inspection	904	1,368	1,134	1,242	1,199	877	1,232	1,205	n/a	n/a
Health and Human Services										
Senior Center Clients Served	745	683	689	769	694	597	664	649	652	615
Nutrition Meals Served	13,464	14,706	15,930	13,505	12,325	11,242	11,112	10,153	8,488	9,737
Public Works										
Residential Rubbish Removals	5,571	5,469	5,424	5,353	5,319	5,239	5,219	5,189	5,180	5,166
Culture, Recreation, and Education										
Library Items Circulated	388,000	384,000	386,317	393,172	389,153	388,074	393,391	375,610	158,411	-
Library Card Holders	16,573	16,248	15,072	16,976	15,290	15,103	14,824	16,681	14,956	-
Summer Reading Program Registrants	1,353	1,309	1,081	954	1,204	890	1,024	1,198	n/a	-
Recreation Program Participants	2,929	3,259	3,713	3,417	3,198	4,279	4,158	3,797	3,865	3,763
FACTV										
Productions	658	482	221	204	288	271	286	238	206	185
Meeting covered	265	238	251	269	247	229	231	262	283	47
Conservation and Development										
Planning/Zoning Applications	131	151	145	127	169	143	171	238	143	163
Items Sent to Planning Commission	154	183	119	80	109	104	111	91	69	88
Utility District #1										
Average Number of Customers										
Water	6,377	6,240	6,100	6,060	6,024	5,969	5,742	6,282	6,288	6,186
Sewer	6,178	6,043	5,850	5,810	5,810	5,753	5,723	5,727	5,616	5,571
Water only	486	474	469	466	457	456	683	-	-	-
Sewer only	47	47	53	53	53	53	53	53	51	50
Total Pumped (million gallons)	718,729	710,325	704,180	707,829	699,754	706,019	727,090	780,102	722,234	721,785
Stormwater Utility										
Average Number of Customers	6,312	6,162	6,007	5,964	5,910	5,867	5,833	5,759	5,739	5,710
Technology										
Tickets Addressed	2,342	2,383	2,511	2,257	1,746	n/a	n/a	n/a	n/a	n/a

Source: Various City departments.

City of Fitchburg, Wisconsin

Table 17 - Capital Asset Statistics by Function ⁽¹⁾
Last Ten Years

Function	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Public Safety										
Police Patrol Units										
Owned	12	11	11	11	11	11	13	15	10	10
Leased	10	10	10	9	10	10	10	10	12	11
Police Stations ⁽²⁾	1	1	1	1	1	1	1	1	1	1
Fire Stations	3	3	3	2	2	2	2	2	2	2
Public Works										
Streets (center lane miles)	130.29	127.68	126.72	122.89	122.06	120.89	120.62	118.27	118.27	118.07
Culture and Recreation										
Park Acreage	729	728	747	610	610	609	606	584	584	584
Parks	61	52	51	43	42	41	41	37	37	37
Community/Senior Centers	1	1	1	1	1	1	1	1	1	1
Libraries	1	1	1	1	1	1	1	1	1	1
Utility District #1										
Sewer Main (feet)	457,894	450,869	445,530	437,859	433,584	428,960	428,764	427,830	419,527	419,472
Pump Stations/Reservoirs	4	4	4	4	4	4	4	4	4	4
Wells	6	6	6	6	6	6	6	6	6	6
Watermain (feet)	575,534	562,699	535,065	521,771	517,493	508,633	507,438	505,531	494,370	494,370
Fire Hydrants	1,172	1,171	1,158	1,120	1,119	1,098	1,097	1,090	1,058	1,058
Services	5,497	5,384	5,265	5,072	5,069	5,017	5,014	4,969	4,955	4,954
Lift Stations	1	-	-	-	-	-	-	-	-	-
Stormwater Utility										
City owned wet detention facilities	55	54	54	46	44	42	40	49	44	33
City owned infiltration facilities	16	15	15	10	10	10	10	10	10	10

Notes:

- (1) Indicators are not available for the General Government, Health & Welfare, Conservation and Development, or Technology functions.
- (2) The police station is attached to City Hall.

Source: Various City departments.

