

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 20, 2024

In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended, under existing law interest on the Notes is excludable from gross income and is not an item of tax preference for federal income tax purposes; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Notes. The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

The Notes shall be designated as "qualified tax-exempt obligations".

New Issue

Rating: Moody's Investors Service, Inc. "A1"

CITY OF TOMAH, WISCONSIN (Monroe County)

\$2,640,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2024A

BID OPENING: June 27, 2024, 10:00 A.M., C.T.

CONSIDERATION: Not later than 11:59 P.M., C.T. on June 27, 2024 (PARAMETERS RESOLUTION)

PURPOSE/AUTHORITY/SECURITY: The \$2,640,000* General Obligation Promissory Notes, Series 2024A (the "Notes") are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the City of Tomah, Wisconsin (the "City"), for public purposes, including paying the cost of facility improvements, including to the Police Station, City Hall, Street Shop and Senior Center, street improvements, parks improvements, including for Tomah Ice Center, the acquisition of equipment for the Parks and Recreation Department and the acquisition of two squad cars for the Police Department. The Notes are general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF NOTES: July 16, 2024

MATURITY: May 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2025	\$175,000	2032	\$120,000	2039	\$135,000
2026	120,000	2033	125,000	2040	135,000
2027	120,000	2034	125,000	2041	140,000
2028	120,000	2035	125,000	2042	145,000
2029	120,000	2036	130,000	2043	150,000
2030	115,000	2037	130,000	2044	155,000
2031	120,000	2038	135,000		

***MATURITY ADJUSTMENTS:** The City reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of \$5,000 each, with the amount of principal due in 2025 to be determined by the authorized officer so that the amount required to be levied to pay debt service on all general obligation debt outstanding, including the Notes, will be approximately \$2,065,000 in 2025, principal increases or decreases may be made to any maturity from 2026 through 2044 up to a maximum of \$50,000 per 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, 2025 and semiannually thereafter.

OPTIONAL REDEMPTION: Notes maturing on May 1, 2035 and thereafter are subject to call for prior optional redemption on May 1, 2034 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

MINIMUM BID: \$2,607,000.

MAXIMUM BID: \$2,824,800.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$52,800 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation.

BOND COUNSEL &

DISCLOSURE COUNSEL: Quarles & Brady LLP.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

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

REPRESENTATIONS

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

This Official Statement is not to be construed as a contract with the underwriter (Syndicate Manager). Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete. Quarles & Brady LLP will serve as Disclosure Counsel to the City with respect to the Notes. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the delivery of the Notes.

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

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

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

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

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

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

CLOSING CERTIFICATES

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

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CITY OF TOMAH COMMON COUNCIL

		<u>Term Expires</u>
Paul Dwyer	Mayor	April 2026
Patrick Devine	Aldersperson	April 2026
John Glynn	Aldersperson	April 2025
Nicole Hart	Aldersperson	April 2025
Nellie Pater	Aldersperson	April 2025
Dean Peterson	Aldersperson	April 2026
Travis Scholze	Aldersperson	April 2025
Richard Yarrington	Aldersperson	April 2026
Shawn Zabinski	Aldersperson	April 2026

SENIOR EXECUTIVE TEAM

Kirk Arity, Director of Public Works/SET Chairman

Molly Powell, City Treasurer

Rebecca Weyer, City Clerk

Shane Rolff, Building and Zoning Administrator

PROFESSIONAL SERVICES

Penny Precour, Tomah Law, City Attorney, Tomah, Wisconsin

Quarles & Brady LLP, Bond Counsel and Disclosure Counsel, Milwaukee, Wisconsin

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

INTRODUCTORY STATEMENT

This Official Statement contains certain information regarding the City of Tomah, Wisconsin (the "City") and the issuance of its \$2,640,000* General Obligation Promissory Notes, Series 2024A (the "Notes"). **The Common Council adopted a resolution on June 18, 2024 (the "Parameters Resolution"), which authorized the City Treasurer or the City Clerk to accept a bid for the Notes if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on June 27, 2024, neither the City Treasurer nor the City Clerk will have the authority to accept a bid for the Notes, and all bids will be rejected.**

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

THE NOTES

GENERAL

The Notes will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of July 16, 2024. The Notes will mature on May 1 in the years and amounts set forth on the cover of this Official Statement. Interest will be payable on May 1 and November 1 of each year, commencing May 1, 2025, to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). All Notes of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

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

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

*Preliminary, subject to change.

OPTIONAL REDEMPTION

At the option of the City, the Notes maturing on or after May 1, 2035 shall be subject to optional redemption prior to maturity on May 1, 2034 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 Notes subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Notes to be redeemed shall be at the discretion of the City. If only part of the Notes having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

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

AUTHORITY; PURPOSE

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the City, for public purposes, including paying the cost of facility improvements, including to the Police Station, City Hall, Street Shop and Senior Center, street improvements, parks improvements, including for Tomah Ice Center, the acquisition of equipment for the Parks and Recreation Department and the acquisition of two squad cars for the Police Department.

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Notes	\$2,640,000	
Estimated Interest Earnings	<u>10,000</u>	
Total Sources		\$2,650,000
Uses		
Estimated Underwriter's Discount	\$33,000	
Cost of Issuance	68,950	
Borrowed Money Fund	2,543,500	
Rounding Amount	<u>4,550</u>	
Total Uses		\$2,650,000

*Preliminary, subject to change.

SECURITY

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

RATING

The City received a rating of "A1" by Moody's Investors Service, Inc. ("Moody's"). Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from Moody's.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Notes.

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

CONTINUING DISCLOSURE

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

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

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

The City failed to timely file notice of the incurrence of a financial obligation incurred in May 2022. Except to the extent that the preceding is deemed to be material, the City believes it has not failed to comply in the previous five years in all material respects with its prior undertakings under the Rule. The City has reviewed its continuing disclosure responsibilities, including the two new material events, to help ensure compliance in the future. Ehlers is currently engaged as dissemination agent for the City.

LEGAL MATTERS

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

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

TAX EXEMPTION

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

"The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The City has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the City comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Notes."

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

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

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

ORIGINAL ISSUE DISCOUNT

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

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Bond is calculated on a daily basis from the issue date of such Premium Bond until its stated maturity date (or call date, if any) on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the

compounding dates). An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Bonds. During each taxable year, such an owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Bond.

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

MUNICIPAL ADVISOR

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

MUNICIPAL ADVISOR AFFILIATED COMPANIES

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, 2022 and DRAFT basic financial statements of the City for the fiscal year ended December 31, 2023 have been audited by CliftonLarsonAllen LLP, Tomah, 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 City expects delivery of the basic financial statements for the fiscal year ended December 31, 2023 in substantially the form attached hereto, but such financial statements are subject to further review and revision. The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Official Statement.

RISK FACTORS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2023 Equalized Value	\$999,859,200
2023 Equalized Value Reduced by Tax Increment Valuation	\$906,644,100
2023 Assessed Value	\$798,202,000

2023 EQUALIZED VALUE BY CLASSIFICATION

	2023 Equalized Value¹	Percent of Total Equalized Value
Residential	\$507,921,300	50.799%
Commercial	407,377,900	40.744%
Manufacturing	55,269,100	5.528%
Agricultural	51,600	0.005%
Undeveloped	139,000	0.014%
Forest	23,800	0.002%
Personal Property	<u>29,076,500</u>	<u>2.908%</u>
Total	<u><u>\$999,859,200</u></u>	<u><u>100.000%</u></u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value¹	Percent Increase/Decrease in Equalized Value
2019	\$657,505,500	\$716,267,500	6.45%
2020	677,536,200	775,354,200	8.25%
2021	783,743,100	803,571,600	3.64%
2022	789,046,700	865,609,100	7.72%
2023	798,202,000	999,859,200	15.51%

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

¹ Includes tax increment valuation.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2023 Equalized Value ¹	Percent of City's Total Equalized Value
Wal-Mart	Distribution Center/Retail	\$82,138,483	8.22%
Gundersen Lutheran Administrative Services , Inc.	Medical Clinic	21,726,790	2.17%
Decem Properties, LLC	Housing	17,762,560	1.78%
Realty Income Properties 6, LLC	Housing	14,454,213	1.45%
3 rd Gen LLC	Housing/ Retail/Business	11,094,883	1.11%
Tomah Lumber Properties, LLC	Housing	10,364,969	1.04%
Ho-Chunk Nation	Housing/Movie Theater	9,343,191	0.93%
Wh, LLC	Housing	8,492,774	0.85%
Old Dominion Freight Line, Inc	Trucking Distribution	7,840,649	0.78%
Laredo Properties, LLC	Housing	<u>7,480,140</u>	<u>0.75%</u>
Total		\$190,698,652	19.07%
City's Total 2023 Equalized Value ²		\$999,859,200	

Source: The City.

DEBT

DIRECT DEBT³

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Notes)*	<u><u>\$30,505,000</u></u>
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Revenue Debt (see schedules following)

Total revenue debt secured by sewer revenues	<u><u>\$540,000</u></u>
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Total revenue debt secured by water revenues	<u><u>\$2,047,875</u></u>
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*Preliminary, subject to change.

¹ Calculated by dividing the 2023 Assessed Values by the 2023 Aggregate Ratio of assessment for the City.

² Includes tax increment valuation.

³ Outstanding debt is as of the dated date of the Notes.

DEBT PAYMENT HISTORY

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

FUTURE FINANCING

The City expects to issue approximately \$4,000,000 general obligation debt in 2025 for its capital borrowing, but the final amount and timing have not yet been determined. Aside from the preceding, the City has no current plans for additional financing in the next 12 months.

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	\$999,859,200
Multiply by 5%	0.05
Statutory Debt Limit ¹	<u>\$49,992,960</u>
Less: General Obligation Debt*	<u>(30,505,000)</u>
Unused Debt Limit*	<u><u>\$19,487,960</u></u>

*Preliminary, subject to change.

¹ The City has a debt management policy that provides that the City shall, as a matter of policy, conduct its finances so that the amount of direct, non-self supporting, unlimited tax general obligation debt outstanding at any time that is subject to approval by the Common Council should not exceed 75% of the City’s legal debt margin capacity.

City of Tomah, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 07/16/2024)

	Corporate Purpose Bonds Series 2017A		Promissory Notes Series 2020A		Taxable Refunding Bonds Series 2020B		Taxable Refunding Bonds Series 2021A		Corporate Purpose Bonds Series 2022A	
Dated	03/30/2017		06/11/2020		06/11/2020		04/15/2021		06/23/2022	
Amount	\$6,320,000		\$2,100,000		\$1,480,000		\$3,785,000		\$18,075,000	
Maturity	03/01		06/01		03/01		05/01		05/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	0	64,103	0	8,850	0	9,604	0	16,119	0	339,713
2025	350,000	122,955	170,000	15,150	105,000	18,604	480,000	30,318	1,020,000	653,925
2026	360,000	112,575	120,000	10,800	105,000	17,318	495,000	25,923	945,000	604,800
2027	380,000	102,030	100,000	7,500	105,000	15,874	500,000	20,323	885,000	559,050
2028	395,000	90,986	100,000	5,000	105,000	14,273	435,000	14,044	810,000	516,675
2029	365,000	80,156	100,000	3,000	105,000	12,514	440,000	7,370	710,000	478,675
2030	385,000	69,469	100,000	1,000	110,000	10,578	220,000	1,925	825,000	440,300
2031	385,000	58,496			110,000	8,460			975,000	395,300
2032	395,000	47,381			110,000	6,260			905,000	348,300
2033	400,000	36,053			120,000	3,870			850,000	308,675
2034	400,000	24,653			120,000	1,290			850,000	278,925
2035	330,000	14,250							830,000	249,575
2036	335,000	4,774							830,000	219,488
2037									915,000	187,700
2038									895,000	151,500
2039									880,000	116,000
2040									860,000	81,200
2041									800,000	48,000
2042									800,000	16,000
2043										
2044										
	4,480,000	827,880	690,000	51,300	1,095,000	118,643	2,570,000	116,020	15,585,000	5,993,800

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City of Tomah, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 07/16/2024)

Corporate Purpose Bonds Series 2023A			Promissory Notes Series 2024A							
Dated	07/27/2023		07/16/2024							
Amount	\$3,595,000		\$2,640,000*							
Maturity	05/01		05/01							
Calendar Year Ending	Principal	Interest	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2024	0	77,050	0	0	0	515,438	515,438	30,505,000	.00%	2024
2025	110,000	151,350	175,000	128,911	2,410,000	1,121,212	3,531,212	28,095,000	7.90%	2025
2026	145,000	144,975	120,000	93,334	2,290,000	1,009,724	3,299,724	25,805,000	15.41%	2026
2027	165,000	137,225	120,000	88,942	2,255,000	930,943	3,185,943	23,550,000	22.80%	2027
2028	175,000	128,725	120,000	84,706	2,140,000	854,408	2,994,408	21,410,000	29.81%	2028
2029	190,000	119,600	120,000	80,542	2,030,000	781,857	2,811,857	19,380,000	36.47%	2029
2030	205,000	109,725	115,000	76,453	1,960,000	709,449	2,669,449	17,420,000	42.89%	2030
2031	210,000	99,350	120,000	72,370	1,800,000	633,976	2,433,976	15,620,000	48.80%	2031
2032	210,000	88,850	120,000	68,188	1,740,000	558,979	2,298,979	13,880,000	54.50%	2032
2033	220,000	78,100	125,000	63,863	1,715,000	490,560	2,205,560	12,165,000	60.12%	2033
2034	225,000	68,100	125,000	59,413	1,720,000	432,380	2,152,380	10,445,000	65.76%	2034
2035	230,000	59,000	125,000	54,925	1,515,000	377,750	1,892,750	8,930,000	70.73%	2035
2036	235,000	49,700	130,000	50,258	1,530,000	324,219	1,854,219	7,400,000	75.74%	2036
2037	205,000	40,900	130,000	45,389	1,250,000	273,989	1,523,989	6,150,000	79.84%	2037
2038	210,000	32,600	135,000	40,293	1,240,000	224,393	1,464,393	4,910,000	83.90%	2038
2039	130,000	25,800	135,000	34,974	1,145,000	176,774	1,321,774	3,765,000	87.66%	2039
2040	135,000	20,500	135,000	29,351	1,130,000	131,051	1,261,051	2,635,000	91.36%	2040
2041	145,000	14,900	140,000	23,335	1,085,000	86,235	1,171,235	1,550,000	94.92%	2041
2042	145,000	9,100	145,000	17,029	1,090,000	42,129	1,132,129	460,000	98.49%	2042
2043	155,000	3,100	150,000	10,428	305,000	13,528	318,528	155,000	99.49%	2043
2044			155,000	3,526	155,000	3,526	158,526	0	100.00%	2044
	3,445,000	1,458,650	2,640,000	1,126,225	30,505,000	9,692,517	40,197,517			

* Preliminary, subject to change.

City of Tomah, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Sewer Revenues
(As of 07/16/2024)

Taxable Sewer System Revenue
Refunding Bonds
Series 2021C

Dated	04/15/2021							
Amount	\$735,000							
Maturity	05/01							
Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2024	0	5,275	0	5,275	5,275	540,000	.00%	2024
2025	95,000	9,600	95,000	9,600	104,600	445,000	17.59%	2025
2026	95,000	7,700	95,000	7,700	102,700	350,000	35.19%	2026
2027	100,000	5,750	100,000	5,750	105,750	250,000	53.70%	2027
2028	100,000	3,750	100,000	3,750	103,750	150,000	72.22%	2028
2029	100,000	1,875	100,000	1,875	101,875	50,000	90.74%	2029
2030	50,000	500	50,000	500	50,500	0	100.00%	2030
	540,000	34,450	540,000	34,450	574,450			

City of Tomah, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Water Revenues
(As of 07/16/2024)

	Water System Revenue Bonds (SDWFL) Series 2006 A		Water System Revenue Bonds (SDWFL) Series 2016		Water System Revenue Bonds (SDWFL) Series 2018		Taxable Water System Revenue Refunding Bonds Series 2021B							
Dated	12/27/2006		06/22/2016		6/27/2018		04/15/2021							
Amount	\$1,635,913		\$715,010		\$791,475		\$1,125,000							
Maturity	05/01		05/01		05/01		05/01							
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2024	0	1,389	0	2,220	0	3,211	0	8,194	0	15,013	15,013	2,047,875	.00%	2024
2025	92,847	2,089	35,385	4,265	37,979	6,208	145,000	14,938	311,211	27,499	338,710	1,736,664	15.20%	2025
2026	94,226	700	35,735	3,913	38,406	5,779	155,000	11,938	323,366	22,330	345,696	1,413,298	30.99%	2026
2027			36,089	3,558	38,837	5,346	160,000	8,788	234,925	17,691	252,616	1,178,372	42.46%	2027
2028			36,446	3,199	39,272	4,908	165,000	5,538	240,718	13,644	254,362	937,654	54.21%	2028
2029			36,807	2,836	39,713	4,465	165,000	2,444	241,520	9,745	251,264	696,134	66.01%	2029
2030			37,171	2,470	40,158	4,017	50,000	500	127,330	6,987	134,316	568,805	72.22%	2030
2031			37,539	2,100	40,609	3,564			78,148	5,664	83,812	490,656	76.04%	2031
2032			37,911	1,726	41,065	3,105			78,976	4,832	83,807	411,681	79.90%	2032
2033			38,286	1,349	41,525	2,642			79,812	3,991	83,803	331,869	83.79%	2033
2034			38,665	968	41,991	2,174			80,657	3,142	83,799	251,213	87.73%	2034
2035			39,048	584	42,463	1,700			81,511	2,284	83,794	169,702	91.71%	2035
2036			39,435	195	42,939	1,221			82,374	1,416	83,789	87,329	95.74%	2036
2037					43,421	736			43,421	736	44,157	43,908	97.86%	2037
2038					43,908	246			43,908	246	44,154	0	100.00%	2038
	187,072	4,177	448,516	29,383	572,286	49,322	840,000	52,338	2,047,875	135,220	2,183,094			

OVERLAPPING DEBT¹

Taxing District	Equalized Value²	% In City	Total G.O. Debt³	City's Proportionate Share
Monroe County	\$4,930,288,600	20.2799%	\$29,535,000	\$5,989,668
Western Technical College District	31,450,531,922	3.1791%	86,110,000	<u>2,737,523</u>
City's Share of Total Overlapping Debt				<u><u>\$8,727,191</u></u>

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$999,859,200	Debt/ Per Capita 9,592⁴
Total General Obligation Debt*	\$30,505,000	3.05%	\$3,180.25
City's Share of Total Overlapping Debt	<u>8,727,191</u>	<u>0.87%</u>	<u>\$909.84</u>
Total*	\$39,232,191	3.92%	\$4,090.10

*Preliminary, subject to change.

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

² Includes tax increment valuation.

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

⁴ Estimated 2023 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Levy for City Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2019/20	\$5,615,451	100%	\$8.11
2020/21	5,675,144	100%	7.82
2021/22	5,091,147	100%	6.71
2022/23	6,054,517	100%	7.53
2023/24	6,111,112	In Process	6.74

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 personal property tax has been repealed, starting with the property tax assessments as of January 1, 2024. Beginning in 2025, the personal property tax has been replaced with a payment from the State intended to replace the amount of property taxes imposed on personal property for the property tax assessments as of January 1, 2023.

PROPERTY TAX RATES

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

Year Levied/ Year Collected	Schools¹	County	Local	Other²	Total
2019/20	\$8.79	\$5.10	\$8.11	\$0.09	\$22.09
2020/21	8.57	4.94	7.82	0.09	21.42
2021/22	8.14	4.76	6.71	0.24	19.85
2022/23	7.03	4.95	7.53	0.07	19.58
2023/24	7.33	4.54	6.74	0.06	18.67

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; for a tax incremental district created after December 31, 2024, the valuation factor includes 90% of the equalized value increase due to new construction that is located in a tax incremental district, but does not include any improvements removed in a tax incremental district). 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%.

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

² Includes taxes levied for special purpose districts such as metropolitan sewerage districts, sanitary districts, and public inland lake protection districts. Tax increment values are not included.

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 the Wisconsin Department of Revenue ("DOR") call into question the availability of this exception if the revenue shortfall is planned or ongoing. To date, such DOR positions have not been expressed formally in a declaratory ruling under Section 227.41(5)(a) of the Wisconsin Statutes, nor have they been the subject of any court challenge or resulting court ruling.

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

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

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

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

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

REVENUE FROM THE STATE

In addition to local property taxes described above, a number of state programs exist which provide revenue to the City. One such program is commonly known as shared revenue which, pursuant to sec. 79.036, Wis. Stats., provides funding to the City that can be used for any public purpose. 2023 Wisconsin Act 12 ("Act 12") created a supplement to shared revenue, with payments to the City beginning in 2024. This supplemental shared revenue may be used only for the purposes specified in section 79.037, Wis. Stats. In 2024, the City is expected to receive approximately \$1,990,000 in shared revenue and supplemental shared revenue from the State, an increase from the approximately \$1,591,000 received in 2023. In future years, the amount of supplemental shared revenue could grow if State sales tax collections grow.

THE ISSUER

CITY GOVERNMENT

The City was incorporated in 1883 and is governed by a Mayor and eight Common Council members. The Mayor only votes in the case of a tie. All Council members are elected to two-year terms. The Common Council formed the Senior Executive Team ("SET") at the end of 2021 to replace the city administrator position in attempt to provide the city with a more efficient, effective and responsible government under a government system of a part-time mayor and council. The SET is comprised of Director of Public Works/SET Chairman, City Clerk, City Treasurer, and the Building and Zoning Administrator who are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The City employs a staff of 91 full-time, 43 part-time, and 100 seasonal employees. All eligible employees in the City are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The WRS is a cost-sharing multiple-employer defined benefit pension plan. The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

City employees are generally required to contribute half of the actuarially determined contributions, and the City generally may not pay the employees' required contribution. During the fiscal year ended December 31, 2021 ("Fiscal Year 2021"), the fiscal year ended December 31, 2022 ("Fiscal Year 2022") and the fiscal year ended December 31, 2023 ("Fiscal Year 2023"), the City's portion of contributions to WRS (not including any employee contributions) totaled \$505,912, \$530,510, and \$586,555, respectively.

Governmental Accounting Standards Board Statement No. 68 ("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, 2022, the total pension liability of the WRS was calculated as \$123.7 billion and the fiduciary net position of the WRS was calculated as \$118.4 billion, resulting in a net pension liability of \$5.3 billion.

