

## PRELIMINARY OFFICIAL STATEMENT DATED JUNE 20, 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 Bonds is excludable from gross income and is not an item of tax preference for federal income tax purposes. See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Bonds. The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

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

**New Issue**

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

### CITY OF BARABOO, WISCONSIN (Sauk County)

## \$2,590,000\* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2022A

**BID OPENING:** June 28, 2022, 10:30 A.M., C.T.

**CONSIDERATION:** June 28, 2022, 7:00 P.M., C.T.

**PURPOSE/AUTHORITY/SECURITY:** The \$2,590,000\* General Obligation Corporate Purpose Bonds, Series 2022A (the "Bonds") of the City of Baraboo, Wisconsin (the "City") are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purposes of financing street improvement projects and providing financial assistance to community development projects under Section 66.1105, Wisconsin Statutes, by paying project costs included in the project plans for the City's Tax Incremental Districts. The Bonds are general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

**DATE OF BONDS:** July 14, 2022

**MATURITY:** May 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2024	\$145,000	2031	\$140,000	2037	\$160,000
2026	70,000	2032	140,000	2038	165,000
2027	90,000	2033	145,000	2039	175,000
2028	110,000	2034	145,000	2040	175,000
2029	130,000	2035	150,000	2041	180,000
2030	135,000	2036	150,000	2042	185,000

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

**TERM BONDS:** See "Term Bond Option" herein.

**INTEREST:** May 1, 2023 and semiannually thereafter.

**OPTIONAL REDEMPTION:** Bonds maturing on May 1, 2033 and thereafter are subject to call for prior optional redemption on May 1, 2032 and any date thereafter, at a price of par plus accrued interest.

**MINIMUM BID:** \$2,557,625.

**MAXIMUM BID:** \$2,797,200.

**GOOD FAITH DEPOSIT:** A good faith deposit in the amount of \$51,800 shall be made by the winning bidder by wire transfer of funds.

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

**BOND COUNSEL:** Quarles & Brady LLP.

**MUNICIPAL ADVISOR:** Ehlers and Associates, Inc.

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

## REPRESENTATIONS

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

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

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

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

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

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

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

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

## CLOSING CERTIFICATES

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

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## **CITY OF BARABOO COMMON COUNCIL**

		<u>Term Expires</u>
Rob Nelson	Mayor	April 2024
Joel Petty	Council President	April 2024
John Ellington	Aldersperson	April 2025
Bryant Hazard	Aldersperson	April 2025
Jason Kent	Aldersperson	April 2023
Heather Kierzek	Aldersperson	April 2024
Tom Kolb	Aldersperson	April 2024
Scott Sloan	Aldersperson	April 2023
Kathleen Thurow	Aldersperson	April 2025
Phil Wedekind	Aldersperson	April 2023

## **ADMINISTRATION**

Casey Bradley, City Administrator  
Julie Ostrander, City Finance Director  
Lori Laux, City Treasurer  
Brenda Zeman, City Clerk

## **PROFESSIONAL SERVICES**

Steve Zach, City Attorney, Madison, Wisconsin  
Quarles & Brady LLP, Bond Counsel, Milwaukee, Wisconsin  
Ehlers and Associates, Inc., Municipal Advisors, Waukesha, Wisconsin  
*(Other office located in Roseville, Minnesota)*

## INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of Baraboo, Wisconsin (the "City") and the issuance of its \$2,590,000\* General Obligation Corporate Purpose Bonds, Series 2022A (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution awarding the sale of the Bonds ("Award Resolution") to be adopted by the Common Council on June 28, 2022.

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](http://www.ehlers-inc.com) by connecting to the Bond Sales link and following the directions at the top of the site.

## THE BONDS

### GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of July 14, 2022. The Bonds 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 Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

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

The City may select City officials, a bank or trust company, to act as paying agent (the "Paying Agent"). If a Paying Agent is selected, the City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

### OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after May 1, 2033 shall be subject to optional redemption prior to maturity on May 1, 2032 or 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 Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

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

**AUTHORITY; PURPOSE**

The Bonds are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purposes of financing street improvement projects and providing financial assistance to community development projects under Section 66.1105, Wisconsin Statutes, by paying project costs included in the project plans for the City’s Tax Incremental Districts.

**ESTIMATED SOURCES AND USES\***

<b>Sources</b>			
	Par Amount of Bonds	\$2,590,000	
	Estimated Interest Earnings	<u>1,000</u>	
	<b>Total Sources</b>		<b>\$2,591,000</b>
<b>Uses</b>			
	Estimated Underwriter's Discount	\$32,375	
	Cost of Issuance	54,650	
	Deposit to Project Construction Fund	2,500,000	
	Rounding Amount	<u>3,975</u>	
	<b>Total Uses</b>		<b>\$2,591,000</b>

\*Preliminary, subject to change

**SECURITY**

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

## **RATING**

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

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

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

## **CONTINUING DISCLOSURE**

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

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

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

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

## **LEGAL OPINION**

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

## **STATEMENT REGARDING COUNSEL PARTICIPATION**

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

## **TAX EXEMPTION**

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

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

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

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

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

## **ORIGINAL ISSUE DISCOUNT**

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

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discounted Bond, on days that are determined by reference to the maturity date of such Discounted Bond. The amount treated as original issue discount on a Discounted Bond for a particular semiannual



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

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

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

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

## **BOND PREMIUM**

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

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

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

## **NOT-QUALIFIED TAX-EXEMPT OBLIGATIONS**

The City will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code, which permits financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

## **MUNICIPAL ADVISOR**

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

## **MUNICIPAL ADVISOR AFFILIATED COMPANIES**

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

## **INDEPENDENT AUDITORS**

The basic financial statements of the City for the fiscal year ended December 31, 2020 have been audited by CliftonLarsonAllen LLP, Wauwatosa, Wisconsin, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Preliminary Official Statement.

## **RISK FACTORS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

On March 12, 2020, Wisconsin Governor Tony Evers declared a public health emergency in the State in response to the growing threat of COVID-19. That declaration included direction to the state Department of Health Services to use any and all required resources to respond to and contain the outbreak. Governor Evers followed that up with a "safer at home" order (the "Order") on March 24, 2020, closing nonessential businesses, banning gatherings of any size and imposing strict travel restrictions through April 24, 2020. On April 16, 2020, the Order was extended from April 24, 2020 through May 26, 2020. On April 21, 2020, Republican legislators in the State filed a lawsuit challenging the legality of the Order. On May 13, 2020, the Wisconsin Supreme Court ruled that the State's Order is unlawful, invalid and unenforceable because the emergency rulemaking procedures under Section 227.24 of the Wisconsin Statutes and procedures established by the Wisconsin Legislature for rulemaking if criminal penalties were to follow were not followed in connection with the Order. The Supreme Court's decision does not invalidate any local health officials' orders or prevent future local health officials' orders related to the COVID-19 pandemic.

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 \$195,464. 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 \$1,273,293.

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

# **VALUATIONS**

## **WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES**

### **Equalized Value**

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

### **Assessed Value**

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

## CURRENT PROPERTY VALUATIONS

2021 Equalized Value	\$989,632,800
2021 Equalized Value Reduced by Tax Increment Valuation	\$939,317,500
2021 Assessed Value	\$983,775,700

## 2021 EQUALIZED VALUE BY CLASSIFICATION

	2021 Equalized Value <sup>1</sup>	Percent of Total Equalized Value
Residential	\$664,887,100	67.185%
Commercial	269,040,800	27.186%
Manufacturing	40,511,900	4.094%
Agricultural	295,700	0.030%
Undeveloped	126,000	0.013%
Ag Forest	213,800	0.022%
Other	691,700	0.070%
Personal Property	13,865,800	1.401%
Total	<u>\$989,632,800</u>	<u>100.000%</u>

## TREND OF VALUATIONS

Year	Assessed Value	Equalized Value <sup>1</sup>	Percent Increase/Decrease in Equalized Value
2017	\$813,671,100	\$825,457,800	4.99%
2018	809,581,700	860,306,700	4.22%
2019	813,835,100	865,524,100	0.61%
2020	818,725,750	933,993,100	7.91%
2021	983,775,700	989,632,800	5.96%

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

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<sup>1</sup> Includes tax increment valuation.

## LARGER TAXPAYERS

<b>Taxpayer</b>	<b>Type of Business/Property</b>	<b>2021 Equalized Value<sup>1</sup></b>	<b>Percent of City's Total Equalized Value</b>
Menards, Inc.	Retail	\$10,635,452	1.07%
Wal-Mart Real Estate Business	Retail	9,591,976	0.97%
TPL Baraboo (Wisconsin) LLC	Manufacturing	9,313,326	0.94%
Oak Park Prop of Baraboo LLC	Senior Housing	8,367,528	0.85%
Print (Wisconsin) QRS 12-40 Inc.	Printing	8,214,623	0.83%
Deppe Enterprises Inc.	Warehousing, Trucking, Distribution	8,173,379	0.83%
Nordic Equity LLC	Financial	7,291,760	0.74%
Fox Point Apts LLC	Housing	6,741,001	0.68%
Larson Enterprises	Furniture distribution	6,468,789	0.65%
SSM Health Care	Healthcare	6,420,101	0.65%
<b>Total</b>		<b>\$81,217,935</b>	<b>8.21%</b>
City's Total 2021 Equalized Value <sup>2</sup>		\$989,632,800	

**Source:** The City.

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<sup>1</sup> Calculated by dividing the 2021 Assessed Values by the 2021 Aggregate Ratio of assessment for the City.

<sup>2</sup> Includes tax increment valuation.



## DEBT

### DIRECT DEBT<sup>1</sup>

#### General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Bonds)*	<u>\$16,419,067</u>
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#### Revenue Debt (see schedules following)

Total revenue debt secured by sewer revenues	<u>\$2,668,800</u>
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#### CDA Revenue Debt (see schedule following)

Total lease revenue debt secured by annual appropriations <sup>2</sup>	<u>\$17,661,800</u>
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#### Other Obligations

Issue Date	Original Amount	Name of Issue	Final Maturity	Amount Outstanding
4/28/22	\$ 5,000,000	Note Anticipation Notes <sup>3</sup>	4/28/27	\$5,000,000

\*Preliminary, subject to change.

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<sup>1</sup> Outstanding debt is as of the dated date of the Bonds.

<sup>2</sup> Non-general obligation debt has not been included in the debt ratios.

<sup>3</sup> These Bond Anticipation Notes are not general obligations of the City but are secured by a pledge of the proceeds from the issuance of long-term general obligation debt. The City has reserved general obligation debt capacity for the long-term debt.

City of Baraboo, Wisconsin  
Schedule of Bonded Indebtedness  
General Obligation Debt Secured by Taxes  
(As of 07/14/2022)

Dated Amount  Maturity	Refunding Bonds Series 2012A		Taxable Refunding Bonds Series 2013A		Corporate Purpose Bonds Series 2013B		Promissory Notes Series 2013		Refunding Bonds Series 2014A	
	04/19/2012 \$6,165,000  04/01		03/06/2013 \$2,660,000  08/01		03/06/2013 \$1,545,000  02/01		05/01/2013 \$250,000  05/01		08/12/2014 \$2,995,000  09/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	0	20,973	195,000	11,110	0	4,366	0	0	300,000	21,540
2023	495,000	35,758	205,000	17,540	145,000	7,391	26,582	391	345,000	36,780
2024	405,000	24,508	150,000	12,313	145,000	4,600			370,000	29,018
2025	430,000	13,963	145,000	8,263	150,000	1,575			165,000	19,953
2026	320,000	4,240	140,000	4,130					170,000	15,498
2027									175,000	10,653
2028									180,000	5,490
2029										
2030										
2031										
2032										
2033										
2034										
2035										
2036										
2037										
2038										
2039										
2040										
2041										
2042										
	1,650,000	99,440	835,000	53,355	440,000	17,933	26,582	391	1,705,000	138,930

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City of Baraboo, Wisconsin  
Schedule of Bonded Indebtedness continued  
General Obligation Debt Secured by Taxes  
(As of 07/14/2022)

Dated Amount  Maturity	UW System Campus Bonds Series 2015A		Corporate Purpose Bonds Series 2016A		Promissory Notes Series 2018		Corporate Purpose Bonds Series 2018A		Taxable Refunding Bonds Series 2019A	
	04/01/2015 \$3,040,000  04/01	04/01	07/21/2016 \$5,295,000  05/01	07/21/2016 \$5,295,000  05/01	01/10/2018 \$411,119  03/01 & 09/01	01/10/2018 \$411,119  03/01 & 09/01	02/01/2018 \$2,040,000  02/01	02/01/2018 \$2,040,000  02/01	11/14/2019 \$1,240,000  12/01	11/14/2019 \$1,240,000  12/01
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	0	31,513	0	18,313	34,906	791	0	25,250	110,000	10,959
2023	200,000	60,775	225,000	34,375	17,579	261	70,000	49,450	110,000	19,883
2024	200,000	56,275	220,000	29,925			95,000	46,975	110,000	17,793
2025	0	54,025	155,000	26,175			100,000	44,050	105,000	15,593
2026	200,000	51,275	100,000	23,625			100,000	41,450	100,000	13,388
2027	200,000	45,775	100,000	21,625			100,000	39,250	100,000	11,188
2028	200,000	40,275	100,000	19,625			100,000	36,650	125,000	8,938
2029	185,000	34,981	100,000	17,625			100,000	33,650	120,000	6,000
2030	175,000	29,813	125,000	15,313			100,000	30,650	120,000	3,060
2031	175,000	24,563	125,000	12,688			125,000	27,275		
2032	175,000	19,094	125,000	9,938			125,000	23,525		
2033	175,000	13,406	125,000	7,063			125,000	19,775		
2034	175,000	7,719	125,000	4,063			125,000	16,025		
2035	150,000	2,438	100,000	1,250			125,000	12,275		
2036							125,000	8,400		
2037							100,000	4,800		
2038							100,000	1,600		
2039										
2040										
2041										
2042										
	2,210,000	471,925	1,725,000	241,600	52,485	1,052	1,715,000	461,050	1,000,000	106,799

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City of Baraboo, Wisconsin  
Schedule of Bonded Indebtedness continued  
General Obligation Debt Secured by Taxes  
(As of 07/14/2022)

Corporate Purpose Bonds Series 2020A			Corporate Purpose Bonds Series 2022A							
Dated Amount	07/16/2020 \$2,645,000	07/14/2022 \$2,590,000*								
Maturity	02/01	05/01								
Calendar Year Ending	Principal	Interest	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2022	0	24,700	0	0	639,906	169,514	809,420	15,779,161	3.90%	2022
2023	100,000	48,400	0	120,536	1,939,161	431,538	2,370,699	13,840,000	15.71%	2023
2024	100,000	46,400	145,000	90,802	1,940,000	358,607	2,298,607	11,900,000	27.52%	2024
2025	105,000	44,350	0	88,685	1,355,000	316,630	1,671,630	10,545,000	35.78%	2025
2026	130,000	42,000	70,000	87,586	1,330,000	283,191	1,613,191	9,215,000	43.88%	2026
2027	140,000	39,300	90,000	85,033	905,000	252,823	1,157,823	8,310,000	49.39%	2027
2028	140,000	36,500	110,000	81,748	955,000	229,226	1,184,226	7,355,000	55.20%	2028
2029	140,000	33,700	130,000	77,707	775,000	203,663	978,663	6,580,000	59.92%	2029
2030	140,000	30,900	135,000	73,154	795,000	182,889	977,889	5,785,000	64.77%	2030
2031	145,000	28,050	140,000	68,348	710,000	160,923	870,923	5,075,000	69.09%	2031
2032	145,000	25,150	140,000	63,385	710,000	141,091	851,091	4,365,000	73.42%	2032
2033	145,000	22,250	145,000	58,269	715,000	120,763	835,763	3,650,000	77.77%	2033
2034	145,000	19,350	145,000	53,013	715,000	100,169	815,169	2,935,000	82.12%	2034
2035	145,000	16,450	150,000	47,629	670,000	80,041	750,041	2,265,000	86.21%	2035
2036	150,000	13,500	150,000	42,116	425,000	64,016	489,016	1,840,000	88.79%	2036
2037	150,000	10,500	160,000	36,365	410,000	51,665	461,665	1,430,000	91.29%	2037
2038	150,000	7,500	165,000	30,287	415,000	39,387	454,387	1,015,000	93.82%	2038
2039	150,000	4,500	175,000	23,894	325,000	28,394	353,394	690,000	95.80%	2039
2040	150,000	1,500	175,000	17,288	325,000	18,788	343,788	365,000	97.78%	2040
2041			180,000	10,552	180,000	10,552	190,552	185,000	98.87%	2041
2042			185,000	3,561	185,000	3,561	188,561	0	100.00%	2042
	2,470,000	495,000	2,590,000	1,159,954	16,419,067	3,247,428	19,666,495			

\* Preliminary, subject to change.

City of Baraboo, Wisconsin  
Schedule of Bonded Indebtedness  
Revenue Debt Secured by Sewer Revenues  
(As of 07/14/2022)

Sewer System Revenue Bonds (CWFL) Series 2006										Sewer Revenue Bonds Series 2018									
Dated Amount		06/28/2006 \$2,910,814		04/11/2018 \$2,397,372		05/01		05/01											
Maturity		05/01																	
Calendar Year Ending		Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending						
2022		0	8,254	0	17,343	0	25,597	0	25,597	25,597	2,668,800	.00%	2022						
2023		168,437	14,517	115,950	33,665	284,388	48,182	284,388	48,182	332,570	2,384,412	10.66%	2023						
2024		172,421	10,486	117,991	31,607	290,412	42,092	290,412	42,092	332,504	2,094,000	21.54%	2024						
2025		176,499	6,360	120,068	29,512	296,566	35,872	296,566	35,872	332,438	1,797,433	32.65%	2025						
2026		180,673	2,136	122,181	27,380	302,854	29,516	302,854	29,516	332,370	1,494,580	44.00%	2026						
2027				124,331	25,210	124,331	25,210	124,331	25,210	149,542	1,370,249	48.66%	2027						
2028				126,519	23,003	126,519	23,003	126,519	23,003	149,522	1,243,729	53.40%	2028						
2029				128,746	20,757	128,746	20,757	128,746	20,757	149,503	1,114,983	58.22%	2029						
2030				131,012	18,471	131,012	18,471	131,012	18,471	149,483	983,971	63.13%	2030						
2031				133,318	16,145	133,318	16,145	133,318	16,145	149,463	850,653	68.13%	2031						
2032				135,664	13,778	135,664	13,778	135,664	13,778	149,442	714,989	73.21%	2032						
2033				138,052	11,369	138,052	11,369	138,052	11,369	149,421	576,937	78.38%	2033						
2034				140,482	8,918	140,482	8,918	140,482	8,918	149,400	436,455	83.65%	2034						
2035				142,954	6,424	142,954	6,424	142,954	6,424	149,378	293,501	89.00%	2035						
2036				145,470	3,885	145,470	3,885	145,470	3,885	149,356	148,030	94.45%	2036						
2037				148,030	1,303	148,030	1,303	148,030	1,303	149,333	0	100.00%	2037						
		698,030	41,753	1,970,769	288,768	2,668,800	330,521	2,668,800	330,521	2,999,321									

Community Development Authority of the City of Baraboo, Wisconsin  
Schedule of Bonded Indebtedness  
Non-General Obligation Debt Secured by Annual Appropriation  
(As of 07/14/2022)

Interim Community Development Revenue Bonds (1) Series 2022												
Refunding Bonds (USDA) Series 2018B			Refunding Bonds (USDA) Series 2018A			Refunding Bonds (USDA) Series 2018B			Refunding Bonds (USDA) Series 2018A			
Dated Amount	06/28/2018 \$3,380,000	03/01	06/28/2018 \$9,000,000	04/28/2022 \$6,000,000	04/28							
Maturity	03/01	03/01	03/01	04/28	04/28							
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2022	0	43,780	0	116,570	0	58,500	0	218,850	218,850	17,661,800	.00%	2022
2023	52,500	86,838	139,800	231,217	0	117,000	192,300	435,055	627,355	17,469,500	1.09%	2023
2024	53,900	85,375	143,700	227,319	0	117,000	197,600	429,694	627,294	17,271,900	2.21%	2024
2025	55,400	83,872	147,700	223,312	6,000,000	58,500	6,203,100	365,685	6,568,785	11,068,800	37.33%	2025
2026	57,000	82,327	151,800	219,194			208,800	301,521	510,321	10,860,000	38.51%	2026
2027	58,600	80,737	156,000	214,962			214,600	295,699	510,299	10,645,400	39.73%	2027
2028	60,200	79,104	160,400	210,612			220,600	289,715	510,315	10,424,800	40.98%	2028
2029	61,900	77,425	164,800	206,140			226,700	283,565	510,265	10,198,100	42.26%	2029
2030	63,700	75,698	169,400	201,545			233,100	277,243	510,343	9,965,000	43.58%	2030
2031	65,500	73,921	174,100	196,822			239,600	270,743	510,343	9,725,400	44.94%	2031
2032	67,200	72,097	179,000	191,967			246,200	264,063	510,263	9,479,200	46.33%	2032
2033	69,100	70,223	184,000	186,975			253,100	257,198	510,298	9,226,100	47.76%	2033
2034	71,100	68,295	189,100	181,845			260,200	250,140	510,340	8,965,900	49.24%	2034
2035	73,000	66,314	194,400	176,572			267,400	242,886	510,286	8,698,500	50.75%	2035
2036	75,100	64,277	199,800	171,152			274,900	235,429	510,329	8,423,600	52.31%	2036
2037	77,100	62,184	205,400	165,580			282,500	227,765	510,265	8,141,100	53.91%	2037
2038	79,300	60,034	211,100	159,853			290,400	219,887	510,287	7,850,700	55.55%	2038
2039	81,500	57,823	217,000	153,967			298,500	211,790	510,290	7,552,200	57.24%	2039
2040	83,700	55,551	223,100	147,916			306,800	203,467	510,267	7,245,400	58.98%	2040
2041	86,100	53,217	229,300	141,695			315,400	194,912	510,312	6,930,000	60.76%	2041
2042	88,500	50,816	235,700	135,301			324,200	186,117	510,317	6,605,800	62.60%	2042
2043	91,000	48,348	242,200	128,730			333,200	177,078	510,278	6,272,600	64.48%	2043
2044	93,500	45,811	249,000	121,976			342,500	167,787	510,287	5,930,100	66.42%	2044
2045	96,200	43,203	255,900	115,034			352,100	158,236	510,336	5,578,000	68.42%	2045
2046	98,800	40,521	263,100	107,898			361,900	148,419	510,319	5,216,100	70.47%	2046
2047	101,600	37,766	270,400	100,562			372,000	138,328	510,328	4,844,100	72.57%	2047
2048	104,400	34,933	278,000	93,022			382,400	127,955	510,355	4,461,700	74.74%	2048
2049	107,300	32,022	285,700	85,271			393,000	117,293	510,293	4,068,700	76.96%	2049
2050	110,300	29,030	293,700	77,304			404,000	106,334	510,334	3,664,700	79.25%	2050
2051	113,300	25,956	301,900	69,114			415,200	95,070	510,270	3,249,500	81.60%	2051
2052	116,500	22,796	310,300	60,697			426,800	83,493	510,293	2,822,700	84.02%	2052
2053	119,800	19,547	318,900	52,045			438,700	71,592	510,292	2,384,000	86.50%	2053
2054	123,200	16,206	327,800	43,153			451,000	59,359	510,359	1,933,000	89.06%	2054
2055	126,500	12,772	337,000	34,012			463,500	46,784	510,284	1,469,500	91.68%	2055
2056	130,000	9,246	346,400	24,615			476,400	33,861	510,261	993,100	94.38%	2056
2057	133,700	5,620	356,000	14,957			489,700	20,577	510,277	503,400	97.15%	2057
2058	137,500	1,891	365,900	5,031			503,400	6,922	510,322	0	100.00%	2058
	3,184,000	1,875,574	8,477,800	4,993,937	6,000,000	351,000	17,661,800	7,220,511	24,882,311			

(1) The City intends to pay off these Bonds with proceeds from the USDA Loan.

## 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	\$989,632,800
Multiply by 5%	0.05
Statutory Debt Limit	\$49,481,640
Less: General Obligation Debt (includes the Bonds)*	(16,419,067)
Unused Debt Limit*	<u>\$33,062,573</u>

\*Preliminary, subject to change.

