

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 8, 2021

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

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

New Issue

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

CITY OF MONROE, WISCONSIN (Green County)

\$9,855,000* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2021A

BID OPENING: November 15, 2021, 10:30 A.M., C.T.

CONSIDERATION: November 15, 2021, 6:30 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$9,855,000* General Obligation Corporate Purpose Bonds, Series 2021A (the "Bonds") of the City of Monroe, Wisconsin (the "City") are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purposes of financing street improvement projects, water system projects, sewerage projects, costs included in the project plans for the City's Tax Incremental Districts and refunding certain obligations of the City. The Bonds are general obligations of the City for which its full faith, credit and taxing powers are pledged. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF BONDS: December 2, 2021

MATURITY: March 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2022	\$295,000	2029	\$430,000	2036	\$430,000
2023	275,000	2030	440,000	2037	525,000
2024	295,000	2031	445,000	2038	895,000
2025	330,000	2032	420,000	2039	905,000
2026	335,000	2033	435,000	2040	910,000
2027	345,000	2034	430,000	2041	935,000
2028	375,000	2035	405,000		

**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, 2022 and semiannually thereafter.

**OPTIONAL
REDEMPTION:**

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

MINIMUM BID:

\$9,731,812.

MAXIMUM BID:

\$10,446,300.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$197,100 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT:

Bond Trust Services Corporation.

BOND COUNSEL:

Quarles & Brady LLP.

MUNICIPAL ADVISOR:

Ehlers and Associates, Inc.

BOOK-ENTRY-ONLY:

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

REPRESENTATIONS

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

This Preliminary Official Statement is not to be construed as a contract with the Syndicate Manager or Syndicate Members. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete. Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the delivery of the Bonds.

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

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

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

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

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

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

CLOSING CERTIFICATES

Upon delivery of the Bonds, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Bonds, (b) neither the corporate existence or boundaries of the City nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; 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 MONROE COMMON COUNCIL

		<u>Term Expires</u>
Louis Armstrong	Mayor	April 2022
Brooke Bauman	Alderperson	April 2023
Mikey Beam	Alderperson	April 2022
Joshua Binger	Alderperson	April 2023
Michael Boyce	Alderperson	April 2022
Donna Douglas	Alderperson	April 2022
Vacant	Alderperson	April 2023
Robert Driver	Alderperson	April 2022
Andrew Kranig	Alderperson	April 2023
Richard Thoman	Alderperson	April 2022

ADMINISTRATION

David Lothspeich, City Administrator/City Comptroller

Brittney Rindy, City Clerk/Treasurer

Karla Fritsch, Deputy Comptroller

PROFESSIONAL SERVICES

Daniel R. Bartholf, City Attorney, Monroe, Wisconsin

Bauman Associates, Certified Public Accountants & Advisors, Comptroller Service Provider, Eau Claire, Wisconsin

Quarles & Brady LLP, Bond Counsel, Milwaukee, Wisconsin

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

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of Monroe, Wisconsin (the "City") and the issuance of its \$9,855,000* General Obligation Corporate Purpose Bonds, Series 2021A (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 November 15, 2021.

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Waukesha, Wisconsin, (262) 785-1520, the City's municipal advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the Bond Sales link and following the directions at the top of the site.

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of December 2, 2021. The Bonds will mature on March 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on March 1 and September 1 of each year, commencing March 1, 2022, 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 has selected Bond Trust Services Corporation, Roseville, Minnesota, to act as paying agent (the "Paying Agent"). Bond Trust Services Corporation and Ehlers are affiliate companies. The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

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

*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 street improvement projects, water system projects, sewerage projects, costs included in the project plans for the City's Tax Incremental Districts and refunding the City's \$890,000 General Obligation Community Development Bonds dated November 27, 2007 and the City's \$1,105,000 General Obligation Street Improvement Bonds dated May 24, 2011 (the "2007 Bonds" and the "2011 Bonds") as follows:

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturity Being Refunded	Interest Rates	Principal to be Refunded	CUSIP Base
2007 Bonds	11/27/07	1/3/22	100%	2027	4.25%	\$495,000	GR2
Total 2007 Bonds Being Refunded							<u>\$495,000</u>

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded	CUSIP Base
2011 Bonds	5/24/11	1/3/22	100%	2022 2023 2024 2025 2026 2027 2028 2029 2030 2031	4.00% 4.00% 4.00% 4.00% 4.00% 4.00% 4.00% 4.00% 4.125% 4.25%	\$80,000 80,000 75,000 75,000 70,000 70,000 65,000 65,000 70,000 70,000	HG5 HH3 HJ9 HK6 HL4 HM2 HN0 HP5 HQ3 HR1
Total 2011 Bonds Being Refunded							<u>\$720,000</u>

A portion of the proceeds of the Bonds will be used to refund the maturities described above and to pay all or most of the costs of issuance.

ESTIMATED SOURCES AND USES*

Sources	
Par Amount of Bonds	\$9,855,000
Estimated Interest Earnings	<u>7,012</u>
Total Sources	\$9,862,012
Uses	
Estimated Underwriter's Discount	\$123,188
Costs of Issuance	92,100
Deposit to Project Construction Fund	8,414,600
Deposit to Current Refunding Fund	1,227,803
Rounding Amount	<u>4,321</u>
Total Uses	\$9,862,012

*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, irrepealable tax on all taxable property in the City sufficient to pay the interest on the Bonds when it becomes due and also to pay and discharge the principal on the Bonds at maturity, in compliance with Article XI, Section 3 of the Wisconsin Constitution. Such tax may, under current law, be levied without limitation as to rate or amount.

CONCURRENT FINANCING

By means of a separate Preliminary Official Statement, the City will be issuing Taxable General Obligation Refunding Bonds, Series 2021B (the "Concurrent Obligations" or the "Series 2021B Bonds") on December 2, 2021.

RATING

General obligation debt of the City is currently rated "Aa3" by Moody's Investors Service, Inc. ("Moody's"). The City has requested a rating on the Bonds from Moody's Investors Service, Inc. ("Moody's"), and bidders will be notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from Moody's. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

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

CONTINUING DISCLOSURE

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

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

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

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

LEGAL OPINION

An opinion as to the validity of the Bonds 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).

STATEMENT REGARDING COUNSEL PARTICIPATION

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

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

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

MUNICIPAL ADVISOR

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

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, 2020 have been audited by Baker Tilly US, 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 Preliminary Official Statement.

RISK FACTORS

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

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

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

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

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

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 former 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 evolve. COVID-19 has caused significant disruptions to the global, national and State economy. The extent to which the coronavirus continues to impact the City and its financial condition will depend on future developments, which are uncertain and cannot be predicted by the City, including the duration of the outbreak and future 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.

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 was \$174,118. These funds were disbursed up to the amount of the allocation after eligible expenditures were reported through the State's cost tracker application. On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021, which provides local governments an additional \$130.2 billion through the Coronavirus Local Fiscal Recovery Fund. These funds can be used to mitigate increased expenditures, lost revenue and economic hardship related to the COVID-19 pandemic, with half received in 2021 and half to be received in 2022. The City's allocation is \$1.04 million.

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. The public health emergency and mask orders have been extended multiple times, with the most recent extension on January 19, 2021 through March 20, 2021. On February 4, 2021, the Wisconsin Assembly voted to repeal the Governor's order requiring face coverings. Later the same day, Governor Evers issued a new Emergency Order #1 requiring the use of face coverings through April 5, 2021. On March 31, 2021, the Wisconsin Supreme Court struck down Emergency Order #1, finding that legislative approval was required to continue the order beyond its original 60-day period. The ruling does not impact the validity of local mandates.

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

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

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

Assessed Value

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

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

CURRENT PROPERTY VALUATIONS

2021 Equalized Value	\$861,079,500
2021 Equalized Value Reduced by Tax Increment Valuation	\$827,461,400
2021 Assessed Value	\$802,352,100

2021 EQUALIZED VALUE BY CLASSIFICATION

	2021 Equalized Value¹	Percent of Total Equalized Value
Residential	\$ 559,870,500	65.020%
Commercial	230,332,200	26.749%
Manufacturing	44,693,500	5.190%
Agricultural	37,900	0.004%
Personal Property	<u>26,145,400</u>	3.036%
Total	<u><u>\$ 861,079,500</u></u>	<u><u>100.000%</u></u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value¹	Percent Increase/Decrease in Equalized Value
2017	\$ 656,595,700	\$ 714,080,200	3.86%
2018	748,645,700	739,875,800	3.61%
2019	749,434,100	793,283,200	7.22%
2020	760,262,500	814,526,900	2.68%
2021	802,352,100	861,079,500	5.72%

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	2021 Equalized Value¹	Percent of City's Total Equalized Value
Monroe Clinic	Medical	\$ 16,901,695	1.96%
Wal-Mart Stores	Commercial- Retail	11,831,933	1.37%
RS Partners Fund- Monroe LLC	Commercial- Grocery	10,139,309	1.18%
Swiss Colony	Enterprise Company	10,125,328	1.18%
Colony Brands	Enterprise Company	9,266,795	1.08%
Badger State Ethanol	Industrial	8,039,512	0.93%
Roth Kase USA	Cheese Producer	4,801,657	0.56%
CSKW Ventures	Storage Facility	4,314,329	0.50%
Gng LLC	Apartment building	4,144,416	0.48%
2122 Associates	Retirement home	4,125,632	0.48%
Total		\$ 83,690,606	9.72%

City's Total 2021 Equalized Value² \$861,079,500

Source: The City.

¹ Calculated by dividing the 2021 Assessed Values by the 2021 Aggregate Ratio of assessment for the City.

² Includes tax increment valuation.

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Bonds and the Concurrent Obligations)* \$ 24,165,000

Revenue Debt (see schedules following)

Total revenue debt secured by sewer revenues \$ 14,875,637

Lease Obligations

Issue Date	Original Amount	Purpose	Final Maturity	Principal Outstanding
3/21/2018	\$ 1,394,670	Equipment	3/21/2027	\$ 861,304

*Preliminary, subject to change.

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

**City of Monroe, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 12/02/2021)**

	Refunding Bonds Series 2012A	Promiseory Bank Notes 2014	Corporate Purpose Bonds Series 2016A	Promiseory Notes Series 2016B	Street Improvement Bonds Series 2017A
Dated Amount	05/22/2012 \$3,955,000	09/01/2014 \$1,200,000	09/27/2016 \$4,655,000	09/27/2016 \$4,355,000	03/15/2017 \$5,120,000
Maturity	04/01	12/01	03/01	03/01	03/01
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal
2022	235,000	49,265	120,000	8,243	165,000
2023	245,000	44,343	120,000	5,475	165,000
2024	250,000	39,020	120,000	2,745	165,000
2025	260,000	33,280	170,000	66,385	195,000
2026	275,000	26,990	210,000	62,585	200,000
2027	290,000	20,065	250,000	57,985	210,000
2028	300,000	12,540	265,000	52,835	250,000
2029	320,000	4,320	280,000	47,385	280,000
2030			280,000	41,785	350,000
2031			265,000	36,335	375,000
2032			295,000	30,366	375,000
2033			295,000	23,876	375,000
2034			300,000	17,405	400,000
2035			310,000	10,618	400,000
2036			310,000	3,565	400,000
2037					395,000
2038					5,431
2039					
2040					
2041					
	2,175,000	229,823	360,000	16,433	3,725,000
			670,230		1,430,000
					50,069
					4,840,000
					1,261,338

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City of Monroe, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 12/02/2021)

Corporate Purpose Bonds
Series 2021A

Dated	12/02/2021
Amount	\$9,855,000*
Maturity	03/01

Taxable Refunding Bonds
Series 2021B

Dated	12/02/2021
Amount	\$1,780,000*
Maturity	03/01

Calendar Year Ending	Principal	Estimated Interest	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Year Ending
2022	295,000	133,940	0	22,704	1,340,000	441,994	1,781,994	22,825,000	5.55%	2022
2023	275,000	178,006	100,000	30,035	1,445,000	472,844	1,917,844	21,380,000	11.52%	2023
2024	295,000	176,218	100,000	29,335	1,250,000	450,478	1,700,478	20,130,000	16.70%	2024
2025	330,000	173,365	100,000	28,485	1,255,000	427,571	1,682,571	18,875,000	21.89%	2025
2026	335,000	170,954	100,000	27,410	1,290,000	405,264	1,695,264	17,585,000	27.23%	2026
2027	345,000	167,465	100,000	26,185	1,335,000	380,188	1,715,188	16,250,000	32.75%	2027
2028	375,000	163,224	145,000	24,484	1,435,000	351,945	1,786,945	14,815,000	38.69%	2028
2029	430,000	157,978	110,000	22,533	1,490,000	321,473	1,811,473	13,325,000	44.86%	2029
2030	440,000	151,775	110,000	20,738	1,180,000	293,910	1,473,910	12,145,000	49.74%	2030
2031	445,000	144,915	115,000	18,768	1,200,000	269,661	1,469,661	10,945,000	54.71%	2031
2032	420,000	137,575	115,000	16,611	1,205,000	243,884	1,448,884	9,740,000	59.69%	2032
2033	435,000	129,771	115,000	14,340	1,220,000	217,006	1,437,006	8,520,000	64.74%	2033
2034	430,000	121,663	100,000	12,140	1,230,000	189,570	1,419,570	7,290,000	69.83%	2034
2035	405,000	113,528	120,000	9,770	1,235,000	161,278	1,396,278	6,055,000	74.94%	2035
2036	430,000	104,963	125,000	6,981	1,265,000	131,871	1,396,871	4,790,000	80.18%	2036
2037	525,000	94,573	225,000	2,756	1,145,000	102,860	1,247,860	3,645,000	84.92%	2037
2038	895,000	78,605	895,000	895,000	78,605	973,605	2,750,000	88.62%	2038	
2039	905,000	57,453	905,000	57,453	905,000	962,453	1,845,000	92.36%	2039	
2040	910,000	35,218	910,000	35,218	910,000	945,218	935,000	96.13%	2040	
2041	935,000	11,921	935,000	11,921	935,000	946,921	0	100.00%	2041	
	9,855,000	2,503,706	1,780,000	313,394	24,165,000	5,044,992	29,209,992			

* Preliminary, subject to change.

City of Monroe, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Sewer Revenues
(As of 12/02/2021)

**Sewer System Revenue Bonds
(CWEI) 1)
2002**

Dated	12/11/2002
Amount	\$1,428,989
Maturity	05/01

**Sewer System Revenue Bonds
(CWEI) 2)
2013**

	05/22/2013
	\$21,480,089
	05/01

Calendar Year Ending	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Year Ending
2022	91,333	1,256	1,068,223	364,377	1,159,556	365,633	1,525,189	13,716,081	7.80%	2022
2023			1,095,538	336,744	1,095,538	336,744	1,432,252	12,620,543	15.16%	2023
2024			1,123,551	308,343	1,123,551	308,343	1,431,893	11,496,992	22.71%	2024
2025			1,152,280	279,246	1,152,280	279,246	1,431,526	10,344,712	30.46%	2025
2026			1,181,744	249,406	1,181,744	249,406	1,431,150	9,162,968	38.40%	2026
2027			1,211,961	218,802	1,211,961	218,802	1,430,763	7,951,007	46.55%	2027
2028			1,242,951	187,416	1,242,951	187,416	1,430,367	6,708,056	54.91%	2028
2029			1,274,733	155,228	1,274,733	155,228	1,429,961	5,433,323	63.48%	2029
2030			1,307,328	122,216	1,307,328	122,216	1,429,544	4,125,995	72.26%	2030
2031			1,340,756	88,360	1,340,756	88,360	1,429,117	2,785,239	81.28%	2031
2032			1,375,040	53,639	1,375,040	53,639	1,428,678	1,410,199	90.52%	2032
2033			1,410,199	18,029	1,410,199	18,029	1,428,229	0	100.00%	2033
	91,333	1,256	14,784,304	2,381,776	14,875,637	2,383,031	17,258,668			

1) Pursuant to the Wisconsin Capital Finance Office, Project No. 4382-03, this issue was closed out on 1/22/2004.