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 2023, the City reported a liability of \$2,325,646 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2022 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 0.04389915% of the aggregate WRS net pension liability as of December 31, 2022.

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 Note 9 in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Recognized and Certified Bargaining Units

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

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

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

The following bargaining units represent employees of the City:

Bargaining Unit	Expiration Date of Current Contract
Wisconsin Professional Police Association	December 31, 2025
La Crosse Fire Fighter, IAFF Local 127	December 31, 2025

OTHER POST EMPLOYMENT BENEFITS

The City participates in 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 2023, the City's portion of contributions to the LRLIF totaled \$1,883. For Fiscal Year 2023, the City reported a liability of \$359,484 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2022 based on the City's share of contributions to the LRLIF relative to the contributions of all participating employers. The City's proportion was 0.094357% of the aggregate LRLIF net OPEB liability as of December 31, 2022.

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 10 in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

LITIGATION

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

MUNICIPAL BANKRUPTCY

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

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

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

Moreover, if the City were determined not to be a "municipality" for the purposes of the Bankruptcy Code, no representations can be made regarding whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding regarding insolvency or providing for protection from creditors. In any such case, there can be no assurance that the consequences described above for the holders of the Notes would not occur.

FUNDS ON HAND (as of March 31, 2024)

Fund	Total Cash and Investments
General	\$4,434,899
Lake District	336,883
Debt Service	2,023,563
Capital Projects	1,838,882
Industrial Development	640,418
Library	1,636,562
Senior and Disabled	107,879
Ambulance	2,638,566
CDBG	580,853
TID No. 9	322,680
TID No.10	799,404
TID No. 11	81,940
Tourism Fund	519,842
Water	4,031,726
Sewer	5,010,654
Grants and Donations	<u>451,053</u>
Total Funds on Hand	<u><u>\$25,455,804</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:

	2021 Audited	2022 Audited	2023 DRAFT Audited
Water			
Total Operating Revenues	\$2,315,399	\$2,475,695	\$2,588,267
Less: Operating Expenses	<u>(1,570,346)</u>	<u>(1,736,506)</u>	<u>(1,752,568)</u>
Operating Income	\$745,053	\$739,189	\$835,699
Plus: Depreciation	611,375	688,412	721,723
Interest Income	<u>(13,217)</u>	<u>(67,989)</u>	<u>118,022</u>
Revenues Available for Debt Service	<u><u>\$1,343,211</u></u>	<u><u>\$1,359,612</u></u>	<u><u>\$1,675,444</u></u>
Sewer			
Total Operating Revenues	\$3,058,269	\$3,293,707	\$3,076,346
Less: Operating Expenses	<u>(2,097,604)</u>	<u>(2,197,428)</u>	<u>(2,259,712)</u>
Operating Income	\$960,665	\$1,096,279	\$816,634
Plus: Depreciation	825,402	838,068	850,456
Interest Income	<u>56,625</u>	<u>50,548</u>	<u>144,631</u>
Revenues Available for Debt Service	<u><u>\$1,842,692</u></u>	<u><u>\$1,984,895</u></u>	<u><u>\$1,811,721</u></u>

SUMMARY GENERAL FUND INFORMATION

The following are summaries of the revenues and expenditures and fund balances for the City's General Fund. These summaries are not purported to be the complete audited financial statements of the City, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the City. Copies of the complete statements are available upon request. Appendix A includes the 2022 and 2023 DRAFT audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2020 Audited	2021 Audited	2022 Audited	2023 DRAFT Audit	2024 Adopted Budget ¹
Revenues					
Taxes & special assessments	\$3,946,664	\$4,100,055	\$3,873,329	\$3,949,283	\$3,901,396
Intergovernmental	2,701,831	2,603,466	2,896,854	2,772,175	3,212,073
Licenses and permits	117,817	120,934	97,648	175,192	144,450
Fines, forfeits and penalties	146,314	122,284	105,430	131,899	130,150
Public charges for services	135,772	211,342	253,528	292,647	267,200
Intergovernmental charges for services	56,319	67,670	61,524	64,317	77,000
Interest income	67,671	(4,728)	(121,662)	91,905	151,000
Miscellaneous	194,442	204,809	281,429	80,082	91,312
Total Revenues	\$7,366,830	\$7,425,832	\$7,448,080	\$7,557,500	\$7,974,581
Expenditures					
Current:					
General government	\$1,242,846	\$1,368,539	\$1,344,028	\$1,278,783	\$1,363,407
Public safety	3,160,299	3,340,647	3,627,265	3,838,841	3,944,077
Public works	2,166,540	2,088,508	2,154,667	1,910,629	2,065,232
Culture, recreation and education	704,460	726,362	737,545	785,820	910,190
Conservation and development	25,134	7,235	12,008	178	10,500
Debt service:					
Principal	52,632	0	0	0	0
Other	789	0	0	0	0
Capital outlay	138,198	85,754	210,247	183,101	31,125
Total Expenditures	\$7,490,898	\$7,617,045	\$8,085,760	\$7,997,352	\$8,324,531
Excess of revenues over (under) expenditures	(\$124,068)	(\$191,213)	(\$637,680)	(\$439,852)	(\$349,950)
Other Financing Sources (Uses)					
Transfers in	333,068	355,392	340,153	362,656	350,000
Transfers (out)	(432,872)	0	(33,000)	(35,261)	0
Sale of capital asset	68,125	66,811	9,534	27,696	0
Total Other Financing Sources (Uses)	(31,679)	422,203	316,687	355,091	350,000
Net changes in Fund Balances	(\$155,747)	\$230,990	(\$320,993)²	(\$84,761)	\$50
General Fund Balance January 1	\$2,499,374	\$2,343,627	\$2,574,617	\$2,253,624	
General Fund Balance December 31	\$2,343,627	\$2,574,617	\$2,253,624	\$2,168,863	
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	\$1,511	\$29,224	\$11,040	\$16,579	
Restricted	74,352	89,424	62,194	115,125	
Assigned	326,169	302,478	273,990	78,578	
Unassigned	1,941,595	2,153,491	1,906,400	1,958,581	
Total	\$2,343,627	\$2,574,617	\$2,253,624	\$2,168,863	

¹ The 2024 budget was adopted on November 21, 2023.

² Primarily reflects the expenditure of the City's federal COVID-19 relief funding.

GENERAL INFORMATION

LOCATION

The City, with a 2020 U.S. Census population of 9,570 and a current estimated population of 9,592 comprises an area of 11 square miles and is located where the State's Interstate system (I-90 & I-94) divides in Monroe County in southwestern Wisconsin approximately 40 miles east of La Crosse, 100 miles northwest of Madison and 171 miles southeast of Minneapolis. The area is also easily accessible on Highways 12, 16, 21 and 131.

LARGER EMPLOYERS¹

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
VA Medical Center	Hospital	800
Toro Co.	Manufacturing	700
Walmart Distribution Center	Warehouse	601
Cardinal TG and IG	Glass manufacturing	500
Tomah Area School District	Elementary & secondary education	452
Walmart Supercenter	Retail	340
Tomah Health	Hospital and clinic	330
The City	Local Government	234
Ho-Chunk Gaming Tomah	Casino	225
Gerke Excavating Inc.	Trucking - heavy hauling and excavating	220

Source: The City, Data Axle Reference Solutions, written and telephone survey, Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development.

¹ This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above.

BUILDING PERMITS

	2020	2021	2022	2023	2024 ¹
<u>New Single Family Homes</u>					
No. of building permits	8	4	2	3	4
Valuation	\$1,272,000	\$1,190,000	\$1,050,000	\$778,000	\$1,716,198
<u>New Multiple Family Buildings</u>					
No. of building permits	3	5	3	6	0
Valuation	\$5,950,000	\$860,000	\$900,000	\$6,590,000	\$0
<u>New Commercial/Industrial</u>					
No. of building permits	3	3	7	5	1
Valuation	\$107,491	\$1,000,000	\$1,820,000	\$2,558,295	\$75,000
<u>All Building Permits</u>					
<i>(including additions and remodelings)</i>					
No. of building permits	368	303	253	292	101
Valuation	\$16,619,490	\$36,000,000	\$15,577,683	\$31,802,713	\$5,771,396

Source: The City.

¹ As of May 1, 2024.

U.S. CENSUS DATA

Population Trend: The City

2010 U.S. Census Population	9,093
2020 U.S. Census Population	9,570
Percent of Change 2010 - 2020	5.25%
2023 Estimated Population	9,592

Income and Age Statistics

	The City	Monroe County	State of Wisconsin	United States
2022 per capita income	\$35,223	\$33,256	\$40,130	\$41,261
2022 median household income	\$55,203	\$66,451	\$72,458	\$75,149
2022 median family income	\$74,327	\$81,601	\$92,974	\$92,646
2022 median gross rent	\$928	\$919	\$992	\$1,268
2022 median value owner occupied units	\$151,000	\$184,000	\$231,400	\$281,900
2022 median age	41.9 yrs.	39.7 yrs.	39.9 yrs.	38.5 yrs.

	State of Wisconsin	United States
City % of 2022 per capita income	87.77%	85.37%
City % of 2022 median family income	79.94%	80.23%

Housing Statistics

	<u>The City</u>		
	2020	2022	Percent of Change
All Housing Units	4,456	4,720	5.92%

Source: 2010 and 2020 Census of Population and Housing, Wisconsin Demographic Services Center (https://doa.wi.gov/Pages/LocalGovtsGrants/Population_Estimates.aspx) and 2022 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov/cedsci>).

EMPLOYMENT/UNEMPLOYMENT DATA

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

Year	<u>Average Employment</u>	<u>Average Unemployment</u>	
	Monroe County	Monroe County	State of Wisconsin
2020	22,256	5.7%	6.4%
2021	22,806	3.3%	3.9%
2022	22,754	2.6%	2.9%
2023 ¹	23,029	2.7%	3.0%
2024, April ¹	23,545	2.5%	3.0%

Source: Wisconsin Department of Workforce Development.

¹ Preliminary.

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the City's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The City expects delivery of the basic financial statements for the fiscal year ended December 31, 2023 in substantially the form attached hereto, but such financial statements are subject to further review and revision. The City has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Official Statement, nor has the City requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the City since the date of the financial statements, in connection with the issuance of the Notes, the City represents that there have been no material adverse changes in the financial position or results of operations of the City, nor has the City incurred any material liabilities, which would make such financial statements misleading.

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

CITY OF TOMAH, WISCONSIN
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2023

DRAFT

**CITY OF TOMAH, WISCONSIN
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INDEPENDENT AUDITORS' REPORT

City Council
City of Tomah
Tomah, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tomah, Wisconsin (City) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tomah, Wisconsin as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Tomah and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Tomah's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Tomah's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Tomah's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, pension and other postemployment benefit schedules as referenced in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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 statement in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

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

CliftonLarsonAllen LLP

Tomah, Wisconsin
REPORT DATE

**CITY OF TOMAH, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

ASSETS	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
Current Assets:			
Cash and Investments	\$ 15,275,263	\$ 5,929,568	\$ 21,204,831
Restricted Cash and Investments	-	2,037,394	2,037,394
Taxes Receivable	5,306,210	30,211	5,336,421
Receivables:			
Other Receivables, Net of Allowance for Doubtful Accounts	1,197,062	512,403	1,709,465
Interest	2,096	9,870	11,966
Lease Receivable	1,864	-	1,864
Prepayments	355,072	-	355,072
Internal Balances	(1,703,773)	1,703,773	-
Due from Other Governments	10,808	-	10,808
Inventories	-	111,940	111,940
Total Current Assets	<u>20,444,602</u>	<u>10,335,159</u>	<u>30,779,761</u>
Noncurrent Assets:			
Restricted Cash and Investments	-	578,206	578,206
Special Assessments Receivable	70,253	3,026	73,279
Loan Receivable, Net of Allowance for Doubtful Accounts	1,073,142	-	1,073,142
Lease Receivable	228,553	-	228,553
Capital Assets:			
Capital Assets Not Being Depreciated/Amortized	5,743,795	2,741,121	8,484,916
Capital Assets Being Depreciated/Amortized	81,130,254	62,178,436	143,308,690
Less: Accumulated Depreciation and Amortization	(33,796,358)	(24,949,645)	(58,746,003)
Total Noncurrent Assets	<u>54,449,639</u>	<u>40,551,144</u>	<u>95,000,783</u>
Total Assets	74,894,241	50,886,303	125,780,544
DEFERRED OUTFLOWS OF RESOURCES			
Wisconsin Retirement System Pension Related	7,876,724	839,472	8,716,196
Life Insurance Other Postemployment Benefits Related	126,919	32,964	159,883
Total Deferred Outflows of Resources	<u>8,003,643</u>	<u>872,436</u>	<u>8,876,079</u>

See accompanying Notes to Basic Financial Statements.

CITY OF TOMAH, WISCONSIN
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2023

	Governmental Activities	Business-Type Activities	Totals
LIABILITIES			
Current Liabilities:			
Accounts Payable	1,066,955	298,398	1,365,353
Accrued Interest Payable	241,779	15,308	257,087
Payable from Restricted Assets - Accrued Interest	-	2,782	2,782
Accrued Liabilities	291,726	19,277	311,003
Due to Other Governments	7,395	-	7,395
Unearned Revenue - Other	559,292	20,467	579,759
Total Current Liabilities	<u>2,167,147</u>	<u>356,232</u>	<u>2,523,379</u>
Noncurrent Liabilities:			
Amounts Due Within One Year	2,629,393	666,667	3,296,060
Amounts Due in More than One Year	30,094,048	3,566,647	33,660,695
Life Insurance Net Other Postemployment Benefits Liability	<u>285,367</u>	<u>74,117</u>	<u>359,484</u>
Total Noncurrent Liabilities	<u>35,110,467</u>	<u>4,531,418</u>	<u>39,641,885</u>
Total Liabilities	37,277,614	4,887,650	42,165,264
DEFERRED INFLOWS OF RESOURCES			
Subsequent Years Taxes	7,886,476	45,000	7,931,476
Lease Related	209,512	-	209,512
Wisconsin Retirement System Pension Related	4,453,518	474,639	4,928,157
Life Insurance Other Postemployment Benefits Related	<u>205,585</u>	<u>53,396</u>	<u>258,981</u>
Total Deferred Inflows of Resources	<u>12,755,091</u>	<u>573,035</u>	<u>13,328,126</u>
NET POSITION			
Net Investment in Capital Assets	22,449,744	35,834,710	58,284,454
Restricted for:			
Revolving Loan Programs	1,360,074	-	1,360,074
Debt Service	284,076	2,034,612	2,318,688
Capital Projects and Development	3,579,981	578,206	4,158,187
Library	1,342,253	-	1,342,253
Lake District	319,842	-	319,842
Tourism	888,733	-	888,733
Other	554,450	-	554,450
Unrestricted	<u>2,086,026</u>	<u>7,850,526</u>	<u>9,936,552</u>
Total Net Position	<u>\$ 32,865,179</u>	<u>\$ 46,298,054</u>	<u>\$ 79,163,233</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TOMAH, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES							
General Government	\$ 1,373,256	\$ 170,948	\$ 958	\$ -	\$ (1,201,350)	\$ -	\$ (1,201,350)
Public Safety	7,673,607	156,107	141,405	46,000	(7,330,095)	-	(7,330,095)
Public Works	3,405,551	131,391	766,711	-	(2,507,449)	-	(2,507,449)
Health and Human Services	161,531	3,580,246	130,955	-	3,549,670	-	3,549,670
Culture, Recreation, and Education	1,685,382	240,127	223,731	-	(1,221,524)	-	(1,221,524)
Conservation and Development	640,892	849	63,229	-	(576,814)	-	(576,814)
Interest and Fiscal Charges	1,164,093	-	-	-	(1,164,093)	-	(1,164,093)
Total Governmental Activities	16,104,312	4,279,668	1,326,989	46,000	(10,451,655)	-	(10,451,655)
BUSINESS-TYPE ACTIVITIES							
Water Utility	1,793,363	2,588,267	-	80,215	-	875,119	875,119
Sewer Utility	2,684,377	3,076,346	-	51,018	-	442,987	442,987
Mass Transit	764,707	302,084	611,427	-	-	148,804	148,804
Total Business-Type Activities	5,242,447	5,966,697	611,427	131,233	-	1,466,910	1,466,910
Total Primary Government	<u>\$ 21,346,759</u>	<u>\$ 10,246,365</u>	<u>\$ 1,938,416</u>	<u>\$ 177,233</u>	(10,451,655)	1,466,910	(8,984,745)
GENERAL REVENUES							
Property Taxes, Levied for General Purposes					5,314,826	45,000	5,359,826
Property Taxes, Levied for Debt Service					1,965,119	-	1,965,119
Other Taxes					169,598	-	169,598
Room Taxes					779,803	-	779,803
State and Federal Aid Not Restricted for a Particular Purpose					1,960,531	-	1,960,531
Interest Income					575,144	262,653	837,797
Miscellaneous					1,272,716	-	1,272,716
Gain on Sale of Capital Assets					27,696	23,929	51,625
TRANSFERS					362,656	(362,656)	-
Total General Revenues and Transfers					<u>12,428,089</u>	<u>(31,074)</u>	<u>12,397,015</u>
CHANGE IN NET POSITION					1,976,434	1,435,836	3,412,270
Net Position - Beginning of Year					<u>30,888,745</u>	<u>44,862,218</u>	<u>75,750,963</u>
NET POSITION - END OF YEAR					<u>\$ 32,865,179</u>	<u>\$ 46,298,054</u>	<u>\$ 79,163,233</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TOMAH, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	Major Funds								
	General Fund	CDBG Special Revenue	Debt Service	TIF #8 Capital Projects	TIF #10 Capital Projects	Ambulance Special Revenue	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
ASSETS									
Cash and Investments	\$ 3,734,456	\$ 581,907	\$ 1,178,131	\$ -	\$ 691,465	\$ 2,395,589	\$ 2,974,064	\$ 3,719,651	\$ 15,275,263
Taxes Receivable	2,530,011	-	1,320,800	482,949	282,401	-	-	690,049	5,306,210
Delinquent Personal Property Taxes	28,826	-	-	-	-	-	-	-	28,826
Special Assessments Receivable	70,253	-	-	-	-	-	-	-	70,253
Interest Receivable	2,096	-	-	-	-	-	-	-	2,096
Other Receivable, Net of Allowance for Doubtful Accounts	38,286	-	-	-	-	1,040,792	-	89,158	1,168,236
Lease Receivable	230,417	-	-	-	-	-	-	-	230,417
Prepayments	16,579	-	-	-	-	-	-	338,493	355,072
Due from Other Funds	444,100	-	-	-	-	-	-	-	444,100
Due from Other Governments	10,808	-	-	-	-	-	-	-	10,808
Loans Receivable, Net of Allowance for Doubtful Accounts	142,048	782,405	-	148,689	-	-	-	-	1,073,142
Total Assets	<u>\$ 7,247,880</u>	<u>\$ 1,364,312</u>	<u>\$ 2,498,931</u>	<u>\$ 631,638</u>	<u>\$ 973,866</u>	<u>\$ 3,436,381</u>	<u>\$ 2,974,064</u>	<u>\$ 4,837,351</u>	<u>\$ 23,964,423</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
Liabilities:									
Accounts Payable	\$ 42,039	\$ 3,041	\$ -	\$ 318	\$ 317	\$ 13,915	\$ 999,757	\$ 7,568	\$ 1,066,955
Accrued Liabilities	290,406	-	-	-	-	659	-	661	291,726
Due to Other Governments	6,198	1,197	-	-	-	-	-	-	7,395
Due to Other Funds	-	-	-	123,455	-	-	70,927	-	194,382
Unearned Revenue - Other	559,142	-	-	-	-	-	-	150	559,292
Advance from Other Funds	-	-	-	1,953,491	-	-	-	-	1,953,491
Total Liabilities	<u>897,785</u>	<u>4,238</u>	<u>-</u>	<u>2,077,264</u>	<u>317</u>	<u>14,574</u>	<u>1,070,684</u>	<u>8,379</u>	<u>4,073,241</u>
Deferred Inflows of Resources									
Subsequent Years Taxes	3,759,419	-	1,959,206	719,365	420,642	-	-	1,027,844	7,886,476
Lease Related	209,512	-	-	-	-	-	-	-	209,512
Unavailable Revenue - Special Assessments	70,253	-	13,870	-	-	-	-	-	84,123
Unavailable Revenue - Other	142,048	782,405	-	148,686	-	-	-	-	1,073,139
Total Deferred Inflows of Resources	<u>4,181,232</u>	<u>782,405</u>	<u>1,973,076</u>	<u>868,051</u>	<u>420,642</u>	<u>-</u>	<u>-</u>	<u>1,027,844</u>	<u>9,253,250</u>
Fund Balances:									
Nonspendable	16,579	-	-	-	-	-	-	338,493	355,072
Restricted	115,125	577,669	525,855	-	552,907	-	1,903,380	2,775,597	6,450,533
Assigned	78,578	-	-	-	-	3,421,807	-	693,767	4,194,152
Unassigned	1,958,581	-	-	(2,313,677)	-	-	-	(6,729)	(361,825)
Total Fund Balances	<u>2,168,863</u>	<u>577,669</u>	<u>525,855</u>	<u>(2,313,677)</u>	<u>552,907</u>	<u>3,421,807</u>	<u>1,903,380</u>	<u>3,801,128</u>	<u>10,637,932</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,247,880</u>	<u>\$ 1,364,312</u>	<u>\$ 2,498,931</u>	<u>\$ 631,638</u>	<u>\$ 973,866</u>	<u>\$ 3,436,381</u>	<u>\$ 2,974,064</u>	<u>\$ 4,837,351</u>	<u>\$ 23,964,423</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TOMAH, WISCONSIN
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2023**

TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS

\$ 10,637,932

Total net position reported for governmental activities in the Statement of Net Position is different because:

Capital assets and other non-current assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	\$ 4,368,776	
Construction Work in Progress	1,375,019	
Buildings and Improvements	26,494,102	
Improvements other than Buildings	11,375,287	
Machinery and Equipment	13,016,612	
Infrastructure	30,244,253	
Accumulated Depreciation	<u>(33,796,358)</u>	53,077,691

Some receivables, including special assessments, are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide statements.

