

PRELIMINARY OFFICIAL STATEMENT DATED MAY 10, 2022

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

The City will designate the Notes 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 WISCONSIN RAPIDS, WISCONSIN (Wood County)

\$3,180,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2022A

BID OPENING: May 18, 2022, 10:00 A.M., C.T.

CONSIDERATION: Not later than 11:59 P.M., C.T. on May 18, 2022 (PARAMETERS RESOLUTION)

PURPOSE/AUTHORITY/SECURITY: The \$3,180,000* General Obligation Promissory Notes, Series 2022A (the "Notes") of the City of Wisconsin Rapids, Wisconsin (the "City") are being issued pursuant to Section 67.12(12), Wisconsin Statutes, for public purposes, including paying the cost of street improvement projects and to pay the cost of refunding a portion of the Taxable Note Anticipation Notes, Series 2020B, dated May 6, 2020 (the "Taxable Note Anticipation Note"). The Notes are general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF NOTES: June 1, 2022

MATURITY: May 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2024	\$180,000	2027	\$230,000	2030	\$495,000
2025	185,000	2028	315,000	2031	550,000
2026	210,000	2029	380,000	2032	635,000

MATURITY ADJUSTMENTS: * The City reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of \$5,000 each, up to a maximum of \$100,000. 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: May 1, 2023 and semiannually thereafter.

OPTIONAL REDEMPTION: Notes maturing on May 1, 2030 and thereafter are subject to call for prior optional redemption on May 1, 2029 or any date thereafter, at a price of par plus accrued interest.

MINIMUM BID: \$3,148,200.

MAXIMUM BID: \$3,370,800.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$63,600 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 Notes 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 Notes.

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 Notes 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 Notes, 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 Notes and all times subsequent thereto up to and including the time of the delivery of the Notes, 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 Notes; (3) a certificate evidencing the due execution of the Notes, 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 Notes, (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 Notes 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 Notes 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 WISCONSIN RAPIDS CITY COUNCIL

		<u>Term Expires</u>
Shane Blaser	Mayor	April 2024
Dean Veneman	President	April 2024
Ryan Austin	Alderman	April 2023
Jay Bemke	Alderman	April 2024
Patrick Delaney	Alderman	April 2024
Sheri Evanson	Alderman	April 2023
Dennis Polach	Alderman	April 2024
Thomas Rayome	Alderman	April 2024
Matt Zacher	Alderman	April 2023

ADMINISTRATION

Tim Desorey, City Treasurer/Finance Director
Jennifer Gossick, City Clerk

PROFESSIONAL SERVICES

Susan C. Schill, City Attorney, Wisconsin Rapids, 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 Wisconsin Rapids, Wisconsin (the "City") and the issuance of its \$3,180,000* General Obligation Promissory Notes, Series 2022A (the "Notes"). **The Common Council adopted a resolution on April 19, 2022 (the "Parameters Resolution"), which authorized the City Clerk or the City Treasurer/Finance Director to accept a bid for the Notes if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on May 18, 2022, neither the City Clerk nor the City Treasurer/Finance Director will have the authority to accept a bid for the Notes, and all bids for the Notes will be rejected.**

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

THE NOTES

GENERAL

The Notes will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of June 1, 2022. The Notes will mature on May 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on May 1 and November 1 of each year, commencing May 1, 2023, to the registered owners of the Notes 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 Notes 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 Notes 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 Notes are held under the book-entry system, beneficial ownership interests in the Notes may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Notes 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 Notes shall be payable as provided in the Parameters Resolution..

The City has selected Bond Trust Services Corporation, Roseville, Minnesota ("BTSC"), to act as paying agent (the "Paying Agent"). BTSC 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 Notes maturing on or after May 1, 2030 shall be subject to optional redemption prior to maturity on May 1, 2029 or on any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

*Preliminary, subject to change

Redemption may be in whole or in part of the Notes subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Notes to be redeemed shall be at the discretion of the City. If only part of the Notes 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 Note to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Notes of the City are being issued pursuant to Section 67.12(12), Wisconsin Statutes, for public purposes, including paying the cost of street improvement projects and to pay the cost of refunding a portion of the Taxable Note Anticipation Notes, Series 2020B, dated May 6, 2020 (the "Taxable Note Anticipation Note").

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded	CUSIP Base 976860
Taxable Note Anticipation Note	05/06/20	06/01/22	Par	2022	1.70%	<u>\$2,035,000.00</u>	Q25
Total Taxable Note Anticipation Note Being Refunded						\$2,035,000.00	

ESTIMATED SOURCES AND USES*

Sources

Par Amount of Notes	\$3,180,000	
Transfers from Prior Issue Debt Service Funds	17,298	
Estimated Interest Earnings	269	
Aquatics Donations	500,000	
General Fund Reserves	<u>750,000</u>	
Total Sources		\$4,447,567

Uses

Estimated Underwriter's Discount	\$31,800	
Cost of Issuance	54,250	
Deposit to Project Construction Fund	2,305,041	
Deposit to Current Refunding Fund	2,052,298	
Rounding Amount	<u>4,178</u>	
Total Uses		\$4,447,567

*Preliminary, subject to change

SECURITY

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

RATING

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

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

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Notes, 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 Notes 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 Notes, 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 Notes. However, such a failure may adversely affect the transferability and liquidity of the Notes 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 Notes 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 Notes. The legal opinion will be issued on the basis of existing law and will state that the Notes are valid and binding general obligations of the City; provided that the rights of the owners of the Notes and the enforceability of the Notes 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 Notes under existing law substantially in the following form:

"The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes 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 Notes in order for interest on the Notes 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 Notes to be included in gross income retroactively to the date of issuance of the Notes. 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 Notes."

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

Prospective purchasers of the Notes should be aware that ownership of the Notes 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 Notes 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 Notes. 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 Notes may be enacted. Prospective purchasers of the Notes 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 Notes is less than the principal amount payable at maturity, such Notes ("Discounted Notes") 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 Note over the initial offering

price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discounted Notes were sold (issue price). With respect to a taxpayer who purchases a Discounted Note in the initial public offering at the issue price and who holds such Discounted Note to maturity, the full amount of original issue discount will constitute interest that is not includible in the gross income of the owner of such Discounted Note 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 Note 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 Note, on days that are determined by reference to the maturity date of such Discounted Note. The amount treated as original issue discount on a Discounted Note for a particular semiannual accrual period is generally equal to (a) the product of (i) the yield to maturity for such Discounted Note (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discounted Note 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 Note during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discounted Note the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If a Discounted Note 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 Note is added to the cost basis of the owner in determining gain or loss upon disposition of a Discounted Note (including its sale, exchange, redemption, or payment at maturity). Amounts received upon disposition of a Discounted Note 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 Notes may result in certain collateral federal income tax consequences for the owners of such Discounted Notes. 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 Notes at a price other than the issue price or who purchase such Discounted Notes in the secondary market should consult their own tax advisors with respect to the tax consequences of owning the Discounted Notes. Under the applicable provisions governing the determination of state and local taxes, accrued interest on the Discounted Notes 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 Notes should consult their own tax advisors with respect to the state and local tax consequences of owning the Discounted Notes.

BOND PREMIUM

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

Any Premium Note 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 Note is calculated on a daily basis from the issue date of such Premium Note 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 Note 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 Notes. During each taxable year, such an owner must reduce his or her tax basis in such Premium Note 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 Note.

The adjusted tax basis in a Premium Note will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Note.

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will designate the Notes 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 Notes. The Municipal Advisor cannot participate in the underwriting of the Notes. The financial information included in this Preliminary Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor. Ehlers makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this Preliminary Official Statement, and its assistance in preparing this Preliminary Official Statement should not be construed as a representation that it has independently verified such information.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

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 CliftonLarsonAllen, Wausau, 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 Notes 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 Notes 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 Notes. 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 Notes 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 Notes may fall for purposes of resale. Noncompliance by the City with the covenants in the Parameters Resolution relating to certain continuing requirements of the Code may result in inclusion of interest to be paid on the Notes 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 Notes. 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 Notes in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Notes to the accounts of the Beneficial Owners of the Notes 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 Notes.

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 Notes in the secondary market.

Secondary Market for the Notes: No assurance can be given that a secondary market will develop for the purchase and sale of the Notes or, if a secondary market exists, that such Notes can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Notes at the request of the owners thereof. Prices of the Notes 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 Notes. 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 Notes 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.

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 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 distributed \$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 \$304,146. 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 \$1,843,213.

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Notes. 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	\$1,215,928,800
2021 Equalized Value Reduced by Tax Increment Valuation	\$1,168,599,100
2021 Assessed Value	\$1,088,020,600

2021 EQUALIZED VALUE BY CLASSIFICATION

	2021 Equalized Value ¹	Percent of Total Equalized Value
Residential	\$701,997,800	57.733%
Commercial	351,160,000	28.880%
Manufacturing	118,239,200	9.724%
Agricultural	13,000	0.001%
Undeveloped	12,100	0.001%
Ag Forest	316,800	0.026%
Forest	458,200	0.038%
Other	229,700	0.019%
Personal Property	43,502,000	3.578%
Total	<u>\$1,215,928,800</u>	<u>100.000%</u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value ¹	Percent Increase/Decrease in Equalized Value
2017	\$1,005,378,600	\$1,018,531,400	3.65%
2018	1,057,282,700	1,052,128,900	3.30%
2019	1,065,056,200	1,112,740,800	5.76%
2020	1,071,310,300	1,130,337,600	1.58%
2021	1,088,020,600	1,215,928,800	7.57%

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
Verso Corporation	Paper Manufacturing	\$57,126,935	4.70%
Giampaolo W Rapids Realty, LLC ²	Aluminum Manufacturing	25,031,505	2.06%
Aspirus Riverview Hospitals & Clinics Inc.	Health Care	19,138,147	1.57%
Rapids/ Cooler Warehouse	Warehousing	16,693,848	1.37%
Koala Bear Ventures LLC	Assisted Living	15,087,279	1.24%
Ocean Spray Cranberries, Inc.	Food Processing	12,358,825	1.02%
Wal-Mart	Retail	11,772,984	0.97%
NSH 1350 River Run Drive, LLC	Nursing Home	10,578,971	0.87%
Renaissance Learning, Inc.	Education Software	9,755,645	0.80%
SCS Birchwood Estates LLC	Real Estate	9,632,045	0.79%
Total		\$187,176,184	15.39%
City's Total 2021 Equalized Value ³		\$1,215,928,800	

Source: The City.

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

² Per Triple M Metal, the company invested \$80 million to construct a 110,000 square foot facility in 2020.

³ Includes tax increment valuation.

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Notes)*	<u><u>\$28,235,000</u></u>
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Revenue Debt (see schedules following)

Total revenue debt secured by sewer revenues	<u><u>\$16,536,295</u></u>
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*Preliminary, subject to change.

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Outstanding debt is as of the dated date of the Notes.

City of Wisconsin Rapids, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 06/01/2022)

Dated Amount Maturity	Refunding Bonds Series 2011A		Taxable Refunding Bonds Series 2012A		Refunding Bonds Series 2012C		Promissory Notes Series 2015A		Refunding Bonds Series 2015B	
	05/27/2011 \$2,715,000 05/01	Principal Interest	05/10/2012 \$3,930,000 06/01	Principal Interest	11/13/2012 \$2,310,000 03/01	Principal Interest	06/10/2015 \$995,000 06/01	Principal Interest	09/22/2015 \$7,475,000 04/01	Principal Interest
Calendar Year Ending										
2022	0	14,438	0	7,575	0	5,631	0	3,444	0	46,659
2023	175,000	25,266	505,000	7,575	205,000	9,571	105,000	5,838	535,000	87,969
2024	175,000	18,047			220,000	6,010	105,000	3,659	545,000	77,169
2025	175,000	10,828			230,000	2,070	110,000	1,265	555,000	65,822
2026	175,000	3,609							570,000	53,513
2027									580,000	40,213
2028									595,000	25,888
2029									615,000	9,225
2030										
2031										
2032										
2033										
2034										
2035										
2036										
2037										
2038										
2039										
2040	700,000	72,188	505,000	15,150	655,000	23,283	320,000	14,205	3,995,000	406,456

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City of Wisconsin Rapids, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 06/01/2022)

Dated Amount Maturity	Promissory Notes Series 2016A		Corporate Purpose Bonds Series 2017A		Promissory Notes Series 2018A		Corporate Purpose Bonds Series 2019A		Corporate Purpose Bonds Series 2020A	
	07/14/2016 \$1,120,000 06/01	06/01	06/08/2017 \$4,515,000 06/01	06/01	07/11/2018 \$2,135,000 06/01	06/01	07/17/2019 \$5,685,000 06/01	06/01	05/06/2020 \$3,610,000 05/01	05/01
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	0	4,500	0	54,881	0	22,238	0	71,738	0	41,763
2023	125,000	8,063	265,000	105,788	250,000	41,600	180,000	140,775	75,000	82,400
2024	130,000	6,085	300,000	97,313	285,000	35,234	395,000	132,150	145,000	79,100
2025	135,000	3,864	310,000	88,163	290,000	28,045	400,000	120,225	145,000	74,750
2026	145,000	1,341	325,000	78,638	290,000	20,505	450,000	107,475	170,000	70,025
2027			340,000	68,663	295,000	12,606	515,000	93,000	210,000	64,325
2028			170,000	61,013	300,000	4,275	545,000	78,463	245,000	57,500
2029			175,000	55,838			710,000	62,775	265,000	49,850
2030			185,000	50,438			245,000	50,838	485,000	41,025
2031			195,000	44,738			245,000	44,713	325,000	32,925
2032			200,000	38,813			245,000	38,588	275,000	26,925
2033			210,000	32,663			245,000	32,463	225,000	21,925
2034			215,000	26,153			245,000	25,725	200,000	17,675
2035			225,000	19,278			245,000	18,375	180,000	13,650
2036			240,000	11,863			245,000	11,025	100,000	10,500
2037			245,000	3,981			245,000	3,675	100,000	8,250
2038									100,000	5,938
2039									100,000	3,563
2040									100,000	1,188
	535,000	23,853	3,600,000	838,219	1,710,000	164,503	5,155,000	1,032,000	3,445,000	703,275

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City of Wisconsin Rapids, Wisconsin

Corporate Purpose Bonds Series 2021A Promissory Notes Series 2022A

* Preliminary, subject to change.

**City of Wisconsin Rapids, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Sewer Revenues
(As of 06/01/2022)**

Taxable Sewer System Revenue Bonds (CWF) Series 2008			Taxable Sewer System Revenue Bonds (CWF) Series 2018		
Dated Amount	12/23/2008 \$26,615,595	05/23/2018 \$6,781,711			
Maturity	05/01	05/01			
Calendar Year Ending	Principal	Interest	Principal	Interest	Calendar Year Ending
2022	0	182,545	0	54,156	2022
2023	1,644,512	337,149	313,894	105,377	2023
2024	1,700,393	280,319	319,764	99,452	2024
2025	1,758,172	221,558	325,743	93,416	2025
2026	1,817,915	160,800	331,835	87,268	2026
2027	1,879,687	97,978	338,040	81,005	2027
2028	1,943,559	33,021	344,361	74,624	2028
2029			350,801	68,124	2029
2030			357,361	61,503	2030
2031			364,044	54,758	2031
2032			370,851	47,887	2032
2033			377,786	40,887	2033
2034			384,851	33,756	2034
2035			392,047	26,492	2035
2036			399,379	19,093	2036
2037			406,847	11,554	2037
2038			414,455	3,875	2038
	10,744,238	1,313,370	5,792,058	963,228	
			16,536,295	2,276,598	
				18,812,893	

DEBT LIMIT

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

Equalized Value	\$1,215,928,800
Multiply by 5%	0.05
Statutory Debt Limit	\$60,796,440
Less: General Obligation Debt (includes the Notes)*	(28,235,000)
Unused Debt Limit*	<u>\$32,561,440</u>

*Preliminary, subject to change.