2) Pursuant to the Wisconsin Capital Finance Office, Project No. 4382-02, this issue was closed out on 8/28/2018.

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	\$ 861,079,500
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit	\$ 43,053,975
Less: General Obligation Debt (includes the Bonds and the Concurrent Obligations)*	<u>(24,165,000)</u>
Unused Debt Limit*	<u><u>\$ 18,888,975</u></u>

*Preliminary, subject to change.

OVERLAPPING DEBT¹

Taxing District	2021 Equalized Value ²	% In City	Total G.O. Debt ³	City's Proportionate Share
Green County	\$ 3,691,417,981	23.3265%	\$ 34,110,000	\$ 7,956,669
Blackhawk Technical College District	17,225,048,841	4.9990%	53,865,000	2,692,711
Monroe School District	1,382,687,129	62.2758%	685,000	<u>426,589</u>
City's Share of Total Overlapping Debt				<u><u>\$ 11,075,970</u></u>

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

² Includes tax increment valuation.

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

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value	Debt/ Per Capita
		\$861,079,500	10,660¹
Total General Obligation Debt (includes the Bonds and the Concurrent Obligations)*	\$ 24,165,000	2.81%	\$ 2,266.89
City's Share of Total Overlapping Debt	<u>11,075,970</u>	<u>1.29%</u>	<u>1,039.02</u>
Total*	\$ 35,240,970	4.09%	\$ 3,305.91

*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

Other than the Concurrent Obligations, the City has no current plans for additional financing in the next 12 months.

¹ Estimated 2021 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	\$6,908,671	100%	\$10.70
2017/18	6,872,327	100%	10.27
2018/19	7,220,670	100%	10.40
2019/20	7,490,982	100%	9.93
2020/21	7,376,870	100%	9.42

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 provided that for property taxes payable in 2020, a taxation district could, 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 was required to first adopt a resolution authorizing such waiver and determining criteria for determining hardship and then the taxation district was required to subsequently adopt a similar resolution. In the case of a county adopting such a resolution, the county proportionally settled with the taxation districts any taxes, interest and penalties collected on or before July 31, 2020 on August 20, 2020, and settled the remaining unpaid taxes, interest, and penalties on September 20, 2020. The County and the City did not adopt such resolutions. The City cannot predict whether any similar legislation may be adopted in the future or 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	Schools ¹	County	Local	Other ²	Total
2016/17	\$12.97	\$5.32	\$10.70	\$0.18	\$29.17
2017/18	12.72	5.32	10.27	0.00	28.31
2018/19	11.69	5.33	10.40	0.00	27.42
2019/20	11.02	5.22	9.93	0.00	26.17
2020/21	10.87	5.16	9.42	0.00	25.45

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

LEVY LIMITS

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

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

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.

(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 adjustments to and exclusions from the tax levy limit. Among the exclusions, Section 66.0602(3)(e)5. of the Wisconsin Statutes provides that the levy limit does not apply to "the amount that a political subdivision levies in that year to make up any revenue shortfall for the debt service on a revenue bond issued under Section 66.0621 by that political subdivision." Recent positions taken by Wisconsin Department of Revenue ("DOR") staff call into question the availability of this exception, including by limiting its availability depending on the circumstances surrounding the pertinent revenue shortfall. To date, such DOR positions have not been expressed formally in a declaratory ruling under Section 227.41(5)(a) of the Wisconsin Statutes, nor have they been the subject of any court challenge or resulting court ruling.

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 is governed by a Mayor and a 9-member Common Council. All Common Council members are elected to two-year terms. The appointed Administrator and Clerk/Treasurer are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The City employs a staff of 81 full-time, six part-time, and 27 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, 2018 ("Fiscal Year 2018"), the fiscal year ended December 31, 2019 ("Fiscal Year 2019") and the fiscal year ended December 31, 2020 ("Fiscal Year 2020"), the City's portion of contributions to WRS (not including any employee contributions) totaled \$409,779, \$399,432 and \$424,447 respectively.

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

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

As of December 31, 2020, the total pension liability of the WRS was calculated as \$118.72 billion and the fiduciary net position of the WRS was calculated as \$124.97 billion, resulting in a net pension asset of \$6.25 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 2020, the City reported an asset of \$1,269,731 for its proportionate share of the net pension asset of the WRS. The net pension asset was measured as of December 31, 2019 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 0.03937816% of the aggregate WRS net pension asset as of December 31, 2019.

The calculation of the total pension asset 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 asset of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Recognized and Certified Bargaining Units

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

As a result of the 2011 amendments to MERA, the City is prohibited from bargaining collectively with municipal employees, other than public safety and transit employees, with respect to any factor or condition of employment except total base wages. 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 Professional Police Association Law Enforcement Employee Relations Division	December 31, 2023

OTHER POST EMPLOYMENT BENEFITS

The City has obligations for some post-employment benefits for its employees. Accounting for these obligations is dictated by Governmental Accounting Standards Board Statement No. 75 (GASB 75). The City has an OPEB liability that would apply to its government-wide financial statements for an implicit rate subsidy for retirees that may choose to remain on the City's group medical and dental plan provided the retirees pay 100% of the required premiums. The City's most recent actuarial study shows a total OPEB liability of \$408,651 as of September 1, 2018. The City has been funding these obligations on a pay-as-you-go basis.

Source: The City's actuarial valuation performed on September 1, 2018.

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 August 31, 2021)

Fund	Total Cash and Investments
General Fund	\$ 2,993,609
Debt Service	14,887
Police DMV	67,175
Water Depreciation	1,218,190
WWTP Sinking	3,833,735
LGIP Merit Center	14,125
Special Interest	80,933
TIF 7	2,276
Park & Land Development	44,794
Senior Center Building Fund	195,516
CDBG Grant	5,024
LGIP K-9	10,141
LGIP WWTP ERF	1,746,831
LGIP Senior Center	18,958
LGIP Ins Funds	122,021
LGIP WWTP Savings	3,727,799
Monroe Police Trust Fund	3,640
Ehlers Investments	4,350,546
Merit Center Comm Foundation	21,131
Senior Center Comm Foundation	373,026
General Fund CDs and Temp Investments	318,132
Total Funds on Hand	<u><u>\$ 19,162,490</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:

	2018	2019	2020
Water			
Total Operating Revenues	\$ 1,846,184	\$ 1,835,341	\$ 1,904,406
Less: Operating Expenses	<u>(1,528,641)</u>	<u>(1,720,507)</u>	<u>(1,708,499)</u>
Operating Income	\$ 317,543	\$ 114,834	\$ 195,907
Plus: Depreciation	351,308	356,355	386,041
Interest Income	<u>20,499</u>	<u>25,404</u>	<u>6,849</u>
Revenues Available for Debt Service	<u><u>\$ 689,350</u></u>	<u><u>\$ 496,593</u></u>	<u><u>\$ 588,797</u></u>
Sewer			
Total Operating Revenues	\$ 4,926,025	\$ 5,007,523	\$ 4,836,209
Less: Operating Expenses	<u>(2,899,529)</u>	<u>(3,014,786)</u>	<u>(3,046,166)</u>
Operating Income	\$ 2,026,496	\$ 1,992,737	\$ 1,790,043
Plus: Depreciation	1,557,612	1,586,637	1,606,439
Interest Income	<u>80,175</u>	<u>98,735</u>	<u>27,295</u>
Revenues Available for Debt Service	<u><u>\$ 3,664,283</u></u>	<u><u>\$ 3,678,109</u></u>	<u><u>\$ 3,423,777</u></u>

SUMMARY GENERAL FUND INFORMATION

Following are summaries of the revenues and expenditures and fund balances for the City's General Fund. These summaries are not purported to be the complete audited financial statements of the City, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the City. Copies of the complete audited financial statements are available upon request. See Appendix A for the City's 2020 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2018 Audited	2019 Audited	2020 Audited	2021 Projected	2022 Proposed Budget ¹
Revenues					
Taxes and special assessments	\$ 6,952,923	\$ 7,324,292	\$ 7,576,362	\$ 7,459,492	\$ 7,795,729
Intergovernmental	2,390,878	2,537,028	2,766,645	2,355,816	2,648,468
Licenses and permits	327,532	434,439	294,989	347,602	328,830
Fines, forfeitures and penalties	75,913	76,459	68,295	76,000	79,000
Public charges for services	313,005	343,164	277,727	234,930	227,690
Intergovernmental charges for services	0	0	0	3,650	0
Investment income	341,049	474,249	556,715	66,000	4,550
Miscellaneous general revenues	115,231	138,787	93,239	60,448	720,306
Total Revenues	\$10,516,531	\$11,328,418	\$11,633,972	\$10,603,938	\$ 11,804,573
Expenditures					
Current:					
General government	\$ 1,432,843	\$ 1,483,594	\$ 1,586,390	\$ 1,647,730	\$ 1,712,811
Public safety	3,743,846	3,609,883	3,500,295	3,685,933	3,889,840
Public works	2,364,628	2,528,408	2,649,357	2,661,896	2,754,825
Health and human services	85,073	84,923	84,923	85,000	85,000
Culture, recreation and education	1,449,261	1,423,822	1,311,572	1,384,677	1,583,710
Conservation and development	158,086	181,973	78,517	74,217	256,330
Capital Outlay	0	0	0	0	581,230
Debt Service	0	0	0	0	940,827
Total Expenditures	\$ 9,233,737	\$ 9,312,603	\$ 9,211,054	\$ 9,539,453	\$ 11,804,573
Excess of revenues over (under) expenditures	\$ 1,282,794	\$ 2,015,815	\$ 2,422,918	\$ 1,064,485	\$ 0
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	3,893	9875	29,771	50,476	
Transfer in - tax equivalent	0	0	0	0	
Transfers in	378,872	283,873	283,872	283,864	
Transfers out	(1,807,870)	(1,660,305)	(1,903,547)	(1,832,290)	
Total Other Financing Sources (Uses)	\$ (1,425,105)	\$ (1,366,557)	\$ (1,589,904)	\$ (1,497,950)	
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ (142,311)	\$ 649,258	\$ 833,014	\$ (433,465)	
General Fund Balance January 1	5,065,179	4,922,868	5,572,126	6,405,140	
Prior Period Adjustment	0	0	0	0	
Residual Equity Transfer in (out)	0	0	0	0	
General Fund Balance December 31	\$ 4,922,868	\$ 5,572,126	\$ 6,405,140	\$ 5,971,675	
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	1,075,460	560,071	620,055	636,682	
Restricted	0	25,796	16,607	17,000	
Committed	3,027,444	3,135,785	3,464,881	3,111,384	
Assigned	162,510	183,353	184,568	185,268	
Unassigned	657,454	1,667,121	2,119,029	2,021,341	
Total	\$ 4,922,868	\$ 5,572,126	\$ 6,405,140	\$ 5,971,675	

¹ The 2022 budget was adopted on November 1, 2021.

GENERAL INFORMATION

LOCATION

The City, with a 2010 U.S. Census population of 10,827 and a current estimated population of 10,660 comprises an area of five square miles and is located approximately 35 miles south of the City of Madison.

LARGER EMPLOYERS¹

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Seventh Avenue	Internet & catalog shipping	1,500
Monroe Clinic	Healthcare facility	1,300
SC Data Center Inc.	Data processing service	830
Colony Brands, Inc.	Internet & catalog shipping	600
Monroe Truck Equipment	Manufacturer	500
School District of Monroe	Elementary and secondary education	342
RR Donnelley	Printers	225
Wal-Mart	Department stores	190
Orchid Monroe LLC	Automotive stamping	169
Pleasant View Nursing Home	Nursing & convalescent homes	123

Source: *Data Axle Reference Solutions, written and telephone survey (October 2021), Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development.*

¹ This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above. Some employers do not respond to inquiries for employment data. Estimates provided are accurate as of the date noted and may not reflect changes in the number of employees resulting from the current COVID-19 pandemic. (See "RISK FACTORS - Impact of the Spread of COVID-19").

BUILDING PERMITS

	2017	2018	2019	2020	2021 ¹
<u>New Single Family Homes</u>					
No. of building permits	2	6	3	5	4
Valuation	\$339,000	\$1,797,877	\$774,475	\$1,113,758	\$1,527,848
<u>New Multiple Family Buildings</u>					
No. of building permits	0	0	1	0	1
Valuation	\$0	\$0	\$757,900	\$0	\$4,449,300
<u>New Commercial/Industrial</u>					
No. of building permits	9	6	3	6	2
Valuation	\$4,169,275	\$6,983,423	\$1,236,976	\$419,400	\$249,900
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	541	526	523	532	433
Valuation	\$34,897,233	\$21,155,190	\$23,970,472	\$16,266,202	\$26,609,897

Source: The City.

¹ As of September 30, 2021.

U.S. CENSUS DATA

Population Trend: The City

2000 U.S. Census	10,843
2010 U.S. Census	10,827
2021 Estimated Population	10,660
Percent of Change 2000 - 2010	-0.15%

Income and Age Statistics

	The City	Green County	State of Wisconsin	United States
2019 per capita income	\$29,264	\$33,459	\$33,375	\$34,103
2019 median household income	\$50,537	\$64,502	\$61,747	\$62,843
2019 median family income	\$67,688	\$79,869	\$78,679	\$77,263
2019 median gross rent	\$752	\$754	\$856	\$1,062
2019 median value owner occupied units	\$126,100	\$171,400	\$180,600	\$217,500
2019 median age	42.0 yrs.	43.2 yrs.	39.5 yrs.	38.1 yrs.
		State of Wisconsin	United States	
City % of 2019 per capita income		87.68%	85.81%	
City % of 2019 median family income		86.03%	87.61%	

Housing Statistics

	The City	2010	2019	Percent of Change
All Housing Units		5,250	5,115	-2.57%

Source: 2000 and 2010 Census of Population and Housing, and 2019 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov/cedsci>).

EMPLOYMENT/UNEMPLOYMENT DATA

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

Year	<u>Average Employment</u>		<u>Average Unemployment</u>	
	Green County	Green County	State of Wisconsin	State of Wisconsin
2017	20,485	2.7%	3.3%	3.3%
2018	20,437	2.6%	3.0%	3.0%
2019	20,389	2.8%	3.3%	3.3%
2020	19,570	4.8%	6.3%	6.3%
2021, August ¹	20,291	3.0%	4.0%	4.0%

Source: Wisconsin Department of Workforce Development.

¹ Preliminary.

APPENDIX A

FINANCIAL STATEMENTS

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

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

City of Monroe
Financial Statements and
Supplementary Information

December 31, 2020

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Independent Auditors' Report

To the City Council of
City of Monroe

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Monroe, Wisconsin, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Monroe'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 Monroe'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 Monroe'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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Monroe, Wisconsin, as of December 31, 2020 and the respective changes in financial position and, where applicable, cash flows therefor for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Baker Tilly US, LLP trading as Baker Tilly, is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

City of Monroe

Management's Discussion and Analysis
December 31, 2020
(Unaudited)

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 Monroe's basic financial statements. The accompanying 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 accompanying supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Baker Tilly US, LLP

Madison, Wisconsin
June 15, 2021

The management of the City of Monroe offers all persons interested in the financial position of the City this narrative overview and analysis of the City's financial performance during the fiscal year ending December 31, 2020. You are invited to read this narrative in conjunction with the City's financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the City of Monroe exceeded its liabilities and deferred inflows of resources by \$72,243,350 (net position). Of this amount, \$21,958,760 is considered unrestricted net position, \$5,601,066 is restricted for specific purposes (restricted net position) and \$44,683,524 is the net investment in capital assets.
- The City's total net position increased \$3,381,865. Governmental activities net position increased by \$2,244,167, as well as business-type activities net position increased by \$1,137,698.
- On December 31, 2020, the City's governmental funds reported combined fund balances of \$10,621,684, a decrease of \$1,263,324 from 2019.