Special Assessments	84,123	
Loans Receivable	<u>1,073,139</u>	1,157,262

Other postemployment benefits (OPEB) and pension plan assets, liabilities and related deferred outflows and inflows are recorded only on the Statement of Net Position. Balances at year-end are:

Wisconsin Retirement Systems Pension:		
Deferred Outflows of Resources	7,876,724	
Net Pension Plan Liability	(2,101,659)	
Deferred Inflows of Resources	<u>(4,453,518)</u>	1,321,547
Local Retiree Life Insurance Other Postemployment Benefit:		
Deferred Outflows of Resources	126,919	
Net OPEB Liability	(285,367)	
Deferred Inflows of Resources	<u>(205,585)</u>	(364,033)

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:

General Obligation Bonds Payable	(29,270,000)	
Accrued Interest Payable	(241,779)	
Landfill Post-Closure Liability	(1,423,000)	
Compensated Absences	(472,251)	
Unamortized Debt Premium	<u>(1,558,190)</u>	<u>(32,965,220)</u>

TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 32,865,179

See accompanying Notes to Basic Financial Statements.

**CITY OF TOMAH, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023**

	Major Funds							Total Governmental Funds
	General Fund	CDBG Special Revenue	Debt Service	TIF #8 Capital Projects	TIF #10 Capital Projects	Ambulance Special Revenue	Capital Projects Fund	
REVENUES								
Property Taxes	\$ 3,681,647	\$ -	\$ 1,965,119	\$ 546,577	\$ 395,769	\$ -	\$ -	\$ 7,279,946
Other Taxes	169,597	-	-	-	-	-	-	949,400
Special Assessment Revenue	98,039	-	-	-	-	-	-	98,039
Intergovernmental	2,772,175	-	-	10,281	-	130,955	46,000	3,183,674
License and Permits	175,192	-	-	-	-	-	-	175,192
Fines, Forfeits, and Penalties	131,899	-	-	-	-	-	-	131,899
Public Charges for Services	292,647	-	-	-	-	3,239,823	-	3,541,469
Intergovernmental Charges for Services	64,317	-	-	-	-	332,220	-	396,537
Interest Income	91,905	272	16,271	13,705	29,961	103,110	290,781	575,144
Miscellaneous Income	80,082	35,383	-	7,192	-	13,859	-	1,407,451
Total Revenues	7,557,500	35,655	1,981,390	577,755	425,730	3,819,967	336,781	17,738,751
EXPENDITURES								
Current:								
General Government	1,278,783	-	-	-	-	-	-	1,278,783
Public Safety	3,838,841	-	-	-	-	2,428,433	-	6,332,330
Public Works	1,910,629	-	-	-	-	-	-	1,910,629
Health and Human Services	-	-	-	-	-	-	-	159,821
Culture, Recreation, and Education	785,820	-	-	-	-	-	-	532,117
Conservation and Development	178	119,522	-	12,250	925	-	-	635,526
Debt Service:								
Principal	-	-	2,754,217	-	-	-	-	2,754,217
Interest	-	-	1,257,489	-	-	-	-	1,257,489
Other	-	-	2,400	-	-	-	132,531	134,931
Capital Outlay	183,101	-	-	54,481	-	10,697	8,797,409	9,075,422
Total Expenditures	7,997,352	119,522	4,014,106	66,731	925	2,439,130	8,929,940	24,857,085
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(439,852)	(83,867)	(2,032,716)	511,024	424,805	1,380,837	(8,593,159)	(7,118,334)
OTHER FINANCING SOURCES (USES)								
Long-Term Debt Issued	-	-	-	-	-	-	3,595,000	3,595,000
Premium on Debt Issued	-	-	-	-	-	-	227,196	227,196
Transfers In	362,656	-	2,121,806	-	-	-	216,201	2,700,663
Transfers Out	(35,261)	-	-	(444,812)	(72,875)	(793,073)	(609,900)	(2,338,007)
Sale of Capital Assets	27,696	-	-	-	-	-	-	27,696
Total Other Financing Sources (Uses)	355,091	-	2,121,806	(444,812)	(72,875)	(793,073)	3,428,497	4,212,548
NET CHANGE IN FUND BALANCES	(84,761)	(83,867)	89,090	66,212	351,930	587,764	(5,164,662)	(2,905,786)
Fund Balances - Beginning of Year	2,253,624	661,536	436,765	(2,379,889)	200,977	2,834,043	7,068,042	13,543,718
FUND BALANCES - END OF YEAR	<u>\$ 2,168,863</u>	<u>\$ 577,669</u>	<u>\$ 525,855</u>	<u>\$ (2,313,677)</u>	<u>\$ 552,907</u>	<u>\$ 3,421,807</u>	<u>\$ 1,903,380</u>	<u>\$ 10,637,932</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TOMAH, WISCONSIN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS

\$ (2,905,786)

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

Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital Outlays Reported in Governmental Fund Statements	\$ 8,637,430	
Depreciation Expense Reported in the Statement of Activities	<u>(2,409,239)</u>	6,228,191

Receivables not currently available are reported as deferred inflows of resources in the fund financial statements, but are recognized as revenue when earned in the government-wide statements.		(48,357)
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Other postemployment benefit and pension expenditures in the governmental funds are measured by current year employee contributions. Pension expenses on the Statement of Activities are measured by the change in net pension asset and related deferred outflows and inflows of resources:

Wisconsin Retirement Systems Pension	(514,311)	
Local Retiree Life Insurance Other Postemployment Benefit	<u>11,997</u>	(502,314)

Long-term debt incurred in governmental funds is reported as an other financing source, but is reported as an increase in outstanding long-term debt in the Statement of Net Position and does not affect the Statement of Activities. Long-term debt incurred in the current year is:

General Obligation Bonds and Notes		(3,595,000)
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Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. In the current year, these amounts consist of:

General Obligation Bonds	2,440,000	
General Obligation Notes	150,000	
State Trust Fund Revenue Obligation	164,352	
Landfill Post-Closure Liability	<u>77,000</u>	2,831,352

Debt premiums are reported as other financing sources in the governmental fund but are deferred in the government wide statements and amortized over the life of the related debt.		(227,196)
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Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Net Change in Accrued Interest Payable	50,221	
Amortization of Debt Premium	177,971	
Net Change in Compensated Absences Payable	<u>(32,648)</u>	195,544

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 1,976,434

**CITY OF TOMAH, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023**

	Business-Type Activities - Enterprise Funds			
	Major		Nonmajor	Totals
	Water Utility	Sewer Utility	Mass Transit	
ASSETS				
Current Assets:				
Cash and Investments	\$ 1,666,990	\$ 4,262,578	\$ -	\$ 5,929,568
Restricted Cash and Investments	2,037,394	-	-	2,037,394
Taxes Receivable	-	-	30,211	30,211
Accounts Receivable, Net	226,940	251,279	-	478,219
Other Accounts Receivable	13,713	20,471	-	34,184
Interest Receivable	7,944	1,926	-	9,870
Due from Other Funds	132,155	267,854	-	400,009
Inventories	111,940	-	-	111,940
Total Current Assets	4,197,076	4,804,108	30,211	9,031,395
Capital Assets:				
Land	275,148	1,888,720	-	2,163,868
Construction in Process	4,391	572,862	-	577,253
Buildings and Improvements	2,099,233	6,669,895	-	8,769,128
Machinery and Equipment	3,371,632	9,462,683	282,050	13,116,365
Infrastructure	22,168,299	18,030,741	-	40,199,040
Leased Asset - Land	-	93,903	-	93,903
Less: Accumulated Depreciation/Amortization	(11,507,512)	(13,327,194)	(114,939)	(24,949,645)
Total Capital Assets	16,411,191	23,391,610	167,111	39,969,912
Noncurrent Assets:				
Restricted Cash and Investments	-	578,206	-	578,206
Special Assessment Receivable	1,538	1,488	-	3,026
Advanced to Other Funds	-	1,953,491	-	1,953,491
Total Other Assets	1,538	2,533,185	-	2,534,723
Total Assets	20,609,805	30,728,903	197,322	51,536,030
DEFERRED OUTFLOWS OF RESOURCES				
Wisconsin Retirement System Pension Related	390,718	448,754	-	839,472
Local Retirement Life Insurance OPEB Related	12,521	20,443	-	32,964
Total Deferred Outflows of Resources	403,239	469,197	-	872,436

See accompanying Notes to Basic Financial Statements.

CITY OF TOMAH, WISCONSIN
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
DECEMBER 31, 2023

	Business-Type Activities - Enterprise Funds			
	Major		Nonmajor	Totals
	Water Fund	Sewer Fund	Mass Transit	
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 22,545	\$ 209,175	\$ 66,678	\$ 298,398
Accrued Liabilities	9,221	10,056	-	19,277
Accrued Interest Payable	6,241	9,067	-	15,308
Due to Other Funds	494,859	147,328	7,540	649,727
Unearned Revenue - Other	20,467	-	-	20,467
Current Portion of Long-Term Debt:				
General Obligation Bonds	229,230	150,000	-	379,230
Lease Liability	-	32,954	-	32,954
Accrued Compensated Absences	28,869	30,614	-	59,483
Total Current Liabilities	811,432	589,194	74,218	1,474,844
Current Liabilities From Restricted Assets:				
Accrued Revenue Bond Interest	2,782	-	-	2,782
Current Portion of Revenue Bonds	195,000	-	-	195,000
Total Current Liabilities Payable from Restricted Assets	197,782	-	-	197,782
Noncurrent Liabilities:				
Local Retirement Life Insurance Net OPEB Liability	28,152	45,965	-	74,117
Accrued Compensated Absences	22,842	15,790	-	38,632
General Obligation Bonds	1,077,552	1,242,585	-	2,320,137
Revenue Bonds	1,207,878	-	-	1,207,878
Total Long-Term Liabilities	2,440,675	1,424,076	-	3,864,751
Total Liabilities	3,449,889	2,013,270	74,218	5,537,377
DEFERRED INFLOWS OF RESOURCES				
Wisconsin Retirement System Pension Related	220,913	253,726	-	474,639
Local Retirement Life Insurance OPEB Related	20,282	33,114	-	53,396
Subsequent Year Property Taxes	-	-	45,000	45,000
Total Deferred Inflows of Resources	241,195	286,840	45,000	573,035
NET POSITION				
Net Investment in Capital Assets	13,701,530	21,966,069	167,111	35,834,710
Restricted for Debt Service	2,034,612	-	-	2,034,612
Restricted for Equipment Replacement	-	578,206	-	578,206
Unrestricted	1,585,818	6,353,715	(89,007)	7,850,526
Total Net Position	\$ 17,321,960	\$ 28,897,990	\$ 78,104	\$ 46,298,054

See accompanying Notes to Basic Financial Statements.

CITY OF TOMAH, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2023

	Business-Type Activities - Enterprise Funds			
	Major		Nonmajor	Totals
	Water Utility	Sewer Utility	Mass Transit	
OPERATING REVENUES				
Charges for Services	\$ 2,453,689	\$ 2,912,972	\$ 302,084	\$ 5,668,745
Intergovernmental Revenue	-	-	611,427	611,427
Other Operating Revenues	134,578	163,374	-	297,952
Total Operating Revenues	2,588,267	3,076,346	913,511	6,578,124
OPERATING EXPENSES				
Operation and Maintenance	1,010,156	1,354,260	732,324	3,096,740
Depreciation/Amortization	721,723	850,456	32,383	1,604,562
Taxes	20,689	54,996	-	75,685
Total Operating Expenses	1,752,568	2,259,712	764,707	4,776,987
OPERATING INCOME (LOSS)	835,699	816,634	148,804	1,801,137
NON-OPERATING REVENUES (EXPENSES)				
Interest Income	118,022	144,631	-	262,653
Property Taxes	-	-	45,000	45,000
Miscellaneous Non-Operating Expense	-	(391,974)	-	(391,974)
Gain on Sale of Equipment	-	-	23,929	23,929
Interest and Fiscal Costs on Long-Term Debt	(40,795)	(32,691)	-	(73,486)
Total Nonoperating Revenue (Expenses)	77,227	(280,034)	68,929	(133,878)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	912,926	536,600	217,733	1,667,259
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital Contributions	80,215	51,018	-	131,233
Transfers Out	(362,656)	-	-	(362,656)
Total Contributions and Transfers	(282,441)	51,018	-	(231,423)
CHANGE IN NET POSITION	630,485	587,618	217,733	1,435,836
Net Position - Beginning of Year	16,691,475	28,310,372	(139,629)	44,862,218
NET POSITION - END OF YEAR	<u>\$ 17,321,960</u>	<u>\$ 28,897,990</u>	<u>\$ 78,104</u>	<u>\$ 46,298,054</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TOMAH, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2023**

	Business-Type Activities - Enterprise Funds			
	Major		Nonmajor	Totals
	Water Utility	Sewer Utility	Mass Transit	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts From Customers	\$ 2,559,857	\$ 2,707,973	\$ 302,084	\$ 5,569,914
Payments to Suppliers	(470,149)	(762,549)	(720,975)	(1,953,673)
Payments to Employees	(539,840)	(617,605)	(3,784)	(1,161,229)
Operating Grants	-	-	611,427	611,427
Net Cash Provided (Used) by Operating Activities	1,549,868	1,327,819	188,752	3,066,439
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers to Other Funds	(362,656)	-	-	(362,656)
Amounts Received from/(Repaid to) Other Funds	(171,696)	387,562	(115,737)	100,129
Other Nonoperating Revenue	-	-	45,766	45,766
Net Cash Provided (Used) by Noncapital Financing Activities	(534,352)	387,562	(69,971)	(216,761)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Payments for Acquisition and Construction of Capital Assets	(669,250)	(814,863)	(177,318)	(1,661,431)
Proceeds from Sale of Equipment	-	-	58,537	58,537
Principal Payments on Long-Term Debt	(472,484)	(186,274)	-	(658,758)
Interest Payments on Long-Term Debt	(47,513)	(37,078)	-	(84,591)
Cash Received from Capital Contributions	-	51,018	-	51,018
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,189,247)	(987,197)	(118,781)	(2,295,225)
CASH FLOWS FROM INVESTING ACTIVITIES				
(Purchase) Sale of Investments	2,097,269	(1,916,315)	-	180,954
Interest on Investments	118,022	144,631	-	262,653
Net Cash Provided by Investing Activities	2,215,291	(1,771,684)	-	443,607
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	2,041,560	(1,043,500)	-	998,060
Cash and Investments - Beginning of Year	907,955	3,967,969	-	4,875,924
CASH AND INVESTMENTS - END OF YEAR	<u>\$ 2,949,515</u>	<u>\$ 2,924,469</u>	<u>\$ -</u>	<u>\$ 5,873,984</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TOMAH, WISCONSIN
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2023**

	Business-Type Activities - Enterprise Funds			
	Major		Nonmajor	Totals
	Water Utility	Sewer Utility	Mass Transit	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 835,699	\$ 816,634	\$ 148,804	\$ 1,801,137
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Other Cash Paid	-	(391,974)	-	(391,974)
Depreciation	721,723	850,456	32,383	1,604,562
Changes in Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:				
Customer Accounts Receivable	(28,410)	23,601	-	(4,809)
Inventory	(11,413)	-	-	(11,413)
Net Pension Asset/LRLIF Net OPEB Liability and Related Deferred Outflow and Inflow	45,852	79,714	-	125,566
Accounts Payable	(7,199)	(45,560)	7,565	(45,194)
Accrued Liabilities	(6,384)	(5,052)	-	(11,436)
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,549,868</u>	<u>\$ 1,327,819</u>	<u>\$ 188,752</u>	<u>\$ 3,066,439</u>
RECONCILIATION OF CASH AND INVESTMENTS TO STATEMENT OF NET POSITION				
Cash and Investments per Statement of Net Position:				
Cash and Cash Equivalents	\$ 912,121	\$ 2,346,263	\$ -	\$ 3,258,384
Cash and Cash Equivalents - Restricted	2,037,394	578,206	-	2,615,600
Total Cash and Cash Equivalents	<u>2,949,515</u>	<u>2,924,469</u>	<u>-</u>	<u>5,873,984</u>
Investments	754,869	1,916,315	-	2,671,184
Total Cash and Investments	<u>\$ 3,704,384</u>	<u>\$ 4,840,784</u>	<u>\$ -</u>	<u>\$ 8,545,168</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Capital Contributions	\$ 80,215	\$ 51,018	\$ -	\$ 131,233

See accompanying Notes to Basic Financial Statements.

**CITY OF TOMAH, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2023**

	Tax Collection Custodial Fund
ASSETS	
Cash and Cash Equivalents	\$ 3,539,524
Taxes Receivable	7,216,002
Total Assets	<u>10,755,526</u>
DEFERRED INFLOWS OF RESOURCES	
Taxes Levied for the Subsequent Year	<u>10,755,526</u>
NET POSITION	
Restricted for Other Governments	<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TOMAH, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED DECEMBER 31, 2023**

	Tax Collection Custodial Fund
ADDITIONS	
Tax Collections for Other Governments	\$ 9,627,530
DEDUCTIONS	
Payments of Taxes to Other Governments	<u>9,627,530</u>
CHANGE IN NET POSTION	-
Net Position - Beginning of Year	<u>-</u>
NET POSITION - END OF YEAR	<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Tomah (the City) have been prepared in conformity with U.S. generally accepted accounting principles (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:

A. Reporting Entity

This report includes all funds of the City of Tomah. The reporting entity for the City consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading 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 it is able to impose its will on that organization or there is potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government maybe financially accountable if an organization is fiscally dependent on the primary government. The following component unit was considered:

The City of Tomah's Lake District

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

B. Government-Wide and Fund Financial Statements

Government-Wide Statements

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

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements

Government-Wide Statements

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable to a specific function or segment. Program revenues include (a) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

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

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

The City reports the following major governmental funds:

General Fund – The General Fund is the operating fund of the City. It is used to account for all financial resources of the City, except those required to be accounted for in another fund.

CDBG Special Revenue Fund – Accounts for the City's housing and economic development revolving loan program. The program was established and maintained primarily through CDBG grants and loan repayments.

Debt Service Fund – The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

TIF #8 Capital Projects Fund – Accounts for the financial resources and expenditures related to the Tax Incremental Financing District #8.

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

TIF #10 Capital Projects Fund – Accounts for the financial resources and expenditures related to the Tax Incremental Financing District #10.

Ambulance Special Revenue Fund – Accounts for the City's Ambulance programs and is primarily funded by charges for service and intergovernmental grants.

Capital Projects Fund – Accounts for the acquisition and construction of major capital projects other than those financed by proprietary funds.

The City reports the following major proprietary funds:

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

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

In addition, the City reports the following fund types: Fiduciary Funds

Custodial Fund –The custodial fund is used to account for the collection of property taxes for other governmental entities.

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange 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. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables, if any, are recorded as revenues when services are provided.

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. The City considers all revenues to be available if they are collected within 60 days after the end of the current period for all governmental funds except the ambulance fund. The City considers ambulance fund revenues to be available if they are collected within 180 days after the end of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent that they have matured. Proceeds of general long-term debt are reported as an other financing source.

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled to the resources and the amounts are available. Amounts owed to the City, which are not available, are recorded as receivables and deferred inflows of resources. Amounts received prior to the entitlement period are also recorded as deferred inflows of resources.

Special assessments are recognized as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred inflows of resources.

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

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

The City reports deferred inflows of resources on its governmental funds balance sheet. For governmental fund financial statements, deferred inflows arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred inflows of resources also arise when resources are received before the City has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the deferred inflows is removed from the balance sheet and revenue is recognized.

The proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary funds’ principal ongoing operations. The principal operating revenues of the water and sewer utilities are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

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

1. Cash and Investments

The City's has pooled the cash resources of its funds in order to maximize investment opportunities. Each fund's portion of total cash and investments is reported as cash and cash equivalents by the City's individual major funds, and in the aggregate for non-major and custodial funds.

All deposits of the City are made in Council designated official depositories and are required to be secured by State Statute. The City may designate, as an official depository, any bank or savings association. Also, the City may establish time deposit accounts.

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Cash and Investments (Continued)

Investments with remaining maturities at the time of purchase of one year or less are stated at amortized cost which approximates fair value. Investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market prices.

For purposes of the proprietary fund Statement of cash flows, the City considers all highly liquid investments with a maturity of less than three months, when purchased, to be cash equivalents.

2. Taxes Receivable

Property taxes are levied prior to the end of the calendar year and are due and collectible in the following year. Property taxes attach an enforceable lien as of January 1. The City's portion of taxes is recorded in each governmental fund as budgeted. Since City property taxes are not considered available until January 1 of the year following the levy, an amount is recorded as deferred inflows of resources as an offset for any advance tax collection cash and remaining taxes receivable in the funds budgeted, therefore. Taxes are levied in December on the assessed value as of the prior January 1.

Property tax calendar – 2023 payable 2023 tax roll

Lien Date and Levy Date	December 2022
Tax Bills Mailed	December 2022
Payment in Full, or	January 31, 2023
First Installment Due	January 31, 2023
Second Installment Due	March 31, 2023
Third Installment Due	May 31, 2023
Fourth Installment Due	July 31, 2023
Personal Property Taxes in Full	January 31, 2024

3. Allowance for Uncollectible Accounts

No provision for uncollectible accounts receivable has been made for delinquent water and sewer billings because the utilities have the right by law to place delinquent bills on tax roll. Delinquent real estate taxes as of July 31 are paid in full by the County, which assumes the collection thereof. Accounts receivable within the ambulance fund are reported at gross amount less an allowance for doubtful accounts of \$519,668.

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

4. Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Deferred special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. Special assessments of proprietary funds are recorded as capital contributions at the time of assessment, if subject to collection.

Special assessments not subject to collection are not recorded until such time as they are subject to collection.

5. Lease Receivable

The City is a lessor for noncancellable lease of land related to a cell tower. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

6. Inventories

Inventories of proprietary funds are valued at cost using the first-in/first-out method and are charged as expenses or capitalized when used. Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not material for governmental funds.

7. Prepayments

Payments benefiting future periods have been recorded as prepayments. They will be reflected as expenditures or expenses when incurred in the subsequent year.

8. Restricted Cash

Restricted cash in the proprietary funds consisted of the following:

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

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. Restricted Cash (Continued)

Special Redemption and Reserve Account – The Water Utility in compliance with its mortgage revenue bonds has established and maintain special redemption and reserve accounts. The Special Redemption accounts are used to segregate resources accumulated for debt service payments over the next twelve months. The reserve accounts are used to report resources set aside to make up potential future deficiencies in the redemption amount.

9. Capital Assets

Government-Wide Financial Statements

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with initial, individual costs as shown below and an estimated useful life of one year or greater. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The City's policy is to prospectively report infrastructure acquired after its adoption of GASB Statement No. 34 on January 1, 2004.