## OVERLAPPING DEBT<sup>1</sup>

Taxing District	2021 Equalized Value <sup>2</sup>	% In City	Total G.O. Debt <sup>3</sup>	City's Proportionate Share
County of:				
Sauk	\$8,639,095,500	11.4553%	\$50,985,000	\$5,840,485
School Districts of:				
Baraboo School District	2,035,628,372	48.6156%	53,505,626	26,012,081
Madison Technical College District	104,977,856,204	0.9427%	167,690,000	<u>1,580,814</u>
City's Share of Total Overlapping Debt				<u>\$33,433,380</u>

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

<sup>2</sup> Includes tax increment valuation.

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

## DEBT RATIOS

	<b>G.O. Debt</b>	<b>Debt/Equalized Value \$989,632,800</b>	<b>Debt/ Per Capita 12,019<sup>1</sup></b>
Total General Obligation Debt (includes the Bonds)*	\$16,419,067	1.66%	\$1,366.09
City's Share of Total Overlapping Debt	<u>33,433,380</u>	<u>3.38%</u>	<u>\$2,781.71</u>
Total*	\$49,852,447	5.04%	\$4,147.80

\*Preliminary, subject to change.

## DEBT PAYMENT HISTORY

The March 1, 2020 principal and interest payments on the \$12,380,000 Community Development Lease Revenue Refunding Bonds, Series 2018 were not posted until March 5, 2020. The City advanced the funds timely to the CDA, however, the CDA misdirected the payment. Once the error was discovered, the payment was promptly sent to the USDA on March 5, 2020.

## FUTURE FINANCING

The City anticipates that it will provide contributions to pay interest on the approximate \$20,000,000 Interim Community Development Revenue Bonds that the City's CDA will issue for Fire and EMS stations in the next 12 months. Aside from the preceding, the City has no current plans for additional financing in the next 12 months.

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<sup>1</sup> Estimated 2021 population.



## TAX LEVIES AND COLLECTIONS

### TAX LEVIES AND COLLECTIONS

<b>Tax Year</b>	<b>Levy for City Purposes Only</b>	<b>% Collected</b>	<b>Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000</b>
2017/18	\$8,593,828	100%	\$10.97
2018/19	8,503,461	100%	10.43
2019/20	8,789,324	100%	10.65
2020/21	8,970,472	100%	10.12
2021/22	8,999,901	In Process	9.58

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. Sauk County have adopted such resolutions but the City did not adopt such resolutions. The City cannot predict whether any similar legislation may be adopted in the future.

## 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:

<b>Year Levied/ Year Collected</b>	<b>Schools<sup>1</sup></b>	<b>County</b>	<b>Local</b>	<b>Total</b>
2017/18	\$10.19	\$4.52	\$10.97	\$25.68
2018/19	10.16	4.36	10.43	24.95
2019/20	10.46	4.27	10.65	25.38
2020/21	10.44	4.15	10.12	24.71
2021/22	10.38	3.69	9.58	23.65

**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%.

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

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

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

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

(a) If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally issued before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy.

(b) For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts. This adjustment is based on scheduled debt service rather than the amount actually levied for debt service (after taking into account offsetting revenues such as sales tax revenues, special assessments, utility revenues, tax increment revenues or surplus funds). Therefore, the levy limit could negatively impact political subdivisions that experience a reduction in offsetting revenues.

(c) The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005.

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

# THE ISSUER

## CITY GOVERNMENT

The City was incorporated in 1922 and is governed by a Mayor and a 9-member Common Council. All Council Members are elected to three-year terms. The appointed Administrator, Finance Director, Treasurer and Clerk are responsible for administrative details and financial records.

## EMPLOYEES; PENSIONS

The City employs a staff of 91 full-time, 13 part-time, and 53 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 \$479,299, \$495,985 and \$538,331 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 \$1,480,191 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 0.04677210% 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:

<b>Bargaining Unit</b>	<b>Expiration Date of Current Contract</b>
WPPA - Police Union	December 31, 2022

### **OTHER POST EMPLOYMENT BENEFITS**

The City has obligations for some post-employment benefits for its employees. Accounting for these obligations is dictated by Governmental Accounting Standards Board Statement No. 75 (GASB 75). The City's most recent actuarial study shows a total OPEB liability of \$827,430 as of December 31, 2020. The City has been funding these obligations on a pay-as-you-go basis.

The City does not pay directly for retirees' post-employment benefits. The City has some obligations for post-employment benefits as mandated by State Statutes. Specifically, the City is required to allow retirees to be covered by the City's health care plan as long as the retiree pays his/her premiums. Retiree membership in a health care plan typically increases costs of the premiums. This increased cost is commonly known as implicit price subsidy.

The City provides 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 \$2,258. For Fiscal Year 2020, the City reported a liability of \$420,441 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2020 based on the City's share of contributions to the LRLIF relative to the contributions of all participating employers. The City's proportion was 0.09873700% 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 11 in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

**Source:** The City's most recent audit and actuarial study.

## **LITIGATION**

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

## **MUNICIPAL BANKRUPTCY**

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

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

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

Moreover, if the City were determined not to be a "municipality" for the purposes of the Bankruptcy Code, no representations can be made regarding whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding

regarding insolvency or providing for protection from creditors. In any such case, there can be no assurance that the consequences described above for the holders of the Bonds would not occur.

**FUNDS ON HAND** (as of December 31, 2021)

<b>Fund</b>	<b>Total Cash and Investments</b>
General	\$8,068,476
General Debt Service	613,496
Capital Projects	1,328,265
Nonmajor Governmental Funds	9,409,086
Water	2,135,759
Sewer	3,608,350
Storm Water	759,481
Internal Service Funds	116,422
Agency Funds	4,443,402
Total Funds on Hand	<u><u>\$30,482,738</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:

	2019	2020	2021 Unaudited
<b>Water</b>			
Total Operating Revenues	\$1,801,754	\$1,636,362	\$1,886,543
Less: Operating Expenses	<u>(1,387,934)</u>	<u>(1,369,157)</u>	<u>(1,325,941)</u>
Operating Income	\$413,820	\$267,205	\$560,602
Plus: Depreciation	394,328	367,551	376,550
Interest Income	<u>37,217</u>	<u>26,067</u>	<u>5,009</u>
Revenues Available for Debt Service	<u><u>\$845,365</u></u>	<u><u>\$660,823</u></u>	<u><u>\$942,161</u></u>
<b>Sewer</b>			
Total Operating Revenues	\$1,511,234	\$1,522,814	\$1,520,572
Less: Operating Expenses	<u>(1,413,742)</u>	<u>(1,389,826)</u>	<u>(1,416,955)</u>
Operating Income	\$97,492	\$132,988	\$103,617
Plus: Depreciation	408,166	434,723	410,324
Interest Income	<u>51,734</u>	<u>35,780</u>	<u>8,923</u>
Revenues Available for Debt Service	<u><u>\$557,392</u></u>	<u><u>\$603,491</u></u>	<u><u>\$522,864</u></u>
<b>Storm</b>			
Total Operating Revenues	\$ 663,338	\$ 659,861	\$ 707,472
Less: Operating Expenses	<u>(525,610)</u>	<u>(554,399)</u>	<u>(513,634)</u>
Operating Income	\$ 137,728	\$ 105,462	\$ 193,838
Plus: Depreciation	152,536	151,097	151,706
Interest Income	<u>8,618</u>	<u>4,748</u>	<u>1,116</u>
Revenues Available for Debt Service	<u><u>\$ 298,882</u></u>	<u><u>\$ 261,307</u></u>	<u><u>\$ 346,660</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 <sup>1</sup>	2022 Adopted Budget <sup>2</sup>
Revenues					
Taxes	\$ 7,263,707	\$ 7,083,460	\$ 7,172,648	\$ 7,555,763	\$ 7,643,187
Intergovernmental	2,941,449	3,208,859	3,295,783	3,204,238	3,240,471
Licenses and permits	304,229	288,819	285,938	316,834	269,808
Fines, penalties and forfeitures	100,007	92,693	95,386	114,326	90,100
Public charges for services	236,734	216,704	249,175	426,295	447,345
Intergovernmental charges for services	228,526	230,582	331,426	259,435	274,869
Investment Income	158,278	185,170	101,765	48,266	46,250
Miscellaneous	245,507	225,236	231,232	224,428	492,023
Total Revenues	<u>\$ 11,478,437</u>	<u>\$ 11,531,523</u>	<u>\$ 11,763,353</u>	<u>\$12,149,588</u>	<u>\$ 12,504,053</u>
Expenditures					
Current:					
General government	\$ 1,398,209	\$ 1,537,889	\$ 1,409,023	\$ 1,881,802	\$ 1,594,286
Public safety	4,732,791	4,910,087	5,218,498	4,965,479	5,121,467
Public works	2,510,002	2,680,286	2,378,379	2,671,568	2,595,617
Health and social services	30,123	29,879	29,784	29,000	32,600
Culture recreation, and education	2,395,778	2,406,570	2,412,315	2,496,384	2,718,569
Conservation and development	198,386	172,588	205,522	45,912	221,567
Capital outlay	12,047	98,994	68,540	58,178	154,050
Total Expenditures	<u>\$ 11,277,336</u>	<u>\$ 11,836,293</u>	<u>\$ 11,722,061</u>	<u>\$12,148,323</u>	<u>\$ 12,438,156</u>
Excess of revenues over (under) expenditures	\$ 201,101	\$ (304,770)	\$ 41,292	\$ 1,265	\$ 65,897
Other Financing Sources (Uses)					
Proceeds from sale of city property	28,282	25,653	24,870	23,725	7,300
Transfers in - tax equivalent	312,568	321,136	316,612	187,000	188,000
Transfers in	91,180	149,564	38,094	47,384	4,101
Transfers out	(268,566)	(366,479)	(154,160)	(101,500)	(265,298)
Total Other Financing Sources (Uses)	<u>\$ 163,464</u>	<u>\$ 129,874</u>	<u>\$ 225,416</u>	<u>\$ 156,609</u>	<u>\$ (65,897)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ 364,565	\$ (174,896)	\$ 266,708	\$157,874	\$ 0
General Fund Balance January 1	<u>5,382,267</u>	<u>5,746,832</u>	<u>5,571,936</u>	<u>5,838,644</u>	<u>\$ 5,996,518</u>
General Fund Balance December 31	\$ 5,746,832	\$ 5,571,936	\$ 5,838,644	\$ 5,996,518	\$ 5,996,518
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	480,273	600,257	558,556	648,352	
Committed	882,179	712,133	795,247	42,096	
Assigned	569,260	554,988	552,466	752,362	
Unassigned	3,815,120	3,704,558	3,932,375	4,553,708	
Total	<u>\$ 5,746,832</u>	<u>\$ 5,571,936</u>	<u>\$ 5,838,644</u>	<u>\$ 5,996,518</u>	

<sup>1</sup> Unaudited data is as of December 31, 2021.

<sup>2</sup> The 2022 budget was adopted on November 23, 2021.

## GENERAL INFORMATION

### LOCATION

The City, with a 2020 U.S. Census population of 12,556 and a current estimated population of 12,019 comprises an area of 7.48 square miles and is located approximately 40 miles northwest of Madison.

### LARGER EMPLOYERS<sup>1</sup>

Larger employers in the area include the following:

<b>Firm</b>	<b>Type of Business/Product</b>	<b>Estimated No. of Employees</b>
Sysco Baraboo LLC	Packaged frozen food merchant wholesalers	601
Flambeau Injection Molding	Plastics manufacturing	500
Baraboo School District	Elementary & secondary education	735
Sauk County	County government	645
Ho-Chunk Gaming	Casino	491
Walmart	Retail	300
Seneca Foods Corp.	Metal can manufacturing	300
SSM Healthcare (St. Clare Hospital)	Hospital	282
Teel Plastics	Plastic product manufacturing	250
Menards	Home improvement center	180

**Source:** *ReferenceUSA, written and telephone survey (May 2022), Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development.*

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

## BUILDING PERMITS

	2018	2019	2020	2021	2022 <sup>1</sup>
<u>New Single Family Homes</u>					
No. of building permits	18	9	6	14	1
Valuation	\$3,445,956	\$1,971,000	\$1,861,000	\$4,609,020	\$250,000
<u>New Multiple Family Buildings</u>					
No. of building permits	3	1	2	9	0
Valuation	\$880,000	\$250,000	\$500,000	\$13,625,000	\$0
<u>New Commercial/Industrial</u>					
No. of building permits	3	1	2	1	0
Valuation	\$1,750,258	\$960,000	\$355,000	\$775,000	\$0
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	530	451	438	476	104
Valuation	\$15,660,788	\$12,843,545	\$51,184,805	\$29,890,265	\$12,327,866

**Source:** The City.

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<sup>1</sup> As of April 30, 2022.

## U.S. CENSUS DATA

### Population Trend: The City

2010 U.S. Census	12,048
2020 U.S. Census	12,556
2021 Estimated Population	12,019
Percent of Change 2010 - 2020	4.22%

### Income and Age Statistics

	<b>The City</b>	<b>Sauk County</b>	<b>State of Wisconsin</b>	<b>United States</b>
2020 per capita income	\$30,038	\$32,066	\$34,450	\$35,384
2020 median household income	\$52,925	\$62,808	\$63,293	\$64,994
2020 median family income	\$69,269	\$76,662	\$80,844	\$80,069
2020 median gross rent	\$799	\$812	\$872	\$1,096
2020 median value owner occupied units	\$153,700	\$185,000	\$189,200	\$229,800
2020 median age	39.7 yrs.	41.0 yrs.	39.6 yrs.	38.2 yrs.

	<b>State of Wisconsin</b>	<b>United States</b>
City % of 2020 per capita income	87.19%	84.89%
City % of 2020 median family income	85.68%	86.51%

### Housing Statistics

	<b><u>The City</u></b>		
	<b>2010</b>	<b>2020</b>	<b>Percent of Change</b>
All Housing Units	5,521	5,797	5.00%

**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.

<b>Year</b>	<b><u>Average Employment</u></b>	<b><u>Average Unemployment</u></b>	
	<b>Sauk County</b>	<b>Sauk County</b>	<b>State of Wisconsin</b>
2018	34,777	2.5%	3.0%
2019	34,788	2.8%	3.2%
2020	32,125	7.5%	6.3%
2021 <sup>1</sup>	33,522	4.0%	3.8%
2022, March <sup>1</sup>	33,396	3.6%	3.3%

**Source:** Wisconsin Department of Workforce Development.

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<sup>1</sup> Preliminary.

### **FINANCIAL STATEMENTS**

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

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

CITY OF BARABOO, WISCONSIN  
Baraboo, Wisconsin  
FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2020

CITY OF BARABOO, WISCONSIN  
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Common Council  
City of Baraboo, Wisconsin

Common Council  
City of Baraboo, Wisconsin

#### **Opinions**

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

#### **Emphasis-of-Matter Regarding Prior Period Adjustments**

As discussed in Note 18 to the financial statements, in 2020, the City restated beginning fund balance reported in the Library Special Revenue Fund and the governmental activities net position by \$2,666,086 for a contribution received in 2019 that was not recorded. In addition, the City also restated beginning net position of the governmental activities by \$1,284,200 for land that was disposed of in a prior period that was not removed from the financial statements. Our opinion is not modified with respect to this matter.

#### **Other Matters**

##### **Required Supplementary Information**

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

##### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Baraboo, Wisconsin's basic financial statements. The other supplementary financial information, as presented in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information, as identified in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information 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 other supplementary financial 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 August 19, 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

Wauwatosa, Wisconsin  
August 19, 2021

(ii)

(iii)



**City of Baraboo**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended December 31, 2020**

The management of the City of Baraboo, Wisconsin presents this narrative overview and analysis to facilitate both short and long-term analysis of the financial activities of the City for the fiscal year ended December 31, 2020. This Management Discussion and Analysis (MD&A) is based on currently known facts, decisions, and conditions which existed as of the date of the independent auditors' report. We encourage readers to consider the information presented here in conjunction with the City's financial statements, which follow this section.

**Financial Highlights**

**Primary Government**

- Total assets and deferred outflows are roughly \$141.2 million and total liabilities and deferred inflows are roughly \$53.1 million, resulting in a net position of roughly \$88.1 million. This \$88.1 million increased over prior year by roughly \$4.4 million, or roughly 5.3 percent.
- The net position of roughly \$88.1 million is comprised of approximately \$63.3 million in the City's net investment in capital assets, roughly \$12.8 million for restricted purposes and roughly \$12 million is classified as unrestricted – a decrease of roughly \$2.2 million.
- Long-term obligations are roughly \$36.5 million which is a decrease over prior year of roughly \$1.7 million, or roughly 4.6 percent. Of the total long-term obligations, bonds, notes, and leases payable was roughly \$33.3 million, an increase from the prior year of roughly \$150 thousand, or 0.4 percent and retirement benefits was roughly \$2 million, the same as the prior year.

**Governmental Funds**

- The City's governmental fund balances is a combined balance of roughly \$18.9 million, an increase of roughly \$4.6 million over prior year. Unassigned fund balance is roughly \$3 million, or roughly 16.1 percent of the combined fund balance.
- The General Fund unassigned fund balance is roughly \$3.9 million. This fund balance is roughly 33.5 percent of General Fund expenditures. In comparison, the prior year unassigned fund balance was roughly \$3.7 million and roughly 31 percent of General Fund expenditures.

**Overview of the Financial Statements**

This MD&A is intended to serve as an introduction to the City's basic financial statements. The City's annual report consists of three components: 1) the basic government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required and non-required supplementary information in addition to the basic financial statements.

**Government-Wide Financial Statements**

The government-wide financial statements report information about the City as a whole, and are designed to provide readers with a broad overview of the City's finances, using accounting methods in a manner similar to a private-sector business.

The government-wide financial statements of the City are divided into three categories:

**Governmental Activities** (Primary government) – The governmental activities of the City include general government (general administration), public safety (police, fire and ambulance services), public works (Engineer, street maintenance, street lighting, taxi, airport and garbage collection), health and human services (animal control and cemetery), culture,

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**City of Baraboo**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended December 31, 2020**  
**Government-Wide Financial Statements (Continued)**

recreation and education (parks, library, recreation, zoo and UW campus), and conservation and development (forestry, planning, community and economic development). Property and other taxes, intergovernmental revenues, charges for services, and operating and capital grants from Federal and State agencies finance most of these activities.

**Business-type Activities** (Primary government) – The City charges fees to customers to help cover the costs of certain services it provides. The water, sewer and stormwater utilities are reported here.

**Component units** – The City includes two other entities in its report: the Business Improvement District and the Community Development Authority. Although legally separated, these component units are important because the City is financially accountable for them.

The two government-wide statements are as follows:

**Statement of Net Position** – The statement of net position presents financial information on all of the City's assets and deferred outflows of resources, liabilities, and deferred inflows with the difference between them reported as net position. Over time, increases or decreases in net position may serve as one indicator of whether the financial position of the City of Baraboo is improving or deteriorating.

**Statement of Activities** – The statement of activities presents financial information on how the City's net position changed during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flow. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).

Both of these statements assist assessing the overall condition of the City, but one also needs to consider additional nonfinancial factors such as changes in the City's property tax base and the condition of the City's capital assets (buildings, infrastructure and equipment).

The government-wide financial statements can be found on pages 1 – 2 of this report.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the City's most significant funds, but not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required to be established by State law and bond covenants. The City also establishes many other funds to help it control and manage resources for particular purposes (e.g., like capital projects, or to show that it is properly using certain taxes (Library), or grants (Community Development, taxi and Health and Human Services).

The City has three types of funds:

**Governmental Funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Consequently, the governmental fund statements provide a short-term view and help determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, a reconciliation is provided that explains the relationship or differences between the

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**City of Baraboo**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended December 31, 2020**  
**Fund Financial Statements (Continued)**

governmental funds and governmental activities. This reconciliation is reported on page 7.

The City maintains 37 individual governmental funds of which four are considered major funds. Information is separately presented for the City's major funds in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances. The General Fund, General Debt Service, Library Segregated and Capital Projects are considered the City's major funds.

Financial data from the other 33 governmental funds are combined into a single, aggregated presentation. Individual fund financial data for each of the non-major governmental funds is provided in the form of combining statements in the supplementary information section of this report starting on page 69 and continues to page 76.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided in this MD&A for the General Fund to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 4 - 7.

**Proprietary Funds** – Services, for which the City charges customers a fee, are generally reported in proprietary funds. The City maintains two different types of proprietary funds. **Enterprise funds** are used to report the same functions presented ad hoc business-type activities in the government-wide financial statements, only in more detail. The City uses enterprise funds to account for its Water Utility, Sewer Utility and Stormwater Utility Funds, all of which are considered to be major funds of the City. **Internal service funds** are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its liability insurance and unfunded pension liability. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The proprietary fund financial statements can be found on pages 8 – 11 of this report.

**Custodial Funds** – Custodial funds are used to account for the assets controlled by the City as for the benefit of another entity for which the City has custodial responsibility and accounts for the flow of assets. The City is the custodian for collection of property taxes within the City for all taxing jurisdictions including the Baraboo School District, MATC and Sauk County. Custodial funds are not reflected in the government-wide financial statements because those funds are not available to support the City's own programs. The accounting used for Custodial funds follows the accrual basis. The City has four Custodial funds, the Tax Collection Fund, UW Campus Fund, Friends of the Library Fund, and the Airport Fund. The City is the custodian for these funds and it is also responsible for ensuring that the assets reported in these funds are used only for their intended purposes.

The Custodial fund financial statements can be found on pages 12 - 13 of this report.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14 - 60 of this report.

Other information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Baraboo's general fund budget and the City's progress in funding its obligation to provide retirement and other postemployment benefits to its employees.

Required supplementary information can be found on pages 63 - 68 of this report.

**City of Baraboo**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended December 31, 2020**  
**Financial Analysis**

Net position – As noted earlier, net position may serve as a useful indicator of a government's financial position over time. The City's net position includes the net investment in capital assets, restricted net position, and unrestricted net position.

According to the table below, the 2020 net investment in capital assets was roughly \$64 million. These assets reflect the City's investment in capital assets (land, buildings, equipment, other improvements and infrastructure) less any related debt still outstanding used to acquire those assets. The City uses this capital to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table presents a summary of the City's Net Position at December 31, 2020 and 2019.

City of Baraboo Net Position					
	Governmental Activities		Business-type Activities		Total
	2020	2019	2020	2019	
Current and other assets	\$ 35,840,928	\$ 29,945,906	\$ 7,283,706	\$ 7,476,339	\$ 43,124,634
Capital assets	66,759,272	66,229,642	27,333,972	27,258,718	94,093,244
<b>Total assets</b>	<b>102,600,200</b>	<b>96,175,548</b>	<b>34,617,678</b>	<b>34,735,057</b>	<b>137,217,878</b>
Deferred outflows of resources	3,464,224	4,151,895	498,854	581,706	3,963,078
<b>Total assets and deferred outflows</b>	<b>106,064,424</b>	<b>100,327,443</b>	<b>35,116,532</b>	<b>35,316,763</b>	<b>141,180,956</b>
Current liabilities	1,276,745	1,519,375	53,582	67,967	1,330,327
Long-term liabilities	32,264,620	33,125,381	4,274,960	5,125,651	36,539,580
<b>Total liabilities</b>	<b>33,541,365</b>	<b>34,644,756</b>	<b>4,328,542</b>	<b>5,193,618</b>	<b>37,869,907</b>
Deferred inflows of resources	14,579,043	11,817,672	654,193	346,327	15,233,236
<b>Total liabilities and deferred inflows</b>	<b>48,120,408</b>	<b>46,462,428</b>	<b>4,982,735</b>	<b>5,539,945</b>	<b>53,103,143</b>
Net investment in capital assets	40,441,505	39,782,248	23,553,043	22,942,238	63,283,095
Restricted	11,381,136	6,414,923	1,388,141	1,154,641	12,769,277
Unrestricted	6,121,375	7,667,844	5,192,613	5,679,939	12,025,441
<b>Total net position</b>	<b>\$ 57,944,016</b>	<b>\$ 53,865,015</b>	<b>\$ 30,133,797</b>	<b>\$ 29,776,818</b>	<b>\$ 88,077,813</b>
					<b>\$ 83,641,833</b>

**Normal Impacts**

There are five basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation:

- Net Results of Activities – If positive, may increase current assets and unrestricted net position. If negative, may decrease current assets and unrestricted net position.
- Borrowing of Capital – will increase current assets and long-term debt.

**City of Baraboo**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended December 31, 2020**

**Financial Analysis (Continued)**

**Normal Impacts (Continued)**

- Spending Borrowed Proceeds on New Capital – will reduce current assets and increase capital assets. There is a second impact, an increase in the City's investment in capital assets and an increase in related net debt which will not change the net investment in capital assets.
- Principal Payment on Debt – will 1) reduce current assets and reduce long-term debt and 2) reduce unrestricted net position and increase net investment in capital assets.
- Reduction of Capital Assets through Depreciation – will reduce capital assets and net investment in capital assets.