Overview of the Financial Statements

This discussion and analysis are 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 the 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 detail data. The statements are followed by a section of required supplementary information that further explains and supports the information in 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.

Government-Wide Statements

The government-wide statements report information about the City using accounting methods similar to those used by private-sector companies. The statement of net position includes all the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All 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, deferred outflows of resources, 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 nonfinancial 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, revenue 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 Monroe (primary government) and the Business Improvement District (BID) and Redevelopment Authority of the City of Monroe (component units). These entities are separate legal entities for which the City is financially accountable. Financial information for these component units is reported separately from the primary government information. Additional information regarding these component units may be obtained from the City.

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 the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City maintains twenty (20) 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 debt service fund and the capital projects 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 nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for each fund. Budgetary comparison statements have been provided for the general fund to demonstrate compliance with this budget.

Enterprise Funds – Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City maintains three individual enterprise funds, the water utility, wastewater treatment and storm water utility.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for enterprise 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 supplemental information presents a detailed budget comparison schedule for the general fund to demonstrate compliance with the budget. This section also provides information regarding the City's proportionate share of the net position asset and employer contributions to the Wisconsin Retirement System. 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 Revenues, Expenses and Changes in Net Position. These two statements report the City's net position and changes therein. It should be noted that the financial position can also be affected by nonfinancial factors, including economic conditions, population growth and new regulations.

City of Monroe
 Management's Discussion and Analysis
 December 31, 2020
 (Unaudited)

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

Table 1

Condensed Statements of Net Position					
	Governmental Activities		Business-Type Activities		Total
	2020	2019	2020	2019	2020
Current and other assets	\$ 20,427,130	\$ 20,780,999	\$ 17,961,180	\$ 16,606,519	\$ 38,388,310
Capital assets	31,981,171	29,838,079	46,403,362	47,985,839	78,384,733
Total assets	52,408,301	50,619,078	64,364,742	64,592,358	116,773,043
Deferred outflows of resources	2,555,437	3,248,758	398,195	591,763	2,983,632
Long-term obligations outstanding	15,684,397	18,290,903	18,970,865	19,385,466	34,655,262
Other liabilities	626,525	483,636	167,498	1,538,970	794,023
Total liabilities	16,310,922	18,774,539	19,138,363	20,924,436	335,449,285
Deferred inflows of resources	11,500,184	10,204,832	513,856	286,665	12,014,040
Net investment in capital	17,137,715	13,952,820	27,545,809	27,799,812	44,683,524
Restricted	2,898,248	3,106,806	2,702,818	2,492,897	5,601,066
Unrestricted	7,096,669	7,828,839	14,862,091	13,680,311	21,958,760
Total net position	\$ 27,132,632	\$ 24,888,465	\$ 45,110,718	\$ 43,973,020	\$ 72,243,350

The largest portion of the City's net position (62 percent) reflects its net investment in capital assets (e.g., land, buildings, machinery and equipment and infrastructure), less any debt used to acquire those assets that is still outstanding. 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 its 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 the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (8 percent) represents sources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (30 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

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

Table 2

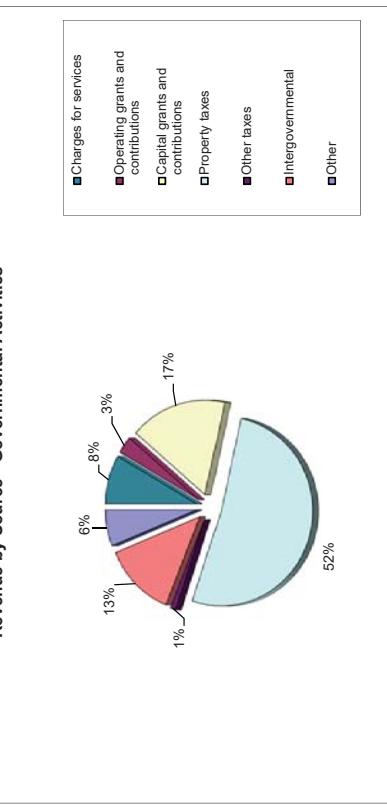
Condensed Statement of Activities					
	Governmental Activities		Business-Type Activities		
	2020	2019	2020	2019	Total
Revenues					
Program revenues:					
Charges for services	\$ 1,374,988	\$ 1,577,775	\$ 7,450,057	\$ 7,550,489	\$ 8,825,055
Operating grants and contributions	486,424	431,692	-	-	486,424
Capital grants and contributions	2,833,461	714,958	-	-	2,833,461
General revenues:					
Property taxes	8,517,370	8,465,158	-	-	8,517,370
Other taxes	158,833	184,491	-	-	158,833
Intergovernmental	2,089,573	1,802,022	-	-	2,089,573
Other	1,015,506	885,109	91,421	192,872	1,077,981
Total revenues	16,486,165	14,060,605	7,541,478	7,743,361	24,027,643
Expenses					
General government	2,338,305	1,960,386	-	-	2,338,305
Public safety	3,250,472	4,064,436	-	-	3,250,472
Public works	5,054,103	5,409,405	-	-	5,054,103
Health and human services	97,234	97,308	-	-	97,234
Culture, recreation and education	1,572,472	1,772,828	-	-	1,572,472
Conservation and development	1,795,971	745,316	-	-	1,795,971
Water	-	-	1,747,755	1,762,393	1,747,755
Wastewater treatment	-	-	3,519,295	3,487,991	3,519,295
Storm water	-	-	852,858	573,547	852,858
Interest and fiscal charges	417,313	404,342	-	-	417,313
Total expenses	14,525,870	14,454,021	6,119,908	6,823,931	20,645,778
Income (loss) before special items and transfers					
Transfers	283,872	283,873	(283,873)	(283,873)	-
Changes in net position	2,244,167	(109,543)	1,137,698	1,635,557	3,381,865
Beginning Net Position	24,888,465	24,998,008	43,973,020	42,337,463	1,526,014
Ending Net Position	\$ 27,132,632	\$ 24,998,465	\$ 45,110,718	\$ 43,973,020	\$ 68,961,485
					67,335,471

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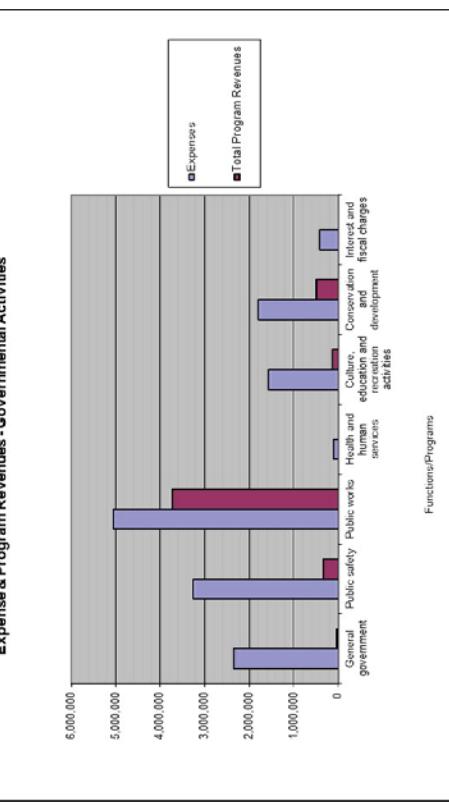
City of Monroe
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 (Unaudited)

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 Revenues, Expenses and Changes in Net Position as shown above in Table 2.

Revenue by Source - Governmental Activities



Expense & Program Revenues - Governmental Activities



Governmental activities increased the City's net position by \$2,244,167. This increase is primarily a result of the donated federal and state share of the airport improvements totaling approximately \$1,976,000. This nonrecurring revenue along with a decrease in the adjustment to record pension expense in the statement of activities of approximately \$500,000 and an increase in depreciation of approximately \$215,000 compared to 2019 account for most of the increase in the change in net position of \$2,244,167.

Governmental Activities

Governmental activities increased the City's net position by \$2,244,167. This increase is primarily a result of the donated federal and state share of the airport improvements totaling approximately \$1,976,000. This nonrecurring revenue along with a decrease in the adjustment to record pension expense in the statement of activities of approximately \$500,000 and an increase in depreciation of approximately \$215,000 compared to 2019 account for most of the increase in the change in net position of \$2,244,167.

Business-Type Activities

Business-type activities increased the City's net position by \$1,137,698. This increase is a result of the following items:

- Water utility operating income was \$195,907, nonoperating activity was \$(32,313) and transfers out were \$(271,976).
- Wastewater treatment operating income was \$1,790,043, nonoperating activity was \$(393,982) and transfers out were \$(1,896).
- The storm water utility operating loss was \$141,956 and nonoperating revenues (net) totaled \$3,871.

Financial Analysis of the City's Funds

Governmental Funds

The focus of the City of Monroe'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. Unrestricted 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, 2020, the City's governmental funds reported combined fund balances of \$10,621,684. Approximately \$1,720,569 of this amount constitutes unassigned fund balance. An additional \$8,281,060 is restricted, committed or assigned for specific projects or expenditures. The remaining \$620,055 is nonspendable for noncurrent asset balances.

General Fund

The City's general fund is the chief operating fund of the City. Total fund balance in the general fund increased \$833,014. The City originally adopted a balanced budget. The budget was amended in September 2020 to increase revenues by \$327,146 to reflect the actual tax levy with additional transfers to the debt service and capital projects funds for the same amount; thus the amended budget was balanced.

The City evaluates general fund balance by measuring the unassigned general fund balance as a percentage of the current year's general fund budget. For 2020, unassigned fund balance is \$2,119,029 and the 2020 general fund's amended expenditure budget is \$11,591,651 resulting in an unassigned fund balance of 18 percent of the City's 2020 general fund expenditure budget.

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. At the end of the year, this fund had a fund balance of \$547,416, which is restricted for future debt service.

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 (Unaudited)

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 Management's Discussion and Analysis
 December 31, 2020
 (Unaudited)

Capital Projects Fund

The City's capital projects fund accounts for financial resources to be used for the acquisition or construction of major capital facilities or equipment (other than those financed by proprietary funds). At the end of the year, this fund had a fund balance of \$1,642,071, all of which was assigned for future projects.

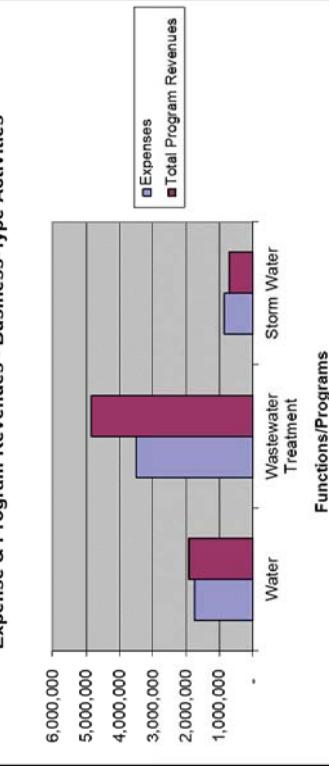
Nonmajor Governmental Funds

Fund balance of all other governmental funds is \$2,027,057. Of that amount, \$1,379,091 is restricted for tourism, loan programs, taxi ridership program and TID purposes and \$1,046,426 is committed to parks and recreation, the Mert Center, the senior center, sanitation, and the Monroe police explorers. The City has some funds with deficit unassigned fund balances which total (\$398,460).

Proprietary Funds

The City of Monroe'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.

Expense & Program Revenues - Business-Type Activities



General Fund Budgetary Highlights

The originally adopted General Fund budget appropriated \$11,263,145 for expenditures and transfers out to other funds. In September 2020, the Council approved an amendment totaling \$327,146 to budget the property taxes for the actual levy with additional transfers out to capital projects funds and debt service funds totaling \$184,919 and \$142,227, respectively. This brought the final budget to \$11,591,956.

Actual expenditures and other financing uses were \$11,114,601, resulting in a variance of \$477,055 from the amended budget. This was primarily due to public safety and culture, and the recreation and education functions being under budget. In particular, Cheese Days was budgeted at \$92,726 and this event was not held in 2020 due to COVID-19.

Total revenues and other sources were \$11,947,615 which was \$355,965 more than the budget. This was primarily due to positive budget variances investment income (CVMIC investment) and CARES ACT grant totaling approximately \$316,500.

Capital Assets

At the end of 2020, the City had invested a total of \$ 78,384,733 in net capital assets. This investment in capital assets includes land, buildings, machinery and equipment and infrastructure.

Table 3

	Capital Assets				
	Governmental Activities	Business-Type Activities	2019	2020	Total
Fund					
Land CWP and other assets not being depreciated	\$ 5,602,822	\$ 5,625,608	\$ 86,176	\$ 68,643	\$ 5,688,988
Land improvements	1,735,950	1,735,946	-	-	1,735,950
Buildings and improvements	5,412,885	5,372,935	-	-	5,412,885
Equipment and vehicles	12,505,511	11,277,254	-	-	12,505,511
Infrastructure	65,320,437	64,826,352	-	-	65,320,437
Utility plant					
Total capital assets			77,965,717	77,391,583	77,965,717
Less accumulated depreciation					
Net capital assets					

Additional information on the City's capital assets can be found in Note 3.

Long-Term Debt

Table 4

	Long-Term Debt				
	Governmental Activities	Business-Type Activities	2019	2020	Total
General obligation debt	\$ 14,787,559	\$ 16,172,706	\$ 2,822,114	\$ 3,046,363	\$ 17,609,673
Discounts/premiums	55,897	59,391	28,524	31,359	19,219,099
Revenue bonds			16,006,115	17,108,245	30,780
Total	\$ 14,843,456	\$ 16,232,097	\$ 18,857,753	\$ 20,186,027	\$ 33,701,209

Total long-term bonds and notes outstanding at December 31, 2020 decreased by \$2,716,915 because repayments of existing debt exceeded new debt issued.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5 percent of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2020, was \$40,726,345. Total general obligation debt outstanding at year-end was \$77,609,673. At December 31, 2020, the City was at 43 percent of its legal debt limit (down from 48% in 2019).

Additional information on the City's long-term debt can be found in Note 3.

Currently Known Facts/Economic Conditions

All currently known facts and economic conditions were considered in preparing the City's 2021 budget, none of these conditions are anticipated to change the overall financial position of the City. Other currently known facts and economic conditions follow:

- The Monroe Municipal Water Utility was approved for a rate increase with the Wisconsin Public Service Commission for an overall rate increase of 18 percent effective September 5, 2020, therefore 2021 will see the full effect of the increase.
- In January 2021, the City Council approved budget amendment #1. This resulted in a decrease to general fund public charges for services totaling \$85,200, and an increase in the use of unassigned general fund balance totaling \$282,440. The expenditures and other financing uses resulted in a decrease to public safety of \$102,760 and an increase the transfer to capital projects funds totaling \$300,000.
- Tax Incremental District Number 5 was terminated in 2020 and a final audit of TID 5 was completed in 2021.
- On March 11, 2021, the American Rescue Plan Act became law and will provide local governments with access to billions of dollars in potential support. The City's allocation from the Wisconsin Department of Revenue is an estimated \$1.1 million. City of Monroe staff has identified 5-7 priority projects as an allowable use of these funds.

Requests for Information

This 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 additional financial information, contact the City Comptroller's office.