Capitalization thresholds (the dollar valued above which asset acquisitions are added to the capital asset accounts), depreciation/amortization methods, and estimated useful lives of capital assets reported in the government-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation/ Amortization Method</u>	<u>Estimated Useful Life</u>
Land	\$5,000	N/A	N/A
Buildings	5,000	Straight-line	15-75 Years
Machinery and Equipment	5,000	Straight-line	3-30 Years
Utility Systems	5,000	Straight-line	30-100 Years
Infrastructure	25,000	Straight-line	30-100 Years

Annual depreciation/amortization charges in the business-type activities are determined using the average utility plant in service and a composite rate.

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

9. Capital Assets (Continued)

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Fund Financial Statements

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

10. Deferred Inflows and Outflows of Resources

Deferred Inflows

The City's governmental activities, business-type activities and governmental fund financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position or fund equity that applies to a future period. The City will not recognize the related revenue until a future event occurs.

The City has three types of items which are reported as deferred inflows in its governmental funds. The first occurs because property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year. The second type of deferred inflow of resources relates to the lease receivable and represents the present value of future revenues to be recognized on lessor contracts. The final deferred inflow of resources, which are only reported in the governmental fund financial statements, occurs because certain governmental fund revenues are not recognized until available (collected later than 60 days after the end of the City's year) under the modified accrual basis of accounting. The City's government-wide and proprietary fund financial statements also report a deferred inflows of resources for subsequent years taxes and leases as described above. In addition, these financial statements also report deferred inflows of resources for pension and other postemployment benefit related items.

Deferred Outflows

The City reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position. The City reports deferred outflows of resources for pension and other postemployment benefit related items.

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

11. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Employees earn 12 sick days per year. They are allowed to be paid 30% of their accumulated sick leave credits upon retirement or death, not to exceed 30% of a maximum of 120 days. Only benefits considered to be vested are reflected in these statements. Payments for vacation and sick pay liabilities are computed on the basis of current salary rates and include salary related payments. Accumulated unpaid vacation and sick leave for employees is recorded as an expense and liability in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

12. Pension Benefit

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.

13. Long-Term Obligations

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

All short-term and long-term obligations expected to be financed from proprietary fund type operations are accounted for as those fund's liabilities.

Governmental funds report proceeds of long-term debt issues as other financing sources in the operating statement of the recipient fund. Retirement of these issues is reported as an expenditure of the debt service fund in the year in which the debt matures or is repaid, whichever is earlier. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures at the time of issuance.

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

14. Other Postemployment Benefits

Retiree life insurance is provided through a State administered multi-employer other post-employment benefit (OPEB) plan. 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 and inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

15. Equity Classifications

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, Proprietary Fund, and Fiduciary Fund Financial Statements

Fund equity is classified as net position in the government-wide, proprietary fund, and fiduciary fund 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 for those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. There were no restrictions to net position based on enabling legislation at year-end. All other net position is displayed as unrestricted.

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the City's policy to use restricted resources first.

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

15. Equity Classifications (Continued)

Governmental 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 high-level formal action prior to the close of the fiscal period. 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 City Council.

Unassigned fund balance is the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications. It is the City's policy that in order to maintain the City's credit rating and seasonal cashflow shortfalls, the budget shall provide for anticipated unassigned general fund balance be 25% of annual general fund expenditures.

Committed fund balance is required to be established, modified, or rescinded by resolution of the City Council prior to each year end. Based on resolution of the City Council, the City Administrator will have the authority to establish or modify assigned fund balance. When restricted and unrestricted fund balance is available for expenditure, it is the City's policy to first use restricted fund balance. When committed, assigned, and unassigned fund balance is available for expenditure, it is the City's policy to use committed, assigned and finally unassigned fund balance.

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Stewardship and Accountability

Budgetary Information

The City's budget is adopted in accordance with Chapter 65 of the Wisconsin Statutes. Changes to appropriations authorized in the adopted budget generally require a vote of two-thirds of the entire membership of the governing body. Budgetary expenditure control is exercised at the function level. Operating budgets are adopted each year for all funds of the City.

Budget amounts include appropriations authorized in the original budget, any City Council approved amendments, appropriations of restricted resources received for funding specific expenditures and designated portions of the beginning balance of the general fund's equity expected to finance expenditures of the current fiscal year. Unused appropriations lapse at year-end unless specifically carried over for financing subsequent year expenditures.

Expenditures exceeded budget in the general fund and ambulance special revenue fund as detailed below. These overages were authorized by the City Council and were financed with available resources and fund balance.

	Budgeted Amounts	Actual Amounts	Variance with Final Budget
General Fund Expenditures:			
General Government	\$ 1,258,485	\$ 1,278,783	\$ (20,298)
Public Safety	3,763,843	3,838,841	(74,998)
Capital Outlay	47,900	183,101	(135,201)
Ambulance Fund Expenditures:			
Public Safety	2,230,878	2,428,433	(197,555)

Fund Deficits

The TIF #8 and TIF #11 capital projects funds had fund balance deficits of \$2,313,677 and \$6,729, respectively, at December 31, 2023. These deficits will be eliminated through future tax increment collections.

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Capital Contributions – Enterprise Funds

Contributions in aid of construction represent amounts received from developers or customers for construction and the value of property (plant) contributed to the utilities. These are reported as capital contributions on the statement of revenues, expenses and changes in net position.

G. Interfund Transactions

The water utility is charged a tax equivalent due to the general fund which is recorded as a transfer. In addition, the water and sewer utilities provide basic services to the general fund. Charges for fire protection, sanitation and basic services are recorded as expenditures in the general fund.

The sewer utility pays an annual meter use charge to the water utility in accordance with requirements of the Public Service Commission. The annual charge is recorded as an operating expense of the sewer utility and as operating revenue of the water utility.

The City pools its cash and as a result, interfund receivables/payables represent cash loaned to other funds on an interim basis.

All other interfund activity is reported as transfers.

Advanced between funds represent the noncurrent portion of borrowing arrangements between funds.

H. Limitations on the City Tax Levy

As part of Wisconsin's Act 25 (2005), legislation was passed that limits the City's future tax levies. Generally, the City is limited to its prior tax levy dollar amount, increased by the percentage change in the City's equalized value due to new construction. Changes in debt service from one year to the next are generally exempt from this limit.

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 CASH AND INVESTMENTS

Cash for all City funds is pooled for investment purposes. At December 31, 2023, the cash and equivalents consist of the following:

Governmental Funds	\$ 15,275,263
Proprietary Funds	8,545,168
Fiduciary Funds	3,539,524
Total	<u>\$ 27,359,955</u>

The above cash and investments balances consisted of the following:

Deposits at Financial Institutions	\$ 15,960,107
Non-negotiable Certificates of Deposit	4,294,223
Investments in Local Governmental Investment Pool	721,352
Mutual Funds	3,122,278
U.S. Treasuries	1,761,272
U.S. Agencies	1,500,028
Petty Cash	695
Total	<u>\$ 27,359,955</u>

Investments Authorized by City Investment Policy

Investment of City funds is restricted by State statutes. The City has adopted a policy compliant with, but even more restrictive, than state statutes. Available investments are limited to:

- 1) Certificates of Deposit and other evidence of deposit in any credit union, bank, savings bank, trust company or savings and loan association;
- 2) U.S. Treasury obligations which carry the full faith and credit guarantee of the United States Government;
- 3) U.S. Government Agency and instrumentality obligations that have a liquid market with a readily determinable market value;
- 4) Bonds, notes, debentures, or other evidence of indebtedness issued or guaranteed by a corporation which are rated by any Rating Agency in and of the three highest rating categories;
- 5) Commercial paper rated in the highest tier by a nationally recognized rating agency;
- 6) Local government investment pool either state administered or developed through joint powers statutes and other intergovernmental agreement legislation;
- 7) Investment grade obligations of state provincial and local governments and public authorities;
- 8) Repurchase agreements whose underlying purchased securities consist of the aforementioned instruments; and
- 9) Money Markey mutual funds regulated by the Security and Exchange Commission and whose portfolios consist only of dollar denominated securities.

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk for Deposits

The City's balances at individual financial institutions were subject to coverage under federal depository insurance and amounts appropriated by Sections 20.144(1)(a) and 34.08 of the Wisconsin Statutes (State Guarantee Fund). Federal depository insurance provides for coverage for governmental entities of up to \$250,000 for time and savings deposits and an additional \$250,000 for demand deposits. In addition, funds held for others (such as trust funds) are subject to coverage under the name of the party for whom the funds are held. Coverage under the State Guarantee Fund may not exceed \$400,000 above the amount of coverage under federal depository insurance at any institution and is limited by the availability of the appropriations authorized therein. (Due to the relatively small size of the State Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.) Also, Section 34.07 of the Wisconsin Statutes authorizes the City to collateralize its deposits that exceed the amount of coverage provided by federal depository insurance and the State Guarantee Fund.

Custodial credit risk for deposits is the risk that in the event of bank failure, the City's deposits may not be returned. At December 31, 2023, the City's deposits were not exposed to custodial credit risk.

Investments

The City's investments at December 31, 2023 consisted of deposits in the State of Wisconsin Local Government Investment Pool (an external investment pool), mutual funds, U.S. treasuries, U.S. agencies, corporate bonds and municipal bonds.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City's investment policy limits investment maturities to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The City also invests operating funds primarily in shorter term securities, money market funds, or similar investment pools and limiting the average maturity of the portfolio. It is the City's policy to prohibit investing in securities which mature more than 7 years from the date of purchase. The above obligations may be subject to call prior to the stated maturity date. It is the City's general policy to hold the obligations until maturity. Investment maturities of the City are as follows:

Description	Totals	Investment Maturities (in years)			
		<1	1 to 2	2 to 3	>3
Mutual Funds	\$ 3,122,278	\$ 3,122,278	\$ -	\$ -	\$ -
U.S. Treasuries	1,761,272	1,761,272	-	-	-
U.S. Agencies	1,500,028	1,088,288	-	277,129	134,611
Total	<u>\$ 6,383,578</u>	<u>\$ 5,971,838</u>	<u>\$ -</u>	<u>\$ 277,129</u>	<u>\$ 134,611</u>

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Deposits in State Local Government Pooled-Investment Fund

The State of Wisconsin offers a Local Government Investment Pool (LGIP) to local government units to enable them to voluntarily invest idle funds in State Investment Fund. Local funds are pooled with state funds and invested by the State Investment Board. There is no minimum or maximum amount that can be invested by a local governmental unit. Interest is earned on a daily basis and withdrawals are generally available on day of request. Deposits in the LGIP are not covered by federal depository insurance but are subject to coverage under the State Guarantee Fund. Also, the State of Wisconsin Investment Board has obtained a surety bond to protect deposits in the LGIP against defaults in principal payments on the LGIP's investments (subject to certain limitations). The average monthly weighted average maturity of the State Investment Fund's investments for 2023 was 18 days.

Credit Risk

Generally, credit risk for investments is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The City's investment policy, which is more restrictive than provisions of the Wisconsin Statutes, states to minimize credit risk, the City will limit investment to the certain investments discussed above, pre-qualifying the financial institutions and brokers/dealers, and by diversifying the investment portfolio. As of December 31, 2023, the City's investments were rated as follows:

Type	Credit Quality Rating	Amount
United States Treasuries	A-1+	\$ 1,637,005
United States Treasuries	AA+	124,267
Federal Farm Credit Banks Funding Corp.	AA+	1,500,028
Mutual Funds	AAAm	3,122,278
State LGIP Funds	Not Rated	686,069

Custodial Credit Risk of Investments

Investment securities are subject to custodial credit risk if they are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name. The City's investments are not exposed to custodial credit risk.

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. At December 31, 2023, the investment portfolio of the City was concentrated as follows:

Type	Amount	Percentage
United States Treasuries	\$ 1,761,272	27.6%
Federal Farm Credit Banks Funding Corp.	1,500,028	23.5%
Mutual Funds	3,122,278	48.9%

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 combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

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

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

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the assets, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

The City's investments are measured as follows:

Description	Level 1	Level 2	Level 3	Total
United States Treasuries	\$ 1,761,272	\$ -	\$ -	\$ 1,761,272
Federal Farm Credit Banks Funding Corp.		1,500,028	-	1,500,028
Mutual Funds	3,122,278	-	-	3,122,278
Total	<u>\$ 4,883,550</u>	<u>\$ 1,500,028</u>	<u>\$ -</u>	<u>\$ 6,383,578</u>
Investments Measured at Amortized				
Cost - State LGIP Funds				686,069
Total Investments				<u>\$ 7,069,647</u>

NOTE 3 RECEIVABLES

The City holds loans receivable within its General, CDBG and TIF #8 funds. These loans are expected to be collected over varying number of years based on individual repayment schedules or in relation to home loans within the CDBG fund at time of sale or refinancing of the real estate held as collateral to the loan. At December 31, 2023, allowances for doubtful accounts in the amount of \$15,000 and \$10,000 were netted with the receivable of these loans within the General and CDBG funds, respectively.

Lease Receivable

The City, acting as lessor, leases land under a long-term noncancelable lease agreement. The lease expires on November 17, 2041, and will not renew. During the year ended, December 31, 2023, the City recognized \$11,694 and \$12,138 in lease revenue and interest revenue, respectively, pursuant to the contract.

Total future minimum lease payments to be received under the lease agreement are follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2024	\$ 1,864	\$ 12,052	\$ 13,916
2025	2,321	11,944	14,265
2026	6,099	11,732	17,831
2027	6,883	11,393	18,276
2028	7,721	11,012	18,733
2029-2033	53,289	47,639	100,928
2034-2038	84,336	29,856	114,192
2039-2042	67,904	5,541	73,445
Total	<u>\$ 230,417</u>	<u>\$ 141,169</u>	<u>\$ 371,586</u>

CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 CAPITAL ASSETS

Capital asset activity in the governmental activities for the year ended December 31, 2023 is as follows:

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Non-Depreciable Capital Assets:				
Land	\$ 4,368,776	\$ -	\$ -	\$ 4,368,776
Construction Work in Progress	8,719,575	7,654,777	14,999,333	1,375,019
Total Capital Assets Not Being Depreciated	13,088,351	7,654,777	14,999,333	5,743,795
Capital Assets Being Depreciated:				
Buildings and Improvements	12,684,466	13,809,636	-	26,494,102
Land Improvements	10,198,347	1,176,940	-	11,375,287
Machinery and Equipment	12,385,476	801,675	170,539	13,016,612
Infrastructure	30,050,518	193,735	-	30,244,253
Total Capital Assets Being Depreciated	65,318,807	15,981,986	170,539	81,130,254
Total Capital Assets	78,407,158	23,636,763	15,169,872	86,874,049
Less: Accumulated Depreciation:				
Buildings and Improvements	5,142,713	433,124	-	5,575,837
Land Improvements	4,380,449	300,676	-	4,681,125
Machinery and Equipment	8,214,870	885,319	170,539	8,929,650
Infrastructure	13,819,626	790,120	-	14,609,746
Total Accumulated Depreciation:	31,557,658	2,409,239	170,539	33,796,358
Capital Assets Net of Depreciation	\$ 46,849,500	\$ 21,227,524	\$ 14,999,333	\$ 53,077,691

Depreciation was charged to governmental functions as follows:

General Government	\$ 73,052
Public Safety	710,434
Public Works	1,205,648
Culture, Recreation, and Education	420,105
Total Depreciation - Governmental Activities	<u>\$ 2,409,239</u>

CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 CAPITAL ASSETS (CONTINUED)

Capital asset activity in the business-type activities for the year ended December 31, 2023 was as follows:

Business-Type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Water Utility:				
Non-Depreciable Capital Assets:				
Land	\$ 275,148	\$ -	\$ -	\$ 275,148
Construction Work in Progress	21,392	337,060	354,061	4,391
Total Non-Depreciable Capital Assets	296,540	337,060	354,061	279,539
Capital Assets Being Depreciated:				
Buildings and Improvements	2,099,233	-	-	2,099,233
Machinery and Equipment	2,997,177	374,455	-	3,371,632
Infrastructure	21,820,465	392,011	44,177	22,168,299
Total Capital Assets Being Depreciated	26,916,875	766,466	44,177	27,639,164
Total Capital Assets	27,213,415	1,103,526	398,238	27,918,703
Less Accumulated Depreciation	10,829,966	721,723	44,177	11,507,512
Net Capital Assets	\$ 16,383,449	\$ 381,803	\$ 354,061	\$ 16,411,191
Sewer Utility:				
Non-Depreciable Capital Assets:				
Land	\$ 1,888,720	\$ -	\$ -	\$ 1,888,720
Construction Work in Progress	163,371	681,475	271,984	572,862
Total Non-Depreciable Capital Assets	2,052,091	681,475	271,984	2,461,582
Capital Assets Being Depreciated/Amortized:				
Buildings and Improvements	6,669,895	-	-	6,669,895
Machinery and Equipment	9,337,034	136,649	11,000	9,462,683
Infrastructure	17,791,291	268,722	29,272	18,030,741
Right-to-Use Leased Asset - Land	93,903	-	-	93,903
Total Capital Assets Being Depreciated/Amortized	33,892,123	405,371	40,272	34,257,222
Total Capital Assets	35,944,214	1,086,846	312,256	36,718,804
Less Accumulated Depreciation/Amortization	12,517,011	850,456	40,273	13,327,194
Net Capital Assets	\$ 23,427,203	\$ 236,390	\$ 271,983	\$ 23,391,610
Mass Transit Utility:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 179,121	\$ 177,318	\$ 74,389	\$ 282,050
Less Accumulated Depreciation	122,337	32,383	39,781	114,939
Net Capital Assets	\$ 56,784	\$ 144,935	\$ 34,608	\$ 167,111

Depreciation/Amortization after allocation of meter related depreciation was charged to business-type activities as follows:

Water	\$ 721,723
Sewer	850,456
Mass Transit	32,383
Total Depreciation/Amortization - Business-Type Activities	<u>\$ 1,604,562</u>

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS

All general obligation bonds and notes payable are backed by the full faith and credit of the municipality. Governmental activities debt will be retired by future property tax levies accumulated by the debt service fund. Proprietary fund debt is payable by revenues from user fees of those funds, or if the revenues are not sufficient, by future tax levies. The following is a summary of long-term debt transactions of the City for the year ended December 31, 2023:

	Balance 1/1/23	Issued	Retired	Balance 12/31/23	Amounts Due Within One Year
Governmental Activities					
General Obligation Bonds and Notes	\$ 28,115,000	\$ 3,595,000	\$ 2,440,000	\$ 29,270,000	\$ 2,285,000
General Obligation Notes - Direct Borrowing	150,000	-	150,000	-	-
State Trust Fund Notes - Direct					
Borrowing	164,352	-	164,352	-	-
Landfill Post-Closure Liability	1,500,000	-	77,000	1,423,000	50,000
Compensated Absences	439,603	302,574	269,926	472,251	294,393
Unamortized Debt Premium	1,508,965	227,196	177,971	1,558,190	-
Sub-Total Governmental Activities	31,877,920	4,124,770	3,279,249	32,723,441	2,629,393
Business-Type Activities					
General Obligation Bonds	2,950,000	-	345,000	2,605,000	345,000
Mortgage Revenue Bonds - Direct					
Borrowing	1,719,592	-	282,488	1,437,104	229,230
Right-to-Use Lease Liability	64,227	-	31,273	32,954	32,954
Unamortized Debt Premium	68,892	-	8,751	60,141	-
Compensated Absences	108,313	53,353	63,551	98,115	59,483
Sub-Total Business-Type Activities	4,911,024	53,353	731,063	4,233,314	666,667
Total	\$ 36,788,944	\$ 4,178,123	\$ 4,010,312	\$ 36,956,755	\$ 3,296,060

Compensated absences have historically been paid by the general, water or sewer funds based on the employee job description.

Security and Default. The outstanding long-term debt obligations of the City contain the following provisions:

General Obligation Bonds and Notes and General Obligation Notes from Direct Borrowing: These 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 and interest on the notes as they become due. The full faith, credit and resources of the City are irrevocably pledged to ensure repayment.

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Security and Default (Continued).

Mortgage Revenue Bonds: These bonds are direct borrowings through the State of Wisconsin Safe Drinking Water Program and are payable from a pledge of revenues of the water utility system. Principal and interest paid for the current year and total customer net revenues were \$301,144 and \$2,588,267, respectively.

Safe Drinking Water and Clean Water Fund Loan Programs: The City's outstanding notes and bonds from direct borrowings related to business type activities total \$1,437,104. These obligations contain the following provisions in the event of a default: 1) Wisconsin Department of Administration can deduct amounts due from any state payments due to the City or add the amounts due as a special charge to the property taxes apportioned; 2) may appoint a receiver for the Program's benefit; 3) may declare the principal amount immediately due and payable; 4) may enforce any right or obligation under the financing agreement including the right to seek specific performance or mandamus; and 5) may increase the interest rate set forth in the financing agreement to the market interest rate.