OVERLAPPING DEBT¹

Taxing District	2021 Equalized Value ²	% In City	Total G.O. Debt ³	City's Proportionate Share
Wood County	\$6,055,382,200	20.0801%	\$23,070,000	\$4,632,479
Wisconsin Rapids School District	2,736,104,073	44.4402%	44,345,000	19,707,007
Mid-State Technical College District	16,397,123,196	7.4155%	27,480,000	<u>2,037,779</u>
City's Share of Total Overlapping Debt				<u>\$25,124,051</u>

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

² Includes tax increment valuation.

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

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$1,215,928,800	Debt/ Per Capita 18,839¹
Total General Obligation Debt (includes the Notes)*	\$28,235,000	2.32%	\$1,498.75
City's Share of Total Overlapping Debt	<u>25,124,051</u>	<u>2.07%</u>	<u>\$1,333.62</u>
Total*	\$53,359,051	4.39%	\$2,832.37

*Preliminary, subject to change.

DEBT PAYMENT HISTORY

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

FUTURE FINANCING

The City 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
2017/18	\$12,228,133	100%	\$12.18
2018/19	12,326,263	100%	11.88
2019/20	12,747,715	100%	11.58
2020/21	13,000,732	100%	11.71
2021/22	13,523,441	In Process	11.57

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 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 Notes.

PROPERTY TAX RATES

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

Year Levied/ Year Collected	Schools¹	County	Local	Total
2017/18	\$11.28	\$5.13	\$12.18	\$28.59
2018/19	11.38	5.11	11.88	28.37
2019/20	10.92	4.99	11.58	27.49
2020/21	10.67	4.94	11.71	27.32
2021/22	10.01	5.13	11.57	26.71

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

LEVY LIMITS

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

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

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

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

THE ISSUER

CITY GOVERNMENT

The City was incorporated in 1900 and is governed by a Mayor and an eight-member Common Council. All Council Members are elected to two-year terms. The appointed City Treasurer/Finance Director and elected City Clerk are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The City employs a staff of 232 full-time, 27 part-time, and 34 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 \$1,383,203, \$1,365,896 and \$1,516,383 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, 2019, the total pension liability of the WRS was calculated as \$108.87 billion and the fiduciary net position of the WRS was calculated as \$112.09 billion, resulting in a net pension asset of \$3.22 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 \$4,244,823 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 0.13164462% 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
IAFF Local 425 (Firefighters)	December 31, 2021
WRPPA (police)	December 31, 2021

Status of Contracts

The IAFF Local 425 contract which expired on December 31, 2021 is going through a tentative agreement process. The WRPPA contract which expired on December 31, 2021 is currently in negotiations.

OTHER POST EMPLOYMENT BENEFITS

The City provides "other post-employment benefits" ("OPEB") (i.e., post-employment benefits, other than pension benefits, owed to its employees and former employees) to employees who have terminated their employment with the City and have satisfied specified eligibility standards through a single-employer defined benefit plan. Membership of the plan consisted of 43 retirees receiving benefits and 230 active eligible plan members as of December 31, 2020, the date of the latest actuarial valuation.

OPEB calculations are required to be updated every two years. Prior to fiscal years beginning after June 15, 2017, OPEB calculations were required to be prepared in accordance with Statement No. 45 of the Governmental Accounting Standards Board ("GASB 45") regarding retiree health and life insurance benefits, and related standards. For fiscal years beginning after June 15, 2017, OPEB calculations are required to be prepared in accordance with Statement Nos. 74 and 75 of the Governmental Accounting Standards Board ("GASB 74/75"). An actuarial study for the plan prepared in accordance with GASB 74/75 was most recently completed by Key Benefit Concepts, LLC in September 2019 with an actuarial valuation date of December 31, 2018 (the "Actuarial Report").

For Fiscal Year 2020, benefit payments for the plan totaled \$722,105. The City's current funding practice is to pay the amount of benefits due in a given year on a "pay-as-you-go" basis.

Under GASB 74/75, a net OPEB liability (or asset) is calculated as the difference between the plan's total OPEB liability and the plan's fiduciary net position, which terms have similar meanings as under GASB 68 for pension plans.

As shown in the Actuarial Report, as of December 31, 2020, the plan's total OPEB liability was \$10,974,668 and the plan fiduciary net position was \$0, resulting in a net OPEB liability of \$10,974,668.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. For more detailed information, see Note 3.I. in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto. The Actuarial Report is available upon request from the City.

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

For Fiscal Year 2020, the City's portion of contributions to the LRLIF totaled \$3,183. For Fiscal Year 2020, the City reported a liability of \$1,006,914 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2019 based on the City's share of contributions to the LRLIF relative to the contributions of all participating employers. The City's proportion was 0.23646500% of the aggregate LRLIF net OPEB liability as of December 31, 2019.

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

LITIGATION

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

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 Notes 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 Notes could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Notes, and there could ultimately be no assurance that holders of the Notes would be paid in full or in part on the Notes. Further, under such circumstances, there could be no assurance that the Notes would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Notes 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 Notes.

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 Notes would not occur.

FUNDS ON HAND (as of February 28, 2022)

Fund	Total Cash and Investments
General	\$14,494,967
Special Revenue	4,733,164
Debt Service	1,910,706
Capital Projects	6,032,962
Enterprise	<u>24,311,150</u>
Total Funds on Hand	<u><u>\$51,482,949</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 & Light Enterprise Fund			
Total Operating Revenues	\$32,285,479	\$30,774,287	\$30,864,044
Less: Operating Expenses	<u>(28,936,268)</u>	<u>(28,134,295)</u>	<u>(27,212,076)</u>
Operating Income	\$3,349,211	\$2,639,992	\$3,651,968
Plus: Depreciation	3,068,843	3,184,715	3,373,348
Interest Income	<u>852,004</u>	<u>977,721</u>	<u>905,616</u>
Revenues Available for Debt Service	<u><u>\$7,270,058</u></u>	<u><u>\$6,802,428</u></u>	<u><u>\$7,930,932</u></u>
Airport Enterprise Fund			
Total Operating Revenues	\$317,672	\$336,788	\$312,524
Less: Operating Expenses	<u>(337,500)</u>	<u>(662,529)</u>	<u>(705,059)</u>
Operating Income	(\$19,828)	(\$325,741)	(\$392,535)
Plus: Depreciation	186,922	413,938	485,430
Interest Income	<u>5,385</u>	<u>4,796</u>	<u>333</u>
Revenues Available for Debt Service	<u><u>\$172,479</u></u>	<u><u>\$92,993</u></u>	<u><u>\$93,228</u></u>
Sewer Enterprise Fund			
Total Operating Revenues	\$6,668,872	\$6,993,399	\$6,575,865
Less: Operating Expenses	<u>(3,937,787)</u>	<u>(3,911,417)</u>	<u>(4,227,425)</u>
Operating Income	\$2,731,085	\$3,081,982	\$2,348,440
Plus: Depreciation	1,480,939	1,612,005	1,770,889
Interest Income	<u>58,854</u>	<u>102,066</u>	<u>34,978</u>
Revenues Available for Debt Service	<u><u>\$4,270,878</u></u>	<u><u>\$4,796,053</u></u>	<u><u>\$4,154,307</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 Unaudited	2022 Adopted Budget ¹
Revenues					
Taxes	\$ 9,888,924	\$ 9,444,239	\$ 9,764,839	\$ 9,987,173	\$ 10,487,165
Special assessments	331,211	359,272	282,141	504,935	327,425
Intergovernmental	6,349,561	7,000,094	6,719,003	6,754,153	6,764,376
Licenses and permits	338,836	319,912	173,010	190,291	187,950
Fines and forfeitures	293,636	398,801	305,379	335,337	285,000
Public charges for services	415,752	377,617	295,489	449,715	336,115
Intergovernmental charges for services		61,202	50,863	66,804	66,875
Miscellaneous general revenues	560,166	774,079	473,943	168,928	337,032
Total Revenues	<u>\$18,178,086</u>	<u>\$18,735,216</u>	<u>\$18,064,667</u>	<u>\$18,457,336</u>	<u>\$ 18,791,938</u>
Expenditures					
Current:					
General government	\$ 1,746,580	\$ 2,166,980	\$ 2,104,893	\$ 2,357,033	\$ 2,359,608
Public safety	8,048,252	7,903,509	7,859,478	8,612,676	8,611,564
Public works	5,142,478	5,032,795	5,219,870	5,214,750	5,726,130
Health and human services	369,560	351,921	399,615	398,293	376,130
Culture and recreation	2,729,439	3,219,516	3,027,093	2,967,938	3,093,232
Conservation and development	250,775	223,494	222,732	247,356	323,419
Debt Service	0	0	0	0	1,455,492
Capital outlay	210,735	198,091	491,790	167,678	176,528
Total Expenditures	<u>\$18,497,819</u>	<u>\$19,096,306</u>	<u>\$19,325,471</u>	<u>\$19,965,724</u>	<u>\$ 22,122,103</u>
Excess of revenues over (under) expenditures	\$ (319,733)	\$ (361,090)	\$ (1,260,804)	\$ (1,508,388)	\$ (3,330,165)
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	287	0	0	0	0
Transfers in	1,913,649	1,898,122	1,970,423	1,930,438	1,963,319
Transfers out	(1,233,903)	(45,000)	(238,132)	(109,000)	(750,000) ²
Total Other Financing Sources (Uses)	<u>\$ 680,033</u>	<u>\$ 1,853,122</u>	<u>\$ 1,732,291</u>	<u>\$ 1,821,438</u>	<u>\$ 1,213,319</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ 360,300	\$ 1,492,032	\$ 471,487	\$ 313,050	\$ (2,116,846)
General Fund Balance January 1	11,893,101	12,253,401	13,745,433	13,725,956	14,039,006
Prior Period Adjustment	<u>0</u>	<u>0</u>	<u>(490,964)</u>	<u>0</u>	
General Fund Balance December 31	<u>\$12,253,401</u>	<u>\$13,745,433</u>	<u>\$13,725,956</u>	<u>\$14,039,006</u>	<u>\$ 11,922,160</u>
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	302,765	399,157	827,733	1,206,156	
Committed	398,843	510,912	500,260	503,445	
Assigned	1,914,933	3,010,964	2,427,790	2,616,846	
Unassigned	9,636,860	9,824,400	9,970,173	9,712,559	
Total	<u>\$12,253,401</u>	<u>\$13,745,433</u>	<u>\$13,725,956</u>	<u>\$14,039,006</u>	

¹ The 2022 budget was adopted on November 16, 2021.

² The amount is utilized to reduce the amount of the Taxable Note Anticipation Note to be refinanced.

GENERAL INFORMATION

LOCATION

The City, with a 2020 U.S. Census population of 18,877 and a current estimated population of 18,839 comprises an area of 14.67 square miles and is located in the center of the State of Wisconsin, approximately 50 miles south of Wausau and 20 miles southwest of Stevens Point. The City is the County Seat of Wood County.

LARGER EMPLOYERS¹

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Wisconsin Rapids School District	Elementary and secondary education	951
Aspirus Riverview	Medical services	685
Mc Cain Foods USA Inc.	Frozen potato wholesaler	550
Wood County	County government and services	579
Renaissance Learning	Educational computer software	500
Wal-Mart	Retail	420
Opportunity Development Center	Manufacturing/outsourcing	375
Mid-State Technical College	Post-secondary vocational education	300
The City	Municipal government and services	293
Sonoco Products Company	Core board mill	160

Source: *Data Axle Reference Solutions, written and telephone survey (March 2022), 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

	2018	2019	2020	2021	2022 ¹
<u>New Single Family Homes</u>					
No. of building permits	4	8	2	12	4
Valuation	\$818,300	\$1,499,588	\$361,970	\$1,149,720	\$425,000
<u>New Multiple Family Buildings</u>					
No. of building permits	6	6	0	0	0
Valuation	\$4,822,143	\$7,534,081	\$0	\$0	\$0
<u>New Commercial/Industrial</u>					
No. of building permits	10	12	4	17	0
Valuation	\$3,373,665	\$16,639,219	\$1,618,501	\$2,150,597	\$0
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	722	1,074	665	845	116
Valuation	\$57,058,381	\$52,828,929	\$14,884,476	\$17,689,233	\$15,681,602

Source: The City.

¹ As of March 25, 2022.

U.S. CENSUS DATA

Population Trend: The City

2010 U.S. Census	18,367
2020 U.S. Census	18,877
2021 Estimated Population	18,839
Percent of Change 2010 - 2020	2.78%

Income and Age Statistics

	The City	Wood County	State of Wisconsin	United States
2020 per capita income	\$24,780	\$32,037	\$34,450	\$35,384
2020 median household income	\$44,585	\$55,684	\$63,293	\$64,994
2020 median family income	\$56,302	\$69,866	\$80,844	\$80,069
2020 median gross rent	\$767	\$726	\$872	\$1,096
2020 median value owner occupied units	\$89,500	\$133,700	\$189,200	\$229,800
2020 median age	39.6 yrs.	43.9 yrs.	39.6 yrs.	38.2 yrs.

	State of Wisconsin	United States
City % of 2020 per capita income	71.93%	70.03%
City % of 2020 median family income	69.64%	70.32%

Housing Statistics

	<u>The City</u>		
	2010	2020	Percent of Change
All Housing Units	8,896	9,059	1.83%

Source: 2010 and 2020 Census of Population and Housing, and 2020 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>	
	Wood County	Wood County	State of Wisconsin
2017	33,603	3.7%	3.3%
2018	33,872	3.5%	3.0%
2019	33,647	3.7%	3.3%
2020	32,233	6.7%	6.3%
2021, September ¹	33,086	3.6%	3.3%

Source: Wisconsin Department of Workforce Development.

¹ Preliminary.

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the City's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The City has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Preliminary Official Statement, nor has the City requested that the Auditor consent to the use of such financial statements in this Preliminary Official Statement. Although the inclusion of the financial statements in this Preliminary Official Statement is not intended to demonstrate the fiscal condition of the City since the date of the financial statements, in connection with the issuance of the Notes, 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 Wisconsin Rapids, Wisconsin

ANNUAL FINANCIAL REPORT

December 31, 2020



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City of Wisconsin Rapids, Wisconsin

DECEMBER 31, 2020

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City Council
City of Wisconsin Rapids, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wisconsin Rapids, Wisconsin (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management 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.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.