	Governmental Activities	Business-Type Activities	Total	Component Units
Assets and Deferred Outflows of Resources				
Assets				
Cash and investments	\$ 10,159,790	\$ 12,639,739	\$ 22,799,529	\$ 691,831
Receivables (net):				
Taxes receivable	8,196,051	-	8,196,051	37,552
Delinquent personal property taxes	7,919	-	7,919	-
Accounts	2,525,250	2,760,346	5,285,696	-
Loans	44,695	44,695	44,695	-
Other Receivables	444,262	(10,742)	434,262	-
Internal balances	50,650	10,742	50,650	-
Due from other governmental units	19,805	-	19,805	-
Accrued interest	201,646	82,631	284,277	-
Inventories and prepaid items				
Restricted assets:				
Cash and investments	1,077,958	191,773	2,511,045	-
Net pension asset			1,269,731	-
Capital assets:	5,602,822	655,916	6,258,738	-
Land		42,260	42,260	-
Construction in progress				
Other capital assets, net of depreciation	26,378,349	45,705,386	72,083,735	-
Total assets	52,408,301	64,364,742	116,773,043	729,383
Deferred Outflows of Resources				
Pension related amounts	2,535,437	398,195	2,933,632	-
Total deferred outflows of resources	2,535,437	398,195	2,933,632	-
Liabilities, Deferred Inflows of Resources and Net Position				
Liabilities				
Accounts payable	354,756	77,306	432,062	-
Other accrued liabilities	241,059	90,192	331,281	-
Health insurance claims payable	22,809	-	22,809	-
Deposits	2,986	-	2,996	-
Due to other governmental units	4,875	-	4,875	-
Liabilities Payable from Restricted Assets				
Due within one year:				
Noncurrent liabilities:				
Due within one year	1,499,088	1,424,828	2,923,916	-
Due in more than one year	14,185,309	17,546,037	31,731,346	-
Total liabilities	16,310,922	19,138,363	35,449,285	-
Deferred Inflows of Resources				
Unearned revenues	8,198,809	-	8,198,809	37,552
Pension related amounts	3,301,375	513,856	3,815,231	-
Total deferred inflows of resources	11,500,184	513,856	12,014,040	37,552

See notes to financial statements
1

City of Monroe
 Statement of Net Position
 December 31, 2020

City of Monroe
 Statement of Activities
 Year Ended December 31, 2020

	Business-Type Activities	Component Units
Governmental Activities	Total	
Net Position		
Net investment in capital assets	\$ 17,137,715	\$ 27,545,809
Restricted for:		
Pension	1,077,958	191,773
Debt service	449,570	822,341
TIF purposes	1,114,741	-
Room tax	161,639	1,114,741
Taxi	-	161,639
Replacement	77,733	-
Donations	-	77,733
Unrestricted	-	-
	7,096,669	14,862,091
Total net position	\$ 27,132,632	\$ 45,110,718
	<u>\$ 72,243,350</u>	<u>\$ 691,831</u>

	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
	Functions/Programs		Capital Grants and Contributions
Primary Government			
Governmental activities:			
General government	\$ 2,338,305	\$ 20,623	\$ -
Public works	3,250,472	278,097	48,147
Health and human services	4,939,039	492,721	413,277
Culture, education and recreation	97,234	-	-
Conservation and development	1,572,472	116,028	-
Interest and fiscal charges	1,795,971	467,529	25,000
	417,313	-	-
Total governmental activities	14,410,806	1,374,998	486,424
			2,718,397
Business-Type activities:			
Water Utility	1,747,755	1,904,406	-
Wastewater Treatment	3,519,295	4,836,209	-
Storm Water Utility	852,858	709,442	-
Total business-type activities	6,119,908	7,450,057	-
Total primary government	\$ 20,530,714	\$ 8,825,055	\$ 486,424
			\$ 2,718,397
Component Units			
Business Improvement District			
Redevelopment Authority			
Total component units	\$ 38,279	\$ 37,552	\$ -
General Revenues			
Taxes			
Property taxes, levied for general purposes	\$ 37,500	\$ 37,552	\$ -
Property taxes, levied for TIF districts	779	-	\$ -
Other taxes			
Intergovernmental revenues not restricted to specific programs			
Public gifts and grants			
Investment income			
Gain on disposal of assets			
Miscellaneous			
Transfers			
Total general revenues and transfers			
Change in net position			
Net Position, Beginning			
Net Position, Ending			

See notes to financial statements
 2

See notes to financial statements
 3

City of Monroe

Balance Sheet
Governmental Funds
December 31, 2020

Net (Expenses) Revenues and Changes in Net Position			
Primary Government		Component Units	
Governmental Activities	Business-Type Activities	Total	
\$ (2,317,682)	\$ -	\$ (2,317,682)	\$ -
(2,924,228)	-	(2,924,228)	-
(1,326,805)	-	(1,326,805)	-
(97,234)	-	(97,234)	-
(1,444,283)	-	(1,444,283)	-
(1,303,442)	-	(1,303,442)	-
(417,313)	-	(417,313)	-
<u>(9,830,987)</u>	<u>-</u>	<u>(9,830,987)</u>	<u>-</u>
-	156,651	156,651	-
1,316,914	1,316,914	1,316,914	-
(143,416)	(143,416)	(143,416)	-
-	1,330,149	1,330,149	-
<u>(9,830,987)</u>	<u>1,330,149</u>	<u>(8,500,838)</u>	<u>-</u>
-	-	-	52
-	-	-	(779)
-	-	-	(722)
7,490,599	-	7,490,599	-
1,026,771	-	1,026,771	-
158,833	-	158,833	-
2,099,573	-	2,099,573	364,280
55,400	-	55,400	-
608,806	34,144	642,950	146
70,312	-	70,312	-
280,988	57,277	338,265	-
<u>283,872</u>	<u>(283,872)</u>	<u>-</u>	<u>364,426</u>
<u>12,075,154</u>	<u>(192,451)</u>	<u>11,882,703</u>	<u>364,426</u>
2,244,167	1,137,698	3,381,865	363,899
24,888,465	43,973,020	68,861,485	328,132
<u>\$ 27,132,632</u>	<u>\$ 45,110,718</u>	<u>\$ 72,243,350</u>	<u>\$ 691,831</u>

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See notes to financial statements
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City of Monroe

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2020

Nonmajor Governmental Funds	Total	Total Fund Balances, Governmental Funds	\$ 10,621,684
\$ 2,374,126	\$ 10,159,790		
806,562	8,196,051		
-	7,919		
134,631	235,577		
-	44,695		
67,222	444,413		
50,650	50,650		
1,876	1,876		
-	19,805		
-	197,263		
	414,873		
<u>\$ 3,435,067</u>	<u>\$ 19,772,912</u>		
\$ 171,178	\$ 351,005		
21	143,243		
-	4,875		
-	12,618		
414,873	2,996		
	414,873		
<u>586,072</u>	<u>22,809</u>		
821,938	8,198,809		
821,938	8,198,809		
1,379,091	620,055		
1,046,426	1,943,114		
	4,511,307		
	-		
	1,826,639		
(398,460)	1,720,569		
<u>2,027,057</u>	<u>10,621,684</u>		
<u>\$ 3,435,067</u>	<u>\$ 19,772,912</u>		

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
 Land improvements
 Buildings
 Building improvements
 Machinery and equipment
 Infrastructure
 Less accumulated depreciation

The net pension asset does not relate to current financial resources and is not reported in the governmental funds

Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.

Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.

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
 Compensated absences
 Accrued interest
 Unamortized debt premium

Net Position of Governmental Activities

(14,787,559)
 (840,941)
 (97,846)
 (55,897)

\$ 27,132,632

City of Monroe

Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
Year Ended December 31, 2020

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Revenues					
Taxes	\$ 7,576,223	\$ -	\$ -	\$ 1,099,980	\$ 8,676,203
Intergovernmental	2,766,645	-	-	549,548	3,316,193
Licenses and permits	294,989	-	-	-	294,989
Fines, forfeitures and penalties	68,295	-	-	-	68,295
Charges for services	277,727	-	-	725,343	1,003,070
Special assessments	139	-	-	-	139
Investment income	556,715	460	1,418	50,630	609,223
Miscellaneous revenue	93,239	-	-	225,866	319,105
Total revenues	<u>11,633,972</u>	<u>460</u>	<u>1,418</u>	<u>2,651,367</u>	<u>14,287,217</u>
Expenditures					
Current:					
General government	1,586,390	8,600	-	373,694	1,968,684
3,500,295	-	-	-	14,532	3,514,827
2,649,357	-	-	-	924,414	3,573,771
Health and human services	84,923	-	-	-	84,923
1,311,572	-	-	-	136,328	1,447,900
78,517	-	-	1,717,943	1,698,616	1,777,133
Culture, recreation and education				47,134	1,765,077
Conservation and development				-	-
Capital outlay				-	-
Debt Service:				-	-
Principal	-	1,385,147	-	-	1,385,147
Interest and fiscal charges	-	428,509	-	-	428,509
Total expenditures	<u>9,211,054</u>	<u>1,822,256</u>	<u>1,717,943</u>	<u>3,194,718</u>	<u>15,945,971</u>
Excess (deficiency) of revenues over expenditures	<u>2,422,918</u>	<u>(1,821,796)</u>	<u>(1,716,525)</u>	<u>(543,351)</u>	<u>(1,658,754)</u>
Other Financing Sources (Uses)					
Sale of capital assets	29,771	-	81,787	-	111,558
Transfers in	283,872	1,964,994	884,919	-	3,133,785
Transfers out	(1,903,547)	-	-	(946,366)	(2,849,913)
Total other financing sources (uses)	<u>(1,689,904)</u>	<u>1,964,994</u>	<u>966,706</u>	<u>(946,366)</u>	<u>395,430</u>
Net change in fund balances	833,014	143,198	(749,819)	(1,489,717)	(1,263,324)
Fund Balances, Beginning	<u>5,572,126</u>	<u>404,218</u>	<u>2,391,390</u>	<u>3,516,774</u>	<u>11,885,008</u>
Fund Balances, Ending	<u>\$ 6,405,140</u>	<u>\$ 547,416</u>	<u>\$ 1,642,071</u>	<u>\$ 2,027,057</u>	<u>\$ 10,621,684</u>

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See notes to financial statements
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City of Monroe
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 Year Ended December 31, 2020

Net Change in Fund Balances, Total Governmental Funds

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

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.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the governmentwide financial statements

Some items reported as operating expenditures in the fund financial statements but are capitalized in the governmentwide statements

Depreciation is reported in the governmentwide financial statements

Net book value of assets retired

Contributed capital assets are reported as revenues in the government-wide financial statements.

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.

Principal repayment

Governmental funds report debt premiums and discounts as other financing sources (uses) on financing sources or uses. 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.

Amortization of debt premium

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.

Compensated absences

Accrued interest on debt

Net pension asset/liability

Deferred outflows of resources related to pensions

Deferred inflows of resources related to pensions

Change in Net Position of Governmental Activities

\$ (1,263,324)

City of Monroe
 Statement of Net Position
 Proprietary Funds
 December 31, 2020

	Business-Type Activities - Enterprise Funds				
	Water Utility	Wastewater Treatment	Nonmajor Enterprise Fund - Storm Water Utility	Water Utility	Total
Assets					
Current assets:					
Cash and investments	\$ 1,425,413	\$ 9,802,443	\$ 1,411,883	\$ 12,639,739	
Receivables:	680,258	1,606,259	238,733	2,525,250	
Accounts	4,419	5,345	978	10,742	
Due from other funds	32,995	49,636	-	82,631	
Inventories					
Total current assets	2,143,085	11,463,683	1,651,594	15,258,362	
Noncurrent assets:					
Restricted assets:					
Redemption account	-	822,341	-	822,341	
Equipment replacement	71,375	85,625	34,773	191,773	
Net pension asset					
Capital assets:					
Land	43,916	612,000	-	655,916	
Construction in progress	21,130	21,130	-	42,260	
Property and equipment	17,211,978	55,671,224	4,470,515	77,353,717	
Less Accumulated depreciation	(6,988,638)	(23,484,357)	(1,175,356)	(31,648,331)	
Total noncurrent assets	10,359,761	35,416,667	3,329,952	49,106,380	
Total assets	12,502,846	46,880,350	4,981,546	64,364,742	
Deferred Outflows of Resources					
Pension related amounts					
Total deferred outflows of resources	156,506	175,275	66,414	398,195	

\$ 2,244,167

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City of Monroe
 Statement of Net Position
 Proprietary Funds
 December 31, 2020

City of Monroe

Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Funds
 Year Ended December 31, 2020

Business-Type Activities - Enterprise Funds					
	Water Utility	Wastewater Treatment	Nonmajor Enterprise Fund - Storm Water Utility	Nonmajor Enterprise Fund - Storm Water Utility	Total
Liabilities					
Current liabilities:					
Accounts payable	\$ 51,559	\$ 25,231	\$ 516	\$ 77,306	
Accrued interest	9,468	72,694	-	82,162	
Accrued wages	3,484	4,382	164	8,030	
Compensated absences	27,970	42,101	-	70,071	
Current portion of general obligation debt	138,888	80,391	5,000	224,279	
Liabilities payable from restricted assets	-	1,130,478	-	1,130,478	
Revenue bonds payable	231,369	1,355,277	5,680	1,592,326	
Total current liabilities					
Noncurrent liabilities:					
Long-term debt:					
General obligation debt payable (including unamortized premium)	1,711,627	860,732	55,000	2,627,359	
Revenue bonds payable	-	14,875,637	-	14,875,637	
Compensated absences	23,762	19,279	-	43,041	
Total noncurrent liabilities	1,735,389	15,755,648	55,000	17,546,037	
Total liabilities	1,966,758	17,110,925	60,680	19,138,363	
Deferred Inflows of Resources					
Pension related amounts	195,602	256,086	62,168	513,856	
Total deferred inflows of resources	195,602	256,086	62,168	513,856	
Net Position					
Net investment in capital assets	8,437,871	15,872,759	3,235,179	27,545,809	
Restricted for:					
Replacement	-	1,688,704	-	1,688,704	
Debt service	-	822,341	-	822,341	
Pension	71,375	85,625	34,773	191,773	
Unrestricted	1,987,746	11,219,185	1,655,160	14,862,091	
Total net position	\$ 10,496,892	\$ 29,688,614	\$ 4,925,112	\$ 45,110,718	

Business-Type Activities - Enterprise Funds					
	Water Utility	Wastewater Treatment	Nonmajor Enterprise Fund - Storm Water Utility	Nonmajor Enterprise Fund - Storm Water Utility	Total
Operating Revenues					
Charges for services	\$ 1,904,406	\$ 4,836,209	\$ 709,442	\$ 7,450,057	
Total operating revenues	1,904,406	4,836,209	709,442	7,450,057	
Operating Expenses					
Operation and maintenance	1,298,492	1,439,727	687,423	3,425,642	
Depreciation	386,041	1,606,439	163,975	2,156,455	
Taxes	23,966	-	-	23,966	
Total operating expenses	1,708,499	3,046,166	851,398	5,606,063	
Operating income (loss)	195,907	1,790,043	(141,956)	1,843,994	
Nonoperating Revenues (Expenses)					
Investment income	6,849	27,295	-	34,144	
Interest and fiscal charges	(39,256)	(435,252)	(1,460)	(475,968)	
Miscellaneous revenue	94	51,852	5,331	57,277	
Loss on sale of fixed assets	-	(37,877)	-	(37,877)	
Total nonoperating revenues (expenses)	(32,313)	(393,982)	3,871	(422,424)	
Income before transfers	163,594	1,396,061	(138,085)	1,421,570	
Transfers					
Transfers out	(271,976)	(11,896)	-	(283,872)	
Total transfers	(271,976)	(11,896)	-	(283,872)	
Change in net position	(108,382)	1,384,165	(138,085)	1,137,668	
Net Position, Beginning	10,605,374	28,304,449	5,063,197	43,973,020	
Net Position, Ending	\$ 10,496,892	\$ 29,688,614	\$ 4,925,112	\$ 45,110,718	