**Current Year Impacts**

The City reported positive balances in all three categories of net position. Total primary government net position depicted above was roughly \$88.1 million at December 31, 2020. Total net position increased over prior year by roughly \$4.4 million, or 5.3 percent. The increase was attributed to an increase in total assets of roughly \$6.3 million offset by a decrease deferred outflows of roughly \$770 thousand and a decrease in total liabilities of 2 million and offset by an increase in deferred inflows of roughly \$3.1 million.

According to the table on the previous page, unrestricted net position, which may be used to finance the day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, was lower, at roughly \$11.3 million, a decrease of roughly \$2 million. Restricted net position, those restricted for special purposes such as: capital projects, debt service, and various grant related activities, was higher at roughly \$12.8 million, an increase of roughly \$3.2 million, or 68.7 percent.

**City of Baraboo**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended December 31, 2020**

**Financial Analysis (Continued)**

**Current Year Impacts (Continued)**

A summary of the City's 2020 Changes in Net Position is presented below:

	City of Baraboo Changes in Net Position					
	Governmental Activities			Business-Type Activities		
	2020	2019	2020	2019	2020	2019
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 1,389,003	\$ 1,168,219	\$ 3,717,981	\$ 3,979,615	\$ 5,116,984	\$ 5,147,834
Operating grants and contributions	2,178,036	1,894,058	-	-	2,178,036	1,894,058
Capital grants and contributions	1,544,284	445,749	182,547	534,420	1,726,831	980,169
<b>General revenues:</b>						
Taxes:						
Property taxes	9,809,597	9,625,078	-	-	9,809,597	9,625,078
Other taxes	195,961	168,274	-	-	195,961	168,274
Intergovernmental:						
Revenues not restricted to specific programs	2,032,776	2,652,825	-	-	2,032,776	2,652,825
Investment income	807,325	617,350	66,595	98,273	873,920	715,623
Loss on disposal of assets	(73,134)	-	(2,213)	-	(75,347)	-
Other	710,393	538,217	102,496	663	812,889	538,880
<b>Total revenue</b>	<b>18,804,241</b>	<b>17,109,780</b>	<b>4,057,406</b>	<b>4,612,971</b>	<b>22,671,647</b>	<b>21,722,751</b>
<b>Expenses:</b>						
General government	1,379,836	1,881,229	-	-	1,379,836	1,881,229
Public safety	5,541,748	5,628,108	-	-	5,541,748	5,628,108
Public works	4,372,271	4,500,225	-	-	4,372,271	4,500,225
Health and social services	142,221	29,879	-	-	142,221	29,879
Culture, recreation and education	3,572,284	2,807,044	-	-	3,572,284	2,807,044
Conservation and development	275,565	1,115,083	-	-	275,565	1,115,083
Interest and fiscal charges	939,813	865,364	-	-	939,813	865,364
Water	-	-	1,370,587	1,495,258	1,370,587	1,495,258
Wastewater	-	-	1,454,573	1,760,833	1,454,573	1,760,833
Storm water	-	-	568,655	545,007	568,655	545,007
<b>Total expenses</b>	<b>16,223,738</b>	<b>16,426,932</b>	<b>3,393,815</b>	<b>3,801,098</b>	<b>19,617,553</b>	<b>20,228,030</b>
<b>Increase in net position before transfers and special item</b>	<b>2,580,503</b>	<b>682,848</b>	<b>673,591</b>	<b>811,873</b>	<b>3,054,094</b>	<b>1,494,721</b>
<b>Transfers</b>	<b>316,612</b>	<b>307,445</b>	<b>(316,612)</b>	<b>(307,445)</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>2,697,115</b>	<b>990,293</b>	<b>-</b>	<b>-</b>	<b>3,054,094</b>	<b>1,494,721</b>
<b>Net position - beginning before restatement</b>	<b>53,865,015</b>	<b>52,874,722</b>	<b>29,776,818</b>	<b>29,272,300</b>	<b>83,641,833</b>	<b>82,147,112</b>
<b>Net Position - beginning restated amount</b>	<b>1,381,866</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,381,866</b>	<b>-</b>
<b>Net Position - beginning as restated</b>	<b>\$ 55,246,901</b>	<b>\$ 52,874,722</b>	<b>\$ 29,776,818</b>	<b>\$ 29,272,300</b>	<b>\$ 85,023,719</b>	<b>\$ 82,147,112</b>
<b>Net position - ending</b>	<b>\$ 57,944,016</b>	<b>\$ 53,865,015</b>	<b>\$ 30,333,797</b>	<b>\$ 29,776,818</b>	<b>\$ 88,077,813</b>	<b>\$ 83,641,833</b>

There are four basic (normal) factors affecting revenues:

- *Economic Conditions* – which can reflect a declining, stable, or growing economic environment and has a substantial impact on property, sales, income, utility tax revenues as well as public spending habits for building permits, elective user fees and volumes of consumption.
- *Increase/Decrease in the City Approved Rates* – while certain tax rates are set by statute for levy limit and expenditure restraint, the City has borrowing authority which does not impact rate limits.

Financial Analysis (Continued)

Current Year Impacts (Continued)

- *Changing Patterns in Intergovernmental and Grant Revenue* – (both recurring and nonrecurring) – certain recurring revenue (state shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year-to-date comparison.
- *Market Impact on Investment Income* – the City's investment portfolio is managed utilizing investments of various maturities. Changes in market conditions will cause investment income to fluctuate due to the related appreciation or depreciation of these assets.

Revenue Current Year Impacts

Governmental Activities – At December 31, 2020, governmental activities net position was roughly \$57.9 million, an increase of roughly \$2.7 million, or 4.9 percent over prior year. Total governmental activities' revenue for the current year was roughly \$18.6 million compared to roughly \$17.1 million in 2019, an increase of roughly \$1.5 million, or 8.7 percent. The increase was attributed to the following:

- Intergovernmental revenues not restricted to specific programs decreased over the prior year by roughly \$620 thousand, or 23.4 percent. All other revenues increased from the prior year.

Business-type Activities – At December 31, 2020, business-type activities net position was roughly \$30.1 million, an increase of roughly \$350 thousand, or 1.2 percent. Total business-type activities' revenue for the current year was roughly \$4.1 million compared to roughly \$4.6 million in 2019, a decrease of roughly \$500 thousand, or 11.8 percent. The decrease was attributed to the following:

- Charges for services for business-type activities decreased by roughly \$250 thousand due to the loss of a major customer. Capital grants and contributions also decreased from the prior year by roughly \$350 thousand.

Expenditure Normal Impacts

There are three basic (normal) factors affecting expenditures:

- *Changes in Authorized Personnel* – changes in service demand may cause the City to increase/decrease authorized staffing.
- *Salary Increase (annual adjustments and merit)* – the ability to attract and retain human and intellectual resources requires the City to strive to approach a competitive salary range position in the market place.
- *Inflation* – while overall inflation appears to be reasonably modest, the City is a major consumer of certain commodities such as supplies, fuels and parts. Some functions may experience unusual commodity-specific increases.

Expenditure Current Year Impacts

Governmental Activities – At December 31, 2020, total governmental activities' expenditures were roughly \$16.2 million compared to roughly \$16.4 in 2019, a decrease of roughly \$200 thousand, or 1.2 percent. The decrease was attributed to the following:

- General government decreased over prior year by roughly \$300 thousand, or 17.8 percent, which was offset by an increase in both Health and social services by \$110 thousand for expenses related to COVID and interest and fiscal charges of \$75 thousand or 8.6 percent

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Financial Analysis (Continued)

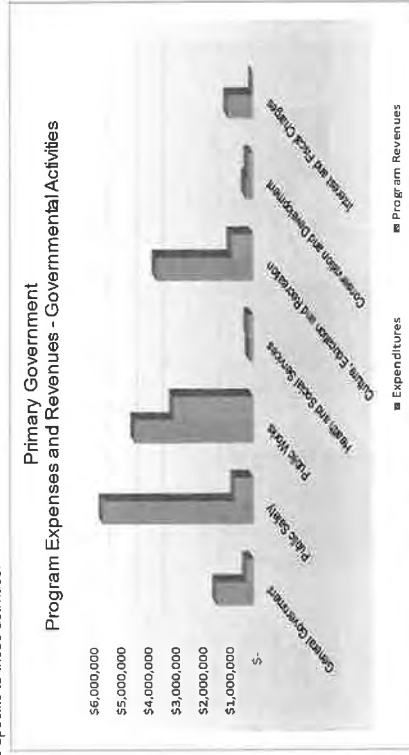
Expenditure Current Year Impacts (Continued)

- Conservation and development decreased by 840 thousand, or 75 percent, which was offset by an increase in Culture, recreation and education by roughly \$1 million, or 37 percent.
- Public safety and Public works both decreased over prior year by roughly \$100 thousand each, or 2.0 percent total.

Business-type Activities – At December 31, 2020, business-type activities' expenditures were roughly \$3.4 million compared to roughly \$3.8 million in 2019, a decrease of roughly \$400 thousand, or 10.7 percent. The increase was attributed to the following:

- Overall Wastewater Utility activities decreased over prior year by roughly \$300 thousand, or 17.4 percent.
- Overall Storm Water Utility activities increase over prior year by roughly \$20 thousand, or 4.3 percent.
- Overall Water Utility activities decreased over prior year by roughly \$125 thousand, or 8.3 percent.

The following graph shows a comparison between the expenses by governmental activity type and the revenues generated that are specific to those activities.



2020	
Program	
Expenditures	Revenues
General Government	\$ 1,379,836 \$ 267,585
Public Safety	5,541,748 698,436
Public Works	4,372,271 2,943,547
Health and Social Services	142,221 195,548
Culture, Education and Recreation	3,572,284 823,965
Conservation and Development	275,565 192,242
Interest and Fiscal Charges	939,813
Total	\$ 16,223,738 \$ 5,121,323

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City of Baraboo  
Management's Discussion and Analysis (Unaudited) (Continued)  
For the Year Ended December 31, 2020

Financial Analysis (Continued)

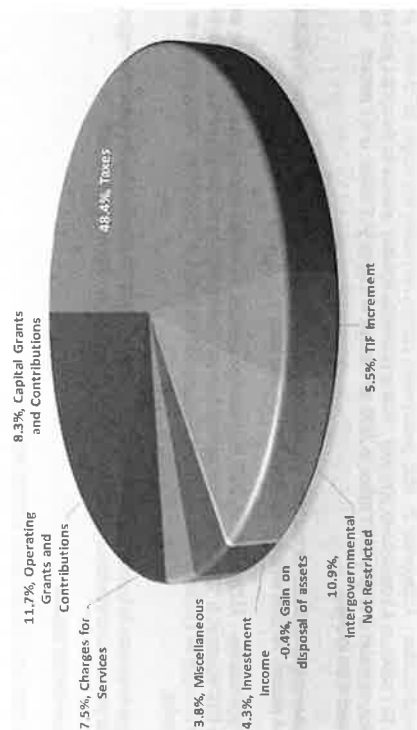
Expenditure Current Year Impacts (Continued)

The cost of all primary governmental activities this year was roughly \$16.2 million. However, the amount that users paid for these activities was roughly \$5.1 million. Some of the cost was paid by:

- Those who directly benefited from the programs of roughly \$1.4 million.
- Other governments and organizations that subsidized certain programs with grants of roughly \$3.7 million.

The following pie chart shows the City's revenues by source for the primary government governmental activities for 2020.

Primary Government  
Program and General Revenues by Source - Governmental Activities



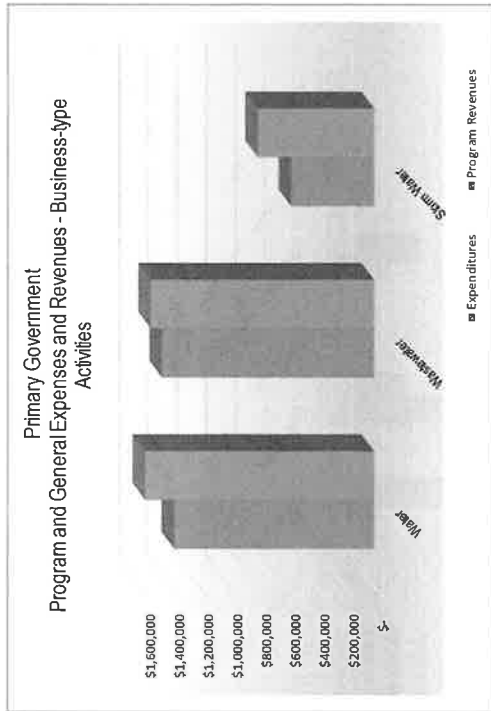
Revenue Source	Amount
Taxes	\$ 8,965,285
TIF Increment	1,020,273
Intergovernmental Not Restricted	2,032,776
Investment Income	807,325
Miscellaneous	710,393
Charges for Services	1,399,003
Operating Grants and Contributions	2,178,036
Capital Grants and Contributions	1,544,284
Total	\$ 18,604,241

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City of Baraboo  
Management's Discussion and Analysis (Unaudited) (Continued)  
For the Year Ended December 31, 2020

Financial Analysis (Continued)

The following graph shows a comparison between the expenses by business-type activities and the revenues generated that are specific to those activities.



	2020	Program Revenues
Water	\$ 1,370,584	\$ 1,570,789
Wastewater	\$ 1,454,573	\$ 1,532,216
Storm Water	\$ 568,655	\$ 797,523
Total	\$ 3,393,812	\$ 3,900,528

The cost of all business-type activities this year was roughly \$3.4 million. Business-type activities are not supported by taxes. The expenditures are supported by:

- Those who directly benefited from the programs of roughly \$3.7 million.
- Other governments and organizations that subsidized certain programs with grants of roughly \$180 thousand.

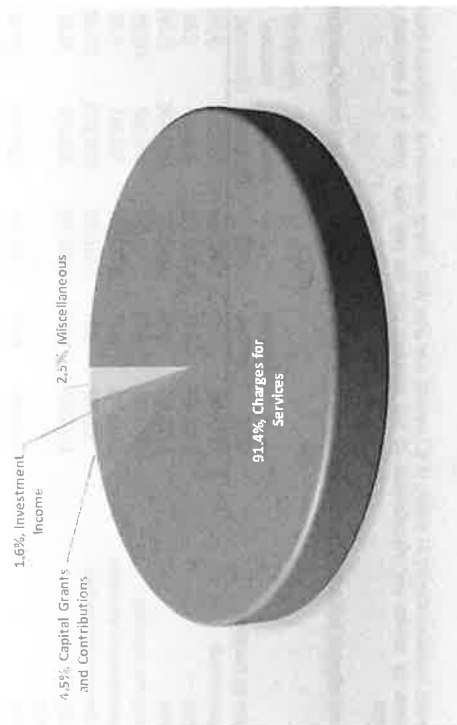
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City of Baraboo  
Management's Discussion and Analysis (Unaudited) (Continued)  
For the Year Ended December 31, 2020

Financial Analysis (Continued)

The following pie chart shows the City's revenues by source for the primary government business-type activities for 2020.

Program and General Revenue by Source - Business-type Activities



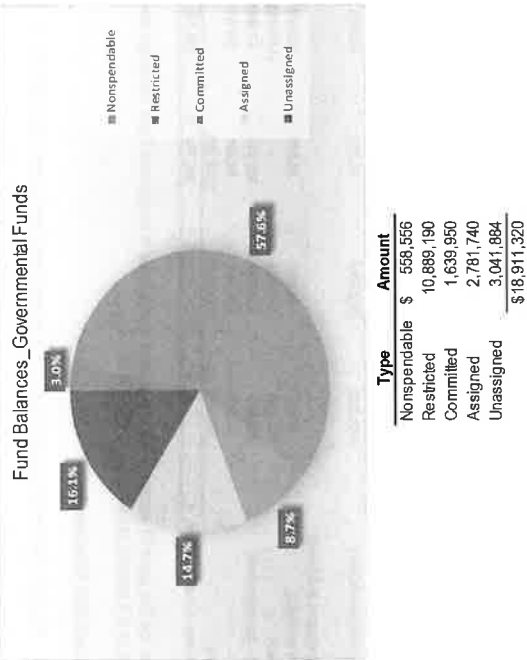
Revenue Source	Amount
Charges for Services	\$ 3,717,981
Capital Grants and Contributions	182,547
Investment Income	66,595
Miscellaneous	100,283
Total	\$ 4,067,406

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City of Baraboo  
Management's Discussion and Analysis (Unaudited) (Continued)  
For the Year Ended December 31, 2020

Financial Analysis (Continued)

At December 31, 2020, total fund balance for all governmental funds was \$18,911,320, an increase of \$4,606,329 over prior year. Below is a pie chart for the fund balance for all governmental funds:



Financial Analysis of the City's Major Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As the City completed the year 2020, its governmental funds reported a combined fund balance of roughly \$18.9 million, an increase of roughly \$4.6 million, or 32.2 percent over prior year. Unassigned fund balance was roughly \$3 million, and is available for spending at the government's discretion. The remaining roughly \$15.9 million is for nonspendable, restricted, committed and assigned purposes, thus not available for new spending.

The General Fund is the chief operating fund of the City. At December 31, 2020, unassigned fund balance of the General Fund was roughly \$3.9 million. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance to total expenditures. Unassigned fund balance represents 30.6 percent of total General Fund budgeted expenditures.

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**City of Baraboo**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended December 31, 2020**

**Financial Analysis of the City's Major Funds (Continued)**

The following schedule presents the governmental funds summary of revenues for the years ended December 31, 2020 and 2019:

Revenues by Source	Percent of		Amount of Increase/ (Decrease)	Percent of Increase/ (Decrease)
	2020	2019		
Taxes	10,005,674	9,793,352	212,322	2.20
Intergovernmental	4,710,887	4,310,552	400,335	9.30
Licenses and permits	285,938	288,819	(2,881)	(1.00)
Fines, forfeits and penalties	95,386	92,693	2,693	2.90
Public charges for services	609,283	527,172	82,111	15.60
Intergovernmental charges for services	340,972	230,582	110,390	47.90
Special assessments	213,872	254,252	(40,380)	(15.90)
Investment income	810,606	603,826	206,780	34.20
Miscellaneous	766,982	705,039	61,943	8.80
Total revenues	17,839,600	16,806,287	1,033,313	6.10

Total revenues increased roughly \$1 million, or 6.1 percent over prior year. Intergovernmental, investment income, taxes, public charges for service and miscellaneous all had increases over the prior year, offset by a decrease in special assessments.

The following schedule presents the governmental funds summary of expenditures for the years ended December 31, 2020 and 2019:

Expenditure by Function	Percent of		Amount of Increase/ (Decrease)	Percent of Increase/ (Decrease)
	2020	2019		
General government	\$ 1,413,408	\$ 1,558,968	\$ (145,560)	(9.34)
Public safety	5,224,404	4,938,149	286,255	5.80
Public works	3,328,418	3,617,347	(288,929)	(7.99)
Health and human services	142,221	29,879	112,342	375.99
Culture, recreation and education	2,926,015	2,732,654	193,361	7.08
Conservation and development	555,887	1,062,504	(506,617)	(47.68)
Capital outlay	2,804,551	1,944,348	860,203	44.24
Debt Service:				
Principal	2,638,584	3,574,374	(935,790)	(26.18)
Interest and fiscal charges	780,748	854,573	(73,825)	(8.64)
Total expenditures	\$ 19,814,236	\$ 20,312,796	\$ (498,560)	(2.45)

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**City of Baraboo**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended December 31, 2020**

**Financial Analysis of the City's Major Funds (Continued)**

Total expenditures decreased by roughly \$500 thousand, or 2 percent over prior year. Debt Service had the largest decrease over prior year by roughly \$1 million due to the refunding of bonds in 2019. General Government, Public Works, Conservation and development also decreased in aggregate of roughly \$940 thousand. These decreases were offset by increases in Public safety, Health and human services, Culture, recreation and education an aggregate of \$600 thousand and in Capital Outlay of roughly \$860 thousand. Capital outlay increased due to some large street and Parks projects.

The Debt Service Fund total fund balance at year-end was roughly \$78 thousand, all of which is restricted for the payment of debt service.

Capital Projects Fund total fund balance at year-end was roughly \$2.1 million all of which is restricted or assigned for capital projects. The fund balance decreased over prior year by roughly \$900 thousand, or 75 percent.

**Proprietary funds** – The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

**General Fund Budgetary Highlights**

The following schedule is an overview of the budget. The schedule shows the City's original budget, amended or final budget and compares the final budget to the actual results:

	Original Budget	Amended or Final Budget	Actual	Variance with Final Budget Positive/ (Negative)	Percentage as a
Revenues	\$ 12,371,087	\$ 12,541,260	\$ 11,763,353	\$ (777,907)	93.80
Expenditures	12,693,387	12,862,900	11,722,051	1,140,839	91.10
Net revenue/(Expenditures)	(322,300)	(321,640)	41,292	362,932	
Other financing sources and (uses)					
Sales of City property	11,800	11,800	24,870	13,070	210.80
Debt Proceeds	117,000	117,000	-	(117,000)	-
Transfers in - tax equivalent	324,500	324,500	316,612	(7,888)	97.60
Transfers in	17,000	22,500	38,094	15,594	169.30
Transfers out	(148,000)	(154,160)	(154,160)	-	100.00
Net change in fund balance	\$ -	\$ -	\$ 266,708	\$ 266,708	

During the year, the City spent 91 percent of the final amount appropriated in the General Fund. Revenues were under budget \$777 thousand, or 6.2 percent, primarily due to COVID-19.

**Capital Asset and Debt Administration**

Capital Assets – The City's investment in capital assets for its governmental and business-type activities as of December 31, 2020, was roughly \$94.1 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings, machinery and equipment, infrastructure and intangibles.

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**City of Baraboo**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended December 31, 2020**  
**Capital Asset and Debt Administration (Continued)**

The following schedule is the primary government capital assets (net of depreciation) by activity as of December 31, 2020 and 2019:

**Primary Government Capital Assets (Net of Depreciation)**

	Governmental Activities			Business-type Activities			Total
	2020	2019		2020	2019		
Construction in Progress	\$ 208,392	\$ 119,864	\$ -	\$ -	\$ -	\$ 208,392	\$ 119,864
Land	6,897,360	6,899,824	282,456	279,834	-	7,179,816	7,179,658
Land Improvements	2,513,996	1,510,233	-	-	-	2,513,996	1,510,233
Buildings	22,876,298	23,187,365	-	-	-	22,876,298	23,187,365
Machinery and Equipment	6,573,766	6,549,102	8,668,375	8,946,619	15,242,141	15,242,141	15,497,721
Infrastructure	27,689,460	26,679,054	18,324,308	17,966,936	46,013,768	46,013,768	44,645,980
Intangibles	-	-	58,832	63,329	-	59,832	63,329
<b>Total</b>	<b>\$ 66,759,272</b>	<b>\$ 64,945,442</b>	<b>\$ 27,333,971</b>	<b>\$ 27,258,718</b>	<b>\$ 94,093,243</b>	<b>\$ 92,204,160</b>	

The City's capital assets, net of accumulated depreciation, for the governmental activities increased over prior year by roughly \$1.8 million, or 2.8 percent. The increase was primarily attributed to infrastructure of roughly \$1 million and Land improvements of roughly \$1 million, offset by the depreciation of buildings.

The City's business-type activities capital assets increased by roughly \$75 thousand, or .3 percent over prior year. There was an increase in infrastructure of roughly \$360 thousand and a decrease in machinery and equipment of roughly \$280 thousand.

Major capital asset additions during the current fiscal year included the following:

	Additions		
	Governmental	Business-Type	Total
Land	\$ 33,860	\$ -	\$ 33,860
Construction in progress	1,063,338	-	1,063,338
Land improvements	1,100,167	-	1,100,167
Buildings	113,082	-	113,082
Machinery and equipment	855,077	601,597	1,456,674
Infrastructure	1,815,369	430,582	2,245,951
Intangibles	-	-	-
<b>Total</b>	<b>\$ 4,980,893</b>	<b>\$ 1,032,179</b>	<b>\$ 6,013,072</b>

Additional information on the City of Baraboo's capital assets can be found in Note 5 of this report.