As described in Note 4.G., the City recorded a prior period adjustment of \$490,364 in the governmental fund statements to reclassify revenues accrued but not received within the period of availability to deferred inflows of resources. Our opinions are not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedules relating to pensions and other postemployment benefits on pages 55 through 57 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Wausau, Wisconsin
December 13, 2021

BASIC FINANCIAL STATEMENTS

City of Wisconsin Rapids, Wisconsin

STATEMENT OF NET POSITION DECEMBER 31, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 22,227,549	\$ 17,389,735	\$ 39,617,284
Receivables			
Taxes	9,228,314	-	9,228,314
Delinquent taxes	41,578	-	41,578
Accounts, net	765,607	4,400,380	5,165,987
Special assessments	1,017,712	500,000	1,517,712
Grants	2,436,635	737,402	3,174,037
Other	(2,271,120)	(2,271,120)	-
Internal balances	2,271,120	671,625	2,942,745
Due from other governments	168,016	1,680,167	1,848,183
Inventories and prepaid items	183,878	8,175,644	8,359,522
Investment in American Transmission Company	-	104,755	104,755
Assets held for future use	-	2,808	2,808
Preliminary survey and investigation	-	-	-
Restricted assets	-	-	-
Cash and investments	-	4,820,516	4,820,516
Net pension asset	3,371,458	873,365	4,244,823
Capital assets, nondepreciable	4,425,640	1,485,587	5,911,227
Capital assets, depreciable, net	65,499,656	122,938,727	188,438,383
Total assets	112,141,772	160,837,966	272,979,738
DEFERRED OUTFLOWS OF RESOURCES			
Loss on advance refunding	-	563,845	563,845
Pension related amounts	7,881,006	2,023,885	9,904,891
Other postemployment related amounts	1,533,069	393,355	1,926,424
Total deferred outflows of resources	9,414,075	2,981,085	12,395,160
LIABILITIES			
Accounts payable	1,337,473	1,693,291	3,030,764
Accrued and other current liabilities	494,397	274,506	768,903
Accrued interest payable	67,652	127,002	194,654
Special deposits	17,624	687,197	704,821
Unearned revenues	30,000	1,052	31,052
Claims payable	5,991	-	5,991
Long-term obligations			
Due within one year - long-term debt	2,998,419	2,734,940	5,733,359
Due in more than one year - long-term debt	21,448,209	23,007,674	44,455,883
Due within one year - Other postemployment benefits	607,050	115,085	722,135
Other postemployment benefits	5,991,623	2,277,854	8,269,477
Total liabilities	35,926,438	30,928,571	66,855,009
DEFERRED INFLOWS OF RESOURCES			
Property taxes levied for subsequent year	13,740,124	-	13,740,124
Pension related amounts	10,134,650	2,625,346	12,760,000
Other postemployment related amounts	1,387,189	495,001	1,882,190
Total deferred inflows of resources	25,261,963	3,120,347	28,382,310
NET POSITION			
Net investment in capital assets	46,652,176	98,309,603	144,961,779
Restricted for			
Net pension asset	3,371,458	873,365	4,244,823
Debt service	-	1,227,234	1,227,234
Capital improvements	2,844,434	3,066,257	5,910,691
Development loans	7,467,687	25,291,674	32,759,361
Unrestricted	-	-	-
Total net position	\$ 60,367,445	\$ 128,770,133	\$ 189,137,578

The notes to the basic financial statements are an integral part of this statement.

City of Wisconsin Rapids, Wisconsin

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2020

	Functions/Programs	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES					
General government	\$ 3,363,268	\$ 1,197,098	\$ -	\$ -	\$ -
Public safety	10,099,138	1,128,461	-	199,310	-
Public works	10,562,651	1,030,176	-	2,130,246	-
Health and human services	572,131	127,473	-	-	623,112
Culture and recreation	3,197,276	163,866	-	640,345	42,618
Conservation and development	1,093,393	-	-	743	-
Interest and fiscal charges	651,256	-	-	-	-
Total governmental activities	29,539,113	3,647,074	-	2,970,644	685,730
BUSINESS-TYPE ACTIVITIES					
Electric utility	23,695,838	25,278,042	-	-	1,854,041
Water utility	3,701,733	5,686,002	-	-	12,864
Sewer utility	4,837,474	6,575,865	-	-	-
Airport	705,059	312,524	-	-	30,000
Total business-type activities	32,940,104	37,752,433	-	-	1,896,905
Total	\$ 62,479,217	\$ 41,399,507	\$ -	\$ 2,970,644	\$ 2,582,635
	General revenues				
	Taxes				
	Property taxes				
	Tax increments				
	Other taxes				
	Federal and state grants and other contributions				
	not restricted to specific functions				
	Interest and investment earnings				
	Miscellaneous				
	Gain on sale of asset				
	Transfers				
	Total general revenues and transfers				
	Change in net position				
	Net position - January 1				
	Net position - December 31				

The notes to the basic financial statements are an integral part of this statement.

City of Wisconsin Rapids, Wisconsin

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020
WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2019

	Net (Expense) Revenue and Changes in Net Position			
	Governmental Activities	Business-type Activities	Total	
\$ (2,186,170)	\$ -	\$ (2,186,170)		
(8,771,367)	-	(8,771,367)		
(6,779,117)	-	(6,779,117)		
(444,658)	-	(444,658)		
(2,350,447)	-	(2,350,447)		
(1,092,650)	-	(1,092,650)		
(651,256)	-	(651,256)		
(22,255,665)	-	(22,255,665)		
-	3,436,245	3,436,245		
-	1,897,133	1,897,133		
-	1,738,391	1,738,391		
-	(362,535)	(362,535)		
-	6,709,234	6,709,234		
(22,255,665)	6,709,234	(15,546,431)		
12,747,715	-	12,747,715		
357,177	-	357,177		
502,423	-	502,423		
4,957,907	-	4,957,907		
329,486	940,927	1,270,413		
732,245	7,620	739,865		
74,832	-	74,832		
1,970,423	(1,970,423)	-		
21,672,208	(1,021,876)	20,650,332		
(583,457)	5,687,358	5,103,901		
60,950,903	124,082,775	185,033,678		
\$ 60,367,446	\$ 129,770,133	\$ 190,137,579		

	General	Aquatics & Riverfront Construction	Other Governmental Funds	Total
ASSETS	\$ 15,330,944	\$ 223,840	\$ 6,672,765	\$ 22,227,549
Cash and investments	6,720,155	-	2,508,159	9,228,314
Receivables	41,578	-	-	41,578
Delinquent taxes	386,563	-	378,024	764,587
Accounts, net	1,015,883	-	2,029	1,017,912
Special assessments	-	-	2,438,635	2,438,635
Loans	2,093,418	-	303,738	2,397,156
Due from other funds	544,988	-	-	544,988
Advance to other funds	466,753	-	204,972	671,725
Due from other governments	183,878	-	-	183,878
Inventories and prepaid items	-	-	-	-
Total assets	\$ 26,763,980	\$ 223,840	\$ 12,509,222	\$ 39,517,042
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities	\$ 937,050	\$ 83,953	\$ 316,470	\$ 1,337,473
Accounts payable	578,400	-	26,236	604,636
Accrued and other current liabilities	103,198	-	22,838	126,036
Due to other funds	-	-	544,988	544,988
Advance from other funds	12,724	-	4,900	17,624
Special deposits	8,366	-	21,634	30,000
Unearned revenues	5,991	-	-	5,991
Claims payable	-	-	-	-
Total liabilities	1,645,729	83,953	937,066	2,666,748
Deferred inflows of resources				
Property taxes levied for subsequent year	10,007,008	-	3,733,116	13,740,124
Other	466,752	-	15,531	482,283
Loans receivable	-	-	2,438,635	2,438,635
Special assessments	938,535	-	2,029	940,564
Total deferred inflows of resources	11,412,295	-	6,189,311	17,601,606
Fund balances				
Nonspendable	827,733	-	-	827,733
Restricted	-	22,342	505,142	527,484
Committed	500,260	117,545	5,422,681	6,040,486
Assigned	2,427,790	-	-	2,427,790
Unassigned	9,970,173	-	(544,986)	9,425,185
Total fund balances	13,725,956	139,887	5,382,845	19,248,688
Total liabilities, deferred inflows of resources, and fund balances	\$ 26,763,980	\$ 223,840	\$ 12,509,222	\$ 39,517,042

The notes to the basic financial statements are an integral part of this statement

City of Wisconsin Rapids, Wisconsin

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total fund balances as shown on previous page \$ 19,248,688

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

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

89,924,296

Long-term assets are not considered available; therefore, are not reported in the funds:
Net pension asset

3,371,458

Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.

940,564

Special assessments

2,438,535

Loans receivable

482,283

Other

Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.

Deferred outflows related to pensions

Deferred inflows related to pensions

Deferred outflows related to other postemployment benefits

Deferred inflows related to other postemployment benefits

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds

Bonds and notes payable

Premium on debt

Compensated absences

Other postemployment benefits

Accrued interest on long-term obligations

Net position of governmental activities as reported on the statement of net position (see page 4)

(22,485,663)

(532,063)

(1,256,663)

(9,588,673)

(67,652)

\$ 80,367,446

The notes to the basic financial statements are an integral part of this statement.

City of Wisconsin Rapids, Wisconsin

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	General	Aquatics & Riverfront Construction	Other Governmental Funds	Total
REVENUES				
Taxes	\$ 9,764,839	\$ -	\$ 3,842,476	\$ 13,607,315
Special assessments	282,141	-	2,975	285,116
Intergovernmental	6,719,003	-	1,243,248	7,962,251
Licenses and permits	173,010	-	239,288	412,298
Fines and forfeits	305,379	-	-	305,379
Public charges for services	295,489	-	1,998,414	2,293,903
Intergovernmental charges for services	50,863	-	627,165	678,028
Miscellaneous	473,943	45,360	1,340,629	1,859,932
Total revenues	18,064,857	45,360	9,294,195	27,404,222
EXPENDITURES				
Current				
General government	2,104,893	-	912,035	3,016,928
Public safety	7,859,478	-	1,819,463	9,678,941
Public works	5,218,670	-	1,515,848	6,734,518
Health and human services	398,615	-	197,880	596,495
Culture and recreation	3,027,093	-	317,458	3,344,551
Conservation and development	222,732	-	843,151	1,065,883
Debt service	-	-	-	-
Principal	-	-	1,932,913	1,932,913
Interest and fiscal charges	-	118,200	605,465	723,665
Capital outlay	481,790	3,905,180	3,213,038	7,600,008
Total expenditures	19,325,471	4,023,380	11,355,261	34,704,112
Excess of revenues over (under) expenditures	(1,260,604)	(3,978,020)	(2,062,066)	(7,300,690)
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	4,462,366	1,182,634	5,645,000
Premium on debt issued	-	171,723	-	171,723
Proceeds from sale of capital assets	-	-	74,832	74,832
Transfers in	1,870,423	-	1,065,033	2,935,456
Transfers out	(238,132)	(154,873)	(876,028)	(1,269,033)
Total other financing sources (uses)	1,732,291	4,479,216	1,850,471	7,961,978
Net change in fund balances	471,487	501,196	(411,595)	561,088
Fund balances - January 1, as originally reported	13,745,433	(361,309)	5,794,440	19,178,564
Prior period adjustment	(490,964)	-	-	(490,964)
Fund balances - January 1	13,254,469	(361,309)	5,794,440	18,687,600
Fund balances - December 31	\$ 13,725,956	\$ 139,887	\$ 5,382,845	\$ 19,248,688

The notes to the basic financial statements are an integral part of this statement.

City of Wisconsin Rapids, Wisconsin

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2020

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net change in fund balances as shown on previous page \$ 561,068

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 activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.
Capital assets reported as capital outlay in governmental fund statements
Depreciation expense reported in the statement of activities

6,570,037
(3,647,805)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.

(76,677)

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Long-term debt issued
Premium on debt issued
Principal repaid

(5,645,000)
(171,723)
1,932,813

Some expenses reported 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:

Accrued interest on long-term debt
Amortization of premiums, discounts and loss on advance refunding
Compensated absences
Net pension asset (liability)
Deferred outflows of resources related to pensions
Deferred outflows of resources related to pensions
Other postemployment benefits
Deferred outflows of resources related to other postemployment benefits
Deferred outflows of resources related to other postemployment benefits

36,751
32,658
(42,535)
7,071,908
(2,107,804)
(5,008,176)
(8,543)
855,996
(941,545)

Change in net position of governmental activities as reported in the statement of activities (see pages 5 - 6)

\$ (593,457)

The notes to the basic financial statements are an integral part of this statement.

City of Wisconsin Rapids, Wisconsin

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2020

	Budget		Final		Actual		Variance Final Budget - Positive (Negative)
	Original						
REVENUES							
Taxes	\$ 9,767,717	\$	9,767,717	\$	9,764,839	\$	(2,878)
Special assessments	318,425		318,425		282,141		(36,284)
Intergovernmental	6,611,940		6,618,987		6,719,003		100,016
Licenses and permits	240,700		240,700		173,010		(67,690)
Fines and forfeits	289,250		289,250		305,379		16,129
Public charges for services	331,297		324,250		295,489		(28,761)
Intergovernmental charges							
for services	62,000		62,000		50,863		(11,137)
Miscellaneous	397,125		397,125		473,943		76,818
Total revenues	18,018,454		18,018,454		18,064,667		46,213
EXPENDITURES							
Current							
General government	4,156,312		2,986,379		2,104,893		883,486
Public safety	8,037,622		8,374,605		7,859,478		515,127
Public works	5,343,346		5,366,744		5,219,870		146,874
Health and human services	362,632		364,594		399,615		(35,021)
Culture and recreation	3,003,907		3,093,169		3,027,093		66,076
Conservation and development	240,283		245,994		222,732		23,262
Capital outlay	126,009		598,494		491,790		106,704
Total expenditures	21,270,111		21,031,979		19,325,471		1,706,508
Excess of revenues under expenditures	(3,251,657)		(3,013,525)		(1,260,804)		1,752,721
OTHER FINANCING SOURCES (USES)							
Transfers in	1,881,657		1,881,657		1,970,423		88,766
Transfers out	-		(238,132)		(238,132)		-
Total other financing sources (uses)	1,881,657		1,643,525		1,732,291		86,766
Net change in fund balance	(1,370,000)		(1,370,000)		471,487		1,841,487
Fund balance - January 1	13,254,469		13,254,469		13,254,469		-
Fund balance - December 31	\$ 11,884,469		\$ 11,884,469		\$ 13,725,956		\$ 1,841,487

The notes to the basic financial statements are an integral part of this statement.

City of Wisconsin Rapids, Wisconsin

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2020

ASSETS	Waterworks and Lighting Commission	Sewer Utility	Non-major Fund Airport	Total
Current assets				
Cash and investments	\$ 3,032,492	\$ 5,276,480	\$ 275,088	\$ 8,584,071
Receivables				
Customer accounts, net	3,698,557	701,823	-	4,400,380
Other	737,402	-	-	737,402
Due from other funds	468,148	302,456	-	770,604
Inventories and prepaid items	1,645,131	-	35,036	1,680,167
Total current assets	9,581,730	6,280,769	310,125	16,172,624
Noncurrent assets				
Restricted cash and investments	426,503	4,394,013	-	4,820,516
Depreciation fund	8,805,664	-	-	8,805,664
Total noncurrent assets	9,232,167	4,394,013	-	13,626,180
Other assets				
Notes receivable	500,000	-	-	500,000
Investment in American Transmission Company	8,175,644	-	-	8,175,644
Preliminary survey and investigation	2,808	-	-	2,808
Assets held for future use	104,755	-	-	104,755
Net pension asset	745,141	115,441	12,783	873,365
Total other assets	9,528,348	115,441	12,783	9,656,572
Capital assets				
Nondepreciable	1,238,433	41,734	205,420	1,485,587
Depreciable, net	89,360,578	47,004,165	7,573,984	122,938,727
Total capital assets	89,599,011	47,045,899	7,779,404	124,424,314
Total assets	97,941,256	57,836,122	8,102,312	163,879,690
DEFERRED OUTFLOWS OF RESOURCES				
Loss on advance refunding	563,845	-	-	563,845
Pension related amounts	1,724,659	269,361	29,865	2,023,885
Other postemployment related amounts	306,633	85,500	1,222	393,355
Total deferred outflows of resources	2,595,137	354,861	31,087	2,981,085

The notes to the basic financial statements are an integral part of this statement.