FORM OF LEGAL OPINION

(See following pages)

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

December 30, 2020

Re: City of Fitchburg, Wisconsin ("Issuer")
\$20,590,000 General Obligation Corporate Purpose Bonds, Series 2020A,
dated December 30, 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	\$880,000	___%
2022	900,000	___
2023	905,000	___
2024	910,000	___
2025	1,085,000	___
2026	1,180,000	___
2027	1,230,000	___
2028	1,240,000	___
2029	1,265,000	___
2030	895,000	___
2031	860,000	___
2032	865,000	___
2033	880,000	___
2034	885,000	___
2035	895,000	___
2036	955,000	___
2037	1,175,000	___
2038	1,180,000	___
2039	1,190,000	___
2040	1,215,000	___

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, 2028 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on March 1, 2027 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 excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

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

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

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

QUARLES & BRADY LLP

BOOK-ENTRY-ONLY SYSTEM

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

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

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 Fitchburg, Dane County, Wisconsin (the "Issuer") in connection with the issuance of \$20,590,000 General Obligation Corporate Purpose Bonds, Series 2020A, dated December 30, 2020 (the "Securities"). The Securities are being issued pursuant to resolutions adopted on October 13, 2020 and December 8, 2020 (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 December 9, 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 Fitchburg, Dane County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the City Administrator of the Issuer who can be contacted at 5520 Lacy Road, Fitchburg, Wisconsin 53711, phone (608) 270-4209, fax (608) 270-4212.

"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 30th day of December, 2020.

(SEAL)

Aaron Richardson
Mayor

Tracy Oldenburg
City Clerk

NOTICE OF SALE

**\$20,590,000* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2020A
CITY OF FITCHBURG, WISCONSIN**

Bids for the purchase of \$20,590,000* General Obligation Corporate Purpose Bonds, Series 2020A (the "Bonds") of the City of Fitchburg, 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 December 8, 2020, at which time they will be opened, read and tabulated. The bids will be presented to the Common Council for consideration for award by resolution at a meeting to be held at 7:30 P.M., Central Time, on the same date. The bid offering to purchase the Bonds upon the terms specified herein and most favorable to the City will be accepted unless all bids are rejected.

PURPOSE

The Bonds are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purposes of financing the purchase of fire equipment, street improvement projects and current refunding certain obligations of the City. The Bonds are general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount.

DATES AND MATURITIES

The Bonds will be dated December 30, 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	\$880,000	2028	\$1,240,000	2035	\$895,000
2022	900,000	2029	1,265,000	2036	955,000
2023	905,000	2030	895,000	2037	1,175,000
2024	910,000	2031	860,000	2038	1,180,000
2025	1,085,000	2032	865,000	2039	1,190,000
2026	1,180,000	2033	880,000	2040	1,215,000
2027	1,230,000	2034	885,000		

ADJUSTMENT OPTION

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

TERM BOND OPTION

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

INTEREST PAYMENT DATES AND RATES

Interest will be payable on 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 may select City officials or a bank or trust company to act as paying agent (the "Paying Agent"). If a bank or trust company is selected, 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, 2028 shall be subject to optional redemption prior to maturity on March 1, 2027 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 December 30, 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, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL MATTERS

An opinion as to the validity of the Bonds and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City, and will be available at the time of delivery of the

Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). (See "FORM OF LEGAL OPINION" found in Appendix B of the Official Statement).

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

SUBMISSION OF BIDS

Bids must not be for less than \$20,342,920 plus accrued interest on the principal sum of \$20,590,000 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 \$411,800 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

The City and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the bid is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the bid is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

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

AWARD

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

BOND INSURANCE

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

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

CUSIP NUMBERS

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

NON-QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

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.

NEW ISSUE PRICING

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

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

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

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

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

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

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

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

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

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

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

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

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further

acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Bonds.

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

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

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

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

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

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

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

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

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

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with

a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

- (iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) "sale date" means the date that the Bonds are awarded by the City to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the 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

Misty Dodge, Finance Director/Treasurer
City of Fitchburg, Wisconsin

BID FORM

The Common Council
City of Fitchburg, Wisconsin

December 8, 2020

RE: **\$20,590,000* General Obligation Corporate Purpose Bonds, Series 2020A (the "Bonds")**
DATED: **December 30, 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 \$20,342,920) 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	2028	_____ % due	2035
_____ % due	2022	_____ % due	2029	_____ % due	2036
_____ % due	2023	_____ % due	2030	_____ % due	2037
_____ % due	2024	_____ % due	2031	_____ % due	2038
_____ % due	2025	_____ % due	2032	_____ % due	2039
_____ % due	2026	_____ % due	2033	_____ % due	2040
_____ % due	2027	_____ % due	2034		

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

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 \$411,800 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 December 30, 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 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.

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

If the competitive sale requirements are not met, we elect to use either the: _____ 10% test, or the _____ hold-the-offering-price rule to determine the issue price of the Bonds.

Account Manager: _____ By: _____
Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from December 30, 2020 of the above bid is \$ _____ and the true interest cost (TIC) is _____ %.

The foregoing offer is hereby accepted by and on behalf of the Common Council of the City of Fitchburg, Wisconsin, on December 8, 2020.

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