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See notes to financial statements
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City of Monroe

Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2020

City of Monroe

Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2020

	Business-Type Activities - Enterprise Funds			Business-Type Activities - Enterprise Funds		
	Water Utility	Wastewater Treatment	Nonmajor Enterprise Fund - Storm Water Utility	Water Utility	Wastewater Treatment	Nonmajor Enterprise Fund - Storm Water Utility
Cash Flows From Operating Activities						
Received from customers	\$ 1,832,024	\$ 4,975,567	\$ 708,206	\$ 7,515,797	\$ 1,790,043	\$ (141,956)
Paid to suppliers for goods and services	(1,151,838)	(1,127,177)	(550,934)	(2,829,949)		\$ 1,843,994
Paid to employees for services	(278,772)	(393,416)	(180,347)	(882,535)		57,277
Net cash flows from operating activities	<u>401,414</u>	<u>3,454,974</u>	<u>(23,075)</u>	<u>3,883,313</u>		
Cash Flows From Investing Activities						
Investment income	6,849	27,295	-	34,144		
Net cash flows from investing activities	<u>6,849</u>	<u>27,295</u>	<u>-</u>	<u>34,144</u>		
Cash Flows From Noncapital Financing Activities						
Paid to municipality for tax equivalent	(271,976)	(11,896)	-	(283,872)		
Net cash flows from noncapital financing activities	<u>(271,976)</u>	<u>(11,896)</u>	<u>-</u>	<u>(283,872)</u>		
Cash Flows From Capital and Related Financing Activities						
Debt retired	(138,888)	(1,182,521)	(5,000)	(1,326,409)		
Interest paid	(41,084)	(445,088)	(1,460)	(487,632)		
Acquisition and construction of capital assets	(229,747)	(94,934)	(325,953)	(650,634)		
Net cash flows from capital and related financing activities	<u>(409,719)</u>	<u>(1,722,543)</u>	<u>(332,413)</u>	<u>(2,464,675)</u>		
Net change in cash and cash equivalents	(273,432)	1,747,830	(355,488)	1,118,910		
Cash and Cash Equivalents, Beginning	1,698,845	10,565,658	1,767,371	14,031,874		
Cash and Cash Equivalents, Ending	<u>\$ 1,425,413</u>	<u>\$ 12,313,488</u>	<u>\$ 1,411,883</u>	<u>\$ 15,150,784</u>		

	Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities		
	Operating income (loss)	Nonoperating revenue	Adjustments to reconcile operating income (loss) to net cash flows from operating activities:
Operating income (loss)	\$ 195,907	\$ 51,852	\$ (141,956)
Nonoperating revenue	94		\$ 5,331
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			57,277
Depreciation	386,041	1,606,439	163,975
Depreciation charged to other funds	38,579	-	-
Changes in assets and liabilities:			2,156,455
Accounts receivable	(107,581)	92,171	38,579
Inventory	(3,030)	(10,832)	(21,308)
Accounts payable	(101,220)	(85,925)	(13,862)
Compensated absences	(1,318)	2,478	(223,813)
Accrued liabilities	(12,969)	(15,855)	(1,160)
Pension related deferrals and assets	10,385	29,268	(35,730)
Due from other fund	(3,444)	(4,665)	(39,369)
			(8,808)
Net cash flows from operating activities	<u>\$ 401,414</u>	<u>\$ 3,454,974</u>	<u>\$ (23,075)</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds			
Cash and investments	\$ 1,425,413	\$ 9,802,443	\$ 1,411,883
Restricted cash and investments	-	\$ 2,511,045	-
Cash and cash equivalents	<u>\$ 1,425,413</u>	<u>\$ 12,313,488</u>	<u>\$ 1,411,883</u>
Noncash Capital and Related Financing Activities			
Amortization	<u>\$ 1,268</u>	<u>\$ 597</u>	<u>-</u>

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City of Monroe
 Statement of Fiduciary Net Position
 Fiduciary Fund
 December 31, 2020

City of Monroe
 Statement of Changes in Fiduciary Net Position
 Fiduciary Fund
 Year Ended December 31, 2020

	Custodial Fund	Tax Collection Fund
Assets		
Cash and investments	\$ 8,349,055	4,203,574
Taxes receivable	-	-
Total assets	<u>12,552,629</u>	<u>4,203,574</u>
Liabilities		
Due to other taxing units	12,552,629	-
Total liabilities	<u>12,552,629</u>	<u>-</u>
Net Position		
Total net position	<u>-\$</u>	<u>-\$</u>
	Change in fiduciary net position	Change in fiduciary net position
	Net Position, Beginning	Net Position, Beginning
	Net Position, Ending	Net Position, Ending

City of Monroe
 Combining Statement of Net Position
 Component Units
 December 31, 2020

City of Monroe
 Combining Statement of Revenues, Expenses
 and Changes in Net Position
 Component Units
 Year Ended December 31, 2020

	Business Improvement District	Redevelopment Authority	Totals
Assets			
Cash and investments	\$ 6,290	\$ 685,541	\$ 691,831
Taxes receivable	37,552	-	37,552
Total assets	43,842	685,541	729,383
Liabilities			
	-	-	-
Deferred Inflows of Resources			
Unearned revenues	37,552	-	37,552
	37,552	-	37,552
Total deferred inflows of resources			
Net Position			
Unrestricted	6,290	685,541	691,831
Total net position	\$ 6,290	\$ 685,541	\$ 691,831

	Business Improvement District	Redevelopment Authority	Totals
Operating Revenues			
Operation and maintenance			
Operating Expenses			
Operation and maintenance			
Total			
Operating Income (Loss)			
Nonoperating Revenues			
Investment income			
Subsidy payment from City of Monroe			
Total nonoperating revenues			
Change in net position			
Net Position, Beginning			
Net Position, Ending			

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1. Summary of Significant Accounting Policies

The accounting policies of the City of Monroe, Wisconsin 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 Government Accounting Standards Board (GASB).

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 units. 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, 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 Units

The Redevelopment Authority of the City of Monroe

The government-wide financial statements include the The Redevelopment Authority of the City of Monroe (RDA) as a component unit. The RDA is a legally separate organization. The board of the RDA is appointed by the City common council. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the RDA and also create a potential financial benefit to or burden on the City. See Note 3. As a component unit, the RDA'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, 2020. The RDA does not issue separate financial statements.

Monroe Business Improvement District

The government-wide financial statements include the Monroe Business Improvement District (BID) as a component unit. The BID is a legally separate organization. The board of the BID is appointed by the mayor. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the BID and also create a potential financial benefit to or burden on the City. See Note 3. As a component unit, the BID'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, 2020. The BID does not issue separate financial statements.

Government-Wide and Fund Financial Statements

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. 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 percent 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 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

c. In addition, any other governmental or 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

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.

Debt Service Funds

Debt Service Fund is 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 TIF or enterprise debt.

Capital Projects Funds

General Capital Projects Fund is 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 for the general capital projects program.

Enterprise Funds

The City reports the following major enterprise funds:

Water Utility

Water Utility accounts for operations of the water system

Wastewater Treatment

Wastewater Treatment accounts for operations of the wastewater system

The City reports the following nonmajor governmental and enterprise funds:

Special Revenue Funds

Special Revenue Funds are 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).

Park & Recreation

Merit Center
Wisconsin Development
Monroe Police Explorers
Taxi Cab
Lead Service Grant

Cross Connection Fee

Capital Projects Funds

Capital Projects Funds are 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 Increment District (TID) No. 5
Tax Increment District (TID) No. 6
Tax Increment District (TID) No. 7
Tax Increment District (TID) No. 8
Tax Increment District (TID) No. 9
Tax Increment District (TID) No. 10

Enterprise Funds

Enterprise Fund are used to account for and report any activity for which a fee is charged to external users for goods or services and must be used for activities which meet certain debt or cost recovery criteria.

Storm Water Utility

In addition, the City reports the following fund types:

Custodial Funds

Custodial Fund are 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

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, wastewater treatment and storm water 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 unmaturing 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 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.

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 Funds

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, wastewater treatment and storm water utilities 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.

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

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.
- 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 follows the state statute for allowable investments.

The City's policy seeks to minimize credit risk by pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the City will do business using criteria prescribed in the policy and diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

The City's policy seeks to minimize interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements from ongoing operations, thereby by avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in shorter-term securities, money market mutual funds or similar investment pools and limiting the average maturity of the portfolio. The City will not directly invest in securities maturing in more than five years from the date of purchase and shall adopt weighted average maturity limitations range from 90 days to three years. Reserve funds and other funds with longer-term investment horizons may be invested in securities exceeding five years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of funds.

To address custodial credit risk, the City's policy requires full collateralization on all demand deposit accounts.

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 3. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statements 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.

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, 2020, 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 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, 2020, the fair value of the Foundation's assets was substantially equal to the City's share as reported in Note 3.

See Note 3, for further information.

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 - 2020 tax roll:

Lien date and levy date	December 2020
Tax bills mailed	December 2020
Payment in full or	January 31, 2021
First installment due	January 31, 2021
Second installment due	July 31, 2021
Personal property taxes in full	January 31, 2021
Tax sale - 2020 delinquent real estate taxes	October 2023

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, wastewater treatment and storm water utilities because they have the right by law to place substantially all delinquent bills on the tax roll.

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 governmentwide 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.

The City has received federal and state grant funds for economic development loan programs to various businesses and individuals. The City records a loan receivable when the loan has been made and funds have been disbursed. The amount recorded as economic development loans receivable has not been reduced by an allowance for uncollectible accounts.

It is the City's policy to record revenue when the initial loan is made from the federal and state grant funds. The net amount of the loan receivable balance is included in restricted fund balance. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year-end are presented as restricted fund balance in the fund financial statements.

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.

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.

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 \$5,000 for general capital assets and \$5,000 for infrastructure assets and an estimated useful life in excess of 1 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 investment of 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:

Land improvements	5-30 Years
Buildings	20-45 Years
Building improvements	5-45 Years
Equipment and vehicles	5-25 Years
Utility system	5-75 Years
Infrastructure	10-75 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.

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.

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.

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, 2020, are determined on the basis of current salary rates and include salary related payments.

Long-Term Obligations

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 debits (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 method. The balance at year-end is shown as an increase or decrease in the liability section of the statement of net position.

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.

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.
- 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. That policy is to maintain a working capital fund of 25 percent of the City's annual governmental activities expenditures, excluding refinancing of debt, as the minimum amount. Any amounts so determined are included in the general fund's committed fund balance.

See Note 3. for further information.

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 on 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.

Basis for Existing Rates

Current water rates were approved by the Public Service Commission of Wisconsin on June 5, 2018.

Current wastewater rates were approved by the Common Council on December 1, 2015.

Current storm water rates were approved by the Common Council on December 19, 2006.

2. Stewardship, Compliance and Accountability

Budgetary Information

A budget has been adopted for the all funds other than the Lead Grant Fund, Monroe police explorers and Cross Connection Fee. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

Excess Expenditures and Other Financing Uses Over Appropriations

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
Debt service	\$ 1,821,103	\$ 1,822,286	\$ 1,153
Park & Recreation	14,000	16,710	2,710
Airport Board of Management	282,653	373,717	91,064
Wisconsin Development	1,251,570	1,285,511	33,941
TID No. 8	78,200	85,462	7,262
TID No. 7	187,280	190,339	3,059
Sanitation	435,559	520,448	84,889
Taxi Cab	268,000	373,694	105,694
General capital projects	1,518,000	1,717,943	199,943
Merit Center	900	14,432	13,532
TID No. 5	304,650	672,780	368,130
TID No. 9	166,847	181,759	14,912

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

Deficit Balances

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

As of December 31, 2020, the following individual funds held a deficit balance:

Fund	Amount	Reason
Wisconsin Development	\$ 15,691	Excess expenditures over revenues
Airport Board of Management	42,925	Excess expenditures over revenues
Cross Connection Fee	44,920	Excess expenditures over revenues
TID No. 9	284,290	Excess expenditures over revenues
TID No. 10	10,634	Excess expenditures over 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.

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 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.

All other fund deficits are anticipated to be funded with charges for services, grants or transfers in from other funds.

3. Detailed Notes on All Funds

Deposits and Investments

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments. In addition, investments are separately held by several of the City's funds.

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

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 14,000,022	\$ 14,054,269	Custodial credit
Money markets	16,786	16,786	Custodial credit
Certificates of deposit (negotiable)	3,746,976	3,746,941	Credit, custodial credit, concentration of credit, interest rate
U.S. agencies, implicitly guaranteed	495,055	495,055	Credit, custodial credit, concentration of credit, interest rate
LGIP	15,291,926	15,291,926	Credit
Community Foundation of Southern Wisconsin	434,633	434,633	Credit
State & Local Bonds	364,546	364,546	Credit, custodial credit, concentration of credit, interest rate
Petty cash	N/A	-	-
Total deposits and investments	\$ 34,351,460	\$ 34,404,156	-
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments, City		\$ 22,799,529	
Unrestricted cash and investments, BID		6,290	
Unrestricted cash and investments, RPA		685,541	
Restricted cash and investments		2,511,045	
Per statement of net position, fiduciary funds		8,349,055	
Total deposits and investments	\$ 34,351,460	\$ 34,351,460	

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.

Bank accounts 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 been considered in computing custodial credit risk.

The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government).

City of Monroe
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SIPC membership provides account protection up to a maximum of \$500,000 per customer, of which \$100,000 may be in cash, \$500,000 of the City's investments are covered by SIPC. Additionally, through Lloyds of London, accounts have additional securities coverage of \$149.5 million per customer, subject to a \$500 million aggregate firm limit.

In addition, the City has established a \$12,500,000 line of credit with a bank as issued by the Federal Home Loan Bank of Chicago.

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:

- Quoted market prices

	December 31, 2020				
Investment Type	Level 1	Level 2	Level 3	Total	
Certificate of deposits (negotiable)	\$ -	\$ 3,746,976	\$ -	\$ 3,746,976	
U.S. agencies, implicitly guaranteed	-	495,055	-	495,055	
State and local bonds	-	364,546	-	364,546	
Total	\$ -	\$ 4,606,577	\$ -	\$ 4,606,577	

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, 2020, \$904,269 of the City's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 904,269
Total	\$ 904,269

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.

The City does not have any investments exposed to custodial credit risk.

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, 2020, the City's investments were rated as follows:

	Investment Type	Standard & Poors
U.S. agencies, implicitly guaranteed	AA+	
Certificate of deposits (negotiable)	A+	
State & local bonds	A	
State & local bonds	AA+	
State & local bonds	A+	
State & local bonds	AA	

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

- Local Government Investment Pool
- Community Foundation of Southern Wisconsin

	Investment Type	Fair Value	Maturity (in Years)
Certificate of deposits (negotiable)	\$ 3,746,976	\$ 1,514,161	2,232,815
U.S. agencies, implicitly guaranteed	495,055	-	-
State & local bonds	364,546	-	-
Total	\$ 4,606,577	\$ 1,514,161	\$ 3,092,416

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

Receivables

All of the receivables on the balance sheet are expected to be collected within one year, except for \$7,919 of delinquent personal property taxes and \$44,685 of loans. 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
Total	\$ 8,198,809

Property taxes receivable for subsequent year

Total unearned/unavailable revenue for governmental funds

City of Monroe
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Restricted Assets

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

Redemption - Used to segregate resources accumulated for debt service payments over the next twelve months.