City of Wisconsin Rapids, Wisconsin

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2020

LIABILITIES	Waterworks and Lighting Commission	Sewer Utility	Non-major Fund Airport	Total
Current liabilities				
Accounts payable	\$ 1,595,673	\$ 86,851	\$ 9,767	\$ 1,693,291
Accrued and other current liabilities	260,443	8,625	5,426	274,596
Due to other funds	2,699,613	341,082	1,029	3,041,724
Accrued interest	28,480	-	-	28,480
Compensated absences	309,337	54,367	20,560	384,264
Special deposits	697,197	-	-	697,197
Unearned revenue	-	-	1,052	1,052
Current portion of long-term debt	510,000	-	-	510,000
Current portion of other postemployment benefits	77,830	37,225	-	115,055
Payable from restricted assets	-	1,840,676	-	1,840,676
Current portion of long-term debt	-	96,522	-	96,522
Accrued interest	-	-	-	-
Total current liabilities	6,179,581	2,467,352	37,834	8,684,767
Long-term obligations, less current portion				
General obligation debt	4,568,627	-	-	4,568,627
Revenue bonds	-	18,434,886	-	18,434,886
Compensated absences	-	4,151	-	4,151
Other postemployment benefits	1,745,172	529,650	3,032	2,277,854
Total long-term liabilities	6,313,799	18,968,687	3,032	25,285,528
Total liabilities	12,493,380	21,436,049	40,866	33,970,295
DEFERRED INFLOWS OF RESOURCES				
Pension related amounts	2,239,903	347,017	38,426	2,625,346
Other postemployment related amounts	413,884	80,455	697	495,001
Total deferred inflows of resources	2,653,787	427,472	39,088	3,120,347
NET POSITION				
Net investment in capital assets	64,785,110	26,744,089	7,779,404	99,308,603
Restricted net position asset	745,141	115,441	12,783	873,365
Debt services	-	1,227,234	-	1,227,234
Capital improvements	-	3,086,257	-	3,086,257
Unrestricted	19,657,975	5,172,441	261,258	25,291,674
Total net position	\$ 85,389,226	\$ 36,327,462	\$ 8,053,445	\$ 129,770,133

The notes to the basic financial statements are an integral part of this statement.

City of Wisconsin Rapids, Wisconsin

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Waterworks and Lighting Commission	Sewer Utility	Non-major Fund Airport	Total
OPERATING REVENUES				
Charges for services	\$ 30,411,237	\$ 6,575,865	\$ 159,741	\$ 37,146,843
Intergovernmental charges for services	-	-	152,783	152,783
Other	452,807	-	-	452,807
Total operating revenues	30,864,044	6,575,865	312,524	37,752,433
OPERATING EXPENSES				
General and administrative	-	-	36,387	36,387
Operation and maintenance	23,429,301	2,456,536	185,242	26,069,079
Depreciation	3,373,348	1,770,869	485,430	5,629,667
Taxes	409,427	-	-	409,427
Total operating expenses	27,212,076	4,227,425	705,059	32,144,560
Operating income (loss)	3,651,968	2,348,440	(392,535)	5,607,873
NONOPERATING REVENUES (EXPENSES)				
Interest income	905,616	34,978	333	940,927
Interest and fiscal charges	(123,279)	(510,048)	-	(733,328)
Amortization of debt discount/premium	6,533	-	-	6,533
Amortization of loss on refunding	(88,749)	-	-	(88,749)
Other nonoperating revenues (expenses)	3,687	-	3,953	7,620
Total nonoperating revenues (expenses)	723,788	(575,071)	4,286	153,003
Income (loss) before contributions and transfers	4,375,756	1,773,369	(388,249)	5,760,876
Capital contributions	1,866,905	-	30,000	1,896,905
Transfers out	(1,970,423)	-	-	(1,970,423)
Change in net position	4,272,238	1,773,369	(358,249)	5,687,359
Net position - January 1	81,116,908	34,554,093	8,411,694	124,082,775
Net position - December 31	\$ 85,389,228	\$ 36,327,462	\$ 8,053,445	\$ 129,770,133

The notes to the basic financial statements are an integral part of this statement.

City of Wisconsin Rapids, Wisconsin

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Waterworks and Lighting Commission	Sewer Utility	Non-major Fund Airport	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 30,404,123	\$ 6,590,243	\$ 481,460	\$ 37,475,816
Cash paid for employee wages and benefits	(2,408,139)	(975,193)	(101,247)	(3,484,579)
Cash paid to suppliers	(20,164,442)	(1,342,497)	(123,286)	(21,650,226)
Nonoperating revenues (expenses)	3,687	-	3,953	7,620
Net cash provided by operating activities	7,815,209	4,072,553	260,857	12,148,619
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers	(1,970,423)	-	-	(1,970,423)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(7,282,298)	(454,302)	(92,768)	(7,829,368)
Capital grants received	-	-	30,000	30,000
Contributions from property owners	1,597,016	-	-	1,597,016
Salvage expense and other revenues	(67,480)	-	-	(67,480)
Principal paid on revenue bonds	(510,000)	(1,784,572)	-	(2,294,572)
Interest paid on revenue bonds	(124,266)	(619,506)	-	(743,794)
Net cash used by capital and related financing activities	(6,407,056)	(2,858,382)	(62,768)	(9,328,206)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investments purchased	(686,000)	-	-	(686,000)
Investments sold and matured	2,402,000	-	-	2,402,000
Investment in American Transmission Company	(133,232)	-	-	(133,232)
Interest received on investments	723,435	34,978	333	758,746
Net cash provided (used) by investing activities	2,295,203	34,978	333	2,331,514
Change in cash and cash equivalents	1,733,933	1,249,149	198,422	3,181,504
Cash and cash equivalents - January 1	7,295,592	8,421,354	76,687	15,793,603
Cash and cash equivalents - December 31	\$ 9,029,515	\$ 9,670,503	\$ 275,099	\$ 18,975,107

The notes to the basic financial statements are an integral part of this statement.

City of Wisconsin Rapids, Wisconsin

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Waterworks and Lighting Commission	Sewer Utility	Non-major Fund Airport	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 3,651,989	\$ 2,348,440	\$ (392,535)	\$ 5,607,873
Nonoperating revenues	3,667	-	3,953	7,620
Adjustments to reconcile operating income (loss) to net cash provided by (used) by operating activities				
Depreciation	3,373,348	1,770,889	485,430	5,629,667
Depreciation charged to other utilities and clearing accounts	373,744	-	-	373,744
Change in WRS asset (liability)	(1,588,632)	(248,585)	(28,094)	(1,865,311)
Change in WRS deferred outflow	1,050,368	98,123	8,532	1,157,023
Change in WRS deferred inflow	1,050,368	98,123	8,532	1,157,023
Change in OPER liability	(100,312)	(64,462)	19,378	(125,396)
Change in OPER deferred outflow	(104,789)	(64,462)	1,168	(168,083)
Change in OPER deferred inflow	323,292	(42,147)	(945)	279,199
Change in operating assets and liabilities				
Customer accounts receivable	(302,021)	1,731	168,982	(131,308)
Other accounts receivable	351,740	21,373	-	373,113
Inventory and prepaid items	294,052	-	(5,147)	288,905
Other assets	4,989	-	-	4,989
Due from other funds	6,451	(8,726)	-	(2,275)
Accounts payable	(74,474)	2,719	(15,332)	(87,087)
Special deposits	(115,666)	-	-	(115,666)
Accrued and other current liabilities	22,137	7,460	4,721	34,318
Compensated absences	46,036	(15,537)	9,782	40,281
Due to other funds	44,592	(6,268)	317	38,641
Unearned revenue	-	-	(55)	(55)
Net cash provided by operating activities	\$ 7,815,209	\$ 4,072,553	\$ 260,857	\$ 12,148,619

Reconciliation of cash and cash equivalents
to the statement of net position
Cash and cash equivalents in current assets
Cash and cash equivalents in depreciation fund
Cash and cash equivalents in noncurrent assets
Total cash and cash equivalents
Less: Long-term cash and investments
Cash and cash equivalents - December 31

	\$ 3,032,492	\$ 5,276,490	\$ 275,089	\$ 8,584,071
	8,805,664	-	-	8,805,664
	426,503	4,394,013	-	4,820,516
	12,264,659	9,670,503	275,089	22,210,251
	(3,235,144)	-	-	(3,235,144)
	\$ 9,029,515	\$ 9,670,503	\$ 275,089	\$ 18,975,107

Noncash capital and related financing activities
Increase in investment in
American Transmission Company
Capital assets purchased on account

	\$ 342,362	\$ -	\$ -	\$ 342,362
	298,119	26,238	-	324,357

City of Wisconsin Rapids, Wisconsin

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2020

	Tax Collection Custodial Fund 2020
ASSETS	
Current assets	
Cash and investments	\$ 5,731,859
Receivables	11,604,202
Taxes and special charges	17,336,061
Total assets	17,336,061
DEFERRED INFLOWS OF RESOURCES	
Property taxes levied for subsequent year	17,336,061
NET POSITION	
Restricted	\$ -

The notes to the financial statements are an integral part of this statement.

City of Wisconsin Rapids, Wisconsin

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2020

	Tax Collection Custodial Fund
ADDITIONS	
Property tax collections	\$ 17,518,917
DEDUCTIONS	
Payments to taxing jurisdictions	17,518,917
Change in net position	-
Net position - January 1	-
Net position - December 31	\$ -

The notes to the financial statements are an integral part of this statement.

City of Wisconsin Rapids, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

The City is a municipal corporation governed by an elected eight member board. In accordance with GAAP, the basic financial statements are required to include the City (the primary government) and any separate component units that have a significant operational or financial relationship with the City. The City has not identified any component units that are required to be included in the basic financial statements.

B. JOINT VENTURE

The City of Wisconsin Rapids is a participant with the City of Nekoosa, Village of Port Edwards, and the Town of Grand Rapids in a joint venture to operate an airport. Each municipality has equal rights of ownership, operation, maintenance, and regulation of the airport. Each municipality must approve the airport's annual budget. The municipalities are obligated by agreement to finance operating and capital outlay costs of the airport. The annual contribution from each municipality is based on a ratio of each municipality's equalized valuation to the total equalized valuation of all member municipalities. The joint operation is governed by a four-member board composed of one member from each municipality. Since City of Wisconsin Rapids was appointed treasurer of the airport in the agreement, the airport is presented as an enterprise fund in the City's financial statements. Complete financial statements for the joint venture can be obtained from the City's office at 444 West Grand Avenue, Wisconsin Rapids, Wisconsin 54495.

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds.

Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise funds. The City has no internal service funds. 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

This is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

City of Wisconsin Rapids, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Aquatics & Riverfront Construction

This fund accounts for the acquisition and construction of the Aquatics Center and Riverfront capital facilities.

The City reports the following major enterprise funds:

Water Works and Lighting Commission (the Commission)

This fund accounts for the financial activities related to the operation of the City's water and electric utility.

Sewer Utility

This fund accounts for the financial activities related to the operation of the City's sewer utility.

The City also reports the following fiduciary fund:

Custodial Fund

The custodial fund accounts for property taxes and specials collected on behalf of other governments.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for reimbursable grants and EMS charges for services, for which available is defined as 180 days. This exception is necessary because the grant funding source reimbursement process routinely extends to this period and the revenue then more appropriately matches to the related expenditures. For EMS charges, the reimbursement process routinely extends to this period due to the time it takes for insurance companies to process claims and finalize claim payments. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues such as licenses and permits, fines and forfeits and miscellaneous revenues are recognized when received in cash or when measurable and available.

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

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

City of Wisconsin Rapids, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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 City's proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR FUND BALANCE

1. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

2. Property Taxes and Special Charges/Receivable

Property taxes and special charges consist of taxes on real estate and personal property and user charges assessed against City properties. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes and special charges are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in three equal installments on or before January 31, April 30, and July 31. Real estate taxes not paid by July 31 are purchased by the County as part of the August tax settlement. Delinquent personal property taxes remain the collection responsibility of the City. Special charges not paid by January 31 are held in trust by the County and remitted to the City, including interest, when collected by the County.

In addition to its levy, the City also levies and collects taxes for the Wisconsin Rapids School District, Wood County, Mid State Technical College, and the State of Wisconsin.

3. Accounts Receivable

Accounts receivable have been shown net of allowance for uncollectible amounts of \$476,104 in governmental activities and \$537,101 in business-type activities.

4. Restricted Assets

Restricted assets are cash and cash equivalents whose use is limited by legal or third-party requirements.

5. Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. (Installments placed on the 2020 tax roll are recognized as revenue in 2021.)

City of Wisconsin Rapids, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

6. **Loans Receivable**
The City has received federal and state grant funds for housing rehabilitation loan programs and has passed the funds to various individuals in the form of loans. The City records a loan receivable and expenditure when the loan has been made and the funds disbursed. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements. In the governmental funds, the City records a deferred inflow of resources for the net amount of the receivable. As the loans are repaid, revenue is recognized. Any unspent loan proceeds are presented as restricted fund balance in the fund financial statements.

7. **Interfund Receivables and Payables**
During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements.
The amount reported on the statement of net position for internal balances represents the residual balance outstanding between the governmental and business-type activities.

8. **Inventories**
Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.
Inventories of governmental funds in the fund financial statements are classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

9. **Prepaid Items**
Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are expensed in the periods benefited.
Prepaid items of governmental funds in the fund financial statements are classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

10. **Investment in American Transmission Company (ATC)**
The City is a member of ATC. ATC was formed by approximately 25 utilities to plan, construct, maintain, monitor and own electric transmission facilities in Wisconsin. The City owns less than 1% of ATC.
The investment earns dividends quarterly, some of which are paid in cash and some of which are required to be reinvested. From time to time, the City has the option to contribute additional funds to maintain its proportionate share of ownership. The investment in American Transmission Company LLC is recorded at cost since it is privately held and has no readily available fair market value. The City's ownership share is valued at \$9,175,644 as of December 31, 2020, and is reported on the Statement of Net Position as an asset.

11. **Capital Assets**
Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of a year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.
The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

City of Wisconsin Rapids, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

	Assets	Governmental Activities	Years	Business-type Activities
		25 - 50	-	
Buildings and improvements		3 - 20	-	
Machinery and equipment		20 - 100	-	
Electric plant				
Distribution				22 - 45
General				4 - 34
Water plant				
Source of supply				31 - 56
Pumping				23 - 31
Water treatment				30 - 31
Transmission and distribution				18 - 77
General				4 - 34
Common plant				
General				4 - 34
Sewer plant				
Buildings and improvements				25 - 50
Equipment				5 - 20
Infrastructure				40 - 100
Airport				
Land improvements				15 - 20
Buildings				30
Equipment				10

12. **Assets Held for Future Use**
It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with employee handbook policies and/or bargaining unit agreements. All vacation and sick leave is accrued when incurred in the governmental-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

13. **Compensated Absences**
It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with employee handbook policies and/or bargaining unit agreements. All vacation and sick leave is accrued when incurred in the governmental-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

14. **Other Postemployment Benefits**
Single-employer Defined Postemployment Benefit Plan
The City provides postemployment health insurance benefits to all eligible employees. The OPEB is a single employer defined benefit plan administered by the City. For purposes of measuring the OPEB liability, related deferred outflows and inflows of resources and OPEB expense, the City has used values provided by its actuary. Benefit payments are recognized when due and payable in accordance with the benefit terms.

City of Wisconsin Rapids, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Local Retiree Life Insurance Fund

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, OPEB expense, information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. 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.

15. Deferred Outflows/Inflows of Resources

Deferred outflows of resources are a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

Governmental funds may report deferred inflows of resources for unavailable revenues. The City reports unavailable revenues for special assessments, loan receivables, and other receivables not collected within the period of availability. These inflows are recognized as revenues in the government-wide financial statements.

16. Long-term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

17. Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

City of Wisconsin Rapids, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

18. Fund Equity

Governmental Fund Financial Statements

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- ▶ **Nonspendable fund balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- ▶ **Restricted fund balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- ▶ **Committed fund balance.** Amounts that are constrained for specific purposes by action of the City Council. These constraints can only be removed or changed by the City Council using the same action that was used to create them.
- ▶ **Assigned fund balance.** Amounts that are constrained for specific purposes by action of City management. The City Council has authorized the Finance Director to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- ▶ **Unassigned fund balance.** Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The City has adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. Where applicable, the policy requires restricted funds to be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

Government-Wide and Proprietary Fund Statements

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

- ▶ **Net investment in capital assets.** Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- ▶ **Restricted net position.** Amount of net position that is subject to restrictions that are imposed 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.
- ▶ **Unrestricted net position.** Net position that is neither classified as restricted nor as net investment in capital assets.