Total General Obligation Debt as of December 31, 2023 consists of:

	Original Amount	Issue Date	of Maturity	Interest Rate	Debt Outstanding	Due Within One Year
General Obligation Bonds and Notes:						
2017 Bond Issue	\$ 11,041,534	3/30/2017	2036	2.0-3.0%	\$ 4,815,000	\$ 335,000
2020B Bond Issue	1,480,000	6/11/2020	2034	0.75-2.15%	1,200,000	105,000
2020A Note Issue	2,100,000	6/11/2020	2030	1.90%	875,000	185,000
2021A Note Issue	3,785,000	4/15/2021	2029	.25-1.75%	3,100,000	530,000
2021B Note Issue	1,125,000	4/15/2021	2029	.25-1.75%	985,000	145,000
2021C Note Issue	735,000	4/15/2021	2029	.25-1.75%	635,000	95,000
2022A Note Issue	10,123,387	6/23/2022	2042	3-5%	16,670,000	1,085,000
2023A Note Issue	3,595,000	7/27/2023	2043	4-5%	3,595,000	150,000
Total					<u>\$ 31,875,000</u>	<u>\$ 2,630,000</u>

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Summary of Debt Service Requirements

The annual principal and interest requirements to amortize all governmental debt and proprietary general obligation debt outstanding as of December 31, 2023 are as follows:

Year	Governmental Activities				Total	
	General Obligation Bonds and General Obligation Notes		State Trust Fund and Notes - Direct Borrowings		Principal	Interest
	Principal	Interest	Principal	Interest		
2024	\$ 2,285,000	\$ 1,086,908	\$ -	\$ -	\$ 2,285,000	\$ 1,086,908
2025	2,125,000	968,706	-	-	2,125,000	968,706
2026	2,060,000	896,012	-	-	2,060,000	896,012
2027	2,020,000	824,830	-	-	2,020,000	824,830
2028	1,905,000	755,809	-	-	1,905,000	755,809
2029-2033	8,290,000	2,776,712	-	-	8,290,000	2,776,712
2034-2038	6,535,000	1,381,386	-	-	6,535,000	1,381,386
2039-2043	4,050,000	334,600	-	-	4,050,000	334,600
Total	<u>\$ 29,270,000</u>	<u>\$ 9,024,963</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,270,000</u>	<u>\$ 9,024,963</u>

Year	Business-Type Activities General Obligation Bonds	
	Principal	Interest
2024	\$ 345,000	\$ 64,108
2025	350,000	56,158
2026	360,000	48,133
2027	375,000	40,016
2028	380,000	31,709
2029-2033	720,000	61,988
2034-2038	75,000	5,342
Total	<u>\$ 2,605,000</u>	<u>\$ 307,454</u>

In accordance with Section 67.03 (1) of the 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 following computation compares the total debt allowable for the City of Tomah with the actual outstanding indebtedness at December 31, 2023:

Equalized Valuation	\$ 999,859,200
Legal Debt Capacity (5% of Equalized Value)	49,992,960
General Obligation Debt	31,875,000
Unused Borrowing Capacity	18,117,960

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Mortgage Revenue Bonds

Outstanding mortgage revenue bonds for the water utility totaled \$1,437,104 on December 31, 2023. The City's full faith and credit do not back mortgage revenue bonds which are instead backed only by the assets and revenue of the water and storm water utilities (proprietary funds). Individual debt issues outstanding at December 31, 2023 are:

Mortgage Revenue Bonds:	Original Amount	Issue Date	Year of Maturity	Interest Rate	Debt Outstanding	Due Within One Year
Water:						
2004 Revenue Bond	1,129,188	11/24/2004	2024	1.42%	\$ 65,146	\$ 65,146
2006 Revenue Bond	1,635,913	12/27/2006	2026	1.49%	278,561	91,488
2016 Revenue Bond	715,010	7/12/2017	2036	0.99%	483,554	35,038
2018 Revenue Bond	791,475	7/27/2018	2038	1.12%	609,843	37,558
Total Mortgage Revenue Bonds					<u>\$ 1,437,104</u>	<u>\$ 229,230</u>

Scheduled annual requirements for retirement of the mortgage revenue bond obligations debt outstanding at December 31, 2023 are summarized as follows:

Year	Water Enterprise Fund	
	Principal	Interest
2024	\$ 229,231	\$ 15,165
2025	166,211	12,562
2026	168,366	10,392
2027	74,926	8,903
2028	75,718	8,107
2029-2033	390,784	28,274
2034-2038	331,868	7,823
Total	<u>\$ 1,437,104</u>	<u>\$ 91,226</u>

Lease Liability

The City entered into an agreement for the use of land. A lease liability was recorded in the amount of \$93,903 for this lease. The City used an incremental borrowing rate of 5.25% for the lease since the interest rate was not provided in the lease agreement.

The future minimum lease payments under lease agreements are as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2024	\$ 32,954	\$ 145	\$ 33,099
Total	<u>\$ 32,954</u>	<u>\$ -</u>	<u>\$ 33,099</u>

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 LANDFILL LIABILITY

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

NOTE 7 TAX ABATEMENT

The City has entered into a developer's agreement to encourage blight elimination and economic growth within the Tax Incremental District #9 (TID #9) boundaries. Part of the agreement provides for job creation/retention and rebates a portion of the tax increment revenue back to the developer. Annual rebates will be calculated based on tax increment revenue collected for the specific development less \$50,000. During the duration of TID #9 approximately \$2,250,000 may be paid if certain criteria are met. These rebates will commence two years after substantial completion of the development which occurred in 2020. For the year ending December 31, 2023, the City made a rebate payment of \$68,870.

NOTE 8 INTERFUND ACTIVITY

As of December 31, 2023, the composition of interfund balances was as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Water Fund	\$ 442,118
Sewer Fund	General Fund	15,172
Water Fund	Sewer Fund	132,155
Sewer Fund	Water Fund	52,741
General Fund	Mass Transit	7,540
General Fund	TIF #8	74,618
Sewer Fund	Capital Projects	70,927
Sewer Fund	TIF #8	48,837
Total		<u>\$ 844,108</u>

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

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Purpose
Sewer Fund	TIF #8	<u>\$ 1,953,491</u>	Financing Project Costs

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 8 INTERFUND ACTIVITY (CONTINUED)

The schedule of interfund transfer activity is as follows:

Fund Transferred To	Funds Transferred From	Amount	Purpose
General	Water	\$ 362,656	Payment in Lieu of Taxes
Capital Projects	General	35,261	Fund Capital Projects
Capital Projects	Tourism	180,940	Fund Capital Projects
Debt Service	TIF #8	444,813	Debt Payments
Debt Service	TIF #9	36,783	Debt Payments
Debt Service	TIF #10	72,875	Debt Payments
Debt Service	Tourism	164,362	Debt Payments
Debt Service	Capital Projects	609,900	Debt Payments
Debt Service	Ambulance	793,073	Debt Payments
Total		<u>\$ 2,700,663</u>	

NOTE 9 WISCONSIN RETIREMENT SYSTEM PENSION PLAN BENEFITS

General Information about the Pension Plan

Plan Description. The Wisconsin Retirement System (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 1200 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 issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>. Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

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

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 WISCONSIN RETIREMENT SYSTEM PENSION PLAN BENEFITS (CONTINUED)

General Information about the Pension 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 12/31/2016) 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.

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:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2014	4.7%	25.0%
2015	2.9%	2.0%
2016	0.5%	-5.0%
2017	2.0%	4.0%
2018	2.4%	17.0%
2019	0.0%	-10.0%
2020	1.7%	21.0%
2021	5.1%	13.0%
2022	7.4%	15.0%

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 WISCONSIN RETIREMENT SYSTEM PENSION PLAN BENEFITS (CONTINUED)

General Information about the Pension Plan (Continued)

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

During the reporting period January 1, 2023 through December 31, 2023 the WRS recognized \$586,555 in contributions from the employer. Contribution rates for 2023 are:

	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	6.80%	6.80%
Protective with Social Security	6.80%	13.22%
Protective without Social Security	6.80%	18.12%

Pension Assets, Liability, Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2023, the City reported a liability of \$2,325,646 for its proportionate share of the total net pension asset. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. The City's proportion of the net pension asset was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. At December 31, 2021, the City's proportion was 0.04389915 percent, which was an increase of 0.00225582 percent from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized pension expense (revenue) of \$1,176,717.

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 WISCONSIN RETIREMENT SYSTEM PENSION PLAN BENEFITS (CONTINUED)

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

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 3,704,033	\$ 4,866,270
Changes of Assumptions	457,318	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,950,738	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	17,551	61,887
City Contributions Subsequent to the Measurement Date	586,555	-
Total	<u>\$ 8,716,195</u>	<u>\$ 4,928,157</u>

\$586,555 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Pension Expense Amount</u>
2023	\$ 127,458
2024	659,451
2025	672,075
2026	1,742,499
2027	-
Thereafter	-

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 WISCONSIN RETIREMENT SYSTEM PENSION PLAN BENEFITS (CONTINUED)

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

Actuarial Assumptions

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

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability (Asset):	December 31, 2022
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Wage Inflation:	3% Approximate
Salary Increases:	3.1% to 8.6% Including Inflation
Mortality:	2020 WRS Experience Mortality Table
Postretirement Adjustments*	1.7%

*No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total pension liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

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

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 WISCONSIN RETIREMENT SYSTEM PENSION PLAN BENEFITS (CONTINUED)

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

Core Asset Allocation			Variable Asset Allocation		
Asset Class	Target Allocation	Long-Term	Asset Class	Target Allocation	Long-Term
		Expected Real Rate of Return			Expected Real Rate of Return
Public Equity	48.0%	5.0%	Domestic Equity	70.0%	4.6%
Public Fixed Income	25.0%	2.7%	International Equity	30.0%	5.5%
Inflation Sensitive Assets	19.0%	1.1%	Fixed Income	N/A	N/A
Real Estate	8.0%	2.6%	Inflation Sensitive Assets	N/A	N/A
Private Equity/Debt	15.0%	6.9%	Real Estate	N/A	N/A
Totals	115.0%		Private Equity/Debt	N/A	N/A
			Multi-Asset	N/A	N/A
			Cash	N/A	N/A
			Totals	100.0%	

Discount Rate

A single discount rate of 6.80% 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 6.80% and a municipal bond rate of 4.05% (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, 2022. 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 6.80% expected rate of return implies that a dividend of approximately 1.7% 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 expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 7,718,746	\$ 2,325,646	\$ (1,384,342)

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 WISCONSIN RETIREMENT SYSTEM PENSION PLAN BENEFITS (CONTINUED)

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

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

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER PLAN

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

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

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

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

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

Contribution rates as of December 31, 2023 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Postretirement Coverage	40% of Employee Contribution
25% Postretirement Coverage	20% of Employee Contribution

CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER PLAN (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 members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2022 are:

<u>Attained Age</u>	<u>Basic</u>
Under 30	\$0.05
30-34	0.06
35-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

During the reporting period January 1, 2023 through December 31, 2023 the LRLIF recognized \$1,883 in contributions from the City.

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

At December 31, 2023, the City reported a liability of \$359,484 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2022 and rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2022, the City's proportion was 0.09435700 percent, which was a decrease of 0.00274000 percent from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized OPEB expense of \$40,161. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 35,181
Changes of Assumptions or Other Input	129,154	212,194
Net Difference Between Projected and Actual Earnings on OPEB Investments	6,746	-
Change in proportion and differences between employer contributions and proportionate share of contributions	22,100	11,606
District Contributions Subsequent to the Measurement Date	1,883	-
Total	<u>\$ 159,883</u>	<u>\$ 258,981</u>

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER PLAN (CONTINUED)

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (Continued)

\$1,883 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction to the net OPEB liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

<u>Year Ended December 31,</u>	<u>OPEB Expense Amount</u>
2024	\$ (3,143)
2025	(5,456)
2026	(1,176)
2027	(21,358)
2028	(35,680)
2029	(34,168)
2030	-

Actuarial Assumptions. The total OPEB liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	January 1, 2022
Measurement Date of Net OPEB Liability (Asset)	December 31, 2022
Actuarial Cost Method	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	3.72%
Long-Term Expected Rate of Return	4.25%
Discount Rate	3.76%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.10%-5.60%
Mortality	2020 WRS Experience Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total OPEB liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the January 1, 2022 actuarial valuation.

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER PLAN (CONTINUED)

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (Continued)

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. Asset allocation targets and expected returns as of December 31, 2025 are as follows in the table below:

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Credit Bonds	Bloomberg US Interim Credit	50%	2.45%
U.S. Mortgages	Bloomberg US MBS	50%	2.83%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return remained unchanged from the prior year at 4.25%. 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. The expected inflation rate remained unchanged from the prior year at 2.30%.

Single Discount Rate. A single discount rate of 3.76% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.17% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 2.06% as of December 31, 2021 to 3.72% as of December 31, 2022. 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.

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER PLAN (CONTINUED)

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (Continued)

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.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate. The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 3.76%, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.76%) or 1-percentage-point higher (4.76%) than the current rate:

	1% Decrease (2.76%)	Current Discount Rate (3.76%)	1% Increase (4.76%)
Proportionate share of the Net OPEB Liability (Asset)	\$ 490,118	\$ 359,484	\$ 259,368

NOTE 11 FUND BALANCE

The following is a detailed schedule of ending fund balances as reported in the fund financial statements by category:

	Total	Nonspendable	Restricted	Assigned	Unassigned
Major Funds:					
General Fund:					
Prepaid Expenses	\$ 16,579	\$ 16,579	\$ -	\$ -	\$ -
Impact Fees	115,125	-	115,125	-	-
Parks Department	40,614	-	-	40,614	-
Firefighter Funds	37,964	-	-	37,964	-
Unassigned	1,958,581	-	-	-	1,958,581
Subtotal General Fund	2,168,863	16,579	115,125	78,578	1,958,581
Debt Service	525,855	-	525,855	-	-
CDBG Revolving Loan Program	577,669	-	577,669	-	-
TIF District #10	552,907	-	552,907	-	-
Ambulance Special Revenue Fund	3,421,807	-	-	3,421,807	-
Capital Projects	1,903,380	-	1,903,380	-	-
TIF District #8	(2,313,677)	-	-	-	(2,313,677)
Nonmajor Funds:					
Public Library	1,342,253	-	1,342,253	-	-
Grants and Donations	413,567	-	413,567	-	-
Tourism Fund - Prepaid	338,493	338,493	-	-	-
Tourism Fund	550,240	-	550,240	-	-
Lake District	319,842	-	319,842	-	-
Industrial Development	649,109	-	-	649,109	-
Senior and Disabled Services	70,416	-	25,758	44,658	-
TID District #11	(6,729)	-	-	-	(6,729)
TIF District #9	123,937	-	123,937	-	-
Total Fund Balance	\$ 10,637,932	\$ 355,072	\$ 6,450,533	\$ 4,194,152	\$ (361,825)

CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 12 TAX INCREMENTAL FINANCING DISTRICTS

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

The City had three Tax Incremental Financing Districts. Accumulated project costs and revenues from inception through December 31, 2023 are shown as follows:

	TIF #8	TIF #9	TIF #10	TIF #11
Accumulated Costs:				
Project Expenditures	\$ 7,740,152	\$ 566,963	\$ 1,049,487	\$ -
Administration	801,016	111,430	29,755	6,731
Debt Expenditures:				
Bond Issue Costs	103,042	82,971	11,511	-
Transfers Out - Capital Projects	675,000	-	-	-
Transfer Out - ED	-	-	10,000	10,000
Transfer Out - TIF 8	-	173,259	706,651	-
Debt Service	4,554,451	639,640	1,403,164	-
Total Accumulated Costs	13,873,661	1,574,263	3,210,568	16,731
Accumulated Revenues:				
Tax Increments	1,897,753	705,117	1,335,760	9,911
Intergovernmental Grants and Aids	351,690	2,449	7,444	91
Rent Income	4,600	-	-	-
Interest on Investments	50,208	5,491	33,793	-
Miscellaneous Revenue	96,927	-	775,000	-
Bond Premium	95,918	143	35,635	-
Proceeds from Debt	7,765,051	985,000	1,575,843	-
Transfers In	1,297,837	-	-	-
Total Accumulated Revenues	11,559,984	1,698,200	3,763,475	10,002
Fund Balance as of December 31, 2023	\$ (2,313,677)	\$ 123,937	\$ 552,907	\$ (6,729)
Long-Term Obligations as of December 31, 2023				
Outstanding Long-Term Debt Payable	\$ 4,725,526	\$ 362,286	\$ 195,233	\$ -
Advances from Other Funds	1,953,491	-	-	-

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 14 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, and destruction of assets; errors and omission; injuries to employees; and natural disasters. The City maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this commercial coverage in any of the last three years.

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REQUIRED SUPPLEMENTARY INFORMATION

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**CITY OF TOMAH, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Property Taxes	\$ 3,681,648	\$ 3,681,648	\$ 3,681,647	\$ (1)
Other Taxes	148,600	148,600	169,597	20,997
Special Assessment Revenue	-	-	98,039	98,039
Intergovernmental	2,611,900	2,611,900	2,772,175	160,275
License and Permits	144,450	144,450	175,192	30,742
Fines, Forfeits, and Penalties	130,150	130,150	131,899	1,749
Public Charges for Services	239,000	239,000	292,647	53,647
Intergovernmental Charges for Services	75,000	75,000	64,317	(10,683)
Interest Income	61,000	61,000	91,905	30,905
Miscellaneous Income	155,100	161,914	80,082	(81,832)
Total Revenues	<u>7,246,848</u>	<u>7,253,662</u>	<u>7,557,500</u>	<u>303,838</u>
EXPENDITURES				
General Government	1,258,485	1,258,485	1,278,783	(20,298)
Public Safety	3,762,343	3,763,843	3,838,841	(74,998)
Public Works	1,963,321	1,968,635	1,910,629	58,006
Culture, Recreation, and Education	791,735	791,735	785,820	5,915
Conservation and Development	10,500	10,500	178	10,322
Capital Outlay	47,900	47,900	183,101	(135,201)
Total Expenditures	<u>7,834,284</u>	<u>7,841,098</u>	<u>7,997,352</u>	<u>(156,254)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(587,436)	(587,436)	(439,852)	147,584
OTHER FINANCING SOURCES (USES)				
Transfers In	369,231	369,231	362,656	(6,575)
Transfers Out	-	-	(35,261)	(35,261)
Sale of Capital Assets	-	-	27,696	27,696
Total Other Financing Sources	<u>369,231</u>	<u>369,231</u>	<u>355,091</u>	<u>(14,140)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (218,205)</u>	<u>\$ (218,205)</u>	<u>(84,761)</u>	<u>\$ 133,444</u>
Fund Balance - Beginning of Year			<u>2,253,624</u>	
FUND BALANCE - END OF YEAR			<u>\$ 2,168,863</u>	

**CITY OF TOMAH, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
CDBG FUND
YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Interest Income	\$ 200	\$ 200	\$ 272	\$ 72
Miscellaneous Income	31,300	31,300	35,383	4,083
Total Revenues	31,500	31,500	35,655	4,155
EXPENDITURES				
Conservation and Development	73,801	73,801	119,522	(45,721)
Capital Outlay	47,900	47,900	-	47,900
Total Expenditures	121,701	121,701	119,522	2,179
NET CHANGE IN FUND BALANCE	<u>\$ (90,201)</u>	<u>\$ (90,201)</u>	(83,867)	<u>\$ 6,334</u>
Fund Balance - Beginning of Year			661,536	
FUND BALANCE - END OF YEAR			<u>\$ 577,669</u>	

**CITY OF TOMAH, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
AMBULANCE FUND
YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ 19,000	\$ 19,000	\$ 130,955	\$ 111,955
Public Charges for Services	2,720,250	2,720,250	3,239,823	519,573
Intergovernmental Charges for Services	336,437	336,437	332,220	(4,217)
Interest Income	5,000	5,000	103,110	98,110
Miscellaneous Income	8,000	8,000	13,859	5,859
Total Revenues	<u>3,088,687</u>	<u>3,088,687</u>	<u>3,819,967</u>	<u>731,280</u>
EXPENDITURES				
Public Safety	2,230,878	2,230,878	2,428,433	(197,555)
Capital Outlay	200,000	200,000	10,697	189,303
Total Expenditures	<u>2,430,878</u>	<u>2,430,878</u>	<u>2,439,130</u>	<u>(8,252)</u>
EXCESS OF REVENUES OVER EXPENDITURES	657,809	657,809	1,380,837	723,028
OTHER FINANCING SOURCES				
Transfers In	-	-	-	-
Sale of Capital Assets	2,500	2,500	-	(2,500)
Total Other Financing Sources	<u>2,500</u>	<u>2,500</u>	<u>(793,073)</u>	<u>(795,573)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 660,309</u>	<u>\$ 660,309</u>	587,764	<u>\$ (72,545)</u>
Fund Balance - Beginning of Year			<u>2,834,043</u>	
FUND BALANCE - END OF YEAR			<u>\$ 3,421,807</u>	

CITY OF TOMAH, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF
WISCONSIN RETIREMENT SYSTEM NET PENSION PLAN (ASSET) LIABILITY
LAST TEN FISCAL YEARS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

<u>Pension Fiscal Year End Date (Measurement Date)</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
12/31/2022	0.04389915%	\$ 2,325,646	\$ 5,757,607	40.39%	95.72%
12/31/2021	0.04164333%	(3,356,529)	5,526,838	-60.73%	106.02%
12/31/2020	0.03944125%	(2,462,371)	5,402,484	-45.58%	105.26%
12/31/2019	0.03641979%	(1,174,340)	5,139,381	-22.85%	102.96%
12/31/2018	0.03486684%	1,240,452	4,770,929	26.00%	96.45%
12/31/2017	0.03344337%	(992,973)	4,346,144	-22.85%	102.93%
12/31/2016	0.03253007%	268,125	4,244,277	6.32%	99.12%
12/31/2015	0.03211731%	521,900	4,104,815	12.71%	98.20%
12/31/2014	0.03237662%	(795,257)	3,889,332	-20.45%	102.74%

**CITY OF TOMAH, WISCONSIN
SCHEDULE OF CONTRIBUTIONS TO
WISCONSIN RETIREMENT SYSTEM PENSION PLAN
LAST TEN FISCAL YEARS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2022	\$ 586,555	\$ (586,555)	\$ -	\$ 5,884,125	9.97%
12/31/2023	530,510	(530,510)	-	5,757,406	9.21%
12/31/2021	505,912	(505,912)	-	5,526,838	9.37%
12/31/2020	490,814	(490,814)	-	5,402,484	9.08%
12/31/2019	378,697	(378,697)	-	5,139,381	7.37%
12/31/2018	347,844	(347,844)	-	4,770,929	7.29%
12/31/2017	317,356	(317,356)	-	4,346,144	7.30%
12/31/2016	314,687	(314,687)	-	4,244,277	7.41%
12/31/2015	311,297	(311,297)	-	4,104,815	7.58%

Changes of Benefit Terms

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

Changes of Assumptions

Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the postretirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

Based on a three-year experience study conducted 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the postretirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. The City is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

CITY OF TOMAH, WISCONSIN
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
WISCONSIN LOCAL RETIREE LIFE INSURANCE FUND MULTI-EMPLOYER OPEB PLAN
LAST TEN FISCAL YEARS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

<u>OPEB Fiscal Year End Date (Measurement Date)</u>	<u>City's Proportion of the Net OPEB Liability (Asset)</u>	<u>City's Proportionate Share of the Net OPEB Liability (Asset)</u>	<u>City's Covered Payroll</u>	<u>City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)</u>
12/31/2022	0.09435700%	\$ 359,484	\$ 5,444,000	6.60%	38.81%
12/31/2021	0.09709700%	573,879	5,672,000	10.12%	29.57%
12/31/2020	0.09521500%	523,751	5,262,000	9.95%	31.36%
12/31/2019	0.09338900%	397,669	5,079,000	7.83%	37.58%
12/31/2018	0.08688000%	224,200	4,684,000	4.79%	48.69%
12/31/2017	0.08076200%	242,979	3,396,273	7.15%	44.81%

CITY OF TOMAH, WISCONSIN
SCHEDULE OF CITY'S CONTRIBUTIONS TO
WISCONSIN LOCAL RETIREE LIFE INSURANCE FUND MULTI-EMPLOYER OPEB PLAN
LAST TEN FISCAL YEARS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

City's Fiscal Year End Date	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2023	\$ 1,893	\$ (1,893)	\$ -	\$ 5,444,000	0.03%
12/31/2022	1,898	(1,898)	-	5,672,000	0.03%
12/31/2021	1,950	(1,950)	-	5,262,000	0.04%
12/31/2020	1,688	(1,688)	-	5,079,000	0.03%
12/31/2019	1,674	(1,674)	-	4,684,000	0.04%
12/31/2018	1,533	(1,533)	-	3,396,273	0.05%

Changes of Benefit Terms

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

Changes of Assumptions: In addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. The City is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

**CITY OF TOMAH, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

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 is derived from the City's annual operating budget.