Equipment Replacement Account

The wastewater treatment utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

Net Pension Asset

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

Following is a list of restricted assets at December 31, 2020:

Restricted Assets

\$ 822,341	Bond redemption account
1,688,704	Equipment replacement account
<u>1,269,731</u>	Net pension asset
<u><u>\$ 3,780,776</u></u>	

Total

Bond redemption account
Equipment replacement account
Net pension asset

Total

Capital asset activity for the year ended December 31, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 5,602,822	\$ 22,786	-	\$ 22,786
Construction in progress				
Total capital assets not being depreciated	\$ 5,625,608			\$ 22,786
Capital assets being depreciated:				
Land improvements	1,735,546	40,404	-	1,775,950
Buildings	4,212,416	39,950	-	4,212,416
Building improvements	1,160,519	508,860	89,320	1,200,469
Equipment	7,295,743	1,193,592	384,875	7,715,283
Vehicles	3,981,511	4,790,228		
Infrastructure	64,826,352	2,554,212	2,060,127	65,320,437
Total capital assets being depreciated	\$ 83,212,087			\$ 85,014,783
Total capital assets	\$ 88,837,695			\$ 90,617,605
Less accumulated depreciation for:				
Land improvements	(1,035,171)	(40,500)		(1,075,671)
Buildings	(2,266,987)	(126,135)	-	(2,393,122)
Building improvements	(752,423)	(46,335)		(798,758)
Equipment	(4,370,426)	(301,354)	48,074	(4,623,706)
Vehicles	(3,064,313)	(457,584)	384,875	(3,137,022)
Infrastructure	(47,510,286)	(1,157,986)	2,060,127	(46,608,155)
Total accumulated depreciation	<u><u>\$ 158,899,616</u></u>	<u><u>(2,129,894)</u></u>	<u><u>2,493,076</u></u>	<u><u>\$ 158,636,424</u></u>
Net capital assets being depreciated	<u><u>\$ 24,212,471</u></u>	<u><u>2,207,124</u></u>	<u><u>41,246</u></u>	<u><u>26,378,349</u></u>
Total governmental activities capital assets, net of accumulated depreciation	<u><u>\$ 29,838,079</u></u>	<u><u>\$ 2,207,124</u></u>	<u><u>\$ 64,032</u></u>	<u><u>\$ 31,981,171</u></u>
Depreciation expense was charged to functions as follows:				
Governmental Activities				
General government				\$ 214,843
Public safety				12,311
Public works, which includes the depreciation of infrastructure				442,969
Health and human services				1,337,684
Culture, education and recreation				122,087
Total governmental activities depreciation expense				<u><u>\$ 2,129,394</u></u>

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Business-Type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
Water				
Capital assets not being depreciated:				
Land	\$ 43,916	\$ 21,130	\$ -	\$ 43,916
Construction in progress	\$ -	\$ 21,130	\$ -	\$ 21,130
Total capital assets not being depreciated	\$ 43,916	\$ 21,130	\$ -	\$ 65,046
Capital assets being depreciated:				
Buildings and equipment	\$ 17,009,828	\$ 208,617	\$ 6,467	\$ 17,211,978
Total capital assets being depreciated	\$ 17,009,828	\$ 208,617	\$ 6,467	\$ 17,211,978
Total capital assets	\$ 17,053,744	\$ 229,747	\$ 6,467	\$ 17,277,024
Less accumulated depreciation for:				
Buildings and equipment	\$ (6,570,485)	\$ (424,620)	\$ 6,467	\$ (6,988,638)
Total accumulated depreciation	\$ (6,570,485)	\$ (424,620)	\$ 6,467	\$ (6,988,638)
Total accumulated depreciation	\$ 10,439,343	\$ (216,003)	\$ -	\$ 10,223,340
Net capital assets being depreciated	\$ 10,483,259	\$ (194,873)	\$ -	\$ 10,298,386
Net water capital assets	\$ 10,483,259	\$ (194,873)	\$ -	\$ 10,298,386
Wastewater				
Capital assets not being depreciated:				
Land	\$ 612,000	\$ 17,500	\$ 21,130	\$ 612,000
Construction in progress	\$ -	\$ 17,500	\$ 21,130	\$ 612,000
Total capital assets not being depreciated	\$ 629,500	\$ 21,130	\$ 17,500	\$ 633,130
Capital assets being depreciated:				
Buildings and equipment	\$ 55,632,420	\$ 91,304	\$ 52,500	\$ 55,671,224
Total capital assets being depreciated	\$ 55,632,420	\$ 91,304	\$ 52,500	\$ 55,671,224
Total capital assets	\$ 56,261,920	\$ 112,434	\$ 70,000	\$ 56,304,354
Less accumulated depreciation for				
Buildings and equipment	\$ (21,892,541)	\$ (1,606,439)	\$ 14,623	\$ (23,484,357)
Total accumulated depreciation	\$ (21,892,541)	\$ (1,606,439)	\$ 14,623	\$ (23,484,357)
Net capital assets being depreciated	\$ 33,739,879	\$ (1,515,135)	\$ 37,877	\$ 32,186,867
Net wastewater capital assets	\$ 34,369,379	\$ (1,494,005)	\$ 55,377	\$ 32,819,997

	Beginning Balance	Additions	Deletions	Ending Balance
Storm Water				
Capital assets not being depreciated:				
Construction in progress	\$ 7,227	\$ -	\$ -	\$ 7,227
Total capital assets not being depreciated	\$ 7,227	\$ -	\$ -	\$ 7,227
Capital assets being depreciated:				
Buildings and equipment	\$ 4,137,335	\$ 333,180	\$ -	\$ 4,470,515
Total capital assets being depreciated	\$ 4,137,335	\$ 333,180	\$ -	\$ 4,470,515
Total capital assets	\$ 4,144,562	\$ 333,180	\$ -	\$ 4,470,515
Less accumulated depreciation for:				
Buildings and equipment	\$ (101,1361)	\$ (163,975)	\$ -	\$ (1,175,336)
Total accumulated depreciation	\$ (101,1361)	\$ (163,975)	\$ -	\$ (1,175,336)
Total capital assets being depreciated	\$ 3,125,974	\$ 169,205	\$ -	\$ 3,295,179
Net storm water capital assets	\$ 3,133,201	\$ 169,205	\$ -	\$ 3,295,179
Business-Type capital assets, net of accumulated depreciation	\$ 47,985,839	\$ (1519,673)	\$ -	\$ 62,604
Depreciation expense was charged to functions as follows:				
Business-Type Activities				
Water	\$ 386,041	\$ -	\$ -	\$ 386,041
Wastewater	\$ 1,606,439	\$ -	\$ -	\$ 1,606,439
Stormwater	\$ 163,975	\$ -	\$ -	\$ 163,975
Total business-type activities depreciation expense	\$ 2,156,455	\$ -	\$ -	\$ 2,156,455
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.				
Interfund Receivables/Payables, Advances and Transfers				
Interfund Receivables/Payables				
The following is a schedule of interfund receivables and payables including any overdraws on pooled cash and investment accounts:				
	Receivable Fund	Payable Fund	Amount	
Water	General Fund	\$ 4,419		
Wastewater	General Fund	\$ 5,345		
Stormwater	General Fund	\$ 978		
Sanitation	General Fund	\$ 1,876		
Total, fund financial statements		\$ 12,618		
Less fund eliminations		\$ (1,876)		
Total internal balances, government-wide statement of net position		\$ 10,742		

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All amounts are due within one year.

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, Wisconsin Development, Cross Connection Fee and the Airport Board of Management fund. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources. No repayment schedule has been established.

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
General	Cross Connection Fee	\$ 44,923	44,923
General	TID No. 9	284,457	284,457
General	TID No. 10	10,634	10,634
General	Airport Board of Management	59,956	59,956
General	Wisconsin Development	14,903	14,903
Total, fund financial statements		414,873	(414,873)

Less fund eliminations

Total, interfund advances, government-wide statement of net position

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General fund	Water	\$ 271,976	Payment in lieu of taxes
General fund	Wastewater treatment	11,896	(share of joint meter costs)
Debt service	General fund	1,018,628	Debt payments
Debt service	TID No. 5	301,500	Debt payments
Debt service	TID No. 6	231,525	Debt payments
Debt service	TID No. 7	190,189	Debt payments
Debt service	TID No. 8	80,925	Debt payments
Capital projects	TID No. 9	142,227	Budgeted transfer
	General fund	884,919	Fund project costs

Total, fund financial statements

Less fund eliminations

Total transfers, government-wide statement of activities

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.

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and notes payable:					
General obligation debt:					
General obligation notes from direct borrowings and direct placements	\$ 12,985,000	\$ -	\$ 1,130,000	\$ 11,825,000	\$ 860,000
(Discounts)/Premiums:	3,217,706	-	255,147	2,962,559	282,127
Subtotal	59,391	-	3,494	55,897	-
Other liabilities:					
Vested compensated absences	16,232,087	-	-	1,388,641	14,843,456
Total other liabilities	819,307	374,879	353,245	840,941	376,961
Total governmental activities long-term liabilities	\$ 17,051,404	\$ 374,879	\$ 1,741,886	\$ 15,684,397	\$ 1,499,088
Business-Type Activities					
Bonds and notes payable:					
General obligation debt:					
General obligation notes from direct borrowings and direct placements	\$ 2,750,000	\$ -	\$ 165,000	\$ 2,585,000	\$ 165,000
(Discounts)/Premiums:	286,393	-	59,279	237,114	59,279
Subtotal	17,108,245	-	1,102,130	16,006,115	1,103,478
Other liabilities:					
Vested compensated absences	31,389	-	1,885	29,524	-
Total other liabilities	20,186,027	-	-	1,328,274	18,857,753
Total business-type activities long-term liabilities	\$ 111,982	\$ 70,071	\$ 68,911	\$ 113,112	\$ 70,071

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5 percent of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2020, was \$40,726,345. Total general obligation debt outstanding at year-end was \$17,609,673.

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. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

<u>General Obligation Activities</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2020</u>
G.O. bonds	1/12/2007	10/01/2027	4.25%	\$ 890,000	\$ 555,000
G.O. bonds	05/24/2011	04/01/2031	3.00 - 4.25	1,105,000	800,000
G.O. refunding bonds	05/22/2012	04/01/2029	0.5 - 2.7	2,750,000	1,670,000
G.O. bonds	09/01/2014	12/01/2024	2.25	607,213	242,887
G.O. bonds	09/27/2016	03/01/2036	2.0 - 2.3	2,400,000	2,020,000
G.O. promissory notes	09/27/2016	03/01/2026	1.00 - 1.90	4,355,000	1,840,000
G.O. bonds	03/15/2017	03/01/2037	2.00 - 3.00	5,120,000	4,940,000
State trust fund loan	12/15/2017	03/15/2037	4.00	1,850,000	1,729,990
G.O. Note	03/28/2018	03/21/2027	3.20	1,394,670	989,682
Total governmental activities, general obligation debt					
					\$ 14,787,559

<u>Business-Type Activities</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2020</u>
G.O. refunding bonds	05/22/2012	04/01/2029	.5 - 2.7%	\$ 1,205,000	\$ 730,000
G.O. bonds	09/01/2014	12/01/2024	2.25	592,788	237,114
G.O. bonds	09/27/2016	03/01/2036	2.0 - 2.3	2,255,000	1,855,000
Total business-type activities, general obligation debt					
Debt service requirements to maturity are as follows:					

<u>General Obligation Activities</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2020</u>
G.O. bonds	05/22/2012	04/01/2029	.5 - 2.7%	\$ 1,205,000	\$ 730,000
G.O. bonds	09/01/2014	12/01/2024	2.25	592,788	237,114
G.O. bonds	09/27/2016	03/01/2036	2.0 - 2.3	2,255,000	1,855,000
Total business-type activities, general obligation debt					
<u>General Obligation Debt</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
<u>Year Ended December 31:</u>					
2021	\$ 860,000	\$ 293,852	\$ 165,000	\$ 53,963	
2022	895,000	275,007	175,000	50,633	
2023	925,000	254,771	180,000	47,046	
2024	710,000	235,049	180,000	43,333	
2025	800,000	215,578	185,000	39,496	
2026-2030	3,835,000	748,386	935,000	133,026	
2031-2035	2,830,000	313,030	630,000	50,957	
2036-2037	970,000	23,621	135,000	1,546	
Total	<u>\$ 11,825,000</u>	<u>\$ 2,359,294</u>	<u>\$ 2,585,000</u>	<u>\$ 420,000</u>	

<u>General Obligation Notes</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2020</u>
From Direct Borrowings And Direct Placements					
Governmental Activities Notes from Direct Borrowings and Direct Placements					
Principal					
Interest					
Year Ended December 31:					
2021	\$ 262,127	\$ 74,741	\$ 59,279	\$ 5,409	
2022	269,157	70,435	59,279	4,057	
2023	276,435	66,011	59,279	2,705	
2024	283,809	61,633	59,279	1,357	
2025	231,044	56,802	-	-	
2026-2030	786,431	230,072	-	-	
2031-2035	585,332	125,805	-	-	
2036-2037	268,224	16,228	-	-	
Total	<u>\$ 2,962,559</u>	<u>\$ 701,727</u>	<u>\$ 237,114</u>	<u>\$ 13,528</u>	

Business-Type activities revenue bonds are payable only from revenues derived from the operation of the wastewater treatment utility.

The wastewater treatment utility has pledged future wastewater revenues, net of specified operating expenses, to repay revenue bonds issued in 2002 and 2013. Proceeds from the bonds provided financing for the wastewater treatment plant. The bonds are payable solely from wastewater treatment revenues and are payable through 2033. Annual principal and interest payments on the bonds are expected to require 81.00 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$18,784,232. Principal and interest paid for the current year and total customer net revenues were \$1,525,929 and \$1,778,147, respectively.

Revenue debt payable at December 31, 2020, consists of the following:

Business-Type Activities Revenue Debt

<u>Wastewater Utility</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2020</u>
Clean water fund loan	12/11/2002	05/01/2022	2.75%	\$ 1,428,989	\$ 180,221
Clean water fund loan	05/22/2013	05/01/2033	2.557%	21,255,102	15,825,894

Total business-type activities, revenue debt

- (1) - During 2002, the utility was authorized to issue \$1,889,763 of sewerage system. The original amount reported above has been issued as of December 31, 2020. The repayment schedule is for the amount issued.
- (2) - During 2013, the utility was authorized to issue \$22,472,067 of sewerage system. The original amount reported above has been issued as of December 31, 2020. The repayment schedule is for the amount issued.

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Business-Type Activities	
Revenue Debt from Direct Borrowings and Direct Placements	
Year Ended December 31:	Principal
2021	\$ 1,130,478
2022	1,159,556
2023	365,632
2024	1,095,538
2025	336,714
2026-2030	1,123,551
2031-2033	308,343
Total	1,152,280
	279,246
	935,068
	6,218,716
	4,126,996
	160,029
	\$ 16,006,115
	\$ 2,778,117

Other Debt Information

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability attributable to governmental activities will be liquidated primarily by the general fund. The net pension liability will be financed through future contributions from the general fund and utility funds and changes to the plan's assets.

The City's outstanding State Trust Fund Loan from direct borrowing related to governmental activities contains clauses that any delinquent payments are subject to a penalty of one percent per month and shall be deducted from any state payments that are due to the City. In addition, the wastewater treatment utility fund's outstanding Clean Water Fund Loans noted above contain provisions that (1) any delinquent payments can be deducted from any state payments that are due to the city or a special charge may be added to the taxes apportioned to and levied upon the county in which the city is located and (2) in an event of default, outstanding amounts become immediately due and payable or the interest rate may be increased to the market interest rate and (3) any delinquent payments may be intercepted from the revenue of the wastewater treatment utility.

A statutory mortgage lien upon the wastewater treatment's system and any additions, improvements and extensions thereto is created by Section 66.062(1) of the Wisconsin Statutes as provided for in the ordinances creating the revenue bond issue. The wastewater treatment's system and the earnings of the system remain subject to the lien until payment in full of the principal and interest on the bonds.