F. SALES TAX

The City collects sales tax from certain customers and remits the entire amount to the appropriate governmental entities. The City's accounting policy is to exclude the tax collected and remitted from revenues and cost of sales.

G. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States or America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

City of Wisconsin Rapids, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2: STEWARDSHIP AND COMPLIANCE

A. BUDGETS AND BUDGETARY ACCOUNTING

The City follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. During November, City management submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by City Council action.
2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
3. During the year, formal budgetary integration is employed as a management control device for the governmental funds adopting a budget.
4. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the City. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the City Council.
5. Encumbrance accounting is not used by the City to record commitments related to unperformed contracts for goods or services.

The City did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2020.

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City of Wisconsin Rapids, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

B. EXCESS OF EXPENDITURES OVER BUDGET APPROPRIATIONS

The following expenditure accounts of the governmental funds had actual expenditures in excess of budget appropriations for the year ended December 31, 2020 as follows:

Departments	Excess Expenditures
General fund	
General government	
City Clerk	\$ 9,591
Elections	25,315
Municipal Court	3,777
Other Tax Refunds	3,385
Uncollectable accounts	11,215
Public works	
Street Department Training	17,189
Street Repair & Maintenance	119,760
Street Lighting	50,665
Garbage Collection	37,442
Landfill Contract	20,716
City Landfill Site	20,539
Composting	54,788
Culture and recreation	
Aquatics	465
Park Department	49,026
Tree Care	96,166
City Zoo	46,125
Health and human services	
Lowell Center	3,351
Cemetery	33,170
Outlay	
Engineering Department	21,312
Witter Field	34,187
Christmas Decorations Outlay	205
Centralia Center	
Transfer to Other Funds	36,304
Commercial Lease Space	2,880
Lowell Center Programming	5,613
Emergency Medical Services	
Ambulance	9,110
Grants and Donations	
FEMA Administration	15,531
Routes to Recovery Grant	11,071
Mass Transit	
Mass Transit Grant Outlay	6,070

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City of Wisconsin Rapids, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Storm Water Management	3,183
Storm Sewer Maintenance	
Retiree Health Insurance	18,430
Retiree Health Insurance	
Aquatic Facility	32,689
Operation and Maintenance	2,613
Concessions	
Public Works Construction	5,092
Building Acquisition Fund	
TIF District No. 7	21,019
Transfer to Debt Service Fund	
C. DEFICIT FUND EQUITY	
The following fund had deficit fund balance as of December 31, 2020:	

	Fund	Deficit Fund Balance
TIF District No. 8		\$ 544,988

The City anticipates funding the above deficit from future revenues of the fund.

D. PROPERTY TAX LEVY LIMIT

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2020 and 2021 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the City's January 1 equalized value as a result of net new construction. The actual limit for the City for the 2020 budget was 0.75%. The actual limit for the City for the 2021 budget was 1.34%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

City of Wisconsin Rapids, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 3: DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

The City maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed on the financial statements as "Cash and Investments".

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the City's cash and investments totaled \$50,169,659 on December 31, 2020 as summarized below:

Petty cash and cash on hand	\$ 3,685
Deposits with financial institutions	11,061,518
Great Lakes Utility rate stabilization fund	389,168
Investments	38,685,288
	<u>\$ 50,169,659</u>

Reconciliation to the basic financial statements:

Government-wide statement of net position	\$ 39,617,284
Cash and investments	4,820,516
Restricted cash and investments	
Fiduciary fund statement of net position	5,731,859
Custodial fund	<u>\$ 50,169,659</u>

Fair Value Measurements

The City uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The City follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the Utilities has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 - Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities

Level 2 - Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data

Level 3 - Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions.

City of Wisconsin Rapids, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

The City has the following fair value measurements as of December 31, 2020:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments			
Federal Home Loan Mortgage Corp.	\$ -	\$ 791,009	\$ -
Small Business Administration (SBA) Asset Backed Securities	-	332,153	-
State and municipal bonds	-	4,278,878	-
Negotiable certificates of deposit	4,696,598	3,228,675	-
Wood Co. telephone stock	-	-	3,900
	<u>\$ 4,696,598</u>	<u>\$ 8,630,715</u>	<u>\$ 3,900</u>

Deposits and investments of the City are subject to various risks. Presented below is a discussion of the City's deposits and investments and the related risks.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The City does not have an additional custodial credit policy.

Deposits with financial institutions within the state of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the state of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Deposits with credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) in the amount of \$250,000 per credit union member. Also, the state of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of December 31, 2020, \$3,469,845 of the City's deposits with financial institutions were in excess of federal and state depository insurance limits. No amounts were collateralized.

On December 31, 2020, the City held repurchase agreement investments of \$6,500,407 of which the underlying securities are held by the investment's counterparty, not in the name of the City.

City of Wisconsin Rapids, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Wisconsin statutes limit investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of the year-end for each investment type.

Rating	Federal Home Loan Mortgage Corp.	Small Business Administration (SBA) Asset Backed Securities	State and municipal bonds	Negotiable certificates of deposit	Wisconsin local government investment pool	Totals
AAA	-	-	\$ 795,686	\$ -	-	\$ 795,686
AA+	-	332,153	98,160	-	-	1,221,342
AA	-	-	1,115,476	-	-	1,115,476
AA-	-	-	1,613,935	-	-	1,613,935
A+	-	-	555,572	2,249,440	-	2,805,012
A	-	-	100,019	472,506	-	472,506
A-	-	-	-	501,392	-	601,411
A-2	-	-	-	250,076	-	250,076
BBB	-	-	-	481,453	-	481,453
BBB+	-	-	-	493,913	-	493,913
BBB-	-	-	-	1,015,562	-	1,015,562
Not Rated	-	-	-	2,460,931	18,469,393	20,930,324
Totals	\$ 791,009	\$ 332,153	\$ 4,278,878	\$ 7,925,213	\$ 18,469,393	\$ 31,796,706

Concentration of Credit Risk

The investment policy of the City states that no more than 50% of total investments may be invested in a single security type or with a single financial institution for extended periods of time. No investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) represented 5% or more of total City investments.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by limiting cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

City of Wisconsin Rapids, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Federal Home Loan Mortgage Corp	\$ 761,009	\$ -	\$ -	\$ 761,009	\$ -
Small Business Administration (SBA) Asset Backed Securities	332,153	-	-	332,153	-
State and municipal bonds	4,278,878	739,869	547,402	2,160,666	810,531
Negotiable certificates of deposit	7,925,273	3,277,053	2,818,015	1,730,205	-
Wisconsin local government investment pool	18,469,393	18,469,393	-	-	-
Totals	\$ 31,786,709	\$ 22,486,315	\$ 3,465,507	\$ 5,034,353	\$ 810,531

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City's investments include the following investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above):

Highly Sensitive Investments	Fair Value at Year End
Mortgage backed and SBA asset backed securities. These securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates.	\$ 1,123,162

Investment in Wisconsin Local Government Investment Pool

The City has investments in the Wisconsin local government investment pool of \$18,469,393 at year-end. 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 carrying value.

B. RECEIVABLES

Receivables as of year-end for the City's governmental funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	Nonmajor Gov't Funds	Waterworks and Lighting Commission	Sewer Utility	Total
Receivables					
Ambulance	\$ -	\$ 556,116	\$ -	\$ -	\$ 556,116
Municipal Court	397,925	-	-	-	397,925
Accounts	147,528	140,142	4,235,658	701,823	5,225,151
Gross receivables	545,453	686,258	4,235,658	701,823	6,179,192
Less: Allowance for uncollectibles	(158,870)	(317,234)	(537,101)	-	(1,013,205)
Net total receivables	\$ 386,583	\$ 379,024	\$ 3,698,557	\$ 701,823	\$ 5,165,987

City of Wisconsin Rapids, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

C. RESTRICTED ASSETS

Restricted assets on December 31, 2020 totaled \$4,820,516 and consisted of cash and investments held for the following purposes:

Funds	Amount	Purpose
Water Works and Lighting Commission		
Electric utility		
Debt service	\$ 426,503	Future principal and interest payment
Sewer Utility		
DNR Replacement	3,068,257	Resources accumulated for capital improvements to meet the terms of the outstanding sewer utility revenue bonds
Bond redemption	1,325,756	Resources accumulated for future principal and interest payments to meet the terms of the outstanding sewer utility revenue bonds
Total Sewer Utility	4,394,013	
Total restricted assets	\$ 4,820,516	

D. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, nondepreciable:				
Land	\$ 3,844,744	\$ -	\$ -	\$ 3,844,744
Construction in progress	11,046,533	4,403,745	14,872,382	560,896
Total capital assets, nondepreciable	14,894,277	4,403,745	14,872,382	4,425,840
Capital assets, depreciable:				
Land improvements	385,086	263,984	-	649,080
Buildings and improvements	16,124,030	8,151,136	-	25,275,166
Machinery and equipment	13,732,881	5,591,137	541,972	18,782,046
Infrastructure	81,883,997	2,032,407	-	84,016,404
Subtotals	112,225,004	17,038,614	541,972	128,722,706
Less accumulated depreciation for:				
Land improvements	269,740	20,455	-	290,195
Buildings and improvements	7,859,888	810,144	-	8,670,032
Machinery and equipment	8,588,864	1,305,846	541,972	9,732,538
Infrastructure	43,019,725	1,511,560	-	44,531,285
Subtotals	60,118,217	3,647,805	541,972	63,225,050
Total capital assets, depreciable, net	52,107,787	13,390,809	-	65,498,656
Governmental activities capital assets, net	\$ 67,002,064	\$ 17,794,614	\$ 14,872,382	\$ 69,924,286
Less: Capital related debt				22,463,321
Less: Debt premium				532,063
Less: Capital related payables including retainage				276,736
Net investment in capital assets				\$ 46,652,176

City of Wisconsin Rapids, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, nondepreciable:				
Land	\$ 1,108,658	\$ -	\$ -	\$ 1,108,658
Construction in progress	1,778,647	7,865,606	9,258,324	376,929
Total capital assets, nondepreciable	<u>2,887,305</u>	<u>7,865,606</u>	<u>9,258,324</u>	<u>1,485,587</u>
Capital assets, depreciable:				
Electric utility	66,862,478	6,587,611	1,318,056	72,132,033
Water utility	45,646,254	1,201,787	94,840	46,753,101
Sewer utility	98,457,510	926,219	-	99,383,729
Airport	10,521,803	82,768	-	10,604,571
Subtotals	<u>191,488,045</u>	<u>8,808,385</u>	<u>1,412,865</u>	<u>198,883,434</u>
Less accumulated depreciation for:				
Electric utility	30,138,701	2,659,066	1,408,820	31,387,947
Water utility	18,138,248	1,088,026	90,665	19,136,809
Sewer utility	20,608,675	1,770,889	-	22,379,564
Airport	2,555,157	485,430	-	3,040,587
Subtotals	<u>71,441,181</u>	<u>6,003,411</u>	<u>1,500,485</u>	<u>75,944,727</u>
Total capital assets, depreciable, net	<u>120,046,264</u>	<u>2,804,874</u>	<u>(87,489)</u>	<u>122,838,727</u>
Business-type activities capital assets, net	<u>\$ 122,893,559</u>	<u>\$ 10,671,560</u>	<u>\$ 9,180,835</u>	<u>\$ 124,424,314</u>
Less: Capital related debt				
Less: Debt premium				25,300,572
Add: Deferred charge on refunding				53,627
Less: Capital related payables including retainage				583,845
Net investment in capital assets				<u>324,357</u>
				<u>\$ 98,308,803</u>

Depreciation expense was charged to functions of the City as follows:

Governmental activities	\$ 181,230
General government	393,688
Public safety	2,037,628
Public works	1,025,261
Culture and recreation	<u>3,647,805</u>
Total depreciation expense - governmental activities	
Business-type activities	\$ 3,373,348
Waterworks and Lighting Commission	92,450
Depreciation expense	281,284
Depreciation expense charged to sewer	3,747,092
Total Waterworks and Lighting Commission	<u>1,770,888</u>
Sewer	485,430
Airport	<u>6,003,411</u>
Total increase in accumulated depreciation - business-type activities	

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City of Wisconsin Rapids, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

E. INTERFUND RECEIVABLE, PAYABLES, AND TRANSFERS
Interfund receivables and payables between individual funds of the City, as reported in the fund financial statements, as of December 31, 2020 are detailed below:

	Interfund Receivables	Interfund Payables
Operating accounts between funds		
General	\$ 2,093,418	\$ 103,198
Special Revenue	-	625
Emergency Medical Services	-	4,274
Centralia Center	-	17,917
Storm water management	71,760	-
Capital Projects	231,958	22
Public works construction	302,456	341,082
Enterprise Funds	-	1,029
Sewer Utility	468,148	2,689,613
Airport	3,187,760	3,187,760
Waterworks and Lighting Commission	-	-
Subtotal	<u>544,988</u>	<u>544,988</u>
Advances		
General fund	-	544,988
TIF District No. 8	-	544,988
Subtotal	<u>3,712,748</u>	<u>3,712,748</u>
Totals	<u>\$ 3,712,748</u>	<u>\$ 3,712,748</u>

The TIF District No. 8 will repay the advance from the General Fund as tax increments are available.

Interfund transfers for the year ended December 31, 2020 were as follows:

	Fund	Transfer In	Transfer Out
General		\$ 1,970,423	\$ 238,132
Special Revenue		-	184,658
Centralia Center		-	51,379
Storm water management		100,000	-
Grants and donations		138,132	-
Aquatics facility		188,683	-
Capital Projects		-	374,722
Public works construction		-	65,289
TIF District No. 6		-	154,873
TIF District No. 7		-	-
Aquatics and riverfront construction		641,218	-
Debt Service		-	1,970,423
Enterprise		-	3,039,456
Waterworks and Lighting Commission		-	3,039,456
Totals		<u>\$ 3,039,456</u>	<u>\$ 3,039,456</u>

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City of Wisconsin Rapids, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Interfund transfers were made for the following purposes:

Tax equivalent payment made by WWLC to General Fund	\$1,970,423
Transfer from General Fund to Grants and Donations Fund for COVID Small Business Grant Program	\$100,000
Transfer from Centralia Center to Debt Service for debt retirement	46,354
Transfer from Centralia Center to Public Works Construction Fund for Centralia Center parking lot project	138,304
Transfer from TIF District No. 6 to Debt Service for debt retirement	374,722
Transfer from TIF District No. 7 to Debt Service for debt retirement	65,269
Transfer from Aquatics Facility & Riverbank Fund to Debt Service Fund for bond premium	154,873
Transfer from General Fund to Aquatic Facility Fund to fund a replacement reserve account for the new aquatic facility	138,132
Transfer from Storm Water Utility Fund to Public Works Construction Fund for storm sewer construction projects	51,379
	<u>\$ 3,039,456</u>

F. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2020:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental activities:					
General obligation debt					
Bonds	\$ 14,545,000	\$ 3,610,000	\$ 1,325,000	\$ 16,830,000	\$ 1,345,000
Notes	4,065,000	2,035,000	555,000	5,545,000	510,000
Notes from direct borrowing	163,576	-	52,913	110,663	54,514
State trust fund loans	18,773,576	5,645,000	1,932,913	22,485,663	1,909,514
Total general obligation debt	332,988	171,723	32,658	532,053	-
Debt premium	1,287,800	208,535	129,433	1,366,902	1,026,905
Compensated absences					
Governmental activities	\$ 20,454,374	\$ 6,025,258	\$ 2,095,004	\$ 24,384,628	\$ 2,836,419
Long-term obligations					

Business-type activities:

General obligation debt					
Bonds	\$ 5,535,000	\$ -	\$ 510,000	\$ 5,025,000	\$ 510,000
Notes from direct borrowing					
Environmental	22,080,144	-	1,784,572	20,295,572	1,840,676
Improvement fund loan	60,160	-	6,533	53,627	-
Debt premium	328,041	68,725	9,351	386,415	384,264
Compensated absences					
Business-type activities	\$ 27,984,345	\$ 68,725	\$ 2,310,456	\$ 25,742,614	\$ 2,734,940
Long-term obligations					

Total interest paid during the year on long-term debt totaled \$1,343,993.