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**City of Baraboo**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended December 31, 2020**  
**Capital Asset and Debt Administration (Continued)**

Long-term Debt – The City's total general obligation and revenue bond debt outstanding at December 31, 2020 was roughly \$21 million. This debt is backed by the full faith and credit of the City. The following schedule is the primary government outstanding debt by issue as of December 31, 2020 and 2019:

Primary Government Outstanding Debt: General Obligation and Revenue Bonds									
Governmental Activities			Business-type Activities			Total			
Issue Date	Maturity	Interest	2020	2019	2020	2019	2020	2019	2018
2011	2025	Baraboo State Bank	\$ 155,347	\$ 224,671	\$ -	\$ -	\$ 155,347	\$ 224,671	\$ 224,671
2006	2026	Board of Commissioners of Public Lands Trust Fund, 2008	-	14,573	-	-	-	14,573	14,573
2006	2026	State of Wisconsin Environmental Improvement Fund, #153-03	-	-	1,023,320	1,180,351	1,023,320	1,180,351	1,180,351
2010	2025	Series 2010B	-	-	-	-	-	-	-
2010	2030	Series 2010A	-	-	-	-	-	-	-
2012	2026	Series 2012A	2,590,000	2,690,000	30,000	245,000	2,620,000	2,935,000	3,135,000
2013	2023	Community First Bank Note, 2013	78,750	104,316	-	-	78,750	104,316	104,316
2013	2025	Series 2013A	1,030,000	1,325,000	-	-	1,030,000	1,325,000	1,325,000
2013	2025	Series 2013B	690,000	815,000	-	-	690,000	815,000	815,000
2014	2028	Series 2014A	2,010,000	2,215,000	-	65,000	2,010,000	2,280,000	2,280,000
2015	2035	Series 2015A	2,410,000	2,530,000	-	-	2,410,000	2,530,000	2,530,000
2016	2035	Series 2016A	2,305,000	2,525,000	295,000	-	2,590,000	3,255,000	3,255,000
2017	2022	Baraboo State Bank LOC	735,000	516,000	240,000	330,000	735,000	516,000	510,000
2018	2038	Series 2018A	1,665,000	1,740,000	-	-	1,665,000	1,740,000	1,690,000
2018	2037	State of Wisconsin Environmental Improvement Fund, #153-04	-	-	-	-	-	-	-
2019	2030	Series 2019A	1,120,000	1,240,000	240,000	250,000	1,360,000	1,490,000	1,490,000
2020	2030	Series 2020A	2,445,000	-	2,185,886	2,306,726	2,185,886	2,306,726	2,306,726
<b>Total</b>			<b>\$ 17,034,137</b>	<b>\$ 16,533,562</b>	<b>\$ 3,775,000</b>	<b>\$ 4,377,017</b>	<b>\$ 21,209,145</b>	<b>\$ 20,910,639</b>	

The City of Baraboo's bond rating is Aa3 from Moody's Investors Services.

The State imposes a legal limit of 5 percent of total equalized assessed valuation on the amount of general bond indebtedness. The City further limits their indebtedness, by ordinance, to 60 percent of the State limit. As of December 31, 2020, the City's indebtedness was roughly \$6.2 million less than the City self-imposed limit and \$24.4 million less than the State limit.

Additional information on the City of Baraboo's long-term debt can be found in Note 7 of this report.

**Economic Factors and Next Year's Budget and Rates**

The City of Baraboo's economy is diversified with manufacturing, retail and food services as its primary base. While the national economy is showing signs of recovery, the local economic environment and the impact it has on the City's available revenue continues to present a challenge. The City must continue to carefully balance its priorities to maintain the quality of services and public infrastructure.

The City's goal in developing the 2021 budget was to continue offering citizens basic services, economic development efforts, and fiscal stability. Development and adoption of the 2021 budget was premised on maintaining staffing and service levels equivalent to 2020 and making significant capital investment.

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**City of Baraboo**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended December 31, 2020**  
**Economic Factors and Next Year's Budget and Rates (Continued)**

Budgeted revenues for the General Fund are roughly \$12.9 million, including roughly \$134 thousand for transfers in and roughly \$690 thousand for applied fund balance.

Budgeted expenditures in the General Fund are \$12.9 million, including \$20 thousand for transfers out. Major spending changes by account type for 2021 are:

- Salaries and wages increased roughly \$14 thousand as a result of employee turnover, contract changes and a .6% wage increase.
- Fringe Benefits remained stable despite increases to wages and insurance.
- Contractual and service accounts increase roughly \$101 thousand primarily due to an increase in contractual services, utilities and specialty services.
- Supplies and expense decreased \$60 thousand.
- Capital outlay decreased roughly \$200 thousand primarily due large projects being in the capital projects fund.

In November 2020, the City Council approved the proposed budget. This budget allows the City to maintain the necessary fund and cash balances, as well as allowing the 2022 budget process to begin on a sound financial footing.

Also in December 2020, a novel strain of coronavirus was reported in Wuhan, Hubei province, China. In the first several months of 2021, the virus, SARS-CoV-2, and resulting disease, COVID-19, spread to the United States, including to areas impacting the City. The City's evaluation of the effects of these events is ongoing; however, we anticipate this situation could impact:

- Investment valuations and decreased investment income;
- Cash flows may be impacted;
- Declines in revenues, such as room tax, fines or tickets and medical transport services and fees;
- Decline in demand for services, such as library, utilities, transit, recreational activities or permits and licenses;
- Increase in delinquencies or uncollectible accounts receivable or loans receivable;
- Timing or ability to issue bonds as planned or obtain financing (as the market has been disrupted);
- Loss of productivity and the expense of employee medical leave related to COVID.
- Increased costs related to pensions, OPEBS, insurance, labor (sick time or overtime).

The extent of the impact of COVID-19 on the City's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions.

**Requests for information**

This financial report is designed to provide a general overview of the City of Baraboo's finances for all those with an interest in the Government's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 101 South Boulevard, Baraboo, Wisconsin, 53913.

**BASIC FINANCIAL STATEMENTS**

CITY OF BARABOO, WISCONSIN  
STATEMENT OF NET POSITION  
DECEMBER 31, 2020

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Community Development Authority	Business Improvement District
<b>ASSETS</b>					
Cash and Investments	\$ 23,674,084	\$ 4,409,862	\$ 28,083,946	\$ 223,820	\$ 77,031
Receivables					
Taxes	6,202,407	-	6,202,407	-	-
Delinquent Taxes	1,019	-	1,019	-	-
Accounts (net)	291,453	912,471	1,203,924	5,587	-
Special Assessments	56,940	-	56,940	-	5,083
Loans	2,225,227	-	2,225,227	-	-
Lease	-	-	-	11,865,229	-
Interest	88,059	10,192	98,251	-	-
Due from Other Governmental Units	633,604	41,827	675,431	110,282	-
Due from Component Units	39,814	-	39,814	-	59
Due from Primary Government	-	-	-	-	-
Internal Balances	(321,008)	321,008	-	-	-
Prepaid Items	145,509	1,225,711	1,371,220	165,579	-
Restricted - Cash and Investments	320,000	-	320,000	-	-
Investment in Mutual Insurance Company	1,177,436	59,700	1,237,136	-	-
Investment in Joint Ventures	-	-	-	-	-
Professional Fees and Investigation	-	-	-	-	-
Capital Assets	6,897,360	282,456	7,179,816	201,364	-
Land and Right of Way	208,392	-	208,392	-	-
Construction in Progress	59,653,520	27,051,516	86,705,036	2,685,070	-
Other Capital Assets, Net	66,756,272	27,333,972	94,090,244	2,866,434	-
Total Capital Assets	1,307,284	172,907	1,480,191	27,955	-
Net Pension Asset - WRS	102,600,200	34,617,678	137,217,878	15,284,945	82,114
Total Assets					
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Charges on Debt Refunding	220,933	3,052	223,985	-	-
Pension Related Amounts	3,003,751	457,717	3,461,468	74,160	-
Deferred OPEB Charges - Retiree Health	34,641	1,635,711	1,670,352	2,087	-
Deferred OPEB Charges - LRLIF	1,464,224	27,655	1,491,879	2,110	-
Total Deferred Outflows of Resources					
	3,464,224	468,454	3,932,678	83,357	-

See accompanying Notes to Basic Financial Statements

(1)

CITY OF BARABOO, WISCONSIN  
STATEMENT OF NET POSITION (CONTINUED)  
DECEMBER 31, 2020

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Community Development Authority	Business Improvement District
<b>LIABILITIES</b>					
Accounts Payable	\$ 491,063	\$ 39,033	\$ 530,096	\$ 15,425	\$ 6,985
Accrued and Other Current Liabilities	494,082	-	494,082	-	-
Due to Other Governments	59,170	-	59,170	-	-
Due to Component Units	59	-	59	-	-
Due to Primary Government	-	-	-	38,624	280
Accrued Interest Payable	232,361	14,549	246,910	111,384	-
Special Deposits	-	-	-	38,085	-
Unearned Revenues	-	-	-	-	-
Long-Term Obligations	3,509,115	488,619	3,997,734	238,125	-
Due Within One Year	27,688,712	3,657,374	31,346,086	11,070,144	-
Net OPEB Liability - Retiree Health	753,639	81,271	834,910	16,516	-
Net OPEB Liability - LRLIF	333,184	57,459	390,643	12,520	-
Total Liabilities	33,347,365	4,328,342	37,675,707	12,345,088	7,275
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes Levied for Subsequent Year	10,187,722	-	10,187,722	-	-
Pension Related Amounts	3,869,495	555,903	4,425,398	93,029	-
Deferred OPEB Credits - Retiree Health	470,899	86,363	557,262	15,616	-
Deferred OPEB Credits - LRLIF	50,927	10,927	61,854	3,227	-
Total Deferred Inflows of Resources	14,578,943	654,193	15,233,136	111,872	-
<b>NET POSITION</b>					
Net Investment in Capital Assets	40,441,505	23,553,043	63,994,548	2,851,620	-
Restricted	-	182,862	182,862	-	-
Debt Service	3,137,232	-	3,137,232	-	-
Grant Activities	1,228,827	-	1,228,827	-	-
Trust Activities	5,708,553	-	5,708,553	-	-
Special Purpose	-	1,032,372	1,032,372	-	-
Capital Asset Replacement	-	172,807	172,807	-	-
Net Position Asset	1,307,284	172,807	1,480,091	27,955	-
Unrestricted	6,121,375	5,192,613	11,313,988	31,757	74,839
Total Net Position	\$ 57,944,016	\$ 30,133,797	\$ 88,077,813	\$ 2,911,332	\$ 74,839

See accompanying Notes to Basic Financial Statements.

(2)

**CITY OF BARABOO, WISCONSIN  
BALANCE SHEET – GOVERNMENTAL FUNDS  
DECEMBER 31, 2020**

**ASSETS**

	General Fund	Library Fund	General Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Cash and Investments</b>	\$ 6,399,979	\$ 5,323,328	\$ 807,993	\$ 2,111,615	\$ 6,944,421	\$ 23,586,334
<b>Receivables:</b>						
Taxes	4,291,730	-	1,119,843	43,726	747,108	6,202,407
Delinquent Taxes	1,019	-	-	-	-	1,019
Accounts (net)	106,451	-	-	-	171,865	278,336
Special Assessments	-	-	-	-	56,940	56,940
Loans	-	-	-	-	2,225,227	2,225,227
Interest	4,335	-	-	-	82,988	88,058
Due from Other Funds	242,338	726	-	-	1,368	243,906
Due from Component Units	38,914	-	-	-	-	38,914
Due from Other Governments	82,525	-	-	-	-	82,525
Prepaid Insurance	145,508	-	-	447,812	123,463	633,604
Advances to Other Funds	412,058	-	-	-	-	412,058
<b>Total Assets</b>	<b>\$ 13,703,832</b>	<b>\$ 5,324,052</b>	<b>\$ 1,927,836</b>	<b>\$ 2,603,153</b>	<b>\$ 10,353,410</b>	<b>\$ 33,912,283</b>

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES**

<b>LIABILITIES</b>						
Accounts Payable	\$ 240,150	\$ 1,991	\$ -	\$ 59,076	\$ 188,846	\$ 491,063
Accrued Liabilities	484,082	-	-	-	-	484,082
Due to Other Funds	19,433	-	-	-	203,552	222,985
Due to Other Governments	59,170	-	-	-	-	59,170
Advances from Other Funds	-	-	-	-	753,224	753,224
<b>Total Liabilities</b>	<b>812,845</b>	<b>1,991</b>	<b>-</b>	<b>59,076</b>	<b>1,146,522</b>	<b>2,020,534</b>

**DEFERRED INFLOWS OF RESOURCES**

Property Taxes Levied for Next Period	7,052,343	-	1,849,078	72,200	1,214,101	10,187,722
Unavailable Revenue	-	-	-	384,129	2,408,578	2,792,707
<b>Total Deferred Inflows of Resources</b>	<b>7,052,343</b>	<b>-</b>	<b>1,849,078</b>	<b>456,329</b>	<b>3,622,679</b>	<b>12,980,429</b>

**FUND BALANCES**

Nonspendable	558,556	-	-	-	-	558,556
Restricted	-	5,322,061	78,758	2,087,748	3,400,623	10,888,190
Committed	785,247	-	-	-	844,703	1,629,950
Assigned	552,466	-	-	-	2,228,274	2,781,740
Unassigned	3,932,375	-	-	-	(630,491)	3,041,884
<b>Total Fund Balances</b>	<b>5,838,644</b>	<b>5,322,061</b>	<b>78,758</b>	<b>2,087,748</b>	<b>5,584,109</b>	<b>18,911,320</b>

**Total Liabilities, Deferred Inflows of Resources, and Fund Balances**

	\$ 13,703,832	\$ 5,324,052	\$ 1,927,836	\$ 2,603,153	\$ 10,353,410	\$ 33,912,283
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**CITY OF BARABOO, WISCONSIN  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2020**

	Operating	Capital Grants	Governmental	Business-type	Debt Service	Capital Projects	Nonmajor Governmental	Total
Expenses	Expenses	Expenses	Expenses	Expenses	Expenses	Expenses	Expenses	Expenses
<b>GOVERNMENTAL ACTIVITIES</b>								
General Government	\$ 1,376,848	\$ 7,423	\$ 89,802	\$ (1,112,251)	\$ -	\$ -	\$ -	\$ -
Police	290,552	167,527	1,362,778	1,428,240	-	-	-	3,249,397
Public Works	4,572,278	503,220	1,098,549	1,428,240	-	-	-	7,599,287
Public Safety	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	4,000,000
Culture and Recreation	3,272,254	70,600	337,271	(2,748,336)	-	-	-	831,519
Information and Development	270,555	154,650	10,660	(83,323)	-	-	-	451,882
Information and Development	19,227,748	1,888,683	2,718,625	11,107,818	-	-	-	24,943,874
<b>Total Governmental Activities</b>	<b>19,227,748</b>	<b>1,888,683</b>	<b>2,718,625</b>	<b>11,107,818</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,934,874</b>
<b>BUSINESS-TYPE ACTIVITIES</b>								
Stormwater Utility	1,376,848	1,376,848	-	-	-	-	-	2,753,696
Stormwater Utility	1,423,271	1,423,271	-	-	-	-	-	2,846,542
Stormwater Utility	1,423,271	1,423,271	-	-	-	-	-	2,846,542
<b>Total Business-type Activities</b>	<b>1,423,271</b>	<b>1,423,271</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,846,542</b>
<b>COMPONENT UNIT</b>								
Baraboo Public Works	\$ 1,047,142	\$ 192,282	\$ 284,871	\$ (1,102,415)	\$ -	\$ -	\$ -	\$ 319,880
Baraboo Public Works	45,027	45,027	-	-	-	-	-	90,054
<b>Total Component Unit</b>	<b>1,092,169</b>	<b>237,309</b>	<b>284,871</b>	<b>(1,102,415)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>409,934</b>
<b>General Revenues</b>								
Property Taxes, Levied for General Purposes	7,048,807	-	7,048,807	-	-	-	-	14,097,614
Property Taxes, Levied for TIF purposes	1,029,273	-	1,029,273	-	-	-	-	2,058,546
Other Taxes	2,052,791	-	2,052,791	-	-	-	-	4,105,582
Grants and Contributions	86,555	-	86,555	-	-	-	-	173,110
Interest and Investment Earnings	807,325	-	807,325	-	-	-	-	1,614,650
Loss on Disposal of Asset	(73,149)	-	(73,149)	-	-	-	-	(146,298)
Transfer from Other Funds	(1,184,325)	-	(1,184,325)	-	-	-	-	(2,368,650)
<b>Total General Revenues and Transfers</b>	<b>13,708,356</b>	<b>-</b>	<b>13,708,356</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,416,712</b>
<b>CHANGE IN NET POSITION</b>								
Net Position - January 1, as revised (See Note 16)	\$5,248,601	-	2,778,818	\$6,302,516	-	-	-	14,330,935
<b>NET POSITION - DECEMBER 31</b>	<b>\$ 10,956,957</b>	<b>\$ 237,309</b>	<b>\$ 3,063,729</b>	<b>\$ 5,199,301</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,457,297</b>

See accompanying Notes to Basic Financial Statements.

(3)

See accompanying Notes to Basic Financial Statements.

(4)

**CITY OF BARABOO, WISCONSIN  
RECONCILIATION TO THE STATEMENT OF NET POSITION  
TO NET POSITION OF GOVERNMENTAL FUNDS  
DECEMBER 31, 2020**

**RECONCILIATION TO THE STATEMENT OF NET POSITION**

Total fund balance for governmental funds	\$ 18,911,320
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.	66,759,272
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements	
Special Assessments Not Yet Due	181,765
Receivables Not Available Within 60 Days After Year-End	385,715
Loans Receivable	2,225,227
The City's equity interest in joint ventures is reported on the statement of net position	1,177,436
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.	
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	3,003,751
Deferred Inflows Related to Pensions	(3,869,495)
Deferred Outflows Related to Other Postemployment Benefits	239,540
Deferred Inflows Related to Other Postemployment Benefits	(521,826)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and Notes Payable	(17,434,137)
Capital Lease Payable	(11,865,229)
Premium on Debt	(193,866)
Deferred Charges on Debt Refunding	220,933
Compensated Absences	(1,684,565)
Net Pension Liability (Asset)	1,307,284
Other Postemployment Benefit	(1,086,793)
Accrued Interest on Long-Term Obligations	(232,361)
Less: Internal service fund long-term liabilities and accrued interest	156,883
Internal service fund net position is reported in the statement of net position as governmental activities	263,192
Net position of governmental activities as reported on the statement of net position	\$ 57,944,016

See accompanying Notes to Basic Financial Statements.

(5)

**CITY OF BARABOO, WISCONSIN  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2020**

	General Fund	Library Fund	General Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes	\$ 7,172,648	\$ -	\$ 1,740,437	\$ 72,200	\$ 1,020,389	\$ 10,005,674
Intergovernmental	3,285,783	-	-	186,183	1,228,921	4,710,887
Licenses and Permits	285,938	-	-	-	-	285,938
Fees, Fines, and Penalties	85,366	-	-	-	-	85,366
Public Charges for Services	249,175	-	-	-	360,108	609,283
Intergovernmental Charges for Services	331,426	-	-	9,546	-	340,972
Investment Income	101,765	576,785	-	-	213,872	892,422
Miscellaneous	231,232	105,339	41,000	157,798	132,056	610,606
Total Revenues	11,783,353	682,124	1,781,437	425,727	3,168,959	17,839,600
<b>EXPENDITURES</b>						
Current:						
General Government	1,409,023	-	-	-	4,385	1,413,408
Public Safety	5,218,498	-	-	-	5,908	5,224,404
Public Works	2,378,379	-	-	-	950,039	3,328,418
Police and Fire Services	2,432,315	7,078	-	-	506,522	3,945,923
Cultural, Recreation and Education	205,522	-	-	-	350,365	555,887
Conservation and Development	68,540	-	-	2,335,398	400,613	2,804,551
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	-	1,500,528	226,483	898,573	2,625,584
Interest and Fiscal Charges	-	-	276,334	381,789	129,628	787,751
Total Expenditures	11,722,061	7,078	1,776,862	2,943,667	3,360,368	19,749,426
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	41,292	675,046	2,575	(2,518,940)	(173,609)	(1,874,636)
<b>OTHER FINANCING SOURCES (USES)</b>						
Sale of City Property	24,870	-	-	-	90,733	115,603
Debt Proceeds	-	-	-	3,380,000	-	3,380,000
Transfers In - Debt Issued	-	-	102,664	-	-	102,664
Transfers In - Tax Equivalent	318,612	-	-	-	-	318,612
Transfers In	38,084	1,010	3,000	38,400	396,374	478,878
Transfers Out	(154,160)	-	(32,613)	(3,000)	(267,105)	(478,878)
Net Other Financing Sources (Uses)	225,416	1,010	73,051	3,415,400	200,002	3,814,879
<b>NET CHANGE IN FUND BALANCES</b>	266,708	676,056	75,626	885,460	26,393	1,840,243
Prior Period Restatement	-	2,666,086	-	-	-	2,666,086
Fund Balances - Beginning of Year, Restated	5,571,936	4,646,005	3,132	1,192,288	5,557,716	16,971,077
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 5,838,644</b>	<b>\$ 5,322,061</b>	<b>\$ 78,758</b>	<b>\$ 2,087,748</b>	<b>\$ 5,584,109</b>	<b>\$ 18,911,320</b>

See accompanying Notes to Basic Financial Statements.

(6)

**CITY OF BARABOO, WISCONSIN**  
**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGE IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2020**

**RECONCILIATION TO THE STATEMENT OF ACTIVITIES**

Net change in fund balances as shown on previous page	\$ 1,940,243
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 these assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital assets reported as capital outlay in governmental fund statements	2,804,551
Capital assets reported as operating expense in the fund financial statements	(585,455)
Contributed capital assets	788,733
Depreciation expense reported in the statement of activities	(1,877,693)
Net book value of disposals	(279,246)
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.	279,706
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	(3,380,000)
Capital leases issued	(102,654)
Principal debt issued	2,410,101
Principal repaid	228,483
Capital leases paid	
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	(10,901)
Amortization of premiums, discounts and loss on advance refunding	(48,329)
Change in investment in joint venture	(384,583)
Compensated absences	(40,212)
Net pension liability (asset)	2,882,394
Deferred outflows of resources related to pensions	(2,798,259)
Deferred inflows of resources related to pensions	272,884
Deferred outflows of resources related to other postemployment benefits	102,268
Deferred inflows of resources related to other postemployment benefits	(429,383)
Internal service funds are used by management to charge self insurance costs to individual funds. The change in net position of the internal service fund is reported with governmental activities	63,349
Change in net position of governmental activities as reported in the statement of activities	\$ 2,697,115

See accompanying Notes to Basic Financial Statements (7)

**CITY OF BARABOO, WISCONSIN**  
**STATEMENT OF NET POSITION – PROPRIETARY FUNDS**  
**DECEMBER 31, 2020**

	Business-Type Activities – Enterprise Funds				Governmental Activities – Internal Service Funds
	Water Utility	Sewer Utility	Stormwater Utility	Total Enterprise Funds	
<b>ASSETS</b>					
Current Assets:					
Cash and Investments	\$ 1,703,658	\$ 2,022,071	\$ 266,749	\$ 3,992,478	\$ 87,750
Receivables:					
Accounts (net)	372,868	372,670	166,835	912,471	13,117
Interest	4,837	5,088	287	10,192	-
Due from Other Governments	-	-	41,927	41,927	-
Due from Other Funds	6,235	8,303	1,436	16,974	-
Inventory	54,205	9,544	66,178	129,926	-
Restricted Assets - Redemption Account	-	183,339	-	183,339	-
Total Current Assets	2,141,301	2,611,015	546,295	5,298,211	100,867
Noncurrent Assets:					
Restricted Assets - Replacement Account	-	1,032,372	-	1,032,372	-
Capital Assets:					
Land	79,365	72,298	130,383	282,045	-
Property and Equipment	15,556,377	15,311,837	11,231,580	43,079,794	-
Less: Accumulated Depreciation	(7,094,309)	(6,710,079)	(2,623,883)	(16,428,270)	-
Total Capital Assets	8,921,339	8,674,056	8,738,080	27,333,972	-
Depreciation Account	-	234,224	-	234,224	-
Replacement Account	-	-	183,160	183,160	-
Preliminary Survey and Investigation	44,775	14,925	-	59,700	-
Advances to Other Funds	115,598	79,010	145,588	341,196	-
Investment in Mutual Insurance Company	-	-	-	-	320,000
Net Pension Asset	74,102	65,155	39,649	178,907	-
Total Noncurrent Assets	10,156,311	10,100,743	9,108,477	29,357,531	320,000
Total Assets	12,298,212	12,711,758	9,646,772	34,556,742	420,867
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Charges on Debt Refunding	-	-	-	-	-
Deferred OPEB Charges - Retiree Health	4,884	5,446	3,052	13,382	-
Deferred OPEB Charges - Unfunded	1,000	1,000	417	2,417	-
Deferred Pensions - VRS	234,648	189,180	54,079	477,907	-
Total Deferred Outflows of Resources	240,686	195,227	67,548	498,651	-
Total Assets and Deferred Outflows of Resources	12,538,281	12,902,985	9,714,320	35,155,596	420,867

See accompanying Notes to Basic Financial Statements (8)

**CITY OF BARABOO, WISCONSIN**  
**STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED)**  
**DECEMBER 31, 2020**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Interest Service Funds
	Water Utility	Sewer Utility	Stormwater Utility	Enterprise Funds	
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	\$ 5,639	\$ 18,334	\$ 15,960	\$ 38,033	\$ -
Compensated Absences - Current Portion	54,467	46,284	2,820	103,571	-
Accrued Interest	168	-	3,804	4,072	1,536
Due to Other Funds	19,937	15,326	3,801	39,064	733
Due to Component Unit	-	-	-	-	59
Current Portion of General Obligation Debt and Notes Payable	30,000	-	80,000	110,000	67,861
Liabilities Payable from Restricted Assets:					
Liabilities Payable from Revenue Bonds	-	272,718	-	272,718	-
Accrued Interest	-	10,477	-	10,477	-
Total Current Liabilities	110,211	363,139	105,585	578,935	70,189
Noncurrent Liabilities:					
Revenue Bonds	-	2,947,250	-	2,947,250	-
General Obligation Debt Payable	-	-	445,000	-	87,466
Unmatured Premiums	126,343	124,227	8,071	258,641	-
Unmatured Premium on Debt Issuance	109	-	8,864	8,973	-
Net Pension Liability	-	-	-	-	-
Net OPEB Liability - Retiree Health	24,071	37,200	-	61,271	-
Net OPEB Liability - LRFIF	26,659	38,119	2,716	67,495	-
Total Noncurrent Liabilities	177,182	3,148,836	464,653	3,788,671	87,466
Total Liabilities	287,393	3,509,975	570,238	4,367,606	157,675
DEFERRED INFLOWS OF RESOURCES					
Deferred Pension Credits - WRS	256,143	211,224	89,536	556,903	-
Deferred OPEB Credits - Retiree Health	46,013	40,350	86,353	172,716	-
Deferred OPEB Credits - LRFIF	4,413	5,684	620	10,927	-
Total Deferred Inflows of Resources	306,569	257,258	90,156	654,183	-
Total Liabilities and Deferred Inflows of Resources	593,962	3,767,443	660,394	5,021,789	157,675
<b>NET POSITION</b>					
Net Investment in Capital Assets	9,891,727	5,454,048	8,207,258	23,553,043	-
Restricted for:					
Debt Service	-	162,862	-	162,862	-
Equipment Replacement	-	1,032,372	-	1,032,372	-
Net Pension Asset - WRS	74,102	66,156	32,649	172,907	-
Unrestricted	1,876,490	2,400,114	814,009	5,192,613	283,192
Total Net Position	\$ 11,844,319	\$ 9,135,552	\$ 9,053,925	\$ 30,133,797	\$ 283,192

See accompanying Notes to Basic Financial Statements.