Net Position/Fund Balances

Net position reported on the government-wide statement of net position at December 31, 2020, includes the following:

Governmental Activities
Net investment in capital assets:
Land
Construction in progress
Other capital assets, net of accumulated depreciation
Less Long-term debt outstanding
Less unamortized debt premium
Total net investment in capital assets

Total net investment in capital assets

\$ 17,137,715

Governmental Funds	
Governmental fund balances reported on the fund financial statements at December 31, 2020, include the following:	
General Fund	Capital Projects
Debt Service	Nonmajor Funds
Total	
Fund Balances	
Nonspendable:	
Prepaid items	\$ 197,263
Delinquent personal property taxes	7,919
Advances	414,873
Subtotal	620,055
Restricted for:	
Debt service	\$ 547,416
Tourism	-
TIF activities	-
Taxi ridership program	-
Police K-9	-
Park Donations	8,620
Subtotal	7,987
Committed to:	
Working capital	\$ 547,416
Parks and recreation	-
Merit center	-
Senior center	-
Monroe police explorers	-
Sanitation	-
Subtotal	16,607
Assigned to:	
Senior center, health and wellness	\$ 3,464,881
Liability insurance reserve	-
Senior center building fund	-
Parkland development principal	-
Parkland operating	-
Capital projects	-
Subtotal	36,333
Unassigned (deficit):	
Total fund balances	\$ 1,379,091
	Business-Type Activities
Net investment in capital assets:	
Land	\$ 655,916
Construction in progress	42,260
Other capital assets, net of accumulated depreciation	45,705,386
Less Long-term debt outstanding	(18,828,229)
Less unamortized debt premium	(29,524)
Total net investment in capital assets	\$ 27,545,809

Component Units

The Redevelopment Authority of the City of Monroe

This report contains the Redevelopment Authority of the City of Monroe (RDA), 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 RDA 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 RDA's deposits was \$685,541 and is part of the City's commingled cash. See Note 3.

Monroe Business Improvement District

This report contains the Monroe Business Improvement District (BID), 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 BID 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 BID's deposits was \$6,290 and is part of the City's commingled cash. See Note 3.

4. Other Information

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, which can be found at <http://etf.wi.gov/publications/carf.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 occupations 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.

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
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
2019	0.0	(10.0)

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 \$396,357 in contributions from the City.

Contribution rates for the plan year reported as of December 31, 2020 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.55 %	6.55 %
Protective with Social Security	6.55 %	10.55 %
Protective without Social Security	6.55 %	14.95 %

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

At December 31, 2020, the City reported an asset of \$1,269,731 for its proportionate share of the net pension asset asset. The net pension asset was measured as of December 31, 2019 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. 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 asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the City's proportion was 0.03937816 percent, which was a decrease of 0.00079168 percent from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the City recognized pension expense of \$449,111.

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
\$ 2,410,240	\$ 1,206,164
98,945	-
	2,595,783
	13,284
424,447	-
\$ 2,933,632	\$ 3,815,231

\$424,447 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>	<u>Year Ended December 31:</u>
	\$ (388,321)
	(289,691)
	41,704
	(669,738)

Actuarial Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2018
Measurement Date of Net Pension Liability (Asset):	December 31, 2019
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
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-Reirement Adjustments:	1.9%

* No post-reirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9 percent 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. The Total Pension Liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the December 31, 2018 actuarial valuation.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric 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 Real Rate of Return %
	Allocation %	Nominal Rate of Return %
Global Equities	49 %	8.0 %
Fixed Income	24.5	4.9
Inflation Sensitive Assets	15.5	4.0
Real Estate	9	6.3
Private Equity/Debt	8	10.6
Multi-Asset	4	6.9
Total Core Fund	110	7.5

Variable Fund Asset Class	
U.S Equities	70
International Equities	30
Total Variable Fund	100

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75 percent
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 percent was used to measure the total pension liability for the current and prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00 percent and a long term bond rate of 2.75 percent. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2019. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 7.00 percent expected rate of return implies that a dividend of approximately 1.9 percent will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension asset calculated using the discount rate of 7.00 percent, as well as what the City's proportionate share of the net pension asset 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.

1% Increase to Discount Rate	Current Discount Rate
1% Decrease to Discount Rate	(7.00%)
\$ 3,269,785	\$ (1,269,731)
\$ 4,663,543	\$ (4,663,543)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://eff.wi.gov/about-eff/reports-and-studies/financial-reports-and-statements>.

At December 31, 2020, the City reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

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 (CV/MIC)

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 CV/MIC and has numerous cities and villages as members.

The CV/MIC is a municipal mutual insurance company established on September 14, 1987 under Section 61.123 of the Wisconsin Statutes. The CV/MIC provides liability insurance coverage to the cities and villages which make up the membership of the CV/MIC.

The CV/MIC is self-insured up to a maximum of \$2,000,000 of each insurance risk. Losses paid by CV/MIC plus administrative expenses will be recovered through premiums to the participating pool of municipalities. The City's share of such losses is approximately 1.052 percent.

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 CV/MIC can be obtained directly from CV/MIC's offices.

City of Monroe
Notes to Financial Statements
December 31, 2020

City of Monroe
Notes to Financial Statements
December 31, 2020

The City pays an annual premium to CYMIC 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 \$50,000 per occurrence and an annual aggregate limit of \$200,000. An actuarially determined estimate has been recorded for this liability, as well as for claims incurred but not reported at December 31, 2020. A total liability of approximately \$22,809 at December 31, 2020, was recorded as claims payable in the general fund.

Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability band 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, 2020. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

Related Organizations

Housing Authority

The City's officials are responsible for appointing the board members of the Monroe Housing Authority, but the City's accountability for this organization does not extend beyond making the appointments.

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. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84 and a supersession of GASB Statement No. 32*

When they become effective, application of these standards may restate portions of these financial statements.

City of Monroe

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Taxes				
General property taxes	\$ 7,163,836	\$ 7,490,982	\$ 7,490,599	\$ (383)
Motor vehicle taxes	36,000	36,000	40,639	4,639
Sales and use	120	120	124	-4
Public accommodation (room) taxes	9,000	9,000	8,150	(850)
Taxes from housing authority	29,000	29,000	29,262	262
Taxes from other tax exempt entities	3,159	3,159	6,318	3,159
Interest and penalties on taxes	100	100	1,131	1,031
Total taxes	<u>7,241,215</u>	<u>7,568,361</u>	<u>7,576,223</u>	<u>7,852</u>
Intergovernmental Revenues				
State shared revenues	1,503,654	1,503,654	1,558,026	54,372
Fire insurance tax (2% fire dues)	30,000	30,000	34,908	4,908
Exempt computer aid	200,613	200,613	200,613	-
State aid - law enforcement training	6,000	6,000	12,489	6,489
State aid, general transportation aids	731,187	731,187	773,427	42,240
State aid, video service provider fee	14,659	14,659	14,659	-
State aid, connecting streets	47,198	47,198	47,198	-
State, routes to recovery	-	-	100,325	100,325
Urban forestry grant	-	-	25,000	25,000
Municipal services, law enforcement	<u>48,000</u>	<u>48,000</u>	<u>-</u>	<u>(48,000)</u>
Total intergovernmental revenues	<u>2,581,311</u>	<u>2,606,311</u>	<u>2,766,645</u>	<u>160,334</u>
Licenses and Permits				
Business and occupational licenses	180,375	180,375	168,984	(11,381)
Nonbusiness licenses	6,230	6,230	3,003	(3,227)
Building permits	143,380	143,380	122,342	(21,038)
Other permits	150	450	650	200
Total licenses and permits	<u>330,135</u>	<u>330,435</u>	<u>294,989</u>	<u>(35,446)</u>
Fines, Forfeitures and Penalties				
Court penalties and costs	<u>78,000</u>	<u>78,000</u>	<u>68,295</u>	<u>(9,705)</u>
Total fines, forfeitures and penalties	<u>78,000</u>	<u>78,000</u>	<u>68,295</u>	<u>(9,705)</u>

REQUIRED SUPPLEMENTARY INFORMATION

City of Monroe

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2020

City of Monroe

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2020

	Budgeted Amounts		Variance with Final Budget	
	Original	Final	Actual	
Public Charges for Services				
General government	\$ 6,485	\$ 6,485	\$ 5,368	\$ (1,117)
Law enforcement fees	7,400	7,400	(4,340)	(4,340)
Fire protection fees	85,200	85,200	84,400	(800)
Street maintenance and construction	9,400	9,400	55,315	45,915
Refuse and garbage collection	-	-	183	183
Recycling	2,000	2,000	1,362	(638)
Culture, recreation and education	122,495	124,470	75,876	(48,594)
Parks	11,500	11,500	8,326	(3,174)
Swimming pools	66,850	66,850	39,180	(27,670)
Community center	-	2,500	487	(2,013)
Forests	-	2,200	4,170	1,970
Total public charges for services	311,330	318,005	277,727	(40,278)
Special Assessments				
Sidewalk	27,411	27,311	139	(27,172)
Total special assessments	27,411	27,311	139	(27,172)
Investment Income				
Investment income	340,500	340,500	556,715	216,215
Interest on special assessments	100	100	-	(100)
Total investment income	340,600	340,600	556,715	216,115
Miscellaneous Revenues				
Rent	8,200	8,200	12,421	4,221
Insurance recoveries	-	-	34,359	34,359
Donations	13,500	13,500	35,592	22,092
Other miscellaneous	22,755	15,755	10,867	(4,888)
Total miscellaneous revenues	44,455	37,455	93,239	55,784
Total revenues	10,954,457	11,306,478	11,653,972	327,494

	Budgeted Amounts		Variance with Final Budget	
	Original	Final	Actual	
Expenditures				
General Government				
City council	\$ 33,186	\$ 33,186	\$ 33,186	\$ (6,125)
Legal	50,000	52,000	6,890	(21,211)
Mayor	6,890	6,890	6,890	(10)
City administrator	214,617	214,617	114,617	100,404
City clerk	60,980	60,980	45,576	15,404
Personnel	63,900	63,900	84,431	(20,531)
Elections	10,646	10,646	31,761	(21,115)
Information technology	171,332	171,332	165,474	5,858
Comptroller/treasurer	273,696	273,696	281,603	(7,907)
Assessment of property	62,000	62,000	58,069	3,931
Building inspector	96,211	96,211	94,487	1,724
Municipal building	253,965	253,965	295,953	(41,988)
Property and liability insurance	155,700	155,700	172,286	(16,586)
Other general government	72,100	72,100	122,756	(50,636)
Total general government	1,525,223	1,527,223	1,586,390	(59,167)
Public Safety				
Law enforcement	3,190,043	3,190,043	3,190,044	155,969
Fire protection	553,963	553,963	443,102	110,861
Emergency Management	33,221	33,221	23,149	10,072
Total public safety	3,777,222	3,777,222	3,500,295	276,932
Public Works				
Director of public works	57,143	57,143	51,383	5,760
Engineering	150,860	150,860	160,226	(9,366)
Street administration	132,037	132,037	165,328	(33,291)
Garages and sheds	60,500	60,500	57,661	2,839
Machinery and equipment	285,793	285,793	261,673	(24,121)
Street maintenance	883,776	883,776	889,813	(6,036)
Street construction	720,129	720,129	715,112	5,017
Street lighting	172,867	172,867	158,637	14,230
Sidewalks and crosswalks	27,411	27,411	28,361	(950)
Parking lots	25,075	25,075	25,621	(546)
Garbage and refuse collection	71,000	71,000	99,842	(28,842)
Green waste recycling	27,702	27,702	32,237	(4,535)
Weed control	4,392	4,392	3,363	939
Total public works	2,618,685	2,618,685	2,649,357	(30,670)
Health and Human Services				
Pest and animal control	2,400	2,400	919	1,481
Humane society	35,000	35,000	35,004	(4)
Cemetery	49,000	49,000	49,000	-
Total health and human services	86,400	86,400	84,923	1,477

See notes to required supplementary information
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See notes to required supplementary information
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City of Monroe
 Detailed Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual - General Fund
 Year Ended December 31, 2020

City of Monroe
 Schedule of Proportional Share of the Net Pension Liability/(Asset) -
 Wisconsin Retirement System
 Year Ended December 31, 2020

	Budgeted Amounts	Original	Final	Actual	Variance with Final Budget	WRS 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
Culture, Recreation and Education										
Museum	\$ 7,000	\$ 7,000	\$ 7,000	\$ 6,053	\$ 947	12/31/20	0.03937816 %	\$ (1,269,731)	\$ 4,946,956	102.96 %
Community center	10,807	452,375	452,375	12,931	(2,124)	12/31/19	1.429,116	4,965,646	28.78 %	96.45 %
Parks operations	452,375	452,375	465,635	(13,260)	33,951	12/31/18	0.04061684 %	(1,208,245)	5,083,462	102.93 %
Recreation programs	87,398	87,398	53,447	9,938	(963)	12/31/17	0.04062637 %	333,424	5,042,970	6.61 %
City band	8,975	8,975	266,517	253,057	13,460	12/31/16	0.0040523 %	657,166	5,077,549	12.94 %
Senior citizen center	266,517	266,517	30,077	24,817	5,260	12/31/15	0.0404144 %	(983,485)	4,901,508	98.20 %
Celebration and entertainment	30,714	30,714	260,622	258,970	1,652					102.74 %
Recreation administration	260,622	260,622	140,523	120,829	19,694					
Swimming areas	140,523	140,523	106,000	105,895	105					
Forestry	106,000	106,000	92,726	92,726	-					
Cheese days										
Total culture, recreation and education		1,463,657	1,463,020	1,311,572	151,448					
Conservation and Development										
Economic development operating		177,300	177,300	78,517	98,783					
Total conservation and development		177,300	177,300	78,517	98,783	12/31/20	\$ 424,447	\$ -	\$ -	
Total expenditures		9,648,492	9,649,857	9,211,054	438,803	12/31/19	389,432	408,779	398,432	8.63 %
Excess of revenues over expenditures		1,305,965	1,656,621	2,422,918	766,297	12/31/18	414,474	414,474	409,779	8.07 %
						12/31/17	382,809	382,809	5,065,647	8.25 %
						12/31/16	392,716	392,716	5,083,462	8.15 %
						12/31/15	-	-	5,042,970	7.59 %
									5,077,549	7.73 %
Other Financing Sources (Uses)										
Sales of general fixed assets		1,300	1,300	29,771	28,471					
Transfers in		307,388	283,878	283,872	(6)					
Transfers out		(1,614,653)	(1,941,739)	(1,903,547)	38,252					
Total other financing sources (uses)		(1,305,965)	(1,656,621)	(1,589,904)	66,717					
Net change in fund balance		-	-	-	-					
Fund Balance, Beginning		5,572,126	5,572,126	5,572,126	-					
Fund Balance, Ending		\$ 5,548,610	\$ 5,572,126	\$ 6,405,140	\$ 833,014					

City of Monroe
Notes to Required Supplementary Information
Year Ended December 31, 2020

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 1.

The budgeted amounts presented include any amendments made. The City may authorize transfers of budgeted amounts within departments. 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. There were no carryovers to the following year. 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. No significant change in assumptions were noted from prior year.