The City's outstanding notes from direct borrowings related to governmental activities of \$110,663 are subject to a statutory provision that in an event of late or nonpayment, a 1% per month penalty will be charged and the payment will be collected through a reduction in payments from the state of Wisconsin.

City of Wisconsin Rapids, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

The City's outstanding notes from direct borrowings related to business type activities of \$20,275,572 contain the following provisions in the event of a default: 1) Wisconsin Department of Administration can deduct amounts due from any state payments due to the City or add the amounts due as a special charge to the property taxes apportioned; 2) may appoint a receiver for the Program's benefit; 3) may declare the principal amount immediately due and payable; 4) may enforce any right or obligation under the financing agreement including the right to seek specific performance or mandamus; and 5) may increase the interest rate set forth in the financing agreement to the market interest rate.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/20
General obligation notes	5/27/11	5/1/21	2.0 - 3.0%	\$ 1,300,000	\$ 100,000
General obligation bonds	5/27/11	5/1/22	2.0 - 3.625%	1,225,000	250,000
General obligation bonds	5/27/11	5/1/26	2.0 - 4.125%	2,715,000	1,050,000
General obligation bonds	5/10/12	6/1/23	1.0 - 3.0%	3,930,000	1,435,000
State trust fund loan	8/30/12	3/15/21	3.00%	500,000	110,663
General obligation notes	11/13/12	3/1/22	0.3 - 1.5%	1,010,000	210,000
General obligation bonds	11/13/12	3/1/25	0.3 - 1.8%	2,310,000	1,050,000
General obligation notes	6/10/15	6/1/25	0.5 - 2.3%	995,000	520,000
General obligation bonds	9/22/15	4/1/29	2.0 - 3.0%	7,475,000	5,025,000
General obligation notes	7/14/16	6/1/26	0.8 - 1.85%	1,120,000	745,000
General obligation bonds	6/8/17	6/1/37	3.0 - 3.25%	4,515,000	4,000,000
General obligation notes	7/11/18	6/1/28	1.90 - 2.85%	2,135,000	1,935,000
General obligation bonds	7/17/19	6/1/37	2.5% - 3.0%	5,685,000	5,435,000
General obligation bonds	5/6/20	6/1/22	1.70%	3,610,000	3,610,000
General obligation notes	5/6/20	5/1/40	2.0 - 3.0%	2,035,000	2,035,000
Total outstanding general obligation debt					<u>\$ 27,510,663</u>

Annual principal and interest maturities of the outstanding general obligation debt on December 31, 2020 are detailed below:

Year Ended December 31,	Bonds and Notes		Notes from direct borrowing		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 1,855,000	\$ 556,846	\$ 54,514	\$ 3,320	\$ 1,909,514	\$ 560,166
2022	3,895,000	493,278	56,149	1,684	3,951,149	494,962
2023	1,885,000	426,875	-	-	1,885,000	426,875
2024	1,755,000	377,597	-	-	1,755,000	377,597
2025	1,795,000	329,209	-	-	1,795,000	329,209
2026-2030	6,240,000	1,032,199	-	-	6,240,000	1,032,199
2031-2035	3,475,000	434,606	-	-	3,475,000	434,606
2036-2040	1,475,000	59,981	-	-	1,475,000	59,981
	<u>\$ 22,375,000</u>	<u>\$ 3,710,591</u>	<u>\$ 110,663</u>	<u>\$ 5,004</u>	<u>\$ 22,485,663</u>	<u>\$ 3,715,595</u>

City of Wisconsin Rapids, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Year Ended December 31,	Business-type Activities		
	Bond and Notes	Interest	Total
2021	\$ 510,000	\$ 108,619	\$ 618,619
2022	520,000	98,519	618,519
2023	535,000	87,969	622,969
2024	545,000	77,168	622,168
2025	555,000	65,822	620,822
2026-2029	2,360,000	128,837	2,488,837
	<u>\$ 5,025,000</u>	<u>\$ 567,134</u>	<u>\$ 5,592,134</u>

For governmental activities, the other long-term liabilities are generally funded by the General Fund.

Legal Margin for New Debt

The City's legal margin for creation of additional general obligation debt on December 31, 2020 was \$29,006,217 as follows:

Equalized valuation of the City	\$ 1,130,337,600
Statutory limitation percentage	(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	<u>56,516,880</u>
Total outstanding general obligation debt applicable to debt limitation	<u>27,510,663</u>
Legal margin for new debt	<u>\$ 29,006,217</u>

Environmental Improvement Fund Loan

Environmental Improvement Fund Loan outstanding on December 31, 2020 was comprised of the following issue:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/19
Environmental Improvement Fund Loan	12/23/08	5/1/28	3.398%	\$ 26,515,565	\$ 13,972,806
Environmental Improvement Fund Loan	5/23/18	5/1/38	1.87%	6,761,712	6,402,666
Total Environmental Improvement Fund Loan					<u>\$ 20,275,572</u>

Annual principal and interest maturities of the outstanding environmental improvement fund loan of \$20,275,572 on December 31, 2020 are detailed below:

Year Ended December 31,	Business-type Activities		
	Principal	Interest	Total
2021	\$ 1,840,676	\$ 562,169	\$ 2,402,845
2022	1,889,600	503,304	2,401,904
2023	1,958,406	442,525	2,400,931
2024	2,020,156	379,771	2,399,927
2025	2,083,915	314,974	2,398,889
2026-2030	7,363,559	664,324	8,027,883
2031-2035	1,889,579	203,781	2,093,360
2036-2038	1,220,981	34,522	1,255,203
	<u>\$ 20,275,572</u>	<u>\$ 3,105,370</u>	<u>\$ 23,380,942</u>

City of Wisconsin Rapids, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Utility Revenues Pledged

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay the sewer system revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used with the system. The bonds are payable solely from sewer customer net revenues and are payable through 2038. The total principal and interest remaining to be paid on the bonds is \$23,380,942. Principal and interest paid for the current year and total customer net revenues were \$2,404,080 and \$4,154,307, respectively.

G. CONDUIT DEBT OBLIGATIONS

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2020, there was one series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$2,507,180.

H. PENSION PLAN

1. Plan Description

The WRS is a cost-sharing, multiple-employer, defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible state of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (980 hours for 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 issued a standalone WRS Financial Report, which can be found at <https://efi.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Vesting

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

Benefits Provided

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

Final average earnings is the average of the participant's three highest earnings periods. 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.

City of Wisconsin Rapids, Wisconsin

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FOR THE YEAR ENDED DECEMBER 31, 2020

Vested participants may retire at or after 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.

2. 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
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17
2019	0.0	(10)

3. 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 was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employees are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the year ending December 31, 2020, the WRS recognized \$1,516,383 in contributions from the City.

Contribution rates for the reporting period are:

	Employee Category	Employee	Employer
General (including teachers, executives and elected officials)	6.75%	6.75%	6.75%
Protective with Social Security	6.75%	6.75%	11.65%
Protective without Social Security			16.25%

City of Wisconsin Rapids, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

At December 31, 2020, the City reported an asset of \$4,244,823 for its proportionate share of the net pension 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, 2019 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, 2018, the City's proportion was 0.13164462%, which was a decrease of 0.00022186% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the City recognized pension expense of \$1,581,663.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,057,844	\$ 4,032,311
Net differences between projected and actual earnings on pension plan investments	-	8,677,928
Changes in assumptions	330,783	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	81	49,757
Employer contributions subsequent to the measurement date	1,516,383	-
Total	\$ 9,904,891	\$ 12,759,996

\$1,516,383 reported as deferred outflows related to pension resulting from the City'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:

Year Ended December 31,	Expense
2021	\$ (1,304,128)
2022	(970,086)
2023	138,854
2024	(2,235,146)
Total	\$ (4,371,496)

City of Wisconsin Rapids, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

5. Actuarial Assumptions

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

Actuarial Valuation Date:	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*	1.9%

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

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. 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:

	Current Asset Allocation %	Long-term Expected Nominal Rate of Return %		Long-term Expected Real Rate of Return %
		Expected	Nominal	
Core Fund Asset Class				
Global equities	49%	8.0%	8.0%	5.1%
Fixed income	24.5%	4.9%	4.9%	2.1%
Inflation sensitive assets	15.5%	4.0%	4.0%	1.2%
Real estate	9%	6.3%	6.3%	3.5%
Private equity/debt	8%	10.6%	10.6%	7.6%
Multi-asset	4%	6.9%	6.9%	4.0%
Cash	-10%	0.9%	0.9%	N/A
Total Core Fund	100%	7.5%	7.5%	4.6%
Variable Fund Asset Class				
U.S. equities	70%	7.5%	7.5%	4.6%
International equities	30%	8.2%	8.2%	5.3%
Total Variable Fund	100%	7.6%	7.6%	4.9%
New England Pension Consultants Long Term US CPI (inflation) Forecast: 2.75%				

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

City of Wisconsin Rapids, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Single Discount Rate. A single discount rate of 7.00% is 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% and a municipal bond rate of 2.75%. (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% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan members 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.

Sensitivity of the City's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.0 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease to Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase to Discount Rate (8.0%)
City's proportionate share of the net pension liability (asset)	\$ 10,931,178	\$ (4,244,823)	\$ (15,590,630)

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

6. Payables to the Pension Plan

At December 31, 2020, the City reported a payable of \$290,762 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2020.

City of Wisconsin Rapids, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

I. OTHER POSTEMPLOYMENT BENEFITS

The City reports OPEB related balances at December 31, 2020 as summarized below:

	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Single-employer defined OPEB plan	\$ 10,974,668	\$ 1,520,549	\$ 1,662,364	\$ 808,905
Local Retiree Life Insurance Fund (LRLIF)	1,006,914	405,875	219,825	99,132
Total	<u>\$ 11,981,582</u>	<u>\$ 1,926,424</u>	<u>\$ 1,882,189</u>	<u>\$ 908,037</u>

1. Single-employer Defined Postemployment Benefit Plan

Plan Description

The plan is a single-employer defined benefit postemployment health plan that covers retired employees of the City. Eligible retired employees have access to group medical coverage through the City's group plan. City paid medical benefits are paid for as indicated below. All employees of the City are eligible for the plan if they meet the following age and service requirements below. Employees hired after December 31, 2012 or December 31, 2014 (varies by employment group) are not eligible for this benefit. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The plan does not issue separate financial statements.

Benefits Provided

The City provides medical (including prescription drugs), dental, and life insurance coverage for retired employees through the City's group plan. Benefits vary depending employment group. Employees must retire from the City to be eligible for this other postemployment benefit.

Employees Covered by Benefit Terms

At December 31, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	43
Active employees	<u>207</u>
	<u>250</u>

Contributions

Certain retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of insurance premiums based on the employee group and their retirement date. City paid benefits are paid until the retiree or surviving spouse becomes eligible for Medicare.

Total OPEB Liability

The City's total OPEB liability was measured as of December 31, 2019 and was determined by an actuarial valuation as of December 31, 2019.

City of Wisconsin Rapids, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Actuarial Assumptions. The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Initiation:	2.5%
Salary increases:	.04% to 4.8% depending on years of service and job classification plus 3% inflation
Discount rate:	2.75%
Healthcare cost trend rates:	0.00% for year 1 increasing to 6.40% for year 2, and decreasing by 0.10% down to 5.00% and level thereafter

Medical trend rate assumptions changed from the prior valuation by starting at 0.0% compared to starting at 6.6% in the first year.

Mortality rates are the same as those used in the Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied 60%). The previous valuation used the Wisconsin 2012 Mortality Table.

The actuarial assumptions used in the December 31, 2019 valuation were based on an experience study conducted in 2018 using the Wisconsin Retirement System (WRS) experience from 2015-17. The previous valuation used an experience study for 2012-2014.

Discount Rate. The discount rate used to measure the total OPEB liability was 2.75%, as opposed to 4.0% in the prior year. The discount rate is based on the Bond Buyer GO 20-year AA Bond Index as of the week of the measurement date.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at January 1, 2020	\$ 11,395,621
Changes for the year:	
Service cost	459,179
Interest	450,312
Changes of benefit terms	13,167
Differences between expected and actual experience	(1,507,026)
Changes of assumptions or other input	898,250
Benefit payments	(734,835)
Net changes	<u>(420,563)</u>
Balance at December 31, 2020	<u>\$ 10,974,668</u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.75%) or 1-percentage-point higher (3.75%) than the current rate:

	1% Decrease to Discount Rate (1.75%)	Current Discount Rate (2.75%)	1% Increase to Discount Rate (3.75%)
Total OPEB liability	\$ 11,665,560	\$ 10,974,668	\$ 10,148,970

City of Wisconsin Rapids, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (-1.0% in Year 1, then 5.4% decreasing to 4.0%) or 1-percentage-point higher (1.0% in Year 1, then 7.4% decreasing to 6.0%) than the current healthcare cost trend rates:

	Healthcare Cost Trend Rates	
	1% Decrease (-1.0% in Year 1, then 6.4% decreasing to 4.0%)	1% Increase (1.0% in Year 1, then 7.4% decreasing to 6.0%)
Total OPEB liability	\$ 9,939,586	\$ 10,974,568
		\$ 12,317,558

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020, the City recognized OPEB expense of \$808,905. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,338,579
Changes in assumptions or other input	-	322,785
Net difference between projected and actual earnings on OPEB plan investments	798,444	-
City contributions subsequent to the measurement date	722,105	-
Total	\$ 1,520,549	\$ 1,662,364

\$722,105 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2020 and reported in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	Expense
2021	\$ (113,753)
2022	(113,753)
2023	(113,753)
2024	(113,753)
2025	(113,753)
Thereafter	(295,155)
Total	\$ (863,920)

Payable to the OPEB Plan

At December 31, 2020, the City reported a payable of \$0 for the outstanding amount of contribution to the plan required for the year ended December 31, 2020.

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NOTES TO BASIC FINANCIAL STATEMENTS
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2. Local Retiree Life Insurance Fund

Plan Description

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

OPEB Plan Fiduciary Net Position

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

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can be found at <https://etfonline.wi.gov/ETFCASBPUBLICWeb/qasb75Local.do>.

Benefits Provided

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

Contributions

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

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

Contribution rates as of December 31, 2020 are:

Coverage Type	Employer Contribution
50% Post-retirement coverage	40% of employee contribution
25% Post-retirement coverage	20% of employee contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2019 are listed below:

Attained Age	Life Insurance Member Contribution Rates For the Year Ended December 31, 2019*	
	Basic	Supplemental
Under 30	\$0.05	\$0.05
30 - 34	0.05	0.06
35 - 39	0.07	0.07
40 - 44	0.09	0.08
45 - 49	0.12	0.12
50 - 54	0.22	0.22
55 - 59	0.39	0.39
60 - 64	0.49	0.49
65 - 69	0.57	0.57

*Disabled members under age 70 receive a waiver-of-premium benefit

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During the reporting period, the LRLIF recognized \$3,183 in contributions from the employer.