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**CITY OF BARABOO, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN NET POSITION – PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2020**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Interest Service Funds
	Water Utility	Sewer Utility	Stormwater Utility	Enterprise Funds	
<b>OPERATING REVENUES</b>					
Charges for Service	\$ 1,545,784	\$ 1,514,968	\$ 657,229	\$ 3,717,981	\$ 155,633
Miscellaneous	50,578	7,846	2,632	101,056	-
Total Operating Revenues	1,636,362	1,522,814	659,861	3,819,037	155,633
<b>OPERATING EXPENSES</b>					
Operating and Maintenance	1,001,606	955,103	403,022	2,360,011	99,935
Depreciation	367,251	434,723	171,659	973,633	-
Total Operating Expenses	1,368,857	1,389,826	574,681	3,333,314	99,935
Operating Income	267,205	132,988	105,462	505,655	55,698
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Merchandising and Jobbing	1,207	-	-	1,207	-
Grant Proceeds for Lead Lateral Service	-	-	26,844	26,844	-
Investment Income	26,067	35,780	4,748	66,595	13,155
Interest Expense	(1,430)	(64,747)	(14,256)	(66,433)	(5,504)
Loss on Disposal of Asset	-	-	(2,273)	(2,273)	-
Loss on Disposal of Receivable	702	-	-	702	-
Amortization of Loss on Refunding	-	-	(469)	(469)	-
Total Nonoperating Revenues (Expenses)	26,546	(28,967)	14,654	12,233	7,651
Income Before Contributions and Transfers	293,751	104,021	120,116	517,888	63,349
<b>CONTRIBUTIONS AND TRANSFERS</b>					
Capital Contributions	25,005	17,248	113,450	155,703	-
Transfers In	(320,627)	(13,815)	-	(334,442)	-
Total Contributions and Transfers	(277,652)	3,333	113,450	(160,969)	-
<b>CHANGE IN NET POSITION</b>					
Net Position - Beginning of Year	16,059	107,354	233,566	356,979	63,349
Net Position - End of Year	11,928,260	9,029,198	8,620,350	29,776,818	199,843
<b>NET POSITION - END OF YEAR</b>	\$ 11,844,319	\$ 9,135,552	\$ 9,053,926	\$ 30,133,797	\$ 283,192

See accompanying Notes to Basic Financial Statements.

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**CITY OF BARABOO, WISCONSIN  
STATEMENT OF NET POSITION – FIDUCIARY FUNDS  
DECEMBER 31, 2020**

<b>ASSETS</b>		
Cash and Investments		
Receivables:		
Taxes		
Accounts (net)		
Due from Other Governments		
Prepaid Items		
Total Assets		
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts Payable		
Accrued Liabilities		
Total Liabilities		
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes Levied for Next Period		
<b>NET POSITION</b>		
Restricted for Organizations and Other Governments		

**See accompanying Notes to Basic Financial Statements.**

**CITY OF BARABOO, WISCONSIN**  
**STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2020**

<b>ADDITIONS</b>	<u>Custodial Funds</u>
Property Taxes Collected for Taxing Jurisdictions	\$ 12,161,094
Intergovernmental Grants	123,446
Intergovernmental Charges for Services	203,997
Public Charges for Services	14,716
Investment Income	1,022
Miscellaneous Revenues	123,153
Total Additions	<u>12,627,428</u>
<b>DEDUCTIONS</b>	
Property Taxes Disbursed to Taxing Jurisdictions	12,161,094
Public Works	197,497
Culture, Recreation, and Education	195,646
Total Deductions	<u>12,554,237</u>
<b>CHANGE IN NET POSITION</b>	73,191
Net Position - Beginning of Year	<u>391,600</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 464,791</u>

See accompanying Notes to Basic Financial Statements.  
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**CITY OF BARABOO, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

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

**Reporting Entity**

The financial reporting of the City is defined by the GASB to consist of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

The component unit column in the government-wide financial statements includes the financial data of the City's component units. They are reported in a separate column to emphasize that they are legally separate from the City.

The following organizations are discretely presented component units as they are legally separate, tax-exempt entities that provide direct benefit to the primary government (the City), a majority of their economic resources are available to the primary government, and the resources are significant to the primary government.

**Community Development Authority**

The basic financial statements include the Community Development Authority (CDA) as a discretely presented component unit. The CDA is a legally separate organization. The Board of the CDA is appointed by the mayor. Wisconsin Statutes provide for circumstances whereby the City can impose their will on CDA, and also create a potential financial benefit to or burden on the City. The information presented is for the fiscal year ended December 31, 2020. The CDA does not issue separate financial statements.

The basic financial statements include the Business Improvement District (BID) as a discretely presented component unit. The BID is a legally separate organization. The Board of the BID is appointed by the mayor. Wisconsin Statutes provide for circumstances whereby the City can impose their will on the BID, and also create a potential financial benefit to or burden on the City. The information presented is for the fiscal year ended December 31, 2020. The BID does not issue separate financial statements.

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CITY OF BARABOO, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds) as described below:

Government-Wide Statements

The statement of net position and the statement of activities present financial information about the City's governmental and business-type activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental and business-type activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The fund statements provide information about the City's funds, including fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The City has the following major governmental funds:

**General Fund** – The General Fund is the operating fund of the City. It is used to account for all financial resources of the City except those accounted for in another fund. This fund includes activities associated with providing educational programs for students with disabilities.

**Library Fund** – The Library Fund is used to account for the accumulation of resources for and the payment of activities of the Carnegie-Schadde Memorial Public Library.

**Debt Service Fund** – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. For report purposes, the City has combined its debt services funds into one fund.

**Capital Projects Funds** – The Capital Projects Fund is used to account for expenditures financed through the use of bonds, promissory notes, state trust fund loans, etc.

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CITY OF BARABOO, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The City reports the following major enterprise funds:

**Water Utility Fund** – This fund accounts for the activities of the City's water system.

**Sewer Utility Fund** – This fund accounts for the activities of the City's sewer system.

**Stormwater Utility Fund** – This fund accounts for the activities of the City's stormwater system.

The City reports the following nonmajor governmental funds:

**Special Revenue Funds** – used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Economic Development	Community Development Block Grant	Park Development Impact Fees
Public Safety Impact Fees	Taxi Grant	Alma Waite
Parks	Fire Department Retirement	Ochsner Park House
Library Impact Fees	Facade Improvement Program	BID Pocket Park
Kuenzi Estate	Library Building	Capital Catalyst
Economic Development	Wisconsin Community Development	TIF Incentive
Revolving Loan	Block Grant	
Street Lighting		

**Capital Projects Funds** – used to account for financial resources to be used for the acquisition or construction of equipment and/or major capital facilities.

Tax Incremental District #6	Tax Incremental District #7	Tax Incremental District #8
Tax Incremental District #9	Tax Incremental District #10	Tax Incremental District #11
Fire Equipment	Emergency Management Equipment	Special Assessments Projects
Urban Development	Land Development	Capital Equipment

Additionally, the City reports the following fund types:

**Internal Service Funds** – Internal Service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis.

Liability Insurance

Unfunded Pension Liability

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CITY OF BARABOO, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

**Custodial Funds** – Custodial funds are a type of fiduciary fund use to account for assets controlled by the City and the assets are for the benefit of individuals, private organizations, and/or other governmental units.

Tax Collection Fund	Friends of the Library	UW Campus
Airport		

Measurement Focus and Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Fiduciary custodial funds do not have a measurement focus, and are reported on the accrual basis of accounting.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, pension and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the City may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

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CITY OF BARABOO, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

**1. Deposits and Investments**

The City's cash and investments consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. Cash and investment balances for individual funds are pooled unless maintained in segregated accounts.

State statutes permit the City to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, U.S. Treasury obligations, U.S. agency issues, high-grade commercial paper, and the local government pooled-investment fund administered by the state investment board. Available balances in the debt service fund may be invested in municipal obligations, obligations of the United States, and the local government investment pool fund.

Investments, other than the investments in the local government investment pool, are stated at fair value. Determination of net asset value for investment in the local government investment pool is based on information provided by the State of Wisconsin Investment Board.

**2. Receivables and Payables**

**Property Taxes.** Revenue for property taxes is recognized in the governmental funds in the year for which the taxes are levied. The City considers property tax revenue to be available if it is collected during the current year. Property taxes levied in December 2020 are intended to finance the next calendar year expenditures.

In addition to property taxes for the City, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as deferred inflows of resources or due to other taxing units on the accompanying balance sheet. Taxes are levied in December on the assessed value as of the prior January 1.

Property tax calendar - 2020 tax roll:

Lien date and levy date	December 2020
Tax bills mailed	December 2020
Payment in full, or	January 31, 2021
First installment due	January 31, 2021
Second installment due	April 30, 2021
Third installment due	July 31, 2021
Personal property taxes in full	January 31, 2021
Tax deed - 2020 delinquent real estate taxes	October 2024

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CITY OF BARABOO, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. *Receivables and Payables (Continued)*

**Accounts Receivable.** All accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the water, sewer, and stormwater utilities because they have the right by law to place delinquent bills on the tax roll.

**Interfund Balances.** The current portion of lending/borrowing arrangements between funds is identified as "due to/from other funds." The noncurrent portion of outstanding balances between funds is reported as "advances to/from other funds." Advances between funds are classified as nonspendable fund balance account to indicate that they are not available for appropriation and are not expendable available financial resources. For government-wide financial statements, eliminations were made for amounts due to and due from within the same fund type.

3. *Prepaid Items*

Expendable supplies or noncapital items acquired for initial use in subsequent fiscal periods are recorded as prepaid items. Prepaid insurance or service contracts are not recorded unless their recognition as an expenditure would result in more than one year's cost being recorded. Prepaid supplies are valued at the lower of cost (first-in, first-out method) or net realizable value.

4. *Capital Assets*

Capital assets are reported at actual cost or estimated historical costs based on an appraisal conducted by an independent third-party appraisal firm. Donated assets are reported at estimated acquisition value at the time received.

Assets not being depreciated include land. Capital assets are defined by the City as assets with an initial cost of more than \$3,000 for general capital assets, and more than \$25,000 for infrastructure assets, and an estimated useful life in excess of one year. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Assets	Years
Buildings	30 - 75
Land Improvements	30
Machinery and Equipment	3 - 15
Utility System	15 - 100
Infrastructure	20 - 50

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CITY OF BARABOO, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. *Deferred Outflows of Resources*

The City reports decreases in net position or fund balance that relate to future periods as deferred outflows of resources in a separate section of its government-wide statement of net position, governmental fund balance sheet, or proprietary fund statement of net position. Deferred outflows of resources are reported in these financial statements related to pensions and other postemployment benefits

6. *Deferred Inflows of Resources*

The City reports increases in net position or fund balance that relate to future periods as deferred inflows of resources in a separate section of its government-wide statement of net position, governmental fund balance sheet, or proprietary fund statement of net position. The City reports deferred inflows of resources related to pensions and other postemployment benefits.

7. *Compensated Absences*

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

All vested vacation and sick leave pay is accrued when incurred in the govern-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liability at December 31, 2020, are determined on the basis of current salary rates and include salary related payments

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CITY OF BARABOO, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

***8. Other Postemployment Benefits (OPEB) – Retiree Health and Local Retiree Life Insurance Fund (LRLIF) benefits***

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. This includes for purposes of measuring the Net OPEB Liability, Deferred Outflows of Resources and Deferred Inflows of Resources related to Other Postemployment Benefits, OPEB expense, and information about the fiduciary net position of the LRLIFs fiduciary net position have been determined on the same basis as they are reported by the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of measuring the net other postemployment benefits liability (asset), deferred OPEB charges, deferred OPEB credits, and the related OPEB expense, information about the employee trust fund net position and additions to/deductions from the employee trust fund net position have been determined on the same basis as reported by the employee benefit trust fund. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***9. Pension Benefits – Including Wisconsin Retirement System and Supplemental Pension***

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.

For purposes of measuring the net supplemental pension liability (asset), deferred pension charges - supplemental pension, deferred pension credits - supplemental pension, and the related pension expense, information about the employee trust fund net position and additions to/deductions from the employee trust fund net position have been determined on the same basis as reported by the employee benefit trust fund. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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CITY OF BARABOO, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

***10. Long-Term Obligations***

In the government-wide financial statements, outstanding long-term debt and other long-term obligations are reported as liabilities.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. In the government-wide financial statement, premiums are capitalized on the statement of net position and amortized over the life of the related debt.

Premiums associated with the issuance of general obligation bonds and promissory notes are being amortized using the effective interest method over the life of the bonds and notes. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter.

The City has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the City. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately \$4,675,000 made up of one issue.

***11. Use of Restricted Resources***

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.

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CITY OF BARABOO, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. *Equity Classifications*

Fund equity, representing the difference between assets and deferred outflows of resources, less liabilities and deferred inflows of resources is classified as follows in the City's financial statements:

**Government-Wide Statements.** Fund equity is classified as net position in the government-wide financial statements and is displayed in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is displayed as unrestricted.

**Fund Financial Statements.** In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation. Nonspendable fund balance represents amounts that are inherently nonspendable or assets that are legally or contractually required to be maintained intact. Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties. Committed fund balance represents constraints on spending that the government imposes upon itself by formal action by Common Council prior to the close of the fiscal period. Committed fund balance is required to be established, modified, or rescinded by resolution of the Common Council prior to each year-end.

Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the board. Fund balance may be assigned through the following: 1) The City has adopted a financial policy authorizing the Director of Finance to assign amounts for a specific purpose and 2) all remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period. Unassigned fund balance is the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications.

When restricted and unrestricted fund balance is available for an expenditure, it is the City's policy to first use restricted fund balance. When committed, assigned, and unassigned fund balance is available for an expenditure, it is the City's policy to use committed, assigned, and finally unassigned fund balance.

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CITY OF BARABOO, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. *Equity Classifications (continued)*

**Fund Financial Statements (continued).** The District's policy on fund balance is to maintain a level of fund balance which strives to avoid cash flow borrowing, help maintain the District's current high-quality bond ratings, to provide a resource for emergency expenditures, to build a reasonable reserve, and to ensure continuity of the District's self-funded dental insurance plan. See Note 11 for additional information regarding the District's fund balances.

NOTE 2 DEPOSITS AND INVESTMENTS

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

The City's cash and investments balances at December 31, 2020 comprised of the following:

	Carrying Value	Investment Balances	Bank & Associated Risks
Petty Cash	1,200	1,200	N/A
Deposits	24,043,833	21,539,204	Custodial credit
U.S. Agencies - Explicitly Guaranteed	897,159	897,159	Custodial credit, interest rate
U.S. Agencies - Implicitly Guaranteed	1,981,151	1,981,151	Custodial credit, interest rate
Mutual Funds - Other than Bond Funds	1,324,400	1,324,400	N/A
Mutual Funds - Bond Funds	235,410	235,410	Concentration of Credit
Pooled Investments Held by Foundation	3,153,397	3,153,397	Credit, interest rate
LGIP	3,113,492	3,113,492	Credit
	<u>\$ 34,750,042</u>	<u>\$ 32,245,413</u>	
Per Statement of Net Position			
Unrestricted Cash and Investments	\$ 28,083,946		
Restricted Cash and Investments	1,225,711		
Per Statement of Fiduciary Net Position			
Custodial Funds	<u>\$ 5,440,385</u>		
	<u>\$ 34,750,042</u>		

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CITY OF BARABOO, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

The City's cash and investments balances at December 31, 2020 are presented in the financial statements as follows:

Per Statement of Net Position	
Unrestricted Cash and Investments	\$ 28,093,946
Restricted Cash and Investments	1,225,711
Per Statement of Fiduciary Net Position	
Custodial Funds	5,440,385
	<u>\$ 34,759,042</u>

**Custodial Credit Risk**

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

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for demand deposit accounts and \$250,000 for time deposit accounts.

Any losses caused by failure of public depositories are also covered by the State Deposit Guarantee Fund. The fund provides coverage of \$400,000 in each financial institution and the Local Government Investment Pool above the applicable insurance coverage provided by the FDIC. However, although the fund had reserves available at December 31, 2020, the future availability of resources to cover the losses cannot be projected because provisions of the 1985 Wisconsin Act 25 provided that the amount in the fund will be used to repay public depositors for losses until the appropriation is exhausted, at which time the fund is abolished. This coverage has been considered in computing custodial credit risk.

The City's investment policy addresses custodial credit risk. The City's deposits must be collateralized at 102% of the value of the principal and accrued interest. The collateral must be held by and independent third party. The City maintains collateral agreements with its banks. At As of December 31, 2020, the banks had pledged various government securities in the amount of \$10,346,738 to secure the City's deposits. The City does not have any deposits exposed to custodial credit risk as uninsured and uncollateralized.

Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the City's investments were uninsured and exposed to custodial credit risk as of December 31, 2020.

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CITY OF BARABOO, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

**Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. As of December 31, 2020, the City's investments had credit ratings as follows:

Investment Type	Moody's Investor Services	Standard and Poor's
U.S. Agencies - Implicitly Guaranteed	AAA	AA+

The City had mutual bond funds, investments held by the Community Foundation of South Central Wisconsin, and the external Wisconsin Local Government Investment Pool, which are not rated.

**Concentration of Credit Risk**

Concentration of Credit risk is addressed by the City's investment policy. With the exception of U.S. Treasury Securities and authorized investment pools, no more than 50% of the City's total investment portfolio will be invested in a single security type with a single financial institution. The City did not have any investments subject to credit risk that exceed 5% of the City's total investment portfolio.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy addresses interest rate risk. The City will not directly invest in securities maturing more than five years from the date of purchase. The City has adopted weighted average maturity limitations which range from 90 days to three years. As of December 31, 2020, the City's investments mature as follows:

Investment Type	Fair Value	Investment Maturities	
		1 - 5 (in Years)	More Than 5
U.S. Agencies - Implicitly Guaranteed	\$ 897,159	\$ -	\$ 897,159
U.S. Agencies - Implicitly Guaranteed	1,881,151	235,696	1,745,455
Mutual Funds - Bond Funds	235,410	34,940	200,470
Total	<u>\$ 3,113,720</u>	<u>\$ 270,636</u>	<u>\$ 2,843,084</u>

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**CITY OF BARABOO, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 2**

**DEPOSITS AND INVESTMENTS (CONTINUED)**

**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 City 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 statement of net position is 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 about the assumptions market participants and would use in pricing the asset.

As of December 31, 2020, the City has the following assets subject to fair value measurement:

Investment Type	December 31, 2020			
	Level 1	Level 2	Level 3	Total
U.S. Agencies - Explicitly Guaranteed	\$ -	\$ 897,159	\$ -	\$ 897,159
U.S. Agencies - Implicitly Guaranteed	-	1,981,151	-	1,981,151
Mutual Funds - Other than Bond Funds	1,324,400	-	-	1,324,400
Mutual Funds - Bond Funds	235,410	-	-	235,410
	<u>\$ 1,559,810</u>	<u>\$ 2,878,310</u>	<u>\$ -</u>	<u>\$ 4,438,120</u>

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**CITY OF BARABOO, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 3**

**RECEIVABLES**

All of the receivables on the balance sheet are expected to be collected within one year with the exception of: delinquent personal property taxes reported in the general fund and loans of reported in nonmajor governmental funds.

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

	Unavliable	Unearned	Total
Property Tax Receivable	\$ -	\$ 10,187,722	\$ 10,187,722
Special Assessments Not Yet Due	181,765	-	181,765
Loans Receivable	2,225,227	-	2,225,227
Other Receivables	385,715	-	385,715
Total	<u>\$ 2,792,707</u>	<u>\$ 10,187,722</u>	<u>\$ 12,980,429</u>

**NOTE 4**

**RECEIVABLES**

The City reports restricted assets for the following purposes:

Bond redemption: Used to segregate resources accumulate for debt service payments over the next twelve months.

Equipment Replacement: Used for significant mechanical equipment replacement in the Sewer Utility as required by the Wisconsin Department of Natural Resources.