The City's budget is adopted in accordance with Chapter 65 of the *Wisconsin Statutes* and on a basis consistent with generally accepted accounting principles. Changes to appropriations authorized in the adopted budget generally require a vote of two-thirds of the entire membership of the governing body. The City's legal budget is adopted at the major function level in the general fund (i.e., general government) and at the fund level in all other funds.

Budget amounts in the financial statements include both the original adopted budget and the final budget. Changes to the budget during the year, if any, generally include amendments authorized by the governing body, additions of approved carryover amounts and appropriations of revenues and other sources for specified expenditures/uses. Appropriated budget amounts lapse at the end of the year unless specifically carried over for financing subsequent year expenditures.

EXCESS OF EXPENDITURES OVER BUDGET

Comparisons of actual revenues and expenditures to budgeted amounts for the City's general fund and each major special revenue fund are presented as required supplementary information following the basic financial statements. Expenditures in excess of budgeted amounts at the legally adopted levels for each of these funds are shown in those schedules.

Expenditures exceeded budget in the general fund and ambulance special revenue fund as detailed below. These overages were authorized by the City Council and were financed with available resources and fund balance.

	Budgeted Amounts	Actual Amounts	Variance with Final Budget
General Fund Expenditures:			
General Government	\$ 1,258,485	\$ 1,278,783	\$ (20,298)
Public Safety	3,763,843	3,838,841	(74,998)
Capital Outlay	47,900	183,101	(135,201)
Ambulance Fund Expenditures:			
Public Safety	2,230,878	2,428,433	(197,555)

SUPPLEMENTARY INFORMATION

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SCHEDULE A-1

**CITY OF TOMAH, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2023**

	Special Revenue Funds					Capital Projects Fund			Total Nonmajor Governmental Funds
	Library	Lake District	Tourism	Senior and Disabled Services	Grants and Donations	TIF #9	TIF #11	Industrial Development	
ASSETS									
Cash and Cash Equivalents	\$ 1,439,788	\$ 338,903	\$ 461,082	\$ 96,383	\$ 413,693	\$ 271,173	\$ 43,879	\$ 654,750	\$ 3,719,651
Taxes Receivable	198,745	38,939	-	49,504	-	300,128	102,733	-	690,049
Other Receivable	-	-	89,158	-	-	-	-	-	89,158
Prepayments	-	-	338,493	-	-	-	-	-	338,493
Total Assets	<u>\$ 1,638,533</u>	<u>\$ 377,842</u>	<u>\$ 888,733</u>	<u>\$ 145,887</u>	<u>\$ 413,693</u>	<u>\$ 571,301</u>	<u>\$ 146,612</u>	<u>\$ 654,750</u>	<u>\$ 4,837,351</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
Liabilities:									
Accounts Payable	\$ 245	\$ -	\$ -	\$ 922	\$ 126	\$ 317	\$ 317	\$ 5,641	\$ 7,568
Accrued Liabilities	-	-	-	661	-	-	-	-	661
Deferred Revenue	-	-	-	150	-	-	-	-	150
Total Liabilities	<u>245</u>	<u>-</u>	<u>-</u>	<u>1,733</u>	<u>126</u>	<u>317</u>	<u>317</u>	<u>5,641</u>	<u>8,379</u>
Deferred Inflows of Resources:									
Succeeding Year's Property Taxes	296,035	58,000	-	73,738	-	447,047	153,024	-	1,027,844
Fund Balances:									
Nonspendable	-	-	338,493	-	-	-	-	-	338,493
Restricted	1,342,253	319,842	550,240	25,758	413,567	123,937	-	-	2,775,597
Assigned	-	-	-	44,658	-	-	-	649,109	693,767
Unassigned	-	-	-	-	-	-	(6,729)	-	(6,729)
Total Fund Balances	<u>1,342,253</u>	<u>319,842</u>	<u>888,733</u>	<u>70,416</u>	<u>413,567</u>	<u>123,937</u>	<u>(6,729)</u>	<u>649,109</u>	<u>3,801,128</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,638,533</u>	<u>\$ 377,842</u>	<u>\$ 888,733</u>	<u>\$ 145,887</u>	<u>\$ 413,693</u>	<u>\$ 571,301</u>	<u>\$ 146,612</u>	<u>\$ 654,750</u>	<u>\$ 4,837,351</u>

SCHEDULE A-2

**CITY OF TOMAH, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2023**

	Special Revenue Funds					Capital Projects Fund		Total Nonmajor Governmental Funds
	Library	Lake District	Tourism	Senior and Disabled Services	Grants and Donations	TIF #9	TIF #11 Industrial Development	
REVENUES								
Taxes	\$ 290,413	\$ 55,479	\$ 779,803	\$ 72,338	\$ -	\$ 262,786	\$ 9,818	\$ 1,470,637
Intergovernmental	170,466	849	-	-	47,820	4,943	185	224,263
Public Charges for Services	6,210	-	-	2,789	-	-	-	8,999
Interest Income	13,959	4,296	2,858	2,955	-	5,071	-	29,139
Miscellaneous	1,139,112	250	2,101	70,009	59,463	-	-	1,270,935
Total Revenues	1,620,160	60,874	784,762	148,091	107,283	272,800	10,003	3,003,973
EXPENDITURES								
Public Safety	-	-	-	-	65,056	-	-	65,056
Health and Human Services	-	-	-	159,821	-	-	-	159,821
Culture, Recreation, and Education	532,117	-	-	-	-	-	-	532,117
Conservation and Development	-	24,385	352,797	-	-	83,989	926	502,651
Capital Outlay	5,041	-	-	-	24,693	-	-	29,734
Total Expenditures	537,158	24,385	352,797	159,821	89,749	83,989	926	1,289,379
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,083,002	36,489	431,965	(11,730)	17,534	188,811	9,077	1,714,594
OTHER FINANCING SOURCES (USES)								
Transfers Out	-	-	(345,303)	-	-	(36,783)	-	(382,086)
NET CHANGE IN FUND BALANCES	1,083,002	36,489	86,662	(11,730)	17,534	152,028	9,077	1,332,508
Fund Balance - Beginning of Year	259,251	283,353	802,071	82,146	396,033	(28,091)	(15,806)	2,468,620
FUND BALANCE - END OF YEAR	<u>\$ 1,342,253</u>	<u>\$ 319,842</u>	<u>\$ 888,733</u>	<u>\$ 70,416</u>	<u>\$ 413,567</u>	<u>\$ 123,937</u>	<u>\$ (6,729)</u>	<u>\$ 3,801,128</u>

CITY OF TOMAH, WISCONSIN
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2022



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**CITY OF TOMAH, WISCONSIN
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INDEPENDENT AUDITORS' REPORT

City Council
City of Tomah
Tomah, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tomah, Wisconsin (City) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tomah, Wisconsin as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Tomah and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 1.D.17 to the financial statements, effective January 1, 2022, the City adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Tomah's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Tomah's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Tomah's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, pension and other postemployment benefit schedules as referenced in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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 statement in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

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



CliftonLarsonAllen LLP

Tomah, Wisconsin
July 6, 2023

**CITY OF TOMAH, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2022**

ASSETS	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
Current Assets:			
Cash and Investments	\$ 20,746,700	\$ 5,156,923	\$ 25,903,623
Restricted Cash and Investments	-	240,448	240,448
Taxes Receivable	5,032,891	30,977	5,063,868
Receivables:			
Other Receivables, Net of Allowance for Doubtful Accounts	577,405	515,480	1,092,885
Interest	3,294	1,984	5,278
Lease Receivable	1,439	-	1,439
Prepayments	303,044	-	303,044
Internal Balances	(1,803,902)	1,803,902	-
Due from Other Governments	9,821	-	9,821
Inventories	-	100,527	100,527
Total Current Assets	<u>24,870,692</u>	<u>7,850,241</u>	<u>32,720,933</u>
Noncurrent Assets:			
Restricted Cash and Investments	-	2,330,691	2,330,691
Special Assessments Receivable	60,622	3,026	63,648
Loan Receivable, Net of Allowance for Doubtful Accounts	1,144,746	-	1,144,746
Lease Receivable	230,417	-	230,417
Wisconsin Retirement System Net Pension Asset	3,002,989	353,540	3,356,529
Capital Assets:			
Capital Assets Not Being Depreciated/Amortized	13,088,351	2,348,631	15,436,982
Capital Assets Being Depreciated/Amortized	65,318,807	60,988,119	126,306,926
Less: Accumulated Depreciation and Amortization	<u>(31,557,658)</u>	<u>(23,469,314)</u>	<u>(55,026,972)</u>
Total Noncurrent Assets	<u>51,288,274</u>	<u>42,554,693</u>	<u>93,842,967</u>
Total Assets	76,158,966	50,404,934	126,563,900
DEFERRED OUTFLOWS OF RESOURCES			
Wisconsin Retirement System Pension Related	5,913,071	696,142	6,609,213
Life Insurance Other Postemployment Benefits Related	<u>189,500</u>	<u>22,310</u>	<u>211,810</u>
Total Deferred Outflows of Resources	6,102,571	718,452	6,821,023

See accompanying Notes to Basic Financial Statements.

CITY OF TOMAH, WISCONSIN
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2022

	Governmental Activities	Business-Type Activities	Totals
LIABILITIES			
Current Liabilities:			
Accounts Payable	3,003,246	343,592	3,346,838
Accrued Interest Payable	292,000	17,003	309,003
Payable from Restricted Assets - Accrued Interest	-	3,438	3,438
Accrued Liabilities	312,443	20,515	332,958
Due to Other Governments	7,395	-	7,395
Unearned Revenue - Other	714,525	20,467	734,992
Total Current Liabilities	4,329,609	405,015	4,734,624
Noncurrent Liabilities:			
Amounts Due Within One Year	3,074,278	722,308	3,796,586
Amounts Due in More than One Year	28,803,642	4,188,716	32,992,358
Life Insurance Net Other Postemployment Benefits Liability	513,432	60,447	573,879
Total Noncurrent Liabilities	32,391,352	4,971,471	37,362,823
Total Liabilities	36,720,961	5,376,486	42,097,447
DEFERRED INFLOWS OF RESOURCES			
Subsequent Years Taxes	7,298,325	45,000	7,343,325
Lease Related	221,206	-	221,206
Wisconsin Retirement System Pension Related	7,080,202	833,549	7,913,751
Life Insurance Other Postemployment Benefits Related	52,098	6,133	58,231
Total Deferred Inflows of Resources	14,651,831	884,682	15,536,513
NET POSITION			
Net Investment in Capital Assets	20,180,335	35,064,725	55,245,060
Restricted for:			
Revolving Loan Programs	1,478,352	-	1,478,352
Debt Service	144,765	237,010	381,775
Capital Projects and Development	5,347,499	2,330,691	7,678,190
Library	259,251	-	259,251
Lake District	283,353	-	283,353
Tourism	802,071	-	802,071
Wisconsin Retirement System Net Pension Asset	3,002,989	353,540	3,356,529
Other	483,985	-	483,985
Unrestricted	(1,093,855)	6,876,252	5,782,397
Total Net Position	\$ 30,888,745	\$ 44,862,218	\$ 75,750,963

See accompanying Notes to Basic Financial Statements.

**CITY OF TOMAH, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

FUNCTIONS/PROGRAMS GOVERNMENTAL ACTIVITIES	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	
General Government	\$ 1,352,970	\$ 165,673	\$ -	\$ -	
Public Safety	7,176,491	72,677	239,728	-	\$ (1,187,297)
Public Works	2,350,890	145,016	710,898	-	\$ (6,864,086)
Health and Human Services	137,555	2,896,394	91,084	-	- (1,494,976)
Culture, Recreation, and Education	1,360,209	196,798	316,221	-	- 2,849,923
Conservation and Development	442,334	849	159,637	-	- (847,190)
Interest and Fiscal Charges	968,878	-	-	-	- (281,848)
Total Governmental Activities	13,789,327	3,477,407	1,517,568	-	(968,878)
				(8,794,352)	(8,794,352)
BUSINESS-TYPE ACTIVITIES					
Water Utility	1,788,388	2,475,695	-	51,246	738,553
Sewer Utility	2,242,790	3,293,707	-	15,102	1,066,019
Mass Transit	682,713	269,542	159,953	64,513	(188,705)
Total Business-Type Activities	4,713,891	6,038,944	159,953	130,861	1,615,867
					1,615,867
Total Primary Government	\$ 18,503,218	\$ 9,516,351	\$ 1,677,521	\$ 130,861	(7,178,485)
GENERAL REVENUES					
Property Taxes, Levied for General Purposes				5,034,494	5,079,634
Property Taxes, Levied for Debt Service				1,057,432	1,057,432
Other Taxes				135,560	135,560
Room Taxes				661,619	661,619
State and Federal Aid Not Restricted for a Particular Purpose				2,137,472	2,137,472
Interest Income				187,219	169,778
Miscellaneous				281,633	281,633
Gain on Sale of Capital Assets				1,950	1,950
TRANSFERS				340,153	-
Total General Revenues and Transfers				9,837,532	9,525,078
CHANGE IN NET POSITION					
				1,043,180	2,346,593
Net Position - Beginning of Year				29,845,565	73,404,370
NET POSITION - END OF YEAR				\$ 30,888,745	\$ 75,750,963

See accompanying Notes to Basic Financial Statements.

**CITY OF TOMAH, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	Major Funds								Total Governmental Funds
	General Fund	CDBG Special Revenue	Debt Service	TIF #8 Capital Projects	TIF #10 Capital Projects	Ambulance Special Revenue	Capital Projects Fund	Nonmajor Funds	
ASSETS									
Cash and Investments	\$ 3,627,055	\$ 665,774	\$ 1,049,148	\$ -	\$ 324,308	\$ 2,393,781	\$ 10,336,180	\$ 2,350,454	\$ 20,746,700
Taxes Receivable	2,545,627	-	1,363,028	376,249	272,437	-	-	475,550	5,032,891
Delinquent Personal Property Taxes	20,597	-	-	-	-	-	-	-	20,597
Special Assessments Receivable	60,622	-	-	-	-	-	-	-	60,622
Interest Receivable	3,294	-	-	-	-	-	-	-	3,294
Other Receivable, Net of Allowance for									
Doubtful Accounts	47,589	-	-	-	-	442,893	-	66,326	556,808
Lease Receivable	231,856	-	-	-	-	-	-	-	231,856
Prepayments	11,040	-	-	-	-	-	-	292,004	303,044
Due from Other Funds	742,904	-	-	-	-	-	-	-	742,904
Due from Other Governments	9,821	-	-	-	-	-	-	-	9,821
Loans Receivable, Net of Allowance for									
Doubtful Accounts	165,537	816,816	-	162,393	-	-	-	-	1,144,746
Total Assets	\$ 7,465,942	\$ 1,482,590	\$ 2,412,176	\$ 538,642	\$ 596,745	\$ 2,836,674	\$ 10,336,180	\$ 3,184,334	\$ 28,853,283
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
Liabilities:									
Accounts Payable	\$ 43,268	\$ 3,041	\$ -	\$ -	\$ -	\$ 1,972	\$ 2,943,639	\$ 11,326	\$ 3,003,246
Accrued Liabilities	311,123	-	-	-	-	659	-	661	312,443
Due to Other Governments	6,198	1,197	-	-	-	-	-	-	7,395
Due to Other Funds	-	-	-	256,070	-	-	324,499	12,746	593,315
Unearned Revenue - Other	714,375	-	-	-	-	-	-	150	714,525
Advance from Other Funds	-	-	-	1,953,491	-	-	-	-	1,953,491
Total Liabilities	1,074,964	4,238	-	2,209,561	-	2,631	3,268,138	24,883	6,584,415
Deferred Inflows of Resources									
Subsequent Years Taxes	3,689,738	-	1,975,411	546,577	395,768	-	-	690,831	7,298,325
Lease Related	221,206	-	-	-	-	-	-	-	221,206
Unavailable Revenue - Special Assessments	60,873	-	-	-	-	-	-	-	60,873
Unavailable Revenue - Other	165,537	816,816	-	162,393	-	-	-	-	1,144,746
Total Deferred Inflows of Resources	4,137,354	816,816	1,975,411	708,970	395,768	-	-	690,831	8,725,150
Fund Balances:									
Nonspendable	11,040	-	-	-	-	-	-	292,004	303,044
Restricted	62,194	661,536	436,765	-	200,977	-	7,068,042	1,474,462	9,903,976
Assigned	273,990	-	-	-	-	2,834,043	-	746,051	3,854,084
Unassigned	1,906,400	-	-	(2,379,889)	-	-	-	(43,897)	(517,386)
Total Fund Balances	2,253,624	661,536	436,765	(2,379,889)	200,977	2,834,043	7,068,042	2,468,620	13,543,718
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 7,465,942	\$ 1,482,590	\$ 2,412,176	\$ 538,642	\$ 596,745	\$ 2,836,674	\$ 10,336,180	\$ 3,184,334	\$ 28,853,283

See accompanying Notes to Basic Financial Statements.

**CITY OF TOMAH, WISCONSIN
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2022**

TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS

\$ 13,543,718

Total net position reported for governmental activities in the Statement of Net Position is different because:

Capital assets and other non-current assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	\$ 4,368,776	
Construction Work in Progress	8,719,575	
Buildings and Improvements	12,684,466	
Improvements other than Buildings	10,198,347	
Machinery and Equipment	12,385,476	
Infrastructure	30,050,518	
Accumulated Depreciation	<u>(31,557,658)</u>	46,849,500

Some receivables, including special assessments, are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide statements.

Special Assessments	60,873	
Loans Receivable	<u>1,144,746</u>	1,205,619

Other postemployment benefits (OPEB) and pension plan assets, liabilities and related deferred outflows and inflows are recorded only on the Statement of Net Position. Balances at year-end are:

Wisconsin Retirement Systems Pension:		
Net Pension Asset	3,002,989	
Deferred Outflows of Resources	5,913,071	
Deferred Inflows of Resources	<u>(7,080,202)</u>	1,835,858
Local Retiree Life Insurance Other Postemployment Benefit:		
Deferred Outflows of Resources	189,500	
Net OPEB Liability	(513,432)	
Deferred Inflows of Resources	<u>(52,098)</u>	(376,030)

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:

General Obligation Bonds Payable	(28,115,000)	
General Obligation Notes	(150,000)	
State Trust Fund Notes	(164,352)	
Accrued Interest Payable	(292,000)	
Landfill Post-Closure Liability	(1,500,000)	
Compensated Absences	(439,603)	
Unamortized Debt Premium	<u>(1,508,965)</u>	<u>(32,169,920)</u>

TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 30,888,745

See accompanying Notes to Basic Financial Statements.

CITY OF TOMAH, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022

	Major Funds							Total Governmental Funds
	General Fund	CDBG Special Revenue	Debt Service	TIF #8 Capital Projects	TIF #10 Capital Projects	Ambulance Special Revenue	Capital Projects Fund	Nonmajor Funds
REVENUES								
Property Taxes	\$ 3,615,172	\$ -	\$ 1,057,432	\$ 347,598	\$ 362,097	\$ -	\$ -	\$ 709,628
Other Taxes	135,559	-	-	-	-	-	-	661,619
Special Assessment Revenue	122,598	-	2,719	-	-	-	-	-
Intergovernmental	2,896,854	-	-	22,852	-	91,084	-	232,088
License and Permits	97,648	-	-	-	-	-	-	97,648
Fines, Forfeits, and Penalties	105,430	-	-	-	-	-	-	-
Public Charges for Services	253,528	-	-	-	-	2,593,183	-	12,008
Intergovernmental Charges for Services	61,524	-	-	-	-	289,444	-	-
Interest Income	(121,662)	292	45,217	9,003	4,684	22,056	216,612	11,017
Miscellaneous Income	281,429	38,695	-	14,814	-	8,398	37,671	259,328
Total Revenues	7,448,080	38,987	1,105,368	394,267	366,781	3,004,165	254,283	1,885,688
								14,497,619
EXPENDITURES								
Current:								
General Government	1,344,028	-	-	517	-	-	-	1,848
Public Safety	3,627,265	-	-	-	-	2,341,828	-	23,604
Public Works	2,154,667	-	-	-	-	-	-	553
Health and Human Services	-	-	-	-	-	-	-	133,420
Culture, Recreation, and Education	737,545	-	-	-	-	-	-	539,639
Conservation and Development	12,008	9,858	-	2,080	178	-	-	434,784
Debt Service:								
Principal	-	-	1,650,283	-	-	-	-	-
Interest	-	-	292,863	48,836	-	-	-	-
Other	-	-	21,800	-	-	-	438,097	-
Capital Outlay	210,247	-	-	76,256	-	291,036	10,040,595	53,461
Total Expenditures	8,085,760	9,858	1,964,946	127,689	178	2,632,864	10,478,692	1,187,309
								698,379
	(637,680)	29,129	(859,578)	266,578	366,603	371,301	(10,224,409)	(9,989,677)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES								
OTHER FINANCING SOURCES (USES)								
Long-Term Debt Issued	-	-	-	-	-	-	18,075,000	-
Premium on Debt Issued	-	-	-	-	-	-	1,408,001	-
Transfers In	340,153	-	854,689	365,000	-	90,000	403,228	40,000
Transfers Out	(33,000)	-	(90,000)	(437,893)	(402,825)	-	(145,860)	(643,339)
Sale of Capital Assets	9,534	-	-	-	-	1,685	-	-
Total Other Financing Sources (Uses)	316,687	-	764,689	(72,893)	(402,825)	91,685	19,740,369	(603,339)
								95,040
	(320,993)	29,129	(94,889)	193,685	(36,222)	462,986	9,515,960	9,844,696
NET CHANGE IN FUND BALANCES								
Fund Balances - Beginning of Year	2,574,617	632,407	531,654	(2,573,574)	237,199	2,371,057	(2,447,918)	2,373,580
FUND BALANCES - END OF YEAR	\$ 2,253,624	\$ 661,536	\$ 436,765	\$ (2,379,889)	\$ 200,977	\$ 2,834,043	\$ 7,068,042	\$ 2,468,620
								\$ 13,543,718

See accompanying Notes to Basic Financial Statements.