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

At December 31, 2019, the City reported a liability of \$1,006,914 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2019 rolled forward to December 31, 2019. No material changes in assumptions or benefits terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2019, the City's proportion was 0.23646500%, which was a decrease of 0.01975100% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the Commission recognized OPEB expense of \$99,132.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 45,108
Net differences between projected and actual earnings on OPEB plan investments	18,994	-
Changes in assumptions	371,455	110,753
Changes in proportion and differences between employer contributions and proportionate share of contributions	15,426	63,964
Total	<u>\$ 405,875</u>	<u>\$ 219,825</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	Expense
2021	\$ 32,614
2022	32,614
2023	30,566
2024	28,456
2025	20,488
Thereafter	<u>41,312</u>
	<u>\$ 186,050</u>

Actuarial assumptions. The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial valuation date:	January 1, 2019
Actuarial cost method:	Entry age normal
20 year tax-exempt municipal bond yield:	2.74%
Long-term expected rate of return:	4.25%
Discount rate:	2.87%
Salary increases:	3.00%
Initiation	0.1% - 5.6%
Seniority/Merit	Wisconsin 2018 Mortality Table
Mortality:	

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NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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 LRLIF OPEB Liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the January 1, 2019 actuarial valuation.

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

Asset Class	Index	Target Allocation	Long-term Expected Geometric Real Rate of Return %
U.S. Credit Bonds	Barclays Credit	45%	2.12%
U.S. Long Credit Bonds	Barclays Long Credit	5%	2.80%
U.S. Mortgages	Barclays MBS	50%	1.53%
Inflation			2.20%
Long-term expected rate of return			4.25%

The long-term expected rate of return decreased slightly from 5.00% in the prior year to 4.25% in the current year. This change was primarily based on the target asset allocation and capital market expectations. The expected inflation rate also decreased slightly from 2.30% in the prior year to 2.20% in the current year. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

Single discount rate. A single discount rate of 2.87% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 4.22% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 4.10% as of December 31, 2018 to 2.74% as of December 31, 2019. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the Plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that the contributions are made by plan members retiring prior to age 65.

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NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Sensitivity of the City's proportionate share of net OPEB liability (asset) to changes in the discount rate. The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 2.87%, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.87%) or 1-percentage-point higher (3.87%) than the current rate:

	1% Decrease to Discount Rate (1.87%)	Current Discount Rate (2.87%)	1% Increase to Discount Rate (3.87%)
City's proportionate share of the net OPEB liability (asset)	\$ 1,390,380	\$ 1,006,914	\$ 715,171

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

Payable to the OPEB Plan

At December 31, 2020, the City reported a payable of \$0 for the outstanding amount of contribution to the plan required for the year ended December 31, 2020.

J. FUND EQUITY

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31, 2020, nonspendable fund balance was as follows:

Nonspendable	
Inventories and prepaid items	\$ 183,878
County held special assessments	98,867
Advance to TIF District No. 8	544,988
Total nonspendable fund balance	<u>\$ 827,733</u>

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2020, restricted fund balance was as follows:

Special Revenue Funds	
Restricted for	
Housing rehabilitation loan program	\$ 363,677
HCRJ loan program	42,122
Total Special Revenue Fund restricted fund balance	<u>405,799</u>
Debt Service Fund	
Restricted for	
Retirement of long-term debt	<u>99,343</u>
Capital Projects Funds	
Restricted for	
Aquatics and Riverfront capital projects	<u>22,342</u>
Total restricted fund balance	<u>\$ 527,484</u>

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City of Wisconsin Rapids, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by City Council action. At December 31, 2020, governmental fund balance was committed as follows:

General Fund	
Committed for	
Future unreported medical and dental claims	<u>\$ 500,260</u>
Special Revenue Funds	
Committed for	
Centralla center operations and maintenance	349,504
Emergency medical services	267,050
Storm water management projects	547,916
Undistributed room tax collections - tourism promotion	311,544
Relifee health insurance - City portion of insurance premiums	410,364
Grants and donations projects	418,168
River cities community access operations and maintenance	479,584
Mass transit fund operations	149,965
Aquatics Facility	123,840
Total Special Revenue Funds committed fund balance	<u>3,057,965</u>
Capital Projects Funds	
Committed for	
Public works construction activities	917,631
TIF District No. 6 economic development and debt service	119,661
TIF District No. 7 economic development and debt service	18,728
Municipal building improvement and construction	228,504
Equipment replacement	1,080,202
Aquatics and Riverfront capital projects	117,545
Total Capital Projects Funds committed fund balance	<u>2,482,271</u>
Total committed fund balance	<u>\$ 6,040,486</u>

Assigned Fund Balance

Portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2020, fund balance was assigned as follows:

General Fund	
Assigned for 2020/2021 projects	\$ 500,000
Assigned for economic development (TIF District No. 8 interim financing)	250,000
Assigned for subsequent years budget	<u>1,677,790</u>
Total	<u>\$ 2,427,790</u>

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City of Wisconsin Rapids, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Minimum General Fund Balance Policy

The City has also adopted a minimum fund balance policy of 25% - 30% of the annual General Fund budgeted expenditures be maintained for cash flow and working capital purposes. The minimum fund balance amount is calculated as follows:

Budgeted 2020 General Fund expenditures	\$ 21,031,979
Minimum fund balance %	(X) 25% - 30%
Minimum fund balance amount	<u>\$5,257,995 to \$6,309,594</u>

The City's unassigned General Fund balance of \$9,970,173 is above the minimum fund balance amount.

NOTE 4: OTHER INFORMATION

A. TAX INCREMENTAL FINANCING DISTRICTS

The City has established separate capital projects funds for Tax Incremental District (TID) No. 6, No. 7, and No. 8 which were created by the City in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the Districts were created, the property tax base within the District was "frozen" and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the City to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date. The City's Districts are still eligible to incur project costs.

Since creation of the above Districts, the City has provided various financing sources to the TID. The foregoing amounts are not recorded as liabilities in the TID capital project fund but can be recovered by the City from any future excess tax increment revenues. As of December 31, 2020, the City can recover \$2,912,397 from future excess tax increment revenues of the following:

	Recoverable Costs
TID No. 6	\$ 1,939,821
TID No. 7	427,588
TID No. 8	<u>544,988</u>
	<u>\$ 2,912,397</u>

The intent of the City is to recover the above amounts from future TID surplus funds, if any, prior to termination of the respective Districts. Unless terminated by the City prior thereto, each TID has a statutory termination year as follows:

	Termination Year
TID No. 6	2027
TID No. 7	2032
TID No. 8	2040

City of Wisconsin Rapids, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

B. WHOLESALE POWER SUPPLY CONTRACTS

On January 6, 2000, the Commission entered into a contract for the establishment and operation of Great Lakes Utilities (GLU), a municipal electric company formed pursuant to Section 66.073 of the Wisconsin Statutes. It is a separate electric company of 17 Wisconsin municipal electric utilities to purchase and sell power and energy from and to its members and others. The GLU Board of Directors voted on September 30, 2003, to accept assignments of power supply contracts from five of its members including Wisconsin Rapids Water Works and Lighting Commission effective February 1, 2004. The current contract with GLU was signed on August 29, 2007 for a 25-year term.

C. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. A description of the City's risk management programs is presented below:

Dental Self-Insurance Fund

City employees are eligible for dental benefits from a dental self-insurance fund. Funding is provided by charges to City departments. The program is supplemented by stop loss protection, which limits the City's annual liability. Fund expenses consist of payments to a third-party administrator for dental claims, stop loss insurance premiums and administrative fees. On December 31, 2020, the program had a committed fund balance of \$230,844 for future unreported dental claims.

The claims liability of \$5,991 reported in the general fund at December 31, 2020 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount are as follows:

	Current Year Claims and Changes in Estimates	Claims Payments	Liability December 31
2019	\$ 7,954	\$ 223,486	\$ 5,245
2020	5,245	159,892	<u>5,991</u>

The City has purchased commercial insurance policies for various risks of loss. Payments of premiums for these policies are recorded as expenditures or expenses in various funds of the City. Settlements have not exceeded insurance coverage for each of the past three years. There have also been no significant changes in insurance coverage from the prior year.

City of Wisconsin Rapids, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

D. CONTINGENCIES

The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. An audit under the Uniform Guidance has been conducted but final acceptance is still pending. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

From time to time, the City is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management 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.

E. RISKS AND UNCERTAINTIES

The Coronavirus Disease 2019 (COVID-19) has affected global markets, supply chains, employees of organizations, and local communities. Specific to the City, COVID-19 may impact parts of its 2021 operations and financial results. Management believes the City is taking appropriate actions and cannot be reasonably estimated as of December 31, 2021.

F. SUBSEQUENT EVENTS

In August 2021, the City issued \$4,560,000 in General Obligation Corporate Bonds for various capital projects.

G. PRIOR PERIOD ADJUSTMENT

The City recorded a prior period adjustment of \$490,964 in the governmental fund statements to reclassify revenues accrued but not received within the period of availability to deferred inflows of resources.

H. COMMITMENTS

The City has active construction projects as of December 31, 2020. Work that has been completed but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures. Estimated future costs to complete the construction projects is approximately \$13,000.

REQUIRED SUPPLEMENTARY INFORMATION

City of Wisconsin Rapids, Wisconsin

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) WISCONSIN RETIREMENT SYSTEM LAST 10 FISCAL YEARS

Plan Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll (plan year)	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 (Asset)
12/31/14	0.12563247%	\$ (3,085,878)	14,261,723	21.64%	102.74%
12/31/15	0.12561623%	2,041,239	14,370,306	14.20%	98.20%
12/31/16	0.12744633%	1,050,462	14,878,296	7.06%	99.12%
12/31/17	0.13013733%	(3,863,931)	15,303,790	25.25%	102.93%
12/31/18	0.13186648%	4,691,396	15,304,894	30.65%	96.45%
12/31/19	0.13164462%	(4,244,823)	15,564,918	27.27%	102.96%

SCHEDULE OF CONTRIBUTIONS WISCONSIN RETIREMENT SYSTEM LAST 10 FISCAL YEARS

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll (fiscal year)	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 1,218,145	\$ 1,218,145	\$ -	14,370,306	8.48%
12/31/16	1,229,654	1,229,654	-	14,878,296	8.26%
12/31/17	1,365,212	1,365,212	-	15,303,790	8.92%
12/31/18	1,353,160	1,353,160	-	15,304,894	8.84%
12/31/19	1,347,545	1,347,545	-	15,564,918	8.66%
12/31/20	1,516,383	1,516,383	-	16,207,345	9.36%

See notes to required supplementary information.

City of Wisconsin Rapids, Wisconsin

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS LAST 10 FISCAL YEARS *

	2020	2019	2018
Total OPEB liability			
Service cost	\$ 459,179	\$ 485,414	\$ 485,414
Interest	450,312	399,643	393,957
Changes of benefit terms	13,167	-	-
Differences between expected and actual experience	(1,507,008)	-	-
Change of assumptions or other input	986,250	(415,009)	-
Benefit payments	(724,835)	(500,106)	(336,313)
Net change in total OPEB liability	(145,999)	369,942	532,058
Total OPEB liability - beginning	11,395,621	11,425,739	10,893,761
Total OPEB liability - ending	\$ 10,974,608	\$ 11,395,621	\$ 11,425,739
Covered-employee payroll	\$ 14,801,068	\$ 14,000,516	\$ 14,000,516
City's total OPEB liability as a percentage of covered-employee payroll	73.65%	81.39%	81.61%

* The amounts presented for each fiscal year were determined as of the current fiscal year end. Amounts for prior years were not available.

See notes to required supplementary information.

City of Wisconsin Rapids, Wisconsin

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020

A. WISCONSIN RETIREMENT SYSTEM

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

Changes of assumptions. No significant changes in assumptions were noted from the prior year.

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

B. OTHER POSTEMPLOYMENT BENEFITS

Single employer Defined Benefit Postemployment Benefit Plan

Changes of benefit terms. The City now provides HSA contributions to retired Waterworks and Lighting Commission employees while they remain on the City's health plan and are not Medicare eligible.

Changes of assumptions. The discount rate used to develop the Total OPEB Liability changed in the December 31, 2019 valuation, decreasing from 4.0% to 2.75%. Medical trend rate assumptions changed from the prior valuation by starting at 0.0% compared to starting at 6.6% in the first year. Mortality rates are the same as those used in the Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied 60%). The previous valuation used the Wisconsin 2012 Mortality Table. The actuarial assumptions used in the December 31, 2019 valuation were based on an experience study conducted in 2018 using the Wisconsin Retirement System (WRS) experience from 2015-17. The previous valuation used an experience study for 2012-2014.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

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

Local Retiree Life Insurance Fund

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

Changes of assumptions. Several actuarial assumptions changed from the prior year, including the single discount rate, long-term expected rate of return, and expected inflation. Please refer to the Actuarial Assumptions section above for additional details.

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

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City of Wisconsin Rapids, Wisconsin

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
LOCAL RETIREE LIFE INSURANCE FUND
LAST 10 FISCAL YEARS

Plan Fiscal Year Ending	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)		Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered-employee Payroll		Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
		Liability (Asset)	Share of the Net OPEB Liability (Asset)	Covered-employee Payroll	Covered-employee Payroll	
12/31/17	0.26319500%	\$ 791,843		\$ 15,303,790	5.17%	44.81%
12/31/18	0.25621600%	661,124		15,304,894	4.32%	48.69%
12/31/19	0.23646500%	1,006,914		15,564,918	6.47%	37.55%

SCHEDULE OF CONTRIBUTIONS
LOCAL RETIREE LIFE INSURANCE FUND
LAST 10 FISCAL YEARS

Fiscal Year Ending	Contractually Required Contributions		Contributions in Relation to the Contractually Required Contributions		Contribution Deficiency (Excess)		Contributions as a Percentage of Covered-employee Payroll	
	Contractually Required Contributions	Contributions	Contractually Required Contributions	Contributions	Covered-employee Payroll	Covered-employee Payroll	Contributions as a Percentage of Covered-employee Payroll	Contributions as a Percentage of Covered-employee Payroll
12/31/18	\$ 3,560	\$ 3,560	\$ 3,560	\$ -	\$ 15,304,894	\$ 15,304,894	0.02%	0.02%
12/31/19	3,406	3,406	3,406	-	15,564,918	15,564,918	0.02%	0.02%
12/31/20	3,183	3,183	3,183	-	16,207,345	16,207,345	0.02%	0.02%

See notes to required supplementary information.