S U P P L E M E N T A R Y I N F O R M A T I O N

City of Monroe
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2020

	Special Revenue Funds				
	Park & Recreation	Merit Center	Tourism	Wisconsin Development	
Assets					
Cash and investments	\$ 51,882	\$ 47,575	\$ 174,976	\$ -	
Receivables:					
Taxes	-	-	-	-	
Accounts	-	-	-	-	
Other	-	-	-	-	
Due from other funds	-	-	-	-	
Due from other governments	-	-	-	-	
Total assets	<u>\$ 51,882</u>	<u>\$ 47,575</u>	<u>\$ 174,976</u>	<u>\$ -</u>	
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 174	\$ 9,941	\$ 13,337	\$ 788	
Accrued liabilities	-	-	-	-	
Advances from other funds	<u>174</u>	<u>9,941</u>	<u>13,337</u>	<u>14,903</u>	
Total liabilities	<u>\$ 174</u>	<u>9,941</u>	<u>13,337</u>	<u>15,691</u>	
Deferred Inflows of Resources					
Unearned revenues	<u>15,375</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total deferred inflows of resources	<u>15,375</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Fund Balances					
Restricted	36,333	37,634	161,639	(15,691)	
Committed	-	-	-	-	
Unassigned (deficit)	-	-	-	-	
Total fund balances (deficit)	<u>36,333</u>	<u>37,634</u>	<u>161,639</u>	<u>(15,691)</u>	
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 51,882</u>	<u>\$ 47,575</u>	<u>\$ 174,976</u>	<u>\$ -</u>	

Special Revenue Funds

	Special Revenue Funds				
	Senior Center Activities	Monroe Police Explorers	Airport Board of Management	Taxi Cab	Sanitation
Assets					
Cash and investments	\$ 554,720	\$ 361	\$ -	\$ 111,095	\$ 348,846
Receivables:					
Taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Other	-	151	-	2,265	-
Due from other funds	-	-	-	-	107,388
Due from other governments	-	-	-	-	1,876
Total assets	<u>\$ 554,871</u>	<u>\$ 361</u>	<u>\$ -</u>	<u>\$ 14,766</u>	<u>\$ -</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 33,362	\$ 40,862
Accrued liabilities	-	-	-	-	-
Advances from other funds	-	-	-	59,956	21
Total liabilities	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>59,956</u>	<u>40,883</u>
Deferred Inflows of Resources					
Unearned revenues	<u>15,375</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>15,375</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Restricted	36,333	37,634	161,639	(15,691)	
Committed	-	-	-	-	
Unassigned (deficit)	-	-	-	-	
Total fund balances (deficit)	<u>36,333</u>	<u>37,634</u>	<u>161,639</u>	<u>(15,691)</u>	
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 554,871</u>	<u>\$ 361</u>	<u>\$ -</u>	<u>\$ 42,925</u>	<u>\$ -</u>
Cross Connection Fee					
Total fund balances (deficit)	<u>\$ 554,871</u>	<u>\$ 361</u>	<u>\$ -</u>	<u>\$ 42,925</u>	<u>\$ -</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 554,871</u>	<u>\$ 361</u>	<u>\$ -</u>	<u>\$ 42,925</u>	<u>\$ -</u>
Cross Connection Fee					
Total fund balances (deficit)	<u>\$ 554,871</u>	<u>\$ 361</u>	<u>\$ -</u>	<u>\$ 42,925</u>	<u>\$ -</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 554,871</u>	<u>\$ 361</u>	<u>\$ -</u>	<u>\$ 42,925</u>	<u>\$ -</u>

City of Monroe
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2020

	Capital Project Funds				
	TID No. 5	TID No. 6	TID No. 7	TID No. 8	
Assets					
Cash and investments	\$ 260,546	\$ 387,733	\$ 17,077	\$ 387,501	\$ 31,814
Receivables:					
Taxes	-	407,309	313,411	65,432	20,410
Accounts	67,068	-	-	24,978	-
Other	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
Total assets	<u>\$ 327,614</u>	<u>\$ 795,042</u>	<u>\$ 330,488</u>	<u>\$ 477,911</u>	<u>\$ 88,108</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 5,183	\$ -	\$ -	\$ -	\$ 67,531
Accrued liabilities	-	-	-	-	-
Advances from other funds	5,183	-	-	-	284,457
Total liabilities	<u>\$ 5,183</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,634</u>
Deferred Inflows of Resources					
Unearned revenues	-	407,310	313,411	65,432	351,988
Total deferred inflows of resources	<u>-</u>	<u>407,310</u>	<u>313,411</u>	<u>65,432</u>	<u>10,634</u>
Fund Balances					
Restricted	322,431	387,732	17,077	412,479	-
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	(284,290)
Total fund balances (deficit)	<u>322,431</u>	<u>387,732</u>	<u>17,077</u>	<u>412,479</u>	<u>(10,634)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 327,614</u>	<u>\$ 795,042</u>	<u>\$ 330,488</u>	<u>\$ 477,911</u>	<u>\$ 88,108</u>

	Capital Project Funds				
	TID No. 9	TID No. 10			
Assets					
Cash and investments	\$ 287,501	\$ -	\$ -	\$ -	\$ 2,374,126
Receivables:					
Taxes	65,432	20,410	-	-	806,562
Accounts	24,978	-	-	-	134,631
Other	-	-	-	-	67,222
Due from other funds	-	-	-	-	1,876
Due from other governments	-	-	-	-	50,650
Total assets	<u>\$ 287,501</u>	<u>20,410</u>	<u>-</u>	<u>-</u>	<u>\$ 3,435,067</u>
Liabilities					
Accounts payable	\$ 67,531	\$ -	\$ -	\$ -	\$ 171,178
Accrued liabilities	-	-	-	-	-
Advances from other funds	284,457	-	-	-	414,873
Total liabilities	<u>\$ 284,457</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>586,072</u>
Deferred Inflows of Resources					
Unearned revenues	-	20,410	-	-	821,938
Total deferred inflows of resources	<u>-</u>	<u>20,410</u>	<u>-</u>	<u>-</u>	<u>821,938</u>
Fund Balances					
Restricted	322,431	-	-	-	-
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	(284,290)
Total fund balances (deficit)	<u>322,431</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,634)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 322,431</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,027,057</u>

City of Monroe
 Combining Statement of Revenues, Expenditures and Changes
 in Fund Balances
 Nonmajor Governmental Funds
 Year Ended December 31, 2020

	Special Revenue Funds				Special Revenue Funds						
	Park & Recreation	Merit Center	Tourism	Wisconsin Development	Senior Center Activities	Monroe Police Explorers	Airport Board of Management	Taxi Cab	Sanitation	Lead Service Grant	Cross Connection Fee
Revenues											
Taxes	\$ -	\$ -	\$ 73,209	\$ -	\$ -	\$ -	\$ 44,766	\$ -	\$ 74,156	\$ -	\$ 23,766
Intergovernmental	-	-	-	-	-	-	295,615	-	429,728	-	-
Public charges for services	-	103	-	-	4,020	-	-	-	-	-	-
Investment income	-	2,565	-	1,811	-	69,588	-	14,000	-	-	-
Miscellaneous revenue	-	-	-	-	-	-	-	-	-	-	-
Total revenues	20,728	2,668	73,209	5,831	116,095	-	354,381	332,099	503,884	23,766	-
Expenditures											
Current:											
General government	-	14,432	-	-	-	-	100	-	373,694	-	-
Public safety	-	-	-	-	-	-	373,717	-	520,448	-	30,249
Public works	16,710	-	-	-	44,438	1,285,511	-	-	-	20,846	-
Culture, recreation and education	-	-	-	-	-	-	-	-	-	-	-
Conservation and development	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	16,710	14,432	44,438	1,285,511	-	-	98,772	100	373,717	373,694	520,448
Excess (deficiency) of revenues over expenditures	4,018	(11,764)	28,771	(1,279,680)	-	-	17,323	(100)	(19,336)	(41,595)	(16,564)
Other Financing Sources (Uses)											
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	4,018	(11,764)	28,771	(1,279,680)	-	-	17,323	(100)	(19,336)	(41,595)	(16,564)
Fund Balances (Deficit), Beginning	32,315	49,398	132,868	1,263,989	537,548	461	(23,589)	119,328	433,791	(2,920)	(14,671)
Fund Balances (Deficit), Ending	\$ 36,333	\$ 37,634	\$ 161,639	\$ (15,691)	\$ 554,871	\$ 361	\$ (42,925)	\$ 77,733	\$ 417,227	\$ -	\$ (44,920)

City of Monroe

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2020

Capital Projects Funds						
	TID No. 5	TID No. 6	TID No. 7	TID No. 8	TID No. 9	TID No. 10
Revenues						
Taxes	\$ 384,280	\$ 279,552	\$ 297,640	\$ 63,049	\$ 19,004	\$ 3,246
Intergovernmental	10,434	36,825	27,282	220	-	1,099,980
Public charges for services	-	-	-	-	-	549,548
Investment income	-	-	-	-	-	725,343
Miscellaneous revenue	67,068	-	508	24,978	-	50,630
Total revenues	441,782	316,377	325,430	88,247	43,624	2,651,367
Expenditures						
Current:						
General government	-	-	-	-	-	373,694
Public safety	-	-	-	-	-	14,532
Public works	-	-	-	-	-	924,414
Culture, recreation and education	-	-	-	-	-	136,328
Conservation and development	364,280	-	152	150	4,387	1,698,616
Capital Outlay	7,000	-	-	150	-	47,134
Total expenditures	371,280	152	150	4,537	39,532	150
Excess (deficiency) of revenues over expenditures	70,502	316,225	325,280	83,710	4,092	3,096
Other Financing Sources (Uses)						
Transfers out	(301,500)	(231,525)	(190,189)	(80,925)	(142,227)	(946,366)
Total other financing sources (uses)	(301,500)	(231,525)	(190,189)	(80,925)	(142,227)	(946,366)
Net change in fund balances	(230,998)	84,700	135,091	2,785	(138,135)	3,096
Fund Balances (Deficit), Beginning	553,429	303,032	(118,014)	409,694	(146,155)	(13,730)
Fund Balances (Deficit), Ending	<u>\$ 322,431</u>	<u>\$ 381,732</u>	<u>\$ 17,077</u>	<u>\$ 412,479</u>	<u>\$ (284,290)</u>	<u>\$ (10,634)</u>

City of Monroe
Combining Statement of Cash Flows
Component Units
Year Ended December 31, 2020

	Business Improvement District	Redevelopment Authority
Cash Flows From Operating Activities		
Special assessments received from city	\$ 37,552	\$ (779)
Cash paid to suppliers for goods and services	(37,500)	
	<hr/>	<hr/>
Net cash flows from operating activities	52	(779)
Cash Flow From Investing Activities		
Interest income	146	-
	<hr/>	<hr/>
Net cash flows from investing activities	-	-
Cash Flows From Noncapital Financing Activities		
Contributions from the City	364,280	
Negative cash implicitly financed	(20,000)	
	<hr/>	<hr/>
Net cash flows from noncapital financing activities	344,280	
Net increase in cash and cash equivalents	198	343,501
	<hr/>	<hr/>
Cash and Cash Equivalents, Beginning	6,092	342,040
Cash and Cash Equivalents, Ending	<u>\$ 6,290</u>	<u>\$ 685,541</u>
	<hr/>	<hr/>
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities		
Operating income (loss)	\$ 52	\$ (779)
Changes in assets and liabilities:		
Accounts receivable	(52)	-
Deferred inflow	52	-
	<hr/>	<hr/>
Net cash flows from operating activities	\$ 52	\$ (779)
Noncash Capital and Related Financing Activities		
None.		

APPENDIX B

FORM OF LEGAL OPINION

(See following pages)

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

December 2, 2021

Re: City of Monroe, Wisconsin ("Issuer")
\$9,855,000 General Obligation Corporate Purpose Bonds, Series 2021A,
dated December 2, 2021 ("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>
2022	\$295,000	___%
2023	275,000	___
2024	295,000	___
2025	330,000	___
2026	335,000	___
2027	345,000	___
2028	375,000	___
2029	430,000	___
2030	440,000	___
2031	445,000	___
2032	420,000	___
2033	435,000	___
2034	430,000	___
2035	405,000	___
2036	430,000	___
2037	525,000	___
2038	895,000	___
2039	905,000	___
2040	910,000	___
2041	935,000	___

Interest is payable semi-annually on March 1 and September 1 of each year commencing on March 1, 2022.

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

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

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

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

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

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

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

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

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

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

QUARLES & BRADY LLP

BOOK-ENTRY-ONLY SYSTEM

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

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

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Monroe, Green County, Wisconsin (the "Issuer") in connection with the issuance of \$9,855,000 General Obligation Corporate Purpose Bonds, Series 2021A, dated December 2, 2021 (the "Securities"). The Securities are being issued pursuant to resolutions adopted on October 4, 2021 and November 15, 2021 (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 November 16, 2021 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 Monroe, Green County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the City Clerk of the Issuer who can be contacted at City Hall, 1110 18th Avenue, Monroe, Wisconsin 53566, phone (608) 329-2527, fax (608) 329-2561.

"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, 2021, 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 2nd day of December, 2021.

(SEAL)

Louis Armstrong
Mayor

Brittney Rindy
City Clerk/Treasurer

APPENDIX E

NOTICE OF SALE

\$9,855,000* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2021A CITY OF MONROE, WISCONSIN

Bids for the purchase of \$9,855,000* General Obligation Corporate Purpose Bonds, Series 2021A (the "Bonds") of the City of Monroe, Wisconsin (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the City, until 10:30 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:30 A.M. Central Time, on November 15, 2021, at which time they will be opened, read and tabulated. The bids will be presented to the Common Council for consideration for award by resolution at a meeting to be held at 6:30 P.M., Central Time, on the same date. The bid offering to purchase the Bonds upon the terms specified herein and most favorable to the City will be accepted unless all bids are rejected.

PURPOSE

The Bonds are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purposes of financing street improvement projects, water system projects, sewerage projects, costs included in the project plans for the City's Tax Incremental Districts and refunding certain obligations of the City. The Bonds are general obligations of the City for which its full faith, credit and taxing powers are pledged.

DATES AND MATURITIES

The Bonds will be dated December 2, 2021, 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>
2022	\$295,000	2029	\$430,000	2036	\$430,000
2023	275,000	2030	440,000	2037	525,000
2024	295,000	2031	445,000	2038	895,000
2025	330,000	2032	420,000	2039	905,000
2026	335,000	2033	435,000	2040	910,000
2027	345,000	2034	430,000	2041	935,000
2028	375,000	2035	405,000		

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, 2022, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

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

PAYING AGENT

The City has selected Bond Trust Services Corporation, Roseville, Minnesota, to act as paying agent (the "Paying Agent"). Bond Trust Services Corporation and Ehlers are affiliate companies. The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

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

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

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

DELIVERY

On or about December 2, 2021, 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 OPINION

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).

STATEMENT REGARDING COUNSEL PARTICIPATION

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

SUBMISSION OF BIDS

Bids must not be for less than \$9,731,812, nor more than \$10,446,300, plus accrued interest on the principal sum of \$9,855,000 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 10:30 A.M. Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone (212) 849-5021.

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

A good faith deposit ("Deposit") in the amount of \$197,100 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

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

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

AWARD

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

BOND INSURANCE

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

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

CUSIP NUMBERS

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the City will enter into an undertaking for the benefit of the holders of the Bonds. A description of the details and terms of the undertaking is set forth in Appendix D of the 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 Preliminary Official Statement relating to the Bonds prior to the bid opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The Syndicate Manager will be provided with an electronic copy of the Final Official Statement within seven business days of the bid acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

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

By Order of the Common Council

Brittney Rindy, Clerk/Treasurer
City of Monroe, Wisconsin

BID FORM

The Common Council
City of Monroe, Wisconsin

November 15, 2021

RE: \$9,855,000* General Obligation Corporate Purpose Bonds, Series 2021A (the "Bonds")
DATED: December 2, 2021

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 \$9,731,812, nor more than \$10,446,300) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____ % 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	_____ % due	2041
_____ % due	2028	_____ % due	2035		

* 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 \$197,100 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 2, 2021.

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

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

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

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 2, 2021 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 Monroe, Wisconsin, on November 15, 2021.

By: _____
Title: _____

By: _____
Title: _____