**CITY OF TOMAH, WISCONSIN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS **\$ 9,844,696**

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

Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital Outlays Reported in Governmental Fund Statements	\$ 10,407,988	
Depreciation Expense Reported in the Statement of Activities	<u>(2,056,743)</u>	8,351,245

In the Statement of Activities, only the gain or loss on the disposal of capital assets is reported whereas in the governmental funds, the proceeds from sales increase, financial resources and trade-ins are not reflected in capital outlays.

Loss on Sale of Property		(9,269)
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Receivables not currently available are reported as deferred inflows of resources in the fund financial statements, but are recognized as revenue when earned in the government-wide statements.

(7,215)

Other postemployment benefit and pension expenditures in the governmental funds are measured by current year employee contributions. Pension expenses on the Statement of Activities are measured by the change in net pension asset and related deferred outflows and inflows of resources:

Wisconsin Retirement Systems Pension	734,721	
Local Retiree Life Insurance Other Postemployment Benefit	<u>(65,071)</u>	669,650

Long-term debt incurred in governmental funds is reported as an other financing source, but is reported as an increase in outstanding long-term debt in the Statement of Net Position and does not affect the Statement of Activities. Long-term debt incurred in the current year is:

General Obligation Bonds and Notes		(18,075,000)
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Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. In the current year, these amounts consist of:

General Obligation Bonds	1,287,970	
General Obligation Notes	202,632	
State Trust Fund Revenue Obligation	159,681	
Landfill Post-Closure Liability	<u>165,106</u>	1,815,389

Debt premiums are reported as other financing sources in the governmental fund but are deferred in the government wide statements and amortized over the life of the related debt.

(1,408,001)

Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Net Change in Accrued Interest Payable	(228,455)	
Amortization of Debt Premium	61,173	
Net Change in Compensated Absences Payable	<u>28,967</u>	<u>(138,315)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 1,043,180**

See accompanying Notes to Basic Financial Statements.

**CITY OF TOMAH, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2022**

	Business-Type Activities - Enterprise Funds			
	Major		Nonmajor	Totals
	Water Utility	Sewer Utility	Mass Transit	
ASSETS				
Current Assets:				
Cash and Investments	\$ 3,519,645	\$ 1,637,278	\$ -	\$ 5,156,923
Restricted Cash and Investments	240,448	-	-	240,448
Taxes Receivable	-	-	30,977	30,977
Accounts Receivable, Net	193,472	257,353	-	450,825
Other Accounts Receivable	24,738	39,917	-	64,655
Interest Receivable	1,977	7	-	1,984
Due from Other Funds	129,614	652,387	-	782,001
Inventories	100,527	-	-	100,527
Total Current Assets	4,210,421	2,586,942	30,977	6,828,340
Capital Assets:				
Land	275,148	1,888,720	-	2,163,868
Construction in Process	21,392	163,371	-	184,763
Buildings and Improvements	2,099,233	6,669,895	-	8,769,128
Machinery and Equipment	2,997,177	9,337,034	179,121	12,513,332
Infrastructure	21,820,465	17,791,291	-	39,611,756
Leased Asset - Land	-	93,903	-	93,903
Less: Accumulated Depreciation/Amortization	(10,829,966)	(12,517,011)	(122,337)	(23,469,314)
Total Capital Assets	16,383,449	23,427,203	56,784	39,867,436
Noncurrent Assets:				
Restricted Cash and Investments	-	2,330,691	-	2,330,691
Special Assessment Receivable	1,538	1,488	-	3,026
Advanced to Other Funds	-	1,953,491	-	1,953,491
Wisconsin Retirement System Net Pension Asset	155,297	198,243	-	353,540
Total Other Assets	156,835	4,483,913	-	4,640,748
Total Assets	20,750,705	30,498,058	87,761	51,336,524
DEFERRED OUTFLOWS OF RESOURCES				
Wisconsin Retirement System Pension Related	305,789	390,353	-	696,142
Local Retirement Life Insurance OPEB Related	9,800	12,510	-	22,310
Total Deferred Outflows of Resources	315,589	402,863	-	718,452

See accompanying Notes to Basic Financial Statements.

**CITY OF TOMAH, WISCONSIN
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
DECEMBER 31, 2022**

	Business-Type Activities - Enterprise Funds			
	Major		Nonmajor	Totals
	Water Fund	Sewer Fund	Mass Transit	
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 29,744	\$ 254,735	\$ 59,113	\$ 343,592
Accrued Liabilities	9,425	11,090	-	20,515
Accrued Interest Payable	7,052	9,951	-	17,003
Due to Other Funds	664,014	144,299	123,277	931,590
Unearned Revenue - Other	20,467	-	-	20,467
Current Portion of Long-Term Debt:				
General Obligation Bonds	190,000	155,000	-	345,000
Lease Liability	-	31,273	-	31,273
Accrued Compensated Absences	29,881	33,670	-	63,551
Total Current Liabilities	<u>950,583</u>	<u>640,018</u>	<u>182,390</u>	<u>1,772,991</u>
Current Liabilities From Restricted Assets:				
Accrued Revenue Bond Interest	3,438	-	-	3,438
Current Portion of Revenue Bonds	<u>282,484</u>	<u>-</u>	<u>-</u>	<u>282,484</u>
Total Current Liabilities Payable from Restricted Assets	285,922	-	-	285,922
Noncurrent Liabilities:				
Local Retirement Life Insurance Net OPEB Liability	26,552	33,895	-	60,447
Accrued Compensated Absences	28,010	16,752	-	44,762
General Obligation Bonds	1,277,803	1,396,089	-	2,673,892
Revenue Bonds	1,437,108	-	-	1,437,108
Lease Liability	-	32,954	-	32,954
Total Long-Term Liabilities	<u>2,769,473</u>	<u>1,479,690</u>	<u>-</u>	<u>4,249,163</u>
Total Liabilities	4,005,978	2,119,708	182,390	6,308,076
DEFERRED INFLOWS OF RESOURCES				
Wisconsin Retirement System Pension Related	366,147	467,402	-	833,549
Local Retirement Life Insurance OPEB Related	2,694	3,439	-	6,133
Subsequent Year Property Taxes	-	-	45,000	45,000
Total Deferred Inflows of Resources	<u>368,841</u>	<u>470,841</u>	<u>45,000</u>	<u>884,682</u>
NET POSITION				
Net Investment in Capital Assets	13,196,054	21,811,887	56,784	35,064,725
Restricted for Debt Service	237,010	-	-	237,010
Restricted for Equipment Replacement	-	2,330,691	-	2,330,691
Restricted for Wisconsin Retirement System				
Net Pension Asset	155,297	198,243	-	353,540
Unrestricted	<u>3,103,114</u>	<u>3,969,551</u>	<u>(196,413)</u>	<u>6,876,252</u>
Total Net Position	<u>\$ 16,691,475</u>	<u>\$ 28,310,372</u>	<u>\$ (139,629)</u>	<u>\$ 44,862,218</u>

See accompanying Notes to Basic Financial Statements.

CITY OF TOMAH, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022

	Business-Type Activities - Enterprise Funds			
	Major		Nonmajor	Totals
	Water Utility	Sewer Utility	Mass Transit	
OPERATING REVENUES				
Charges for Services	\$ 2,328,124	\$ 3,102,697	\$ 269,542	\$ 5,700,363
Intergovernmental Revenue	-	-	159,953	159,953
Other Operating Revenues	147,571	191,010	-	338,581
Total Operating Revenues	2,475,695	3,293,707	429,495	6,198,897
OPERATING EXPENSES				
Operation and Maintenance	1,028,844	1,309,653	660,745	2,999,242
Depreciation/Amortization	688,412	838,068	21,968	1,548,448
Taxes	19,250	49,707	-	68,957
Total Operating Expenses	1,736,506	2,197,428	682,713	4,616,647
OPERATING INCOME (LOSS)	739,189	1,096,279	(253,218)	1,582,250
NON-OPERATING REVENUES (EXPENSES)				
Interest Income	(67,989)	50,548	-	(17,441)
Property Taxes	-	-	45,140	45,140
Miscellaneous Non-Operating Expense	-	(4,777)	-	(4,777)
Interest and Fiscal Costs on Long-Term Debt	(51,882)	(40,585)	-	(92,467)
Total Nonoperating Revenue (Expenses)	(119,871)	5,186	45,140	(69,545)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	619,318	1,101,465	(208,078)	1,512,705
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital Contributions	51,246	15,102	64,513	130,861
Transfers Out	(340,153)	-	-	(340,153)
Total Contributions and Transfers	(288,907)	15,102	64,513	(209,292)
CHANGE IN NET POSITION	330,411	1,116,567	(143,565)	1,303,413
Net Position - Beginning of Year	16,361,064	27,193,805	3,936	43,558,805
NET POSITION - END OF YEAR	<u>\$ 16,691,475</u>	<u>\$ 28,310,372</u>	<u>\$ (139,629)</u>	<u>\$ 44,862,218</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TOMAH, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Business-Type Activities - Enterprise Funds			
	Major		Nonmajor	Totals
	Water Utility	Sewer Utility	Mass Transit	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts From Customers	\$ 2,473,074	\$ 3,284,732	\$ 269,542	\$ 6,027,348
Payments to Suppliers	(630,350)	(598,257)	(644,999)	(1,873,606)
Payments to Employees	(508,151)	(636,535)	1,045	(1,143,641)
Operating Grants	-	-	159,953	159,953
Net Cash Provided (Used) by Operating Activities	1,334,573	2,049,940	(214,459)	3,170,054
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers to Other Funds	(340,153)	-	-	(340,153)
Amounts Received from/(Repaid to) Other Funds	155,938	(35,879)	106,379	226,438
Other Nonoperating Revenue	-	-	43,567	43,567
Net Cash Provided (Used) by Noncapital Financing Activities	(184,215)	(35,879)	149,946	(70,148)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Payments for Acquisition and Construction of Capital Assets	(1,092,587)	(1,110,477)	-	(2,203,064)
Principal Payments on Long-Term Debt	(501,005)	(229,298)	-	(730,303)
Interest Payments on Long-Term Debt	(59,178)	(44,942)	-	(104,120)
Cash Received from Capital Contributions	-	15,102	64,513	79,615
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,652,770)	(1,369,615)	64,513	(2,957,872)
CASH FLOWS FROM INVESTING ACTIVITIES				
(Purchase) Sale of Investments	153,740	120,145	-	273,885
Interest on Investments	(67,989)	50,548	-	(17,441)
Net Cash Provided by Investing Activities	85,751	170,693	-	256,444
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	(416,661)	815,139	-	398,478
Cash and Investments - Beginning of Year	1,272,832	3,152,830	-	4,425,662
CASH AND INVESTMENTS - END OF YEAR	<u>\$ 856,171</u>	<u>\$ 3,967,969</u>	<u>\$ -</u>	<u>\$ 4,824,140</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TOMAH, WISCONSIN
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Business-Type Activities - Enterprise Funds			
	Major		Nonmajor	Totals
	Water Utility	Sewer Utility	Mass Transit	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 739,189	\$ 1,096,279	\$ (253,218)	\$ 1,582,250
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Other Cash Paid	-	(4,777)	-	(4,777)
Depreciation	688,412	838,068	21,968	1,548,448
Changes in Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:				
Customer Accounts Receivable	(2,621)	(9,566)	-	(12,187)
Due From Other Governments	-	5,368	-	5,368
Inventory	(63,767)	-	-	(63,767)
Net Pension Asset/LRLIF Net OPEB Liability and Related Deferred Outflow and Inflow	(30,155)	(38,234)	-	(68,389)
Accounts Payable	(3,004)	156,435	16,791	170,222
Accrued Liabilities	6,519	6,367	-	12,886
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,334,573</u>	<u>\$ 2,049,940</u>	<u>\$ (214,459)</u>	<u>\$ 3,170,054</u>
RECONCILIATION OF CASH AND INVESTMENTS TO STATEMENT OF NET POSITION				
Cash and Investments per Statement of Net Position:				
Cash and Cash Equivalents	\$ 615,723	\$ 1,637,278	\$ -	\$ 2,253,001
Cash and Cash Equivalents - Restricted	240,448	2,330,691	-	2,571,139
Total Cash and Cash Equivalents	856,171	3,967,969	-	4,824,140
Investments	2,903,922	-	-	2,903,922
Total Cash and Investments	<u>\$ 3,760,093</u>	<u>\$ 3,967,969</u>	<u>\$ -</u>	<u>\$ 7,728,062</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Capital Contributions	\$ 51,246	\$ -	\$ -	\$ 51,246

See accompanying Notes to Basic Financial Statements.

**CITY OF TOMAH, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2022**

	Tax Collection Custodial Fund
ASSETS	
Cash and Cash Equivalents	\$ 2,981,930
Taxes Receivable	<u>6,645,600</u>
Total Assets	<u>9,627,530</u>
DEFERRED INFLOWS OF RESOURCES	
Taxes Levied for the Subsequent Year	<u>9,627,530</u>
NET POSITION	
Restricted for Other Governments	<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TOMAH, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED DECEMBER 31, 2022**

	Tax Collection Custodial Fund
ADDITIONS	
Tax Collections for Other Governments	\$ 9,798,601
DEDUCTIONS	
Payments of Taxes to Other Governments	<u>9,798,601</u>
CHANGE IN NET POSTION	-
Net Position - Beginning of Year	<u>-</u>
NET POSITION - END OF YEAR	<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Tomah (the City) have been prepared in conformity with U.S. generally accepted accounting principles (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:

A. Reporting Entity

This report includes all funds of the City of Tomah. The reporting entity for the City consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading 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 it is able to impose its will on that organization or there is potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government maybe financially accountable if an organization is fiscally dependent on the primary government. The following component unit was considered:

The City of Tomah's Lake District

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

B. Government-Wide and Fund Financial Statements

Government-Wide Statements

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

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements

Government-Wide Statements

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable to a specific function or segment. Program revenues include (a) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

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

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

The City reports the following major governmental funds:

General Fund – The General Fund is the operating fund of the City. It is used to account for all financial resources of the City, except those required to be accounted for in another fund.

CDBG Special Revenue Fund – Accounts for the City's housing and economic development revolving loan program. The program was established and maintained primarily through CDBG grants and loan repayments.

Debt Service Fund – The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

TIF #8 Capital Projects Fund – Accounts for the financial resources and expenditures related to the Tax Incremental Financing District #8.

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

TIF #10 Capital Projects Fund – Accounts for the financial resources and expenditures related to the Tax Incremental Financing District #10.

Ambulance Special Revenue Fund – Accounts for the City's Ambulance programs and is primarily funded by charges for service and intergovernmental grants.

Capital Projects Fund – Accounts for the acquisition and construction of major capital projects other than those financed by proprietary funds.

The City reports the following major proprietary funds:

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

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

In addition, the City reports the following fund types: Fiduciary Funds

Custodial Fund –The custodial fund is used to account for the collection of property taxes for other governmental entities.

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange 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. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables, if any, are recorded as revenues when services are provided.

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. The City considers all revenues to be available if they are collected within 60 days after the end of the current period for all governmental funds except the ambulance fund. The City considers ambulance fund revenues to be available if they are collected within 180 days after the end of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent that they have matured. Proceeds of general long-term debt are reported as an other financing source.

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled to the resources and the amounts are available. Amounts owed to the City, which are not available, are recorded as receivables and deferred inflows of resources. Amounts received prior to the entitlement period are also recorded as deferred inflows of resources.

Special assessments are recognized as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred inflows of resources.

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

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

The City reports deferred inflows of resources on its governmental funds balance sheet. For governmental fund financial statements, deferred inflows arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred inflows of resources also arise when resources are received before the City has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the deferred inflows is removed from the balance sheet and revenue is recognized.

The proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary funds’ principal ongoing operations. The principal operating revenues of the water and sewer utilities are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

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

1. Cash and Investments

The City's has pooled the cash resources of its funds in order to maximize investment opportunities. Each fund's portion of total cash and investments is reported as cash and cash equivalents by the City's individual major funds, and in the aggregate for non-major and custodial funds.

All deposits of the City are made in Council designated official depositories and are required to be secured by State Statute. The City may designate, as an official depository, any bank or savings association. Also, the City may establish time deposit accounts.

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Cash and Investments (Continued)

Investments with remaining maturities at the time of purchase of one year or less are stated at amortized cost which approximates fair value. Investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market prices.

For purposes of the proprietary fund Statement of cash flows, the City considers all highly liquid investments with a maturity of less than three months, when purchased, to be cash equivalents.

2. Taxes Receivable

Property taxes are levied prior to the end of the calendar year and are due and collectible in the following year. Property taxes attach an enforceable lien as of January 1. The City's portion of taxes is recorded in each governmental fund as budgeted. Since City property taxes are not considered available until January 1 of the year following the levy, an amount is recorded as deferred inflows of resources as an offset for any advance tax collection cash and remaining taxes receivable in the funds budgeted, therefore. Taxes are levied in December on the assessed value as of the prior January 1.

Property tax calendar – 2022 payable 2022 tax roll

Lien Date and Levy Date	December 2021
Tax Bills Mailed	December 2021
Payment in Full, or	January 31, 2022
First Installment Due	January 31, 2022
Second Installment Due	March 31, 2022
Third Installment Due	May 31, 2022
Fourth Installment Due	July 31, 2022
Personal Property Taxes in Full	January 31, 2023

3. Allowance for Uncollectible Accounts

No provision for uncollectible accounts receivable has been made for delinquent water and sewer billings because the utilities have the right by law to place delinquent bills on tax roll. Delinquent real estate taxes as of July 31 are paid in full by the County, which assumes the collection thereof. Accounts receivable within the ambulance fund are reported at gross amount less an allowance for doubtful accounts of \$225,807.

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

4. Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Deferred special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. Special assessments of proprietary funds are recorded as capital contributions at the time of assessment, if subject to collection.

Special assessments not subject to collection are not recorded until such time as they are subject to collection.

5. Lease Receivable

The City is a lessor for noncancellable lease of land related to a cell tower. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

6. Inventories

Inventories of proprietary funds are valued at cost using the first-in/first-out method and are charged as expenses or capitalized when used. Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not material for governmental funds.

7. Prepayments

Payments benefiting future periods have been recorded as prepayments. They will be reflected as expenditures or expenses when incurred in the subsequent year.

8. Restricted Cash

Restricted cash in the proprietary funds consisted of the following:

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

CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. Restricted Cash (Continued)

Special Redemption and Reserve Account – The Water Utility in compliance with its mortgage revenue bonds has established and maintain special redemption and reserve accounts. The Special Redemption accounts are used to segregate resources accumulated for debt service payments over the next twelve months. The reserve accounts are used to report resources set aside to make up potential future deficiencies in the redemption amount.

9. Capital Assets

Government-Wide Financial Statements

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with initial, individual costs as shown below and an estimated useful life of one year or greater. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The City's policy is to prospectively report infrastructure acquired after its adoption of GASB Statement No. 34 on January 1, 2004.

Capitalization thresholds (the dollar valued above which asset acquisitions are added to the capital asset accounts), depreciation/amortization methods, and estimated useful lives of capital assets reported in the government-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation/ Amortization Method</u>	<u>Estimated Useful Life</u>
Land	\$5,000	N/A	N/A
Buildings	5,000	Straight-line	15-75 Years
Machinery and Equipment	5,000	Straight-line	3-30 Years
Utility Systems	5,000	Straight-line	30-100 Years
Infrastructure	25,000	Straight-line	30-100 Years

Annual depreciation/amortization charges in the business-type activities are determined using the average utility plant in service and a composite rate.

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

9. Capital Assets (Continued)

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Fund Financial Statements

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

10. Deferred Inflows and Outflows of Resources

Deferred Inflows

The City's governmental activities, business-type activities and governmental fund financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position or fund equity that applies to a future period. The City will not recognize the related revenue until a future event occurs.

The City has three types of items which are reported as deferred inflows in its governmental funds. The first occurs because property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year. The second type of deferred inflow of resources relates to the lease receivable and represents the present value of future revenues to be recognized on lessor contracts. The final deferred inflow of resources, which are only reported in the governmental fund financial statements, occurs because certain governmental fund revenues are not recognized until available (collected later than 60 days after the end of the City's year) under the modified accrual basis of accounting. The City's government-wide and proprietary fund financial statements also report a deferred inflows of resources for subsequent years taxes and leases as described above. In addition, these financial statements also report deferred inflows of resources for pension and other postemployment benefit related items.

Deferred Outflows

The City reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position. The City reports deferred outflows of resources for pension and other postemployment benefit related items.

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

11. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Employees earn 12 sick days per year. They are allowed to be paid 30% of their accumulated sick leave credits upon retirement or death, not to exceed 30% of a maximum of 120 days. Only benefits considered to be vested are reflected in these statements. Payments for vacation and sick pay liabilities are computed on the basis of current salary rates and include salary related payments. Accumulated unpaid vacation and sick leave for employees is recorded as an expense and liability in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

12. Pension Benefit

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.

13. Long-Term Obligations

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

All short-term and long-term obligations expected to be financed from proprietary fund type operations are accounted for as those fund's liabilities.

Governmental funds report proceeds of long-term debt issues as other financing sources in the operating statement of the recipient fund. Retirement of these issues is reported as an expenditure of the debt service fund in the year in which the debt matures or is repaid, whichever is earlier. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures at the time of issuance.

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

14. Other Postemployment Benefits

Retiree life insurance is provided through a State administered multi-employer other post-employment benefit (OPEB) plan. 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 and inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

15. Equity Classifications

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, Proprietary Fund, and Fiduciary Fund Financial Statements

Fund equity is classified as net position in the government-wide, proprietary fund, and fiduciary fund 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 for those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. There were no restrictions to net position based on enabling legislation at year-end. All other net position is displayed as unrestricted.