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City of Wisconsin Rapids, Wisconsin

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020

SUPPLEMENTARY INFORMATION

	Centralia Center	Housing Rehabilitation	Special Revenue		
			Emergency Medical Services	Storm Water Management	
ASSETS					
Cash and Investments	\$ 393,458	\$ 363,677	\$ 234,735	\$ 502,130	
Receivables					
Taxes	88,641	-	287,963	666	
Accounts, net	8,284	-	238,882	-	
Special assessments	-	-	-	2,029	
Loans	-	2,411,195	-	-	
Due from other funds	-	-	-	71,780	
Due from other governments	-	-	-	-	
Total assets	\$ 470,383	\$ 2,774,872	\$ 771,580	\$ 576,605	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 11,281	\$ -	\$ 19,448	\$ 7,842	
Accrued and other current liabilities	1,905	-	17,903	435	
Due to other funds	4,274	-	625	17,917	
Advance from other funds	-	-	-	-	
Special deposits	748	-	-	-	
Unearned revenues	-	-	21,634	-	
Total liabilities	18,186	-	59,608	25,984	
Deferred inflows of resources					
Property taxes levied for subsequent year	102,893	-	444,922	986	
Other	-	2,411,195	-	-	
Loans receivable	-	-	-	-	
Special assessments	-	-	-	2,029	
Total deferred inflows of resources	102,893	2,411,195	444,922	2,985	
Fund balances					
Restricted	-	363,677	-	-	
Committed	348,504	-	287,050	547,916	
Unassigned	-	-	-	-	
Total fund balances	348,504	363,677	287,050	547,916	
Total liabilities, deferred inflows of resources, and fund balances	\$ 470,383	\$ 2,774,872	\$ 771,580	\$ 576,605	

City of Wisconsin Rapids, Wisconsin

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	Capital Projects		
	Public Works Construction	TIF District No. 6	TIF District No. 7
ASSETS			
Cash and Investments	\$ 861,848	\$ 224,055	\$ 53,875
Receivables			
Taxes	185,181	238,159	71,314
Accounts, net	-	-	-
Special assessments	-	-	-
Loans	-	-	-
Due from other funds	231,958	-	-
Due from other governments	-	-	-
Total assets	\$ 1,308,985	\$ 462,214	\$ 124,989
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 113,825	\$ -	\$ -
Accrued and other current liabilities	925	-	-
Due to other funds	22	-	-
Advance from other funds	-	-	-
Special deposits	-	-	-
Unearned revenues	-	-	-
Total liabilities	114,772	-	-
Deferred inflows of resources			
Property taxes levied for subsequent year	276,582	342,553	106,281
Other	-	-	-
Loans receivable	-	-	-
Special assessments	-	-	-
Total deferred inflows of resources	276,582	342,553	106,281
Fund balances			
Restricted	-	-	-
Committed	917,831	119,661	16,728
Unassigned	-	-	-
Total fund balances	917,831	119,661	16,728
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,308,985	\$ 462,214	\$ 124,989

	Retiree Health Insurance		HCRI Program		Grants and Donations		River Cities Community Access		Mass Transit		Aquatic Facility		Debt Service	
	Room Tax													
\$ 286,284	\$ 459,271	\$ 42,122	\$ 372,368	\$ 423,821	\$ 79,139	\$ 108,891	\$ 886,888							
71,331	91,628	-	-	-	40,838	87,899	1,195,986							
-	-	-	-	60,527	-	-	-							
-	-	27,440	-	-	-	-	-							
-	-	-	-	-	-	-	-							
-	-	-	-	65,531	139,341	-	-							
\$ 367,625	\$ 550,899	\$ 69,562	\$ 437,887	\$ 484,348	\$ 258,318	\$ 258,790	\$ 1,885,834							
\$ 55,581	\$ -	\$ -	\$ 4,198	\$ 584	\$ 48,323	\$ 702	\$ -							
-	-	-	-	4,180	-	888	-							
500	3,654	-	-	-	-	-	-							
58,081	3,654	-	4,198	4,764	48,323	1,590	-							
-	136,881	-	-	-	61,000	131,360	1,786,491							
-	-	-	15,531	-	-	-	-							
-	-	27,440	-	-	-	-	-							
-	-	-	-	-	-	-	-							
-	136,881	27,440	15,531	-	61,000	131,360	1,786,491							
311,544	410,364	42,122	418,168	479,584	149,965	123,840	99,343							
311,544	410,364	42,122	418,168	479,584	149,965	123,840	99,343							
\$ 367,625	\$ 550,899	\$ 69,562	\$ 437,887	\$ 484,348	\$ 258,318	\$ 258,790	\$ 1,885,834							

City of Wisconsin Rapids, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2020

TIF District No. #	Municipal Building Improvement	Equipment Replacement	Total
\$ 42,564	\$ 228,504	\$ 1,205,349	\$ 6,672,785
85,593	-	144,311	2,508,159
-	-	-	379,024
-	-	-	2,029
-	-	-	2,438,635
-	-	-	303,738
-	-	-	204,872
\$ 128,157	\$ 228,504	\$ 1,350,660	\$ 12,509,222

	Centralia Center	Housing Rehabilitation	Emergency Medical Services	Special Revenue Storm Water Management
REVENUES				
Taxes	\$ 104,409	\$ -	\$ 286,473	\$ -
Special assessments	-	-	-	2,975
Intergovernmental	-	-	13,427	-
Licenses and permits	-	-	-	-
Public charges for services	-	-	1,073,358	821,743
Intergovernmental charges for services	-	-	-	-
Miscellaneous	127,735	193,635	-	-
Total revenues	232,144	193,635	1,376,258	824,718
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	1,432,756	-
Public works	-	-	-	669,936
Health and human services	197,860	-	-	-
Culture and recreation	-	-	-	-
Conservation and development	-	104,435	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and fiscal charges	-	-	48,933	-
Capital outlay	-	-	-	-
Total expenditures	197,860	104,435	1,481,689	669,936
Excess of revenues over (under) expenditures	34,284	89,200	(105,431)	155,082
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(184,659)	-	-	(51,379)
Total other financing sources (uses)	(184,659)	-	-	(51,379)
Net change in fund balances	(150,404)	89,200	(105,431)	103,703
Fund balances - January 1	499,908	274,477	372,481	444,213
Fund balances - December 31	\$ 349,504	\$ 363,677	\$ 267,050	\$ 547,916

City of Wisconsin Rapids, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Room Tax	Retiree Health Insurance	HCRI Program	Grants and Donations	River Cities Community Access	Mass Transit	Aquatic Facility	Debt Service	Capital Projects		
									Public Works Construction	TIF District No. 6	TIF District No. 7
\$	357,651	\$ 161,553	\$ -	\$ -	\$ -	\$ 50,708	\$ 129,886	\$ 1,686,585	\$ 485,384	\$ 332,161	\$ 25,016
-	-	-	-	451,296	-	686,467	-	-	-	-	-
-	-	-	-	239,286	-	-	-	-	58,061	16,279	17,715
-	-	-	-	-	-	-	103,313	-	-	-	-
-	-	185,573	-	-	1,000	-	-	-	-	-	-
-	-	220,372	12,314	42,596	170	-	-	-	528,111	313	206
357,651	587,498	12,314	493,888	240,458	737,175	232,998	1,765,403		1,051,558	348,753	42,937
EXPENDITURES											
Current											
-	610,839	-	81,500	217,996	-	-	-	-	-	925	625
-	-	-	385,707	-	-	-	-	-	-	-	-
-	-	-	-	-	619,874	-	-	-	226,338	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	247,291	-	-	-	-
308,334	-	-	70,167	-	-	-	-	-	-	-	-
-	-	115	80,267	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	1,932,913	-	-	-
-	-	-	-	-	-	-	-	805,465	-	-	-
18,987	-	-	-	-	-	80,764	-	-	2,314,579	-	-
327,021	610,839	115	617,641	217,996	700,658	247,291	2,538,378		2,540,917	925	625
30,630	(23,341)	12,198	(123,743)	22,462	38,517	(14,282)	(772,975)		(1,488,351)	347,828	42,312
-	-	-	-	-	-	-	-	-	1,182,834	-	-
-	-	-	-	-	-	6,835	-	-	-	-	-
-	-	-	100,000	-	-	-	138,132	641,216	186,683	(374,722)	(65,289)
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	6,635	138,132	641,216	1,372,317	(374,722)	(65,289)
30,630	(23,341)	12,198	(23,743)	22,462	43,152	123,840	(191,757)		(117,044)	(28,884)	(22,957)
260,914	433,705	29,923	441,911	457,122	106,843	-	-	231,100	1,034,875	148,555	41,885
\$ 311,544	\$ 410,364	\$ 42,122	\$ 418,168	\$ 479,584	\$ 149,995	\$ 123,840	\$ 99,343		\$ 917,631	\$ 119,661	\$ 18,728

ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR BASIC FINANCIAL STATEMENTS

TIF District No. 8	Municipal Building Improvement	Equipment Replacement	Total
\$	\$	\$	\$
-	-	219,850	3,842,478
-	-	-	2,975
-	-	-	1,243,248
-	-	-	239,288
-	-	-	1,996,414
-	-	440,582	627,165
-	42,356	94,000	1,340,629
-	42,356	754,442	9,294,195
150	-	-	912,035
-	-	-	1,618,463
-	-	-	1,315,648
-	-	-	197,960
350,000	-	-	317,458
-	-	-	843,151
-	-	-	1,932,913
-	-	-	605,465
51,481	2,301	696,273	3,213,038
407,831	2,301	696,273	11,356,251
(407,831)	40,055	58,169	(2,082,066)
-	-	-	1,182,634
-	-	68,197	74,832
-	-	-	1,069,033
-	-	-	(678,029)
-	-	68,197	1,650,471
(407,831)	40,055	128,396	(411,595)
(143,357)	188,449	853,836	5,794,440
\$ (544,988)	\$ 228,504	\$ 1,080,202	\$ 5,382,845



CliftonLarsonAllen LLP
CLAAconnect.com

Independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*

City Council
City of Wisconsin Rapids, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wisconsin Rapids, Wisconsin, (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 13, 2021.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

COMPLIANCE AND OTHER MATTERS

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



CLAA is an independent member of Nexia, a global network of independent member firms affiliated with the American Institute of Certified Public Accountants (AICPA), the Chartered Institute of Accountants (CIMA), the Institute of Management Accountants (IMA), the National Association of Public Accountants (NAPAs), and the Society of Management Accountants (SMA).

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PURPOSE OF THIS REPORT

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP
Wausau, Wisconsin
December 13, 2021

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FORM OF LEGAL OPINION

(See following pages)

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

June 1, 2022

Re: City of Wisconsin Rapids, Wisconsin ("Issuer")
\$3,180,000 General Obligation Promissory Notes, Series 2022A,
dated June 1, 2022 ("Notes")

We have acted as bond counsel to the Issuer in connection with the issuance of the Notes. 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 Notes are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on May 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2024	\$180,000	____%
2025	185,000	____
2026	210,000	____
2027	230,000	____
2028	315,000	____
2029	380,000	____
2030	495,000	____
2031	550,000	____
2032	635,000	____

Interest is payable semi-annually on May 1 and November 1 of each year commencing on May 1, 2023.

The Notes maturing on May 1, 2030 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on May 1, 2029 or on any date thereafter. Said Notes 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 Notes maturing in the years _____ are subject to mandatory redemption by lot as provided in the Notes, 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 Notes 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 Notes 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 Notes, 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 Notes 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 Notes.

3. The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes 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 Notes in order for interest on the Notes 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 Notes to be included in gross income retroactively to the date of issuance of the Notes. 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 Notes.

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

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

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

QUARLES & BRADY LLP

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Wisconsin Rapids, Wood County, Wisconsin (the "Issuer") in connection with the issuance of \$3,180,000 General Obligation Promissory Notes, Series 2022A, dated June 1, 2022 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on April 19, 2022, as supplemented by a Certificate Approving the Preliminary Official Statement and Details of General Obligation Promissory Notes, Series 2022A, dated _____, 2022 (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 _____, 2022 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 Wisconsin Rapids, Wood 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 444 West Grand Avenue, Wisconsin Rapids, Wisconsin 54495, phone (715) 421-8211, fax (715) 421-8280.

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

"SEC" means the Securities and Exchange Commission.

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

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year ended December 31, 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 1st day of June, 2022.

Shane E. Blaser
Mayor

(SEAL)

Jennifer M. Gossick
City Clerk

NOTICE OF SALE

\$3,180,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2022A CITY OF WISCONSIN RAPIDS, WISCONSIN

Bids for the purchase of \$3,180,000* General Obligation Promissory Notes, Series 2022A (the "Notes") of the City of Wisconsin Rapids, Wisconsin (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the City, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:00 A.M. Central Time, on May 18, 2022, at which time they will be opened, read and tabulated. **The Common Council adopted a resolution on April 19, 2022 (the "Parameters Resolution"), which authorized the City Clerk or the City Treasurer/Finance Director to accept a bid for the Notes if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on May 18, 2022, neither the City Clerk nor the City Treasurer/Finance Director will have the authority to accept a bid for the Notes, and all bids for the Notes will be rejected.**

PURPOSE

The Notes of the City are being issued pursuant to Section 67.12(12), Wisconsin Statutes, for public purposes, including paying the cost of street improvement projects and to pay the cost of refunding a portion of the Taxable Note Anticipation Notes, Series 2020B, dated May 6, 2020 (the "Taxable Note Anticipation Note"). The Notes are general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount.

DATES AND MATURITIES

The Notes will be dated June 1, 2022, will be issued as fully registered Notes in the denomination of \$5,000, or any integral multiple thereof, and will mature on May 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2024	\$180,000	2027	\$230,000	2030	\$495,000
2025	185,000	2028	315,000	2031	550,000
2026	210,000	2029	380,000	2032	635,000

ADJUSTMENT OPTION

* The City reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of \$5,000 each, up to a maximum of \$100,000. 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 Notes 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 May 1 and November 1 of each year, commencing May 1, 2023, to the registered owners of the Notes 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 Notes 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 Notes 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 Notes, 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 Notes. So long as Cede & Co. is the registered owner of the Notes, 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 Notes.

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 Notes maturing on or after May 1, 2030 shall be subject to optional redemption prior to maturity on May 1, 2029 or on any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Notes subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Notes to be redeemed shall be at the discretion of the City. If only part of the Notes 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 Note to be redeemed at the address shown on the registration books.

DELIVERY

On or about June 1, 2022, the Notes 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 Notes is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Notes 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 Notes 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 Notes. The legal opinion will be issued on the basis of existing law and will state that the Notes are valid and binding general obligations of the City; provided that the rights of the owners of the Notes and the enforceability of the Notes 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 the 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 \$3,148,200 nor more than \$3,370,800 plus accrued interest on the principal sum of \$3,180,000 from date of original issue of the Notes to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

- 1) Electronically to bondsale@ehlers-inc.com; or
- 2) Electronically via **PARITY** in accordance with this Notice of Sale until 10:00 A.M. Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone (212) 849-5021.

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

A good faith deposit ("Deposit") in the amount of \$63,600 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 Notes 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 Notes 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 Notes is adjourned, recessed, or continued to another date without award of the Notes having been made.

AWARD

The Notes 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 Notes will be awarded by lot. The City reserves the right to reject any and all bids and to waive any informality in any bid. **The Notes will not be awarded if the TIC (taking the purchaser's compensation into account) exceeds 4.25% or if the other conditions set forth in the Parameters Resolution are not satisfied.**

BOND INSURANCE

If the Notes 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 Notes 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 Notes are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Notes.

CUSIP NUMBERS

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Notes 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 Notes 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 Notes. 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 Notes 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 Notes 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 Notes, 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 Notes 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 Notes) will apply to the initial sale of the Notes (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 Notes to the bidder who submits a firm offer to purchase the Notes 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 Notes, 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 Notes 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 Notes. On its bid form, each bidder must select one of the following two rules for determining the issue price of the Notes: (1) the first price at which 10% of a maturity of the Notes (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 Notes (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 Notes 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 Notes, that the underwriters will neither offer nor sell unsold Notes 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 Notes 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 Notes 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 Notes, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Notes, 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 Notes 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 Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, 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 Notes 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 Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, 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 Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, 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 Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Notes.

(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 Notes have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Notes of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Notes, 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 Notes 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 Notes 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 Notes 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 Notes 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 Notes 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 Notes that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Notes 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 Notes to any person that is a related party to an underwriter participating in the initial sale of the Notes 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 Notes 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 Notes 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 Notes to the public),

- (iii) a purchaser of any of the Notes 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 Notes 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 Notes 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 City Council

Jennifer Gossick, City Clerk
City of Wisconsin Rapids, Wisconsin

BID FORM

May 18, 2022

City of Wisconsin Rapids, Wisconsin (the "City")

RE: \$3,180,000* General Obligation Promissory Notes, Series 2022A (the "Notes")

DATED: June 1, 2022

For all or none of the above Notes, 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 \$3,148,200 nor more than \$3,370,800) plus accrued interest to date of delivery for fully registered Notes bearing interest rates and maturing in the stated years as follows:

_____ % due 2024	_____ % due 2027	_____ % due 2030
_____ % due 2025	_____ % due 2028	_____ % due 2031
_____ % due 2026	_____ % due 2029	_____ % due 2032

* The City reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of \$5,000 each, up to a maximum of \$100,000. 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 Notes 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 \$63,600 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 Notes 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 Notes 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 Notes to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about June 1, 2022.

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 Notes.

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 Notes within 24 hours of the bid acceptance.

This bid is a firm offer for the purchase of the Notes 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 Notes.

Account Manager: _____ By: _____
Account Members: _____

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from June 1, 2022 of the above bid is \$_____ and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted on behalf the City of Wisconsin Rapids, Wisconsin, on May 18, 2022.

By: _____
Title: _____