The following is a list of restricted cash and investments at December 31, 2020:

	Restricted Cash and Investments
Bond Redemption	\$ 193,339
Equipment Replacement Account	<u>1,032,372</u>
Total Restricted Assets	<u>\$ 1,225,711</u>

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**CITY OF BARABOO, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 5 CAPITAL ASSETS**

Changes in the capital assets for the year ended December 31, 2020 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets, Nondepreciable:				
Land	\$ 6,899,824	\$ 33,860	\$ 36,324	\$ 6,897,360
Construction in Progress	119,864	1,063,338	974,810	208,392
Total Capital Assets, Nondepreciable	7,019,688	1,097,198	1,011,134	7,105,752
Capital Assets, Depreciable:				
Land Improvements	2,667,951	1,100,167	25,556	3,742,562
Buildings and Improvements	28,374,565	113,062	7,600	28,480,047
Machinery and Equipment	11,844,391	855,077	703,392	11,996,086
Infrastructure	39,627,872	1,815,369	352,938	41,090,303
Total Capital Assets, Depreciable	82,514,779	3,883,685	1,085,476	85,309,988
Less: Accumulated Depreciation for:				
Land Improvements	1,157,718	87,270	16,422	1,238,566
Buildings and Improvements	5,197,200	423,249	6,900	5,603,749
Machinery and Equipment	5,295,289	674,410	547,379	5,422,320
Infrastructure	12,848,818	692,554	240,529	13,400,843
Total Accumulated Depreciation	24,598,025	1,877,683	611,230	25,653,478
Total Capital Assets, Depreciable, Net	57,916,754	2,006,012	278,246	59,653,520
Governmental Activities Capital Assets, Net	\$ 64,945,442	\$ 3,103,210	\$ 1,289,380	\$ 66,759,272
<b>Business-Type Activities:</b>				
Capital Assets, Nondepreciable:				
Land	\$ 279,834	\$ 2,622	\$ -	\$ 282,456
Capital assets, Depreciable:				
Machinery and Equipment - Stormwater Infrastructure - Stormwater	803,593	2,424	5,675	805,017
Source of Supply - Water	10,186,460	240,800	-	10,427,260
Pumping - Water	517,851	-	-	517,851
Water Treatment	2,101,325	221,680	44,626	2,277,965
Water Treatment and Distribution - Water	79,341	-	1,800	77,541
Transmission and Distribution - Sewer	13,056,217	297,530	16,405	13,337,342
Collection System - Sewer	380,179	-	-	380,179
Treatment and Disposal - Sewer	3,939,017	188,782	1,365	4,127,434
Intangibles	9,735,403	16,371	24,602	9,729,172
General	63,330	7,798	12,285	58,833
Total Capital assets, Depreciable:	1,715,090	53,784	23,640	1,745,934
Less: Accumulated Depreciation	42,578,263	1,032,179	130,648	43,479,794
Total Capital Assets, Depreciable, Net	15,596,379	953,371	124,472	16,429,278
Business-Type Activities Capital Assets, Net	\$ 27,258,718	\$ 81,430	\$ 6,176	\$ 27,333,972

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**CITY OF BARABOO, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 5 CAPITAL ASSETS (CONTINUED)**

Depreciation was charged to functions as follows:

Governmental Activities	\$ 53,258
General Government	431,361
Public Safety	976,826
Public Works	416,238
Culture and Recreation	-
Total Depreciation Expense - Governmental Activities	\$ 1,877,683
Business-Type Activities	\$ 367,551
Water Utility	434,723
Sewer Utility	151,097
Stormwater Utility	-
Total Depreciation Expense - Business-Type Activities	\$ 953,371

**NOTE 6 INTERFUNDS RECEIVABLES/PAYABLES AND TRANSFERS**

The composition of interfund balances as of December 31, 2020 was as follows:

Due to/from Other Funds	Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	General Fund	\$ 203,474
General Fund	Water Utility	Water Utility	19,837
General Fund	Sewer Utility	Sewer Utility	15,326
General Fund	Stormwater Utility	Stormwater Utility	3,801
Nonmajor Governmental Funds	General Fund	General Fund	1,368
Water Utility	Nonmajor Governmental Funds	General Fund	5,768
Water Utility	General Fund	Nonmajor Governmental Funds	487
Sewer Utility	Nonmajor Governmental Funds	General Fund	7,959
Sewer Utility	Nonmajor Governmental Funds	General Fund	344
Stormwater Utility	General Fund	General Fund	4,338
Total - Fund Financial Statements			262,782
Less: Fund Eliminations			(204,842)
Less: Government-wide Eliminations			(37,752)
Add: Interfund Advances			(341,196)
Total Internal Balances - Government-Wide Statement of Net Position			\$ (321,008)
Receivable Fund	Payable Fund	Amount	
Governmental Activities	Business-Type Activities	General Fund	\$ 39,064
Business-Type Activities	Governmental Activities	General Fund	(350,072)
Total Government-wide Statement of Net Position			\$ (321,008)

All amounts are due within one year. The principal purpose of these interfunds resulted from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

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**CITY OF BARABOO, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 6 INTERFUNDS RECEIVABLES/ PAYABLES AND TRANSFERS (CONTINUED)**

**Advances**

The general and utility funds are advancing amounts to TID No. 7 and No. 8 until sufficient TID increments are generated. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources since the funds' inception. No repayment schedules have been established. Various other funds have advances to other funds as detailed below. Interest may be charged on some of the advances. No repayment schedules have been established.

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General Fund	TID No. 7	\$ 193,854	\$ 193,854
General Fund	TID No. 8	152,767	152,767
General Fund	TID No. 10	14,688	14,688
General Fund	TID No. 11	14,694	14,694
General Fund	Urban Development	36,025	36,025
Water Utility	TID No. 7	12,598	12,598
Water Utility	TID No. 8	103,000	103,000
Sewer Utility	TID No. 8	79,010	79,010
Stormwater Utility	TID No. 8	146,588	146,588
Total Interfund Advances - Fund Financial Statements		753,224	753,224
Less: Fund Eliminations		(412,028)	
Total Interfund Advances of Net Position		\$ 341,196	

**Transfers**

Funds Transferred To	Funds Transferred From	Amount	Principal Purpose
General Fund	Water Utility	\$ 316,612	Tax equivalent
General Fund	General Debt Service	32,913	Reallocate levy
General Fund	Nonmajor Governmental Funds	5,481	Various operating uses
Capital Projects	Capital Projects	3,000	Debt service
Capital Projects	General Fund	5,400	Kayak launch
Capital Projects	Nonmajor Governmental Funds	33,000	Capital project contributions
Nonmajor Governmental Funds	General Fund	148,760	Annual contributions to capital funds; fire benefits
Nonmajor Governmental Funds	Nonmajor Governmental Funds	248,524	Donations
Total Transfers - Fund Financial Statements		793,790	
Less: Fund Eliminations		(476,876)	
Total Transfers - Government-wide Statement of Activities		\$ 316,912	

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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**CITY OF BARABOO, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 7 LONG-TERM LIABILITIES**

Long-term obligations of the City for the year ended December 31, 2020 were as follows:

	Beginning Balance	Increase	Decrease	Ending Balance	Amount Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable	\$ 15,640,000	\$ 2,645,000	\$ 1,860,000	\$ 16,465,000	\$ 1,930,000
General Obligation Bonds	853,562	735,000	619,425	989,137	810,935
Direct Placements	114,997	102,664	23,665	193,996	25,637
Premium on Debt	12,093,712	-	228,483	11,865,229	233,035
Capital Leases Payable	25,742,171	3,482,664	2,731,573	26,493,262	3,000,706
Subtotal					
Other Liabilities	1,644,353	760,390	720,178	1,684,565	508,407
Vested Compensated Absences					
Total Governmental Activities	\$ 30,386,524	\$ 4,243,054	\$ 3,451,751	\$ 31,177,827	\$ 3,599,115
Long-Term Obligations					
<b>Business-Type Activities</b>					
Bonds and Notes Payable	\$ 690,000	\$ -	\$ 335,000	\$ 555,000	\$ 110,000
General Obligation Bonds					
Revenue Bonds from Direct	3,487,077	-	267,069	3,220,008	272,718
Borrowings or Direct Placements	12,857	-	3,584	8,973	2,330
Premium on Debt	4,385,644	-	603,653	3,781,991	385,046
Subtotal					
Other Liabilities	358,051	129,406	119,845	367,612	103,571
Vested Compensated Absences					
Total Business-Type Activities	\$ 474,928	\$ 129,406	\$ 725,489	\$ 4,146,193	\$ 489,619
Long-Term Obligations					

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2020 was \$46,699,655. Total general obligation debt outstanding at year-end was \$18,023,951, which includes the \$34,814 state trust fund loan recorded in the CDA.

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CITY OF BARABOO, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**NOTE 7 LONG-TERM LIABILITIES (CONTINUED)**

**General Obligation Debt**

All general obligation debt is secured by the full faith and credit and taxing powers of the City. Individual general obligation long-term debt issues outstanding at December 31, 2020 and future principal and interest requirements for their retirement at that date were as follows:

Governmental Activities General Obligation Debt	Date of Issue	Interest Rates	Date of Maturity	Original Indebtedness	Balance 12/31/2020
General Obligation Refunding Bonds	04/19/12	2.00 - 2.55%	04/01/26	\$ 4,535,000	\$ 2,550,000
General Obligation Corporate Purpose Bonds	03/06/13	0.30 - 2.10%	02/01/25	1,545,000	890,000
General Obligation Refunding Bonds	03/06/13	0.40 - 2.95%	08/01/26	2,650,000	1,030,000
General Obligation Promissory Note*	05/01/13	1.45%	05/01/23	250,000	78,750
General Obligation Corporate Purpose Bonds	08/12/14	0.08 - 3.05%	08/01/28	2,785,000	2,010,000
General Obligation UW System Campus Bonds	04/01/15	2.78%	04/01/35	3,040,000	2,410,000
General Obligation Corporate Purpose Bonds	07/21/16	2.00 - 2.52%	12/01/25	4,875,000	2,305,000
General Obligation Promissory Note*	12/01/17	2.70%	01/01/22	970,000	735,000
General Obligation Corporate Purpose Bonds	02/01/18	3.00%	02/01/38	1,790,000	1,665,000
General Obligation Promissory Note*	01/24/18	2.95%	08/01/25	411,119	155,347
General Obligation Refunding Bonds	11/14/19	1.85 - 2.55%	12/01/30	1,240,000	1,120,000
General Obligation Corporate Purpose Bonds	07/16/20	2.00%	02/01/40	2,645,000	2,645,000
					<u>\$ 17,454,137</u>

\*Debt issue is a direct borrowing or direct placement

Business-Type Activities General Obligation Debt	Date of Issue	Interest Rates	Date of Maturity	Original Indebtedness	Balance 12/31/2020
General Obligation Refunding Bonds	04/19/12	2.00 - 2.65%	03/01/21	\$ 1,630,000	\$ 30,000
General Obligation Corporate Purpose Bonds	07/21/16	2.00 - 2.50%	12/01/25	420,000	265,000
General Obligation Corporate Purpose Bonds	02/01/18	3.00%	02/01/38	250,000	240,000
					<u>\$ 555,000</u>

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CITY OF BARABOO, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**NOTE 7 LONG-TERM LIABILITIES (CONTINUED)**

**General Obligation Debt (Continued)**

Annual debt service fund cash flow requirements for retirement of the above long-term debt principal and interest at December 31, 2020 were as follows:

Years	Governmental Activities General Obligation Bonds		Business-Type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2021	\$ 1,830,000	\$ 380,842	\$ 110,000	\$ 12,278
2022	1,755,000	340,174	70,000	10,340
2023	1,625,000	301,511	70,000	9,840
2024	1,500,000	262,848	70,000	9,340
2025 - 2030	1,110,000	221,855	45,000	5,080
2031 - 2035	4,155,000	722,784	70,000	23,780
2036 - 2040	2,725,000	259,519	75,000	12,825
Total	<u>\$ 13,590,000</u>	<u>\$ 2,517,290</u>	<u>\$ 555,000</u>	<u>\$ 83,653</u>

Years	Governmental Activities General Obligations Notes (Non-Interest Bearing and Direct Placements)		Business-Type Activities General Obligations Notes (Non-Interest Bearing and Direct Placements)	
	Principal	Interest	Principal	Interest
2021	\$ 910,835	\$ 5,477		
2022	77,720	2,872		
2023	79,564	653		
2024	1,019	-		
Total	<u>\$ 969,137</u>	<u>\$ 9,002</u>		

**Revenue Debt**

Business-type activities revenue bonds are payable only from revenues derived from the operation of the sewer utility. The sewer utility has pledged future sewer revenues, net of specified operating expenses, to repay \$3,220,008 in revenue bonds issued in 2006. Proceeds from the bonds provided financing for the sewer utility. The bonds are payable solely from utility revenues and are payable through 2037. Annual principal and interest payments on the bonds are expected to require 13.4% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$3,639,051. Principal and interest paid for the current year and total customer gross revenues were \$332,758 and \$1,509,386 respectively.

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

Business-Type Activities Revenue Debt:	Date of Issue	Interest Rates	Date of Maturity	Original Indebtedness	Balance 12/31/2020
Direct Placement or Direct Borrowing	05/28/06	2.365%	05/01/26	\$ 2,814,814	\$ 1,023,320
Sewer Utility - Clean Water Fund Loan	04/11/18	1.75%	05/01/37	2,054,320	2,195,689
Sewer Utility - Clean Water Fund Loan					<u>\$ 3,220,008</u>

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CITY OF BARABOO, WISCONSIN  
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NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Revenue Debt (Continued)

Debt service requirements to maturity are as follows:

Years	Business-Type Activities	
	Principal	Interest
2021	\$ 272,718	\$ 59,977
2022	278,481	54,142
2023	284,385	48,162
2024	290,382	42,082
2025	296,566	35,872
2026 - 2030	813,453	116,557
2031 - 2035	650,470	95,633
2036 - 2037	293,509	5,188
Total	\$ 3,220,008	\$ 419,043

Estimated payments of compensated absences, pension and postemployment benefits are not included in the debt service requirement schedules. The compensated absences, pension and OPEB liabilities attributable to governmental activities will be liquidated primarily by the general fund.

A statutory mortgage lien upon the sewer utility's system and any additions, improvements and extensions thereto is created by Section 66.066 of the Wisconsin Statutes as provided for in the ordinances creating the revenue bond issue. The sewer utility's system and the earnings of the system remain subject to the lien until payment in full of the principal and interest on the bonds.

There are a number of limitations and restrictions contained in the various bond indentures and loan agreements. The City believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

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CITY OF BARABOO, WISCONSIN  
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NOTE 8 LEASES

The City of Baraboo has entered into an agreement with the Community Development Authority of the City of Baraboo (CDA) for the public safety and administration building. In 2018, the CDA issued lease revenue bonds totaling \$12,380,000. The future minimum lease obligations and the net present value on the minimum lease payments as of December 31, 2020, are as follows:

Years	Governmental Activities	
	Principal	Interest
2021	\$ 233,036	\$ 328,345
2022	238,036	323,271
2023	243,336	318,055
2024	248,636	312,694
2025	254,136	307,185
2026 - 2030	1,231,390	1,447,743
2031 - 2035	1,266,500	1,285,030
2036 - 2040	1,453,100	1,098,338
2041 - 2045	1,667,400	884,130
2046 - 2050	1,913,300	638,329
2051 - 2055	2,195,200	356,298
2056 - 2058	921,159	61,360
Total	\$ 11,865,229	\$ 7,360,778

NOTE 9 WISCONSIN RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN

General Information about the Defined Benefit Plan

*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, expected to work at least 1,200 hours a year (880 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://etf.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.

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CITY OF BARABOO, WISCONSIN  
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NOTE 9 WISCONSIN RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Defined Benefit Plan (Continued)

**Benefits Provided** Employees who retire at or after age 65 (54 for protective occupations 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 annual 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.

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.

**Contributions** Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Starting 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. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the City's reporting period, the WRS recognized \$2,608,883 in contributions from the employer.

Contribution rates as of December 31, 2020 are:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.55%	6.55%
Protective with Social Security	6.55%	10.55%
Protective without Social Security	6.55%	14.95%

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CITY OF BARABOO, WISCONSIN  
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NOTE 9 WISCONSIN RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Defined Benefit Plan (Continued)

**Postretirement Adjustments** The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the floor) set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(8.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019		(10.0)

Pension Liability (Asset), 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 \$1,480,191 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 liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to December 31, 2019. The City's proportion of the net pension asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the City's proportion was 0.04677210%, which was an increase of 0.00164616% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the City recognized pension expense of \$1,086,654.

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CITY OF BARABOO, WISCONSIN  
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**NOTE 9 WISCONSIN RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Pension Liability (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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 projected and actual experience		
Net differences between projected and actual earnings on pension plan investments	\$ 2,862,805	\$ 1,432,642
Changes in assumptions		
Changes in proportion and differences between employer contributions and proportionate share of contributions	117,524	3,083,186
Employer contributions subsequent to the measurement date	16,988	3,599
	538,331	-
	<u>\$ 3,535,628</u>	<u>\$ 4,518,427</u>

\$538,331 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Inflows & Deferred Outflows of Resources
2021	\$ (451,151)
2022	(337,002)
2023	56,336
2024	(790,313)

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CITY OF BARABOO, WISCONSIN  
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**NOTE 9 WISCONSIN RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Actuarial Assumptions**

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

Actuarial Valuation Date:	December 31, 2018
Measurement Date of Net Pension Liability (Asset)	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.00%
Discount Rate:	7.00%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*	1.90%

\* 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:

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**CITY OF BARABOO, WISCONSIN**  
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**NOTE 9 WISCONSIN RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Long-Term Expected Return on Plan Assets (Continued)**

Core Fund Asset Class	Long-Term		Long-Term
	Expected Nominal Rate of Return %	Expected Real Rate of Return %	
Global Equities	4.0	5.1	
Fixed Income	4.0	4.3	
Private Equity	4.0	3.2	
Real Estate	6.3	3.2	
Private Equity/Debt	10.0	7.8	
Multi-Asset	8.0	4.0	
Total Core Fund	110.0	7.5	4.6
Variable Fund Asset Class			
U.S. Equities	70.0	7.5	4.6
International Equities	30.0	8.2	5.3
Total Variable Fund	100.0	7.8	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

**Single Discount Rate**

A single discount rate of 7.00% was used to measure the Total Pension Liability for the current and prior year. This single discount rate is 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 member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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**CITY OF BARABOO, WISCONSIN**  
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**NOTE 9 WISCONSIN RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**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 7.00%, 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 one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

City's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease to Discount Rate (6.00%)		Current Discount Rate (7.00%)		1% Increase to Discount Rate (8.00%)	
	\$		3,883,745		\$	
			(1,508,146)		\$	
			(5,539,205)			

**Pension Plan Fiduciary Net Position.** Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://efw.wi.gov/about-efw/reports-and-studies/financial-reports-and-statements>

**Payables to the Pension Plan**

The City reported a payable to WRS of \$112,871 as of December 31, 2020.

**NOTE 10 OTHER POSTEMPLOYMENT BENEFITS – RETIREE MEDICAL PLAN**

**Plan Description**

The City's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides health benefit plans for employees and retired former employees (and their dependents) of the City. RBP is a single-employer defined benefit OPEB plan administered by the City. Article 11 of the State-Compelled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

**Benefits Provided**

RBP provides healthcare coverage to active employees and retirees at blended premium rates. This results in another postemployment benefit for the retirees, commonly referred to as an implicit rate subsidy. Retirees participating in the plan contribute 100% of the blended premium. The City, by paying the blended premium for active employees, contributes the difference between the blended premium and the age-adjusted premium towards retiree benefits.

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**NOTE 10 OTHER POSTEMPLOYMENT BENEFITS – RETIREE MEDICAL PLAN (CONTINUED)**

Employees Covered by Benefit Terms

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

Inactive plan members or beneficiaries currently receiving benefit payments	10
Active plan members	90
<b>Total</b>	<b>100</b>

The City's total OPEB liability of \$814,910 was measured as of December 31, 2020, and was determined by an actuarial valuation December 31, 2019.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2019 actuarial valuation was determined used the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases:	3.50%
Healthcare cost trend rates	7.5% then decreasing by 0.5% per year to an ultimate rate of 4.0%
Retirees' share of benefit-related costs	100% of blended premium

The discount rate was based on a 20-year Bond Buyer GO Index.

Mortality rates are based on the Wisconsin 2012 Mortality Table.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period 2012-2014 conducted in 2015 using Wisconsin retirement System (WRS).

Net OPEB Asset, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

	Total OPEB Liability
Balances at December 31, 2019	\$ 1,335,386
Changes for the year	
Service cost	85,328
Interest	37,342
Differences between expected and actual experience	(155,591)
Changes in assumptions or other inputs	(434,721)
Benefit payments	(40,314)
Net Changes	(507,956)
Balances at December 31, 2020	<u>\$ 827,430</u>

For the year ended December 31, 2020, the City recognized OPEB expense (benefit) of \$69,500

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**NOTE 10 OTHER POSTEMPLOYMENT BENEFITS – RETIREE MEDICAL PLAN (CONTINUED)**

Sensitivity of the City's Net OPEB liability to Changes in the Discount Rate and Health Care Trend Rate

The following presents the net OPEB liability of the City calculated using the discount rate of 2.25%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (1.25%) or one percentage-point higher (3.25%) than the current rate:

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
Net OPEB liability	\$ 894,319	\$ 827,430	\$ 785,293

The following presents the net OPEB liability of the City calculated using the healthcare trend rate of 6.4% decreasing to 5.0%, as well as what the City's net OPEB asset would be if it were calculated using a healthcare trend rate that is one percentage-point lower (5.4% decreasing to 4.0%) or one percentage-point higher (7.4% decreasing to 6.0%) than the current rate:

	1% Decrease to Trend Rate 728.513	Current Healthcare Cost Trend Rate 827.430	1% Increase to Trend Rate 946.997
Net OPEB liability	\$ 728,513	\$ 827,430	\$ 946,997

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	\$ -	\$ 140,032
Changes in assumptions	107,358	432,845
	<u>\$ 107,358</u>	<u>\$ 572,878</u>

Such amounts will be recognized in OPEB expense as follows:

Year Ended December 31,	Deferred Inflows & Deferred Outflows of Resources
2021	\$ (53,170)
2022	(53,170)
2023	(53,170)
2024	(53,170)
2025	(53,170)
Thereafter	(199,670)

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CITY OF BARABOO, WISCONSIN  
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NOTE 10 OTHER POSTEMPLOYMENT BENEFITS – RETIREE MEDICAL PLAN (CONTINUED)

Single Discount Rate

A single discount rate of 3.64% was used to measure the total OPEB liability. This single discount rate was based on the expected rate of return on pension plan investments of 4.00%. This expected rate of return was based on a high quality municipal bond rate of 3.13%. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS – LOCAL RETIREE LIFE INSURANCE FUND (LRLIF)

Plan Description

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

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/ETFGASBPUBLICWeb/gasb75Local.do>

Benefits Provided

The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired members 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 postretirement benefit.

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

Contribution rates as of December 31, 2020 are:

Coverage Type	Employer Contribution
50% Postretirement Coverage	40% of Employee Contribution
25% Postretirement Coverage	20% of Employee Contribution

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NOTE 11 OTHER POSTEMPLOYMENT BENEFITS – LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (CONTINUED)

Contributions (Continued)

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

Life Insurance Employee Contribution Rates* for the Year Ended December 31, 2019		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	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

During the year ending December 31, 2020, contributions to the LRLIF from the City were not material to these financial statements.

LRLIF Liability, LRLIF Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to LRLIF

At December 31, 2020, the City reported a liability of \$420,441 for its proportionate share of the net LRLIF liability. The net LRLIF liability was measured as of December 31, 2019, and the total LRLIF liability used to calculate the net LRLIF liability was determined by an actuarial valuation as of January 1, 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 LRLIF liability was based on the City's share of contributions to the LRLIF plan relative to the contributions of all participating employers. At December 31, 2019, the City's proportion was 0.0987300%, which was a decrease of 0.0021200% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the City recognized LRLIF expense of \$47,350.

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**NOTE 11 OTHER POSTEMPLOYMENT BENEFITS – LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (CONTINUED)**

**LRLIF Liability, LRLIF Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to LRLIF (Continued)**  
At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to LRLIF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 155,103	\$ (18,836)
Changes of Assumptions		(46,245)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	7,930	-
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	14,173	-
Contributions made after measurement date	2,258	(65,081)
<b>Total</b>	<b>\$ 179,464</b>	<b>\$ (65,081)</b>

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

Year Ending June 30,	Net Deferred Inflows and Outflows of Resources
2021	\$ 19,575
2022	19,575
2023	18,720
2024	17,839
2025	14,275
Thereafter	22,141

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**NOTE 11 OTHER POSTEMPLOYMENT BENEFITS – LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (CONTINUED)**

**Actuarial Assumptions**

The total LRLIF liability in the January 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	January 1, 2019
Measurement Date of Net LRLIF Liability	December 31, 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:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total 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 Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

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NOTE 11 OTHER POSTEMPLOYMENT BENEFITS – LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (CONTINUED)

Long-Term Expected Return on Plan Assets (Continued)

Local OPEB Life Insurance  
Asset Allocation Targets and Expected Returns  
As of December 31, 2020

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Credit Bonds	Barclays Credit	45.00%	2.12%
U.S. Long Credit Bonds	Barclays Long Credit	5.00%	2.90%
U.S. Mortgages	Barclays MBS	50.00%	1.53%
Inflation			2.20%
Long-Term Expected Rates 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 contributions are made by plan members retiring prior to age 65.

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CITY OF BARABOO, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS – LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (CONTINUED)

Sensitivity of the City's Proportionate Share of the Net LRLIF Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net LRLIF liability calculated using the discount rate of 2.87%, as well as what the City's proportionate share of the net LRLIF liability would be if it were calculated using a discount rate that is one percentage point lower (1.87%) or one 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%)
District's Proportionate Share of Net LRLIF Liability	\$ 580,559	\$ 420,441	\$ 298,623

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**CITY OF BARABOO, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 12 FUND BALANCE AND NET POSITION**

The City's fund balance categories are classified as follows:

	General	Library Fund	General Debt Service	Capital Projects	Nonmajor Governmental Fund	Total
<b>Nonspendable:</b>						
Prepaid Items	\$ 145,509	\$ -	\$ -	\$ -	\$ -	\$ 145,509
Advances	412,028	-	-	-	-	412,028
Delinquent Items	1,019	-	-	-	-	1,019
<b>Total Nonspendable</b>	<b>558,556</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>558,556</b>
<b>Restricted for:</b>						
Debt Service	-	-	78,758	-	-	78,758
Community Development Block Grant	-	-	-	-	545,035	545,035
Park Development Impact Fees	-	-	-	-	70,201	70,201
Public Safety Impact Fees	-	-	-	-	170,896	170,896
Taxi Grant	-	-	-	-	23,827	23,827
Alma Waite	-	-	-	-	1,198,179	1,198,179
Library	-	5,322,061	-	-	-	5,322,061
Library Impact Fees	-	-	-	-	88,175	88,175
Library Development Program	-	-	-	-	3,144	3,144
BID Public Park	-	-	-	-	3,145	3,145
Kuend Estate	-	-	-	-	1,950	1,950
Capital Catalyst	-	-	-	-	28,934	28,934
TIF Project Plans	-	-	-	-	41,466	41,466
Capital Projects (Unspent Debt)	-	-	-	2,087,748	-	2,087,748
<b>Total Restricted</b>	<b>-</b>	<b>5,322,061</b>	<b>78,758</b>	<b>2,087,748</b>	<b>3,400,625</b>	<b>10,885,151</b>
<b>Committed to:</b>						
Economic Development	-	-	-	-	41,982	41,982
Parks	-	-	-	-	63,420	63,420
Park Development Impact Fees	-	-	-	-	6,501	6,501
Fire Department Retirement	-	-	-	-	115,331	115,331
Ocharner Park House	-	-	-	-	8,568	8,568
Applied to Subsequent Budget	582,024	-	-	-	-	582,024
Carryforward - Open Contracts	213,223	-	-	-	-	213,223
Library Building	-	-	-	-	898,923	898,923
<b>Total Committed</b>	<b>795,247</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>844,793</b>	<b>1,639,999</b>
<b>Assigned to:</b>						
Employee Separation	438,136	-	-	-	-	438,136
Airport Operations	1,483	-	-	-	-	1,483
Bicycle Safety	726	-	-	-	-	726
Police	19,085	-	-	-	-	19,085
Fire	7,503	-	-	-	-	7,503
Library	42,910	-	-	-	-	42,910
Economic Development	42,743	-	-	-	-	42,743
Equipment and Equipment	-	-	-	-	2,119,171	2,119,171
Street Lighting	-	-	-	-	21,908	21,908
Land Development	-	-	-	-	88,197	88,197
<b>Total Assigned</b>	<b>552,465</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,229,274</b>	<b>2,781,739</b>
<b>Unassigned Fund Balance (Deficit)</b>	<b>3,932,375</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(890,491)</b>	<b>3,041,884</b>
<b>Total Fund Balance</b>	<b>\$ 5,688,644</b>	<b>\$ 5,322,061</b>	<b>\$ 78,758</b>	<b>\$ 2,087,748</b>	<b>\$ 5,584,139</b>	<b>\$ 18,911,350</b>

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**CITY OF BARABOO, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 12 FUND BALANCE AND NET POSITION (CONTINUED)**

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

<b>Governmental Activities</b>	
Net Investment in Capital Assets	
Land	\$ 6,887,360
Construction in Progress	208,392
Other Capital Assets, Net of Accumulated Depreciation	59,653,520
Less: Long-Term Debt Outstanding	(17,434,137)
Less: Capital Lease Outstanding	(11,865,229)
Less: Unamortized Debt Premium	(193,896)
Plus: Unamortized Loss on Debt Refunding	220,933
Plus: Unspent Capital Related Debt Proceeds	2,087,748
Plus: Noncapital Debt Outstanding	866,814
<b>Total Net Investment in Capital Assets</b>	<b>\$ 40,441,505</b>
<b>Business-type Activities</b>	
Net Investment in Capital Assets	
Land	\$ 282,456
Plant in Service	43,478,794
Less: Accumulated Depreciation	(16,428,278)
Less: Capital-related Long-term Debt Outstanding	(3,775,008)
Less: Unamortized Premium	(6,973)
Plus: Unamortized Loss on Debt Refunding	3,052
<b>Total Net Investment in Capital Assets</b>	<b>\$ 23,553,043</b>

The net position section includes an adjustment for capital assets owned by the business-type activities column, but financed by the debt of the governmental activities column. The amount is a reduction of "net investment in capital assets," and an increase in "unrestricted" net position, shown only in the total column. A reconciliation of this adjustment is as follows:

	Governmental Activities	Business-type Activities	Adjustment	Total
Net Investment in Capital Assets	\$ 40,441,505	\$ 23,553,043	\$ (711,453)	\$ 63,283,095
Unrestricted	6,121,375	5,192,613	711,453	12,025,441

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CITY OF BARABOO, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**NOTE 13 JOINT VENTURES**

**Baraboo Ambulance District**

The City of Baraboo and seven other villages and towns jointly operate the local EMS District, which is called the Baraboo Ambulance District. The communities share in the annual operation of the district. The 2019 share of operations was:

City of Baraboo	67%
Seven villages and towns	33%

The district adopts its own budget. Net operating costs including debt service are shared by these communities based on the ratio of population. The department is governed by the Baraboo EMS Commission. The board consists of the citizens from each community. City of Baraboo representatives are appointed by the mayor with council approval. The City made a payment to the district in 2019 of \$288,408. Financial information of the district may be obtained directly from the district's office

The City's equity interest in the EMS District is equal to its percentage share of participation. The equity interest is based on the most recent audited financial statements of the district and is reported in the governmental activities column of the government-wide statement of net position. Changes in the equity interest are reported on the statement of activities.

**UW Campus**

The City of Baraboo and Sauk County jointly own and maintain the buildings of the UW Campus. They share the cost on an annual basis, respectively. The buildings owned by the City of Baraboo are part of the City's capital assets on the statement of net position. The debt outstanding on the purchase of the assets is included in the City's long-term liabilities on the statement of net position. Summary financial information of the joint operation is not available. Total expenditures by the City in 2019 were \$102,500 in the general fund.

**Baraboo-Wisconsin Dells Regional Airport (Airport)**

The City of Baraboo and Village of Lake Delton (Village) jointly own and operate the Airport. The Airport adopts its own budget. The Airport Commission includes representation from each community appointed by the governing bodies of the City and Village. Contributions for operations and capital are contributed in equal amounts on an annual basis. The City does not have an equity interest in the joint venture. The Airport is reported as a custodial fund of the City. Additional financial information of the Airport may be obtained directly from the Airport.

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CITY OF BARABOO, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**NOTE 14 COMMITMENTS AND CONTINGENT LIABILITIES**

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

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

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

The City has entered into various contracts as of December 31, 2020. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

**NOTE 15 BUDGETARY AND STEWARDSHIP INFORMATION**

A budget has been adopted for the general fund, general debt service fund, special revenue funds including: taxi, park development, public safety, parks, and Alma Waite, the capital project fund, and special assessment capital projects fund. Budgets have not been formally adopted for other special revenue and capital projects funds not listed above. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental and special revenue funds. The statutes do not require a limit at which expenditures may not legally exceed appropriations. Any appropriations lapse at year-end.

The Following individual funds held a deficit fund balance as of December 31, 2020:

Fund	Amount	Reason
Urban Development	\$ (36,025)	Excess expenditures over revenues
Tax Incremental District #7	(333,656)	Excess expenditures over revenues
Tax Incremental District #8	(491,429)	Excess expenditures over revenues
Tax Incremental District #10	(14,674)	Excess expenditures over revenues
Tax Incremental District #11	(14,707)	Excess expenses over revenues

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

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CITY OF BARABOO, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 16 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers' compensation; and health care of its employees. The City participates in a public entity risk pool called to provide coverage for losses from torts, errors, and omissions. However, other risks, such as (torts; theft of, damage to, or destruction of assets; errors and omission; workers compensation; and health care of its employees) are accounted for and financed by the City in the general fund.

In 1988 the City invested \$320,000 for participation in the Wisconsin Municipal Insurance Commission (WMIC). The City reports this amount in the liability insurance internal service fund. The WMIC is an intergovernmental cooperative commission formed to facilitate the formation of the Cities and Villages Mutual Insurance Company (CVMIC). In 1987, the WMIC issued \$28.645 million of revenue bonds to provide for the capitalization of the CVMIC. The CVMIC is a separate and distinct entity independent of the WMIC and is owned by the participating cities and villages of the WMIC. The CVMIC was formed to provide liability insurance to Wisconsin municipalities as of January 1, 1988. The CVMIC has an A.M. Best rating of A-.

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

In prior years, the CVMIC paid dividends to the City based on a schedule designed to enable the City to partially or totally finance the City's debt service requirements on its related general obligation issue. As of December 31, 2007, the City's debt and the WMIC's debt were paid in full. The WMIC has no assets, liabilities or financial activity for the year ended December 31, 2020. CVMIC continues to pay dividends that are used to pay the City's insurance premiums.

Complete financial statements for the CVMIC can be obtained from the CVMIC administrative office at 9698 W. Bluemound Road, Wauwatosa, WI 53226-4319.

There have been no significant reductions in insurance for any risk of loss in the past year and settled claims have not exceeded the commercial coverage in any of the past three fiscal years.

The CVMIC provides the City with \$5,000,000 of liability coverage for losses over its self-insured retention level of \$125,000 per occurrence with a \$500,000 aggregate stop loss. The City's annual cost is the sum of its annual premium, claims incurred and applicable to the self-insured retention and other operating expenses. An annual premium is charged to cover expected claims and administrative costs. The claims component of the premium is determined by independent actuaries and allocated among participating municipalities based on payroll and loss history. The City and other participating cities and villages are subject to cover loss experiences, which exceed predictions through retrospective assessments.

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CITY OF BARABOO, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 16 RISK MANAGEMENT (CONTINUED)

Changes in the claim liability amounts for the years ended December 31 were as follows:

	Beginning Balance	Current Year Claims and Changes in Estimates	Claim Payments	Ending Balance
2019	\$ 23,955	\$ 312,486	\$ 320,883	\$ 15,558
2020	15,558	99,935	115,493	-

During 2020, the World Health Organization declared the spread of the Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the City, COVID-19 may impact various parts of its fiscal year 2021 operations and financial results. Management believes that the City is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these impacts are still developing.

NOTE 17 COMPONENT UNITS

Community Development Authority

This report contains the Community Development Authority ("CDA"), which is included as a component unit. Financial information is presented as a discrete column in the statement of net position and statement of activities.

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

Community Development Authority Basis of Accounting/Measurement Focus

The CDA follows the full accrual basis of accounting and the flow of economic resources measurement focus.

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CITY OF BARABOO, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 17 COMPONENT UNITS (CONTINUED)

**Community Development Authority Deposits and Investments**

The CDA held the following deposits and investments as of December 31, 2020:

	Carrying Value	Bank and Investment Balances	Associated Risks
Petty Cash	\$ 350	\$ -	N/A
Deposits	221,469	259,496	Custodial credit
LGIP	167,590	167,590	Credit, interest rate
	<u>\$ 389,399</u>	<u>\$ 427,076</u>	
Per Statement of Net Position			
Unrestricted Cash and Investments	\$ 223,820		
Restricted Cash and Investments	<u>165,579</u>		
	<u>\$ 389,399</u>		

The CDA does not have any deposits that are exposed to custodial credit risk as uninsured and uncollateralized.

**Community Development Authority Restricted Assets**

The CDA has established restricted cash and investment accounts to satisfy statutory and debt requirements. Following is a list of restricted assets at December 31, 2020:

	Restricted Cash and Investments
Security Deposits	\$ 37,824
Reserve Account	<u>127,755</u>
Total Restricted Assets	<u>\$ 165,579</u>

**Community Development Authority Capital Assets**

The CDA reported the following capital asset activity for the year ended December 31, 2020:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets				
Land	\$ 201,364	\$ -	\$ -	\$ 201,364
Land Improvements	307,620	42,041	-	349,661
Buildings and Improvements	5,800,009	3,446	-	5,803,455
Machinery and Equipment	613,099	54,106	-	667,205
Less Accumulated Depreciation	(4,012,181)	(123,070)	-	(4,135,251)
Total Capital Assets, Net	<u>\$ 2,909,911</u>	<u>\$ (23,477)</u>	<u>\$ -</u>	<u>\$ 2,886,434</u>

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CITY OF BARABOO, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 17 COMPONENT UNITS (CONTINUED)

**Community Development Authority Long-Term Obligations**

The CDA reports the following long-term obligations for the year ended December 31, 2020

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Bonds and Notes Payable					
General Obligation Notes from					
Direct Placements	\$ 68,292	\$ -	\$ 33,468	\$ 34,814	\$ 34,814
Revenue Bonds from	12,207,800	-	177,000	12,030,800	182,000
Direct Placements	12,275,082	-	210,468	12,065,614	216,914
Subtotal					
Other Liabilities	27,762	25,660	9,767	43,655	22,311
Vested Compensated Absences					
Total Long-Term Obligations	<u>\$ 12,303,844</u>	<u>\$ 25,660</u>	<u>\$ 220,235</u>	<u>\$ 12,109,269</u>	<u>\$ 239,125</u>

The general obligation debt payable of the CDA is made up of one state trust fund loan issued on January 5, 2017. Original indebtedness of the loan was \$160,000 with a 4% interest rate. Final maturity is March 15, 2021. The debt will be retired by future operating revenues of the CDA.

The revenue bonds payable for the CDA are made up of one issue through the USDA, dated June 28, 2018. Original indebtedness of the bonds was \$12,380,000 with 2.75% interest rate. Proceeds from the bonds provided financing for the construction of the public safety and administration building. The bonds are payable solely from the lease revenues and are payable through 2058. The total principal and interest remaining to be paid on the bonds is \$19,907,593. Interest paid for the current year was \$337,437. Principal paid for the current year was \$172,200. Total customer net revenues were \$337,437.

Debt service requirements to maturity are as follows:

Years	Principal	Interest
2021	\$ 182,000	\$ 328,245
2022	187,000	323,271
2023	192,300	316,055
2024	197,600	312,694
2025	203,100	309,165
2026	208,600	305,575
2027	214,100	301,925
2028	219,600	298,215
2029	225,100	294,445
2030	230,600	290,615
2031 - 2035	1,296,500	1,265,030
2036 - 2040	1,453,100	1,098,338
Thereafter	7,245,400	1,940,117
Total	<u>\$ 12,030,800</u>	<u>\$ 7,350,776</u>

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CITY OF BARABOO, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020

CITY OF BARABOO, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 17 COMPONENT UNITS (CONTINUED)

Community Development Authority Long-Term Obligations (Continued)

The CDA reports the following components of net investment in capital assets as of December 31, 2020.

Net Investment in Capital Assets	
Land	\$ 201,364
Other Capital Assets, Net of Accumulated Depreciation	2,685,070
Less: Long-term Debt Outstanding	(34,814)
Total Net Investment in Capital Assets	<u>\$ 2,851,620</u>

Business Improvement District

This report contains the Business Improvement District ("BID"), which is included as a component unit. Financial information is presented as a discrete column in the statement of net position and statement of activities.

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

Business Improvement District Basis of Accounting/Measurement Focus

The BID follows the full accrual basis of accounting and the flow of economic resources measurement focus.

Business Improvement District Deposits and Investments

The BID held the following deposits and investments as of December 31, 2020:

Deposits	Bank & Investment		Associated Risks	
	Carrying Value	Balances		Custodial credit
	\$ 77,031	\$ 77,031		
	<u>\$ 77,031</u>	<u>\$ 77,031</u>		

The BID does not have any deposits exposed to custodial credit risk as uninsured and uncollateralized.

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NOTE 18 RESTATEMENT

The City has restated beginning of the year fund balance reported in the Library Special Revenue Fund and the governmental activities net position by \$2,666,086 for a contribution received in 2019 that was not recorded. In addition, the City also restated beginning net position of the governmental activities for \$1,284,200 for land that was disposed of in a previous year that was not removed from the financial statements. The detail of the restatements is as follows:

	Library Fund	Governmental Activities
Fund Balance/Net Position as previously reported, as of December 31, 2019	\$ 1,979,919	\$ 53,865,015
Add: contribution to library received in 2019	2,666,086	2,666,086
Less: capital assets disposed in a previous year		(1,284,200)
Fund Balance/Net Position as restated, as of as of January 1, 2020	<u>\$ 4,646,005</u>	<u>\$ 55,246,901</u>

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**CITY OF BARABOO, WISCONSIN  
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND  
YEAR ENDED DECEMBER 31, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 7,147,700	\$ 7,147,700	\$ 7,172,648	\$ 24,948
Intergovernmental	3,182,606	3,299,326	3,295,783	36,457
Licenses and Permits	259,022	271,522	285,938	14,416
Fine, Forfeitures and Penalties	84,000	84,000	95,386	11,386
Public Charges for Services	397,435	323,737	249,175	(74,562)
Intergovernmental Charges for Services	269,851	335,161	331,426	(3,735)
Special Assessments	-	-	-	-
Investment Income	185,630	185,630	101,765	(83,865)
Miscellaneous	844,843	934,184	231,232	(702,952)
Total Revenues	12,371,087	12,541,280	11,763,353	(777,907)
<b>EXPENDITURES</b>				
Current:				
General Government	1,612,263	1,572,805	1,409,023	163,782
Public Safety	5,420,520	5,667,829	5,218,498	449,331
Public Works	2,766,972	2,778,183	2,378,379	399,804
Health and Human Services	30,650	30,650	29,784	866
Culture, Recreation and Education	2,566,214	2,521,160	2,412,315	108,845
Conservation and Development	224,768	222,273	205,522	16,751
Capital Outlay	70,000	70,000	68,540	1,460
Total Expenditures	12,693,387	12,862,900	11,722,051	1,140,839
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(322,300)	(321,640)	41,292	362,932
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of City Property	11,800	11,800	24,870	13,070
Debt Proceeds	117,000	117,000	-	(117,000)
Transfer In - Tax Equivalent	324,500	324,500	316,612	(7,888)
Transfers In	17,000	22,500	38,094	15,594
Transfers Out	(149,000)	(154,160)	(154,160)	-
Net Other Financing Sources (Uses)	322,300	321,640	225,416	(96,224)
<b>NET CHANGE IN FUND BALANCES</b>	-	-	266,708	266,708
Fund Balances - Beginning of Year	-	-	5,571,936	-
<b>FUND BALANCES - END OF YEAR</b>	\$ -	\$ -	\$ 5,838,644	\$ 266,708

**REQUIRED SUPPLEMENTARY INFORMATION**

See accompanying Notes to Required Supplementary Information.  
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**CITY OF BARABOO, WISCONSIN  
BUDGETARY COMPARISON SCHEDULE – LIBRARY FUND  
YEAR ENDED DECEMBER 31, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Investment Income	\$ 15,000	\$ 15,000	\$ 576,785	\$ 561,785
Miscellaneous	-	-	105,339	105,339
Total Revenues	15,000	15,000	682,124	667,124
<b>EXPENDITURES</b>				
Culture, Recreation and Education	15,000	15,000	7,078	7,922
Total Expenditures	15,000	15,000	7,078	7,922
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	-	675,046	675,046
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	1,010	1,010
Net Other Financing Sources (Uses)	-	-	1,010	1,010
<b>NET CHANGE IN FUND BALANCES</b>	-	-	676,056	676,056
Fund Balances - Beginning of Year	-	-	4,646,005	-
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,322,061</b>	<b>\$ 676,056</b>

**CITY OF BARABOO, WISCONSIN  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY  
(ASSETS) AND RELATED CONTRIBUTIONS  
SUPPLEMENTAL PENSION  
LAST TEN FISCAL YEARS  
(SCHEDULE PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

Schedule of the City's Proportional Share of the Net Pension Liability (Asset)		2014		2015		2016		2017		2018		2019	
Measurement Date: December 31, Last Ten Fiscal Years													
City's Proportion of the Net Pension Liability (Asset)		0.0432660%		0.04327669%		0.04325689%		0.04326600%		0.0432564%		0.0467210%	
City's Proportional Share of the Net Pension Liability (Asset)		\$ (1,067,362)		\$ 710,555		\$ 358,705		\$ (1,316,381)		\$ 1,605,438		\$ (1,480,181)	
City's Covered Payroll		\$ 5,317,046		\$ 5,420,807		\$ 5,460,803		\$ 5,710,373		\$ 5,821,833		\$ 6,403,603	
City's Proportional Share of the Net Pension Liability (Asset) as a Percentage of the Covered Payroll		20.45%		13.11%		6.53%		23.05%		27.58%		23.11%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)		102.74%		88.20%		88.12%		102.83%		86.45%		102.86%	

**SCHEDULE OF CITY'S CONTRIBUTIONS TO  
WISCONSIN RETIREMENT SYSTEM NET PENSION  
LAST TEN FISCAL YEARS  
(SCHEDULE PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

Fiscal Year Ended: December 31,		2015		2016		2017		2018		2019		2020	
City's Actuarially Determined Contributions		\$ 429,434		\$ 434,001		\$ 474,123		\$ 479,289		\$ 485,585		\$ 538,331	
City Contributions in Relation to the Actuarially Determined Contribution		-		(434,001)		(474,123)		(479,289)		(485,585)		(538,331)	
Contribution Deficiency (Excess)		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -	
City's Covered Payroll		\$ 5,317,046		\$ 5,420,807		\$ 5,460,803		\$ 5,710,373		\$ 5,821,833		\$ 6,403,603	
City's Contributions as a Percentage of Covered Payroll		8.88%		8.01%		8.63%		8.39%		8.52%		8.41%	

Information not available before 2014

See accompanying Notes to Required Supplementary Information.

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See accompanying Notes to Required Supplementary Information.  
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**CITY OF BARABOO, WISCONSIN**  
**SCHEDULE OF CHANGES IN EMPLOYER'S TOTAL OPEB**  
**LIABILITY AND RELATED RATIOS**  
**HEALTH INSURANCE**  
**LAST TEN FISCAL YEARS**  
**(SCHEDULE PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

	2018	2019	2020
Total OPEB Liability			
Service Cost	\$ 88,481	\$ 83,044	\$ 85,328
Interest on Total OPEB Liability	36,586	44,857	37,342
Difference in expected to actual experience	-	-	(155,581)
Changes in Assumptions	(54,776)	127,886	(434,721)
Benefit Payments	(34,374)	(37,124)	(40,314)
Net Change in Total OPEB Liability	35,917	218,743	(507,956)
Total OPEB Liability - Beginning	1,080,726	1,116,643	1,335,386
Total OPEB Liability - Ending	1,116,643	1,335,386	827,430
Covered-Employee Payroll	\$ 5,082,781	\$ 5,238,879	\$ 6,084,238
Net OPEB (Asset) Liability as a Percentage of Covered-Employee Payroll	22.05%	25.48%	13.60%

Information not available before 2018

See accompanying Notes to Required Supplementary Information.  
(54)

**CITY OF BARABOO, WISCONSIN**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF**  
**THE NET LOCAL RETIREE LIFE INSURANCE FUND LIABILITY**  
**LAST TEN FISCAL YEARS**  
**(SCHEDULE PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

	2017	2018	2019
Measurement Date: December 31,			
City's Proportion of the Net LRLIF Liability (Asset)	0.09656500%	0.09661700%	0.09873700%
City's Proportionate Share of the Net LRLIF Liability (Asset)	\$ 280,524	\$ 248,304	\$ 420,441
City's Covered-Employee Payroll	\$ 4,060,834	\$ 4,572,000	\$ 4,849,000
City's Proportionate Share of the Net LRLIF Liability (Asset) as a Percentage of its Covered-Employee Payroll	7.15%	5.45%	8.67%
Plan Fiduciary Net Position as a Percentage of the Total LRLIF Liability (Asset)	44.81%	48.69%	37.58%

Information not available before 2017

See accompanying Notes to Required Supplementary Information.  
(55)

CITY OF BARABOO, WISCONSIN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2020

BUDGETARY INFORMATION

GASB Statement No. 34 requires the presentation of budgetary comparison schedules for the general fund and for each major special revenue fund. Budgetary information for the general fund is derived from the City's annual operating budget.

Budgets are adopted each fiscal year for all funds in accordance with Section 65.90 of the Wisconsin Statutes. Budget amounts in the financial statements include both the original adopted budget and the final budget.

SUPPLEMENTARY INFORMATION

**CITY OF BARABOO, WISCONSIN  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2020**

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CITY OF BARABOO, WISCONSIN  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
DECEMBER 31, 2020

	Capital Asset Line Items									
	Ten Incremental Investment	Ten Incremental Investment	Ten Incremental Investment	Ten Incremental Investment	Ten Incremental Investment	Ten Incremental Investment	Ten Incremental Investment	Ten Incremental Investment	Emergency Management Investment	Special Assessment Investment
1	\$ 1,727,895	\$ 10,638	\$ 11,681	\$ -	\$ -	\$ -	\$ -	\$ 1,609,823	\$ 25,500	\$ 6,875
2	\$ 339,294	\$ 16,500	\$ 21,152	\$ -	\$ -	\$ -	\$ -	\$ 1,898	\$ 21,152	\$ 21,152
3	\$ -	\$ 128,441	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,798	\$ -	\$ 55,354
4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	\$ 1,727,895	\$ 338,095	\$ 4,634	\$ -	\$ -	\$ -	\$ -	\$ 1,413,247	\$ 76,550	\$ 131,481
6	\$ -	\$ -	\$ 8,981	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	\$ 117,276	\$ 72	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	\$ 30,762	\$ 41,176	\$ -	\$ 16,614	\$ 1,137	\$ -	\$ -	\$ -	\$ -	\$ -
9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	\$ 852,852	\$ 257,662	\$ 46,834	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,152
11	\$ 852,852	\$ 351,055	\$ 4,634	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,500
12	\$ 871,036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,613,247	\$ 25,500	\$ 68,875
13	\$ 871,036	\$ 169,450	\$ 14,370	\$ 14,370	\$ 14,370	\$ -	\$ -	\$ 5,533,247	\$ 25,500	\$ 58,875
14	\$ 871,036	\$ 169,450	\$ 14,370	\$ 14,370	\$ 14,370	\$ -	\$ -	\$ 5,533,247	\$ 25,500	\$ 58,875
15	\$ 871,036	\$ 364,095	\$ 4,634	\$ -	\$ -	\$ -	\$ -	\$ 5,533,247	\$ 25,500	\$ 58,875
16	\$ 871,036	\$ 364,095	\$ 4,634	\$ -	\$ -	\$ -	\$ -	\$ 5,533,247	\$ 25,500	\$ 58,875

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**CITY OF BARABOO, WISCONSIN  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
YEAR ENDED DECEMBER 31, 2020**

[illegible]

**CITY OF BARABOO, WISCONSIN  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (CONTINUED)  
YEAR ENDED DECEMBER 31, 2020**

[illegible][illegible]

**CITY OF BARABOO, WISCONSIN  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
DECEMBER 31, 2020**

ASSETS	Liability Insurance	Unfunded Pension Liability	Total Internal Service Funds
Current Assets:			
Cash and Investments	\$ 52,135	\$ 35,615	\$ 87,750
Receivables:			
Accounts (net)	13,117	-	13,117
Total Current Assets	65,252	35,615	100,867
Noncurrent Assets:			
Investment in Mutual Insurance Company	320,000	-	320,000
Total Assets	385,252	35,615	420,867
LIABILITIES			
Current Liabilities:			
Accrued Interest	-	1,536	1,536
Due to Other Funds	-	733	733
Due to Component Units	-	59	59
Current Portion of General Obligation Debt Payable	-	67,861	67,861
Total Current Liabilities	-	70,189	70,189
Noncurrent Liabilities:			
General Obligation Debt Payable	-	87,486	87,486
Total Liabilities	-	157,675	157,675
NET POSITION (DEFICIT)			
Unrestricted	385,252	(122,060)	263,192
Total Net Position (Deficit)	\$ 385,252	\$ (122,060)	\$ 263,192

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**CITY OF BARABOO, WISCONSIN  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (CONTINUED)  
YEAR ENDED DECEMBER 31, 2020**

	Fire Department	Emergency Management	Special Assessment Projects	Urban Development	Land Development	Capital Expenditures	Time
							Governmental Activities
REVENUES							
Intergovernmental	99,804	-	-	-	-	-	1,228,021
Investment Income	-	-	-	-	-	-	-
Public Charges for Services	-	-	-	-	-	-	348,188
Fire, Transients and Facilities	-	-	-	-	-	-	171,512
Special Assessments	25,564	51	49,331	1,462	137	1,160	171,512
Transfers In	-	-	-	-	-	-	231,613
Miscellaneous	128,506	51	42,429	19,337	9,107	1,160	3,102,577
Total Revenues	353,874	102	91,760	20,801	10,244	2,320	3,382,103
EXPENDITURES							
Current							
Police - Contract	-	-	-	-	-	-	4,305
Police - Salary	-	-	-	-	-	-	5,006
Police - Fringe Benefits	-	-	-	-	-	-	95,000
Police - Health and Human Services	-	-	-	-	-	-	112,507
Police - Information Technology	-	-	-	-	-	-	229,305
Police - Contract Services	-	-	-	-	-	-	428,513
Capital Outlay	386,349	-	27,937	-	49	3,008	836,577
Interest	-	-	-	-	-	-	3,302,965
Transfer Out	-	-	-	-	-	-	-
Total Expenditures	386,349	-	27,937	-	49	3,008	836,577
EXCESS (DEFICIENCY) OF REVENUES	67,525	102	63,823	20,801	9,195	2,312	3,382,103
OTHER FINANCING SOURCES (USES)							
State of City Treasury	1,849	-	-	-	-	-	88,902
Premium on Debt Issued	-	-	-	-	-	-	348,188
Transfers In - In Expansion	-	-	-	-	-	-	171,512
Transfers In - Other	-	-	-	-	-	-	231,613
Net Other Financing Sources (Uses)	1,849	-	-	-	-	-	88,902
NET FUND BALANCE	69,374	102	63,823	20,801	9,195	2,312	3,382,103
Fund Balances - Beginning of Year	1,558,562	21,779	54,512	154,801	68,656	425,643	5,527,716
Fund Balances - End of Year	1,413,547	21,779	54,512	154,801	68,656	425,643	5,527,716

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**CITY OF BARABOO, WISCONSIN  
INTERNAL SERVICE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES  
IN NET POSITION  
YEAR ENDED DECEMBER 31, 2020**

	Liability Insurance	Unfunded Pension Liability	Total Internal Service Funds
<b>OPERATING REVENUES</b>			
Charges for Service	\$ 80,847	\$ 74,786	\$ 155,633
<b>OPERATING EXPENSES</b>			
Operating and Maintenance	99,935	-	99,935
Operating Income	(19,088)	74,786	55,698
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment Income	13,117	38	13,155
Interest Expense	-	(5,504)	(5,504)
Total Nonoperating Revenues (Expenses)	13,117	(5,466)	7,651
<b>CHANGE IN NET POSITION</b>	(5,971)	69,320	63,349
Net Position - Beginning of Year	391,223	(191,380)	199,843
<b>NET POSITION - END OF YEAR</b>	<b>\$ 385,252</b>	<b>\$ (122,060)</b>	<b>\$ 263,192</b>

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**CITY OF BARABOO, WISCONSIN  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2020**

	Liability Insurance	Unfunded Pension Liability	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Received from Other Funds	\$ 81,254	\$ 74,789	\$ 156,023
Payments to Suppliers for Goods and Services	(117,420)	-	(117,420)
Net Cash Flow from Operating Activities	(36,166)	74,789	38,603
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment Income	13,117	38	13,155
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Debt Retired	-	(69,324)	(69,324)
Interest Paid	-	(6,165)	(6,165)
Net Cash Flow from Noncapital Financing Activities	-	(75,489)	(75,489)
Net Change in Cash and Cash Equivalents	(23,049)	(662)	(23,731)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	75,184	36,287	111,481
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 52,135</b>	<b>\$ 35,615</b>	<b>\$ 87,750</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating Income	\$ (19,088)	\$ 74,786	\$ 55,698
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities			
Change in Assets and Liabilities	407	-	407
Accounts Receivable	(17,485)	(17)	(17,502)
Accounts Payable	(36,166)	74,789	38,603
Net Cash Flow from Operating Activities			

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**CITY OF BARABOO, WISCONSIN  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
DECEMBER 31, 2020**

	Tax Collection Fund	UW Campus	Friends of the Library	Airport	Total Custodial Funds
<b>ASSETS</b>					
Cash and Investments	\$ 5,125,527	\$ 153,201	\$ 15,772	\$ 135,885	\$ 5,440,385
Receivables:					
Taxes	7,807,187	-	-	-	7,807,187
Accounts (net)	-	69,262	-	757	70,019
Due from Other Governments	-	-	-	72,853	72,853
Prepaid Items	-	21,240	-	11,041	32,281
Total Assets	\$ 12,932,714	\$ 253,703	\$ 15,772	\$ 220,536	\$ 13,422,725
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ 1,001	\$ 346	\$ 23,113	\$ 24,460
Accrued Liabilities	-	-	-	760	760
Total Liabilities	-	1,001	346	23,873	25,220
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes Levied for Next Period	12,932,714	-	-	-	12,932,714
<b>NET POSITION</b>					
Restricted for Organizations and Other Governments	\$ -	\$ 252,702	\$ 15,426	\$ 196,663	\$ 464,791

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**CITY OF BARABOO, WISCONSIN  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED DECEMBER 31, 2020**

	Tax Collection Fund	UW Campus	Friends of the Library	Airport	Total Custodial Funds
<b>ADDITIONS</b>					
Property Taxes Collected for Taxing Jurisdictions	\$ 12,161,094	\$ -	\$ -	\$ -	\$ 12,161,094
Intergovernmental Grants	-	-	-	123,446	123,446
Intergovernmental Charges for Services	-	120,103	-	83,894	203,997
Public Charges for Services	-	-	4,576	10,140	14,716
Investment Income	-	580	24	418	1,022
Miscellaneous Revenues	-	69,264	945	52,944	123,153
Total Additions	12,161,094	189,947	5,545	270,842	12,627,428
<b>DEDUCTIONS</b>					
Property Taxes Disbursed to Taxing Jurisdictions	12,161,094	-	-	-	12,161,094
Public Works	-	181,846	-	197,497	197,497
Culture, Recreation, and Education	-	181,846	13,800	-	195,646
Total Deductions	12,161,094	181,846	13,800	197,497	12,554,237
<b>CHANGE IN NET POSITION</b>	-	8,101	(8,255)	73,345	73,191
Net Position - Beginning of Year	-	244,601	23,681	123,318	391,600
<b>NET POSITION - END OF YEAR</b>	\$ -	\$ 252,702	\$ 15,426	\$ 196,663	\$ 464,791

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**CITY OF BARABOO, WISCONSIN  
COMMUNITY DEVELOPMENT AUTHORITY  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
DECEMBER 31, 2020**

ASSETS	Douglas Terrace Apartments	Corson Square	Admin Building	Total Community Development Authority
<b>Current Assets:</b>				
Cash and Investments	\$ 100,820	\$ 85,184	\$ 37,816	\$ 223,820
Accounts Receivable	3,643	1,944	-	5,587
Due from Primary Government	31	-	-	59
<b>Total Current Assets</b>	<b>104,494</b>	<b>87,156</b>	<b>37,816</b>	<b>229,466</b>
<b>Noncurrent Assets:</b>				
Retitled - Cash and Investments	20,902	15,922	127,755	165,579
Lease Receivable	-	-	11,865,228	11,865,228
Accrued Interest	-	-	110,282	110,282
Capital Assets:				
Land	44,000	157,354	-	201,354
Capital Assets, Net	724,432	1,960,638	-	2,685,070
<b>Total Capital Assets</b>	<b>768,432</b>	<b>2,118,002</b>	<b>-</b>	<b>2,886,434</b>
<b>Net Pension Asset - WRS</b>	<b>13,651</b>	<b>17,755</b>	<b>-</b>	<b>31,406</b>
<b>Total Noncurrent Assets</b>	<b>807,079</b>	<b>2,236,384</b>	<b>12,103,266</b>	<b>15,266,925</b>
<b>Total Assets</b>	<b>911,573</b>	<b>2,323,540</b>	<b>12,141,082</b>	<b>15,496,391</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred OPEB Charges - Retiree Health	1,043	1,044	-	2,087
Deferred Pension Charges - LRLF	3,562	3,548	-	7,110
Deferred Pension Charges - WRS	42,130	32,030	-	74,160
<b>Total Deferred Outflows of Resources</b>	<b>46,735</b>	<b>36,622</b>	<b>-</b>	<b>83,357</b>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts Payable	10,577	4,948	-	15,425
Accrued Interest	1,102	-	110,282	111,384
Due to Other Funds	19,671	18,953	-	38,624
Current portion of Compensated Absences	12,515	9,795	-	22,311
Current Portion of Revenue Bonds Payable	-	-	182,000	182,000
Current Portion of General Obligation Debt and Notes Payable	34,814	-	-	34,814
<b>Total Current Liabilities</b>	<b>78,679</b>	<b>33,697</b>	<b>292,282</b>	<b>404,558</b>
<b>Noncurrent Liabilities:</b>				
Liabilities payable from restricted assets				
Deposits	20,902	17,183	-	38,085
Compensated absences	12,904	8,440	-	21,344
Revenue bonds payable	-	-	11,848,800	11,848,800
Net OPEB liability - Retiree Health	7,705	4,815	-	12,520
Net OPEB liability - LRLF	51,281	30,025	-	81,306
<b>Total Noncurrent Liabilities</b>	<b>92,792</b>	<b>59,463</b>	<b>11,848,800</b>	<b>11,940,540</b>
<b>Total Liabilities</b>	<b>171,471</b>	<b>93,160</b>	<b>12,141,082</b>	<b>12,345,098</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Pension Credits - WRS	48,708	44,321	-	93,029
Deferred OPEB Credits - Retiree Health	7,801	7,715	-	15,516
Deferred OPEB Credits - LRLF	1,590	-	-	1,590
<b>Total Deferred Inflows of Resources</b>	<b>58,199</b>	<b>52,036</b>	<b>-</b>	<b>110,235</b>
<b>NET POSITION (DEFICIT)</b>				
Net Investment in Capital Assets	733,618	2,118,002	-	2,851,620
Restricted for Net Pension Asset	13,651	14,304	-	27,955
Unrestricted	18,765	12,851	-	31,616
<b>Total Net Position (Deficit)</b>	<b>766,034</b>	<b>2,145,267</b>	<b>-</b>	<b>2,911,301</b>

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**CITY OF BARABOO, WISCONSIN  
COMMUNITY DEVELOPMENT AUTHORITY  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEAR ENDED DECEMBER 31, 2020**

	Douglas Terrace Apartments	Corson Square	Admin Building	Total Community Development Authority
<b>OPERATING REVENUES</b>				
Charges for Service	\$ 217,731	\$ 164,551	\$ -	\$ 382,282
Miscellaneous	30,141	10,530	-	40,671
<b>Total Operating Revenue</b>	<b>247,872</b>	<b>175,081</b>	<b>-</b>	<b>422,953</b>
<b>OPERATING EXPENSES</b>				
Legal and Administrative	137,514	145,971	-	283,385
Operating expenses	73,982	30,028	-	104,010
Maintenance	12,787	13,267	-	26,054
Depreciation	14,482	13,512	-	27,994
Investment Income	76,454	46,615	-	123,069
<b>Total Operating Expenses</b>	<b>355,220</b>	<b>316,595</b>	<b>-</b>	<b>671,815</b>
<b>Operating Income</b>	<b>(147,359)</b>	<b>(143,534)</b>	<b>-</b>	<b>(290,893)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Intergovernmental revenues	130,553	135,118	-	265,671
Investment Income - Land Lateral Services	-	-	-	-
Investment Income	172	102	331,659	331,932
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(120,066)</b>	<b>135,220</b>	<b>(331,659)</b>	<b>(25,495)</b>
<b>Income Before Contributions and Transfers</b>	<b>(16,292)</b>	<b>(7,314)</b>	<b>-</b>	<b>(23,606)</b>
<b>CHANGE IN NET POSITION</b>	<b>(16,292)</b>	<b>(7,314)</b>	<b>-</b>	<b>(23,606)</b>
Net Position - Beginning of Year	784,357	2,152,581	-	2,936,938
<b>NET POSITION - END OF YEAR</b>	<b>766,065</b>	<b>2,145,267</b>	<b>-</b>	<b>2,911,332</b>

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CliftonLarsonAllen LLP  
CJAconnect.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**

Common Council  
City of Baraboo, Wisconsin

**ADDITIONAL INDEPENDENT AUDITORS' REPORT  
FOR BASIC FINANCIAL STATEMENTS**

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, the discretely presented component unit, each major fund, and the aggregate remaining fund, and the budgetary comparison for the General Fund and Parking Meters and Lots special revenue fund of the City of Baraboo, 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 August 19, 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2020-001 that we consider to be a material weakness.



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Common Council  
August 19, 2021

#### Compliance and Other Matters

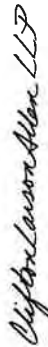
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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*.

#### City of Baraboo's Response to Findings

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

#### 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 the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Wauwatosa, Wisconsin  
August 19, 2021

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## CITY OF BARABOO, WISCONSIN SCHEDULE OF FINDINGS AND RESPONSES YEAR ENDED DECEMBER 31, 2020

Section I – Internal Control Over Financial Reporting	
FINDING NO.	CONTROL DEFICIENCIES
2020-001	<b>Audit Adjustments</b>
<b>Type of Finding</b>	Material Weakness in Internal Control over Financial Reporting
<b>Repeat Finding</b>	No
<b>Condition</b>	Two material restatements we were recorded to correct errors from prior periods related to donated investments and land disposed of in a prior period.
<b>Context</b>	While performing audit procedures, it was noted that the City did not record the receipt of investments donated to the Library Special Revenue Fund or the disposal of land in the governmental activities in prior periods. The donation of the investment did not result in a cash transaction at the City because the investments are held for the beneficial interest of the Library by a Community Foundation. The disposal of land did not result in a cash transaction, as the land was donated to a developer. The City's internal controls around noncash transactions identified the need to record this activity subsequent to the issuance of the financial statements of the year this activity occurred.
<b>Criteria</b>	The City's internal controls should be designed to adequately capture and record noncash transactions to present them in the City's financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) in the year in which they occur.
<b>Cause</b>	The financial close and reporting process failed to identify and record two noncash transactions in the year in which they occurred.
<b>Effect</b>	Two restatements were proposed to and accepted by management to record the receipt of donated investments and disposal of land in accordance with GAAP.
<b>Recommendation</b>	We recommend that the City review transactions with departments within the City to ensure all noncash financial transactions are captured in the financial statements.
<b>Contact Person</b>	Lori Laux, Treasurer
<b>Management Response</b>	Management will review and evaluate opportunities to include additional compensating controls during 2021 over financial reporting of noncash transactions.
<b>Anticipated Completion Date</b>	December 31, 2021

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**FORM OF LEGAL OPINION**

(See following pages)

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

July 14, 2022

Re: City of Baraboo, Wisconsin ("Issuer")  
\$2,590,000 General Obligation Corporate Purpose Bonds, Series 2022A,  
dated July 14, 2022 ("Bonds")

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

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

The Bonds are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on 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	\$145,000	____%
2026	70,000	____
2027	90,000	____
2028	110,000	____
2029	130,000	____
2030	135,000	____
2031	140,000	____
2032	140,000	____
2033	145,000	____
2034	145,000	____
2035	150,000	____
2036	150,000	____
2037	160,000	____
2038	165,000	____
2039	175,000	____
2040	175,000	____
2041	180,000	____
2042	185,000	____

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

The Bonds maturing on May 1, 2033 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on May 1, 2032 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within

each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

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

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

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

1. The Bonds have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.
2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Bonds, without limitation as to rate or amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds except to the extent that necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Bonds.
3. The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

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

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



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

QUARLES & BRADY LLP

### BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://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 Baraboo, Sauk County, Wisconsin (the "Issuer") in connection with the issuance of \$2,590,000 General Obligation Corporate Purpose Bonds, Series 2022A, dated July 14, 2022 (the "Securities"). The Securities are being issued pursuant to resolutions adopted on May 24, 2022 and June 28, 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](http://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 June 29, 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 Baraboo, Sauk County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Finance Director of the Issuer who can be contacted at 101 South Boulevard, Baraboo, Wisconsin 53913, phone (608) 355-7338, fax (608) 356-9666.

"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 14th day of July, 2022.

(SEAL)

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Rob Nelson  
Mayor

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Brenda M. Zeman  
City Clerk

## APPENDIX E

### NOTICE OF SALE

#### **\$2,590,000\* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2022A CITY OF BARABOO, WISCONSIN**

Bids for the purchase of \$2,590,000\* General Obligation Corporate Purpose Bonds, Series 2022A (the "Bonds") of the City of Baraboo, Wisconsin (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the City, until 10:30 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:30 A.M. Central Time, on June 28, 2022, at which time they will be opened, read and tabulated. The bids will be presented to the Common Council for consideration for award by resolution at a meeting to be held at 7:00 P.M., Central Time, on the same date. The bid offering to purchase the Bonds upon the terms specified herein and most favorable to the City will be accepted unless all bids are rejected.

#### **PURPOSE**

The Bonds are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purposes of financing street improvement projects and providing financial assistance to community development projects under Section 66.1105, Wisconsin Statutes, by paying project costs included in the project plans for the City's Tax Incremental Districts. The Bonds are general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount.

#### **DATES AND MATURITIES**

The Bonds will be dated July 14, 2022, will be issued as fully registered Bonds in the denomination of \$5,000 each, 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	\$145,000	2031	\$140,000	2037	\$160,000
2026	70,000	2032	140,000	2038	165,000
2027	90,000	2033	145,000	2039	175,000
2028	110,000	2034	145,000	2040	175,000
2029	130,000	2035	150,000	2041	180,000
2030	135,000	2036	150,000	2042	185,000

#### **ADJUSTMENT OPTION**

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

#### **TERM BOND OPTION**

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

## **INTEREST PAYMENT DATES AND RATES**

Interest will be payable on May 1 and November 1 of each year, commencing May 1, 2023, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

## **BOOK-ENTRY-ONLY FORMAT**

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

## **PAYING AGENT**

The City may select City officials, a bank or trust company, to act as paying agent (the "Paying Agent"). If a Paying Agent is selected, the City will pay the charges for Paying Agent Services. The City Reserves the right to remove the Paying Agent and to appoint a successor.

## **OPTIONAL REDEMPTION**

At the option of the City, the Bonds maturing on or after May 1, 2033 shall be subject to optional redemption prior to maturity on May 1, 2032 or 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 Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

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

## **DELIVERY**

On or about July 14, 2022, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City at its designated depository on the date of closing in immediately available funds.

## LEGAL OPINION

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

## STATEMENT REGARDING COUNSEL PARTICIPATION

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

## SUBMISSION OF BIDS

Bids must not be for less than \$2,557,625 nor more than \$2,797,200 plus accrued interest on the principal sum of \$2,590,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

- 1) Electronically to [bondsale@ehlers-inc.com](mailto:bondsale@ehlers-inc.com); or
- 2) Electronically via **PARITY** in accordance with this Notice of Sale until 10:30 A.M. Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 2<sup>nd</sup> 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 \$51,800 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids.** The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

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

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

## **AWARD**

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

## **BOND INSURANCE**

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

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

## **CUSIP NUMBERS**

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

## **NOT-QUALIFIED TAX-EXEMPT OBLIGATIONS**

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

## **CONTINUING DISCLOSURE**

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

## **NEW ISSUE PRICING**

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

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

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

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

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

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

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

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

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

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

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

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

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of

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

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

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

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

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

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

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

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

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

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

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

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with



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

### **PRELIMINARY OFFICIAL STATEMENT**

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

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

By Order of the Common Council

Julie Ostrander, City Finance Director  
City of Baraboo, Wisconsin



# BID FORM

The Common Council  
City of Baraboo, Wisconsin (the "City")

June 28, 2022

RE: \$2,590,000\* General Obligation Corporate Purpose Bonds, Series 2022A (the "Bonds")  
DATED: July 14, 2022

For all or none of the above Bonds, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$ \_\_\_\_\_ (not less than \$2,557,625 nor more than \$2,797,200) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____ % due	2024	_____ % due	2031	_____ % due	2037
_____ % due	2026	_____ % due	2032	_____ % due	2038
_____ % due	2027	_____ % due	2033	_____ % due	2039
_____ % due	2028	_____ % due	2034	_____ % due	2040
_____ % due	2029	_____ % due	2035	_____ % due	2041
_____ % due	2030	_____ % due	2036	_____ % due	2042

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

All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

**A good faith deposit ("Deposit") in the amount of \$51,800 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids.** The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about July 14, 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 Bonds.

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

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

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

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

Account Manager: \_\_\_\_\_ By: \_\_\_\_\_  
Account Members: \_\_\_\_\_

**Award will be on a true interest cost basis.** According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from July 14, 2022 of the above bid is \$ \_\_\_\_\_ and the true interest cost (TIC) is \_\_\_\_\_ %.

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The foregoing offer is hereby accepted by and on behalf of the Common Council of the City of Baraboo, Wisconsin, on June 28, 2022.

By: \_\_\_\_\_ By: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_