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the City's policy to use restricted resources first.

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

15. Equity Classifications (Continued)

Governmental 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 high-level formal action prior to the close of the fiscal period. 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 City Council.

Unassigned fund balance is the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications. It is the City's policy that in order to maintain the City's credit rating and seasonal cashflow shortfalls, the budget shall provide for anticipated unassigned general fund balance be 25% of annual general fund expenditures.

Committed fund balance is required to be established, modified, or rescinded by resolution of the City Council prior to each year end. Based on resolution of the City Council, the City Administrator will have the authority to establish or modify assigned fund balance. When restricted and unrestricted fund balance is available for expenditure, it is the City's policy to first use restricted fund balance. When committed, assigned, and unassigned fund balance is available for expenditure, it is the City's policy to use committed, assigned and finally unassigned fund balance.

16. Adoption of New Accounting Standards

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

16. Adoption of New Accounting Standards (Continued)

The City adopted the requirements of the guidance effective January 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption.

E. Stewardship and Accountability

Budgetary Information

The City's budget is adopted in accordance with Chapter 65 of the Wisconsin Statutes. Changes to appropriations authorized in the adopted budget generally require a vote of two-thirds of the entire membership of the governing body. Budgetary expenditure control is exercised at the function level. Operating budgets are adopted each year for all funds of the City.

Budget amounts include appropriations authorized in the original budget, any City Council approved amendments, appropriations of restricted resources received for funding specific expenditures and designated portions of the beginning balance of the general fund's equity expected to finance expenditures of the current fiscal year. Unused appropriations lapse at year-end unless specifically carried over for financing subsequent year expenditures.

Expenditures exceeded budget in the general fund and ambulance special revenue fund as detailed below. These overages were authorized by the City Council and were financed with available resources and fund balance.

	Budgeted Amounts	Actual Amounts	Variance with Final Budget
General Fund Expenditures:			
Public Safety	\$ 3,552,139	\$ 3,627,265	\$ (75,126)
Public Works	2,068,493	2,154,667	(86,174)
Conservation and Development	9,520	12,008	(2,488)
Ambulance Fund Expenditures:			
Public Safety	2,310,616	2,341,828	(31,212)

Fund Deficits

The TIF #8, TIF #9 and TIF #11 capital projects funds had fund balance deficits of \$2,379,889, \$28,091 and \$15,806, respectively, at December 31, 2022. These deficits will be eliminated through future tax increment collections.

The Mass Transit fund had a deficit net position of \$139,629 at December 31, 2022. This deficit will be eliminated through future positive operational results.

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Capital Contributions – Enterprise Funds

Contributions in aid of construction represent amounts received from developers or customers for construction and the value of property (plant) contributed to the utilities. These are reported as capital contributions on the statement of revenues, expenses and changes in net position.

G. Interfund Transactions

The water utility is charged a tax equivalent due to the general fund which is recorded as a transfer. In addition, the water and sewer utilities provide basic services to the general fund. Charges for fire protection, sanitation and basic services are recorded as expenditures in the general fund.

The sewer utility pays an annual meter use charge to the water utility in accordance with requirements of the Public Service Commission. The annual charge is recorded as an operating expense of the sewer utility and as operating revenue of the water utility.

The City pools its cash and as a result, interfund receivables/payables represent cash loaned to other funds on an interim basis.

All other interfund activity is reported as transfers.

Advanced between funds represent the noncurrent portion of borrowing arrangements between funds.

H. Limitations on the City Tax Levy

As part of Wisconsin's Act 25 (2005), legislation was passed that limits the City's future tax levies. Generally, the City is limited to its prior tax levy dollar amount, increased by the percentage change in the City's equalized value due to new construction. Changes in debt service from one year to the next are generally exempt from this limit.

CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 CASH AND INVESTMENTS

Cash for all City funds is pooled for investment purposes. At December 31, 2022, the cash and equivalents consist of the following:

Governmental Funds	\$ 20,746,700
Proprietary Funds	7,728,062
Fiduciary Funds	2,981,930
Total	<u>\$ 31,456,692</u>

The above cash and investments balances consisted of the following:

Deposits at Financial Institutions	\$ 14,838,636
Non-negotiable Certificates of Deposit	2,824,258
Investments in Local Governmental Investment Pool	686,069
Mutual Funds	46,330
U.S. Treasuries	7,669,849
U.S. Agencies	3,816,103
Corporate Bonds	58,078
Municipal Bonds	1,516,674
Petty Cash	695
Total	<u>\$ 31,456,692</u>

Investments Authorized by City Investment Policy

Investment of City funds is restricted by State statutes. The City has adopted a policy compliant with, but even more restrictive, than state statutes. Available investments are limited to:

- 1) Certificates of Deposit and other evidence of deposit in any credit union, bank, savings bank, trust company or savings and loan association;
- 2) U.S. Treasury obligations which carry the full faith and credit guarantee of the United States Government;
- 3) U.S. Government Agency and instrumentality obligations that have a liquid market with a readily determinable market value;
- 4) Bonds, notes, debentures, or other evidence of indebtedness issued or guaranteed by a corporation which are rated by any Rating Agency in and of the three highest rating categories;
- 5) Commercial paper rated in the highest tier by a nationally recognized rating agency;
- 6) Local government investment pool either state administered or developed through joint powers statutes and other intergovernmental agreement legislation;
- 7) Investment grade obligations of state provincial and local governments and public authorities;
- 8) Repurchase agreements whose underlying purchased securities consist of the aforementioned instruments; and
- 9) Money Markey mutual funds regulated by the Security and Exchange Commission and whose portfolios consist only of dollar denominated securities.

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk for Deposits

The City's balances at individual financial institutions were subject to coverage under federal depository insurance and amounts appropriated by Sections 20.144(1)(a) and 34.08 of the Wisconsin Statutes (State Guarantee Fund). Federal depository insurance provides for coverage for governmental entities of up to \$250,000 for time and savings deposits and an additional \$250,000 for demand deposits. In addition, funds held for others (such as trust funds) are subject to coverage under the name of the party for whom the funds are held. Coverage under the State Guarantee Fund may not exceed \$400,000 above the amount of coverage under federal depository insurance at any institution and is limited by the availability of the appropriations authorized therein. (Due to the relatively small size of the State Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.) Also, Section 34.07 of the Wisconsin Statutes authorizes the City to collateralize its deposits that exceed the amount of coverage provided by federal depository insurance and the State Guarantee Fund.

Custodial credit risk for deposits is the risk that in the event of bank failure, the City's deposits may not be returned. At December 31, 2022, the City's deposits were not exposed to custodial credit risk.

Investments

The City's investments at December 31, 2022 consisted of deposits in the State of Wisconsin Local Government Investment Pool (an external investment pool), mutual funds, U.S. treasuries, U.S. agencies, corporate bonds and municipal bonds.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City's investment policy limits investment maturities to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The City also invests operating funds primarily in shorter term securities, money market funds, or similar investment pools and limiting the average maturity of the portfolio. It is the City's policy to prohibit investing in securities which mature more than 7 years from the date of purchase. The above obligations may be subject to call prior to the stated maturity date. It is the City's general policy to hold the obligations until maturity. Investment maturities of the City are as follows:

Description	Totals	Investment Maturities (in years)			
		<1	1 to 2	2 to 3	>3
Mutual Funds	\$ 46,330	\$ 46,330	\$ -	\$ -	\$ -
U.S. Treasuries	7,669,849	7,669,849	-	-	-
U.S. Agencies	3,816,103	3,413,680	-	-	402,423
Corporate Bonds	58,078	-	-	-	58,078
Municipal Bonds	1,516,674	1,516,674	-	-	-
Total	<u>\$ 13,107,034</u>	<u>\$ 12,646,533</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 460,501</u>

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Deposits in State Local Government Pooled-Investment Fund

The State of Wisconsin offers a Local Government Investment Pool (LGIP) to local government units to enable them to voluntarily invest idle funds in State Investment Fund. Local funds are pooled with state funds and invested by the State Investment Board. There is no minimum or maximum amount that can be invested by a local governmental unit. Interest is earned on a daily basis and withdrawals are generally available on day of request. Deposits in the LGIP are not covered by federal depository insurance but are subject to coverage under the State Guarantee Fund. Also, the State of Wisconsin Investment Board has obtained a surety bond to protect deposits in the LGIP against defaults in principal payments on the LGIP's investments (subject to certain limitations). The average monthly weighted average maturity of the State Investment Fund's investments for 2022 was 27 days.

Credit Risk

Generally, credit risk for investments is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The City's investment policy, which is more restrictive than provisions of the Wisconsin Statutes, states to minimize credit risk, the City will limit investment to the certain investments discussed above, pre-qualifying the financial institutions and brokers/dealers, and by diversifying the investment portfolio. As of December 31, 2022, the City's investments were rated as follows:

Type	Credit Quality Rating	Amount
Federal Home Loan Bank	A-1+	\$ 200,010
Federal Home Loan Bank	AA+	197,773
United States Treasuries	A-1+	3,385,791
United States Treasuries	AA+	4,284,058
Federal Farm Credit Banks Funding Corp.	AA+	1,407,903
Federal Home Loan Mortgage Corp.	AA+	2,010,417
New Jersey Economic Development Authority State Pension Funding Bond	AA	1,516,674
Mutual Funds	AAAam	46,330
Corporate Bonds	Not Rated	58,078
State LGIP Funds	Not Rated	686,069

Custodial Credit Risk of Investments

Investment securities are subject to custodial credit risk if they are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name. The City's investments are not exposed to custodial credit risk.

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. At December 31, 2022, the investment portfolio of the City was concentrated as follows:

Type	Amount	Percentage
Federal Home Loan Bank	\$ 397,783	3.0%
United States Treasuries	7,669,849	58.5%
Federal Farm Credit Banks Funding Corp.	1,407,903	10.7%
Federal Home Loan Mortgage Corp.	2,010,417	15.3%
New Jersey Economic Development Authority State Pension Funding Bond	1,516,674	11.6%
Mutual Funds	46,330	0.4%
Corporate Bonds	58,078	0.5%

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 combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

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

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

Level 3 – Financial assets and liabilities are values using pricing inputs which are unobservable for the assets, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

The City's investments are measured as follows:

Description	Level 1	Level 2	Level 3	Total
Federal Home Loan Bank	\$ -	\$ 397,783	\$ -	\$ 397,783
United States Treasuries	7,669,849	-	-	7,669,849
Federal Farm Credit Banks Funding Corp.	-	1,407,903	-	1,407,903
Federal Home Loan Mortgage Corp.	-	2,010,417	-	2,010,417
New Jersey Economic Development Authority State Pension Funding Bond	-	1,516,674	-	1,516,674
Mutual Funds	46,330	-	-	46,330
Corporate Bonds	-	58,078	-	58,078
Total	<u>\$ 7,716,179</u>	<u>\$ 5,390,855</u>	<u>\$ -</u>	<u>\$ 13,107,034</u>
Investments Measured at Amortized Cost - State LGIP Funds				686,069
Total Investments				<u>\$ 13,793,103</u>

NOTE 3 RECEIVABLES

The City holds loans receivable within its General, CDBG and TIF #8 funds. These loans are expected to be collected over varying number of years based on individual repayment schedules or in relation to home loans within the CDBG fund at time of sale or refinancing of the real estate held as collateral to the loan. At December 31, 2022, allowances for doubtful accounts in the amount of \$15,000 and \$10,000 were netted with the receivable of these loans within the General and CDBG funds, respectively.

Lease Receivable

The City, acting as lessor, leases land under a long-term noncancelable lease agreement. The lease expires on November 17, 2041, and will not renew. During the year ended, December 31, 2022, the City recognized \$1,043 and \$12,202 in lease revenue and interest revenue, respectively, pursuant to the contract.

Total future minimum lease payments to be received under the lease agreement are follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2023	\$ 1,439	\$ 12,138	\$ 13,577
2024	1,864	12,052	13,916
2025	2,321	11,944	14,265
2026	6,099	11,732	17,831
2027	6,883	11,393	18,276
2028-2032	48,177	50,291	98,468
2033-2037	77,324	34,082	111,406
2038-2042	87,749	9,675	97,424
Total	<u>\$ 231,856</u>	<u>\$ 153,307</u>	<u>\$ 385,163</u>

CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 4 CAPITAL ASSETS

Capital asset activity in the governmental activities for the year ended December 31, 2022 is as follows:

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Non-Depreciable Capital Assets:				
Land	\$ 4,360,151	\$ 8,625	\$ -	\$ 4,368,776
Construction Work in Progress	376,832	8,342,743	-	8,719,575
Total Capital Assets Not Being Depreciated	4,736,983	8,351,368	-	13,088,351
Capital Assets Being Depreciated:				
Buildings and Improvements	12,542,383	142,083	-	12,684,466
Land Improvements	10,026,640	171,707	-	10,198,347
Machinery and Equipment	11,626,984	800,111	41,619	12,385,476
Infrastructure	29,107,799	942,719	-	30,050,518
Total Capital Assets Being Depreciated	63,303,806	2,056,620	41,619	65,318,807
Total Capital Assets	68,040,789	10,407,988	41,619	78,407,158
Less: Accumulated Depreciation:				
Buildings and Improvements	4,907,143	235,570	-	5,142,713
Land Improvements	4,098,051	282,398	-	4,380,449
Machinery and Equipment	7,478,364	768,856	32,350	8,214,870
Infrastructure	13,049,707	769,919	-	13,819,626
Total Accumulated Depreciation:	29,533,265	2,056,743	32,350	31,557,658
Capital Assets Net of Depreciation	\$ 38,507,524	\$ 8,351,245	\$ 9,269	\$ 46,849,500

Depreciation was charged to governmental functions as follows:

General Government	\$ 36,317
Public Safety	1,526,310
Public Works	305,432
Culture, Recreation, and Education	188,684
Total Depreciation - Governmental Activities	<u>\$ 2,056,743</u>

CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 4 CAPITAL ASSETS (CONTINUED)

Capital asset activity in the business-type activities for the year ended December 31, 2022 was as follows:

Business-Type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Water Utility:				
Non-Depreciable Capital Assets:				
Land	\$ 274,563	\$ 585	\$ -	\$ 275,148
Construction Work in Progress	57,063	-	35,671	21,392
Total Non-Depreciable Capital Assets	331,626	585	35,671	296,540
Capital Assets Being Depreciated:				
Buildings and Improvements	2,099,233	-	-	2,099,233
Machinery and Equipment	2,970,401	57,776	31,000	2,997,177
Infrastructure	20,824,396	1,113,497	117,428	21,820,465
Total Capital Assets Being Depreciated	25,894,030	1,171,273	148,428	26,916,875
Total Capital Assets	26,225,656	1,171,858	184,099	27,213,415
Less Accumulated Depreciation	10,246,384	688,412	104,830	10,829,966
Net Capital Assets	<u>\$ 15,979,272</u>	<u>\$ 483,446</u>	<u>\$ 79,269</u>	<u>\$ 16,383,449</u>
Sewer Utility:				
Non-Depreciable Capital Assets:				
Land	\$ 1,756,409	\$ 132,311	\$ -	\$ 1,888,720
Construction Work in Progress	122,080	41,291	-	163,371
Total Non-Depreciable Capital Assets	1,878,489	173,602	-	2,052,091
Capital Assets Being Depreciated/Amortized:				
Buildings and Improvements	6,438,000	231,895	-	6,669,895
Machinery and Equipment	9,323,431	13,603	-	9,337,034
Infrastructure	17,200,715	691,377	100,801	17,791,291
*Right-to-Use Leased Asset - Land	93,903	-	-	93,903
Total Capital Assets Being Depreciated/Amortized	33,056,049	936,875	100,801	33,892,123
Total Capital Assets	34,934,538	1,110,477	100,801	35,944,214
Less Accumulated Depreciation/Amortization	11,779,744	838,068	100,801	12,517,011
Net Capital Assets	<u>\$ 23,154,794</u>	<u>\$ 272,409</u>	<u>\$ -</u>	<u>\$ 23,427,203</u>
Mass Transit Utility:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 179,121	\$ -	\$ -	\$ 179,121
Less Accumulated Depreciation	100,369	21,968	-	122,337
Net Capital Assets	<u>\$ 78,752</u>	<u>\$ (21,968)</u>	<u>\$ -</u>	<u>\$ 56,784</u>

* This includes restated amounts due to the implementation of GASB Statement No. 87.

Depreciation/Amortization after allocation of meter related depreciation was charged to business-type activities as follows:

Water	\$ 688,412
Sewer	838,068
Mass Transit	21,968
Total Depreciation/Amortization - Business-Type Activities	<u>\$ 1,548,448</u>

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS

All general obligation bonds and notes payable are backed by the full faith and credit of the municipality. Governmental activities debt will be retired by future property tax levies accumulated by the debt service fund. Proprietary fund debt is payable by revenues from user fees of those funds, or if the revenues are not sufficient, by future tax levies. The following is a summary of long-term debt transactions of the City for the year ended December 31, 2022:

	Balance 1/1/22	Issued	Retired	Balance 12/31/22	Amounts Due Within One Year
Governmental Activities					
General Obligation Bonds and Notes	\$ 11,327,970	\$ 18,075,000	\$ 1,287,970	\$ 28,115,000	\$ 2,440,000
General Obligation Notes - Direct Borrowing	352,632	-	202,632	150,000	150,000
State Trust Fund Notes - Direct					
Borrowing	324,033	-	159,681	164,352	164,352
Landfill Post-Closure Liability	1,665,106	-	165,106	1,500,000	50,000
Compensated Absences	468,570	-	28,967	439,603	269,926
Unamortized Debt Premium	162,137	1,408,001	61,173	1,508,965	-
Sub-Total Governmental Activities	14,300,448	19,483,001	1,905,529	31,877,920	3,074,278
Business-Type Activities					
General Obligation Bonds	3,372,027	-	422,027	2,950,000	345,000
Mortgage Revenue Bonds - Direct					
Borrowing	1,998,192	-	278,600	1,719,592	282,484
*Right-to-Use Lease Liability	93,903	-	29,676	64,227	31,273
Unamortized Debt Premium	77,643	-	8,751	68,892	-
Compensated Absences	98,028	10,285	-	108,313	63,551
Sub-Total Business-Type Activities	5,639,793	10,285	739,054	4,911,024	722,308
Total	\$ 19,940,241	\$ 19,493,286	\$ 2,644,583	\$ 36,788,944	\$ 3,796,586

*This includes restated amounts due to the implementation of GASB Statement No. 87.

Compensated absences have historically been paid by the general, water or sewer funds based on the employee job description.

Security and Default. The outstanding long-term debt obligations of the City contain the following provisions:

General Obligation Bonds and Notes and General Obligation Notes from Direct Borrowing: These 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 and interest on the notes as they become due. The full faith, credit and resources of the City are irrevocably pledged to ensure repayment.

State Trust Fund Notes: The City's outstanding notes from direct borrowings related to governmental activities of \$164,352 are subject to a statutory provision that an event of late or non-payment, a one percent per month penalty will be charged and the payment will be collected through a reduction in payments from the State of Wisconsin.

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Security and Default (Continued).

Mortgage Revenue Bonds: These bonds are direct borrowings through the State of Wisconsin Safe Drinking Water Program and are payable from a pledge of revenues of the water utility system. Principal and interest paid for the current year and total customer net revenues were \$301,172 and \$2,413,375, respectively.

Safe Drinking Water and Clean Water Fund Loan Programs: The City's outstanding notes and bonds from direct borrowings related to business type activities total \$1,719,592. These obligations contain the following provisions in the event of a default: 1) Wisconsin Department of Administration can deduct amounts due from any state payments due to the City or add the amounts due as a special charge to the property taxes apportioned; 2) may appoint a receiver for the Program's benefit; 3) may declare the principal amount immediately due and payable; 4) may enforce any right or obligation under the financing agreement including the right to seek specific performance or mandamus; and 5) may increase the interest rate set forth in the financing agreement to the market interest rate.

Total General Obligation Debt as of December 31, 2022 consists of:

	Original Amount	Issue Date	of Maturity	Interest Rate	Debt Outstanding	Due Within One Year
General Obligation Bonds and Notes:						
2017 Bond Issue	\$ 11,041,534	3/30/2017	2036	2.0-3.0%	\$ 5,145,000	\$ 330,000
2020B Bond Issue	1,480,000	6/11/2020	2034	0.75-2.15%	1,295,000	95,000
2020A Note Issue	2,100,000	6/11/2020	2030	1.90%	1,065,000	190,000
2021A Note Issue	3,785,000	4/15/2021	2029	.25-1.75%	3,625,000	525,000
2021B Note Issue	1,125,000	4/15/2021	2029	.25-1.75%	1,125,000	140,000
2021C Note Issue	735,000	4/15/2021	2029	.25-1.75%	735,000	100,000
2022A Note Issue	10,123,387	6/23/2022	2042	3-5%	18,075,000	1,405,000
Total					<u>\$ 31,065,000</u>	<u>\$ 2,785,000</u>
General Obligation Notes - Direct Borrowing:						
GO Notes 2013 - Direct Borrowing	1,375,000	6/11/2013	2023	2.05%	\$ 150,000	\$ 150,000
					<u>\$ 150,000</u>	<u>\$ 150,000</u>
State Trust Fund Notes						
	Original Amount	Issue Date	Year of Maturity	Interest Rate	Debt Outstanding	Due Within One Year
2013 Issue A	\$ 175,000	8/28/2013	2023	2.75%	\$ 19,476	\$ 19,476
2013 Issue B	338,000	12/30/2013	2023	3.25%	42,816	42,816
2013 Issue C	225,000	12/10/2013	2023	2.75%	27,996	27,996
2013 Refinance	665,664	8/30/2013	2023	2.75%	74,064	74,064
Total					<u>\$ 164,352</u>	<u>\$ 164,352</u>

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Summary of Debt Service Requirements

The annual principal and interest requirements to amortize all governmental debt and proprietary general obligation debt outstanding as of December 31, 2022 are as follows:

Year	Governmental Activities				Total	
	General Obligation Bonds and General Obligation Notes		State Trust Fund and Notes - Direct Borrowings		Principal	Interest
	Principal	Interest	Principal	Interest		
2023	\$ 2,440,000	\$ 1,252,245	\$ 314,352	\$ 4,734	\$ 2,754,352	\$ 1,256,979
2024	2,135,000	886,863	-	-	2,135,000	886,863
2025	2,015,000	817,356	-	-	2,015,000	817,356
2026	1,915,000	751,037	-	-	1,915,000	751,037
2027	1,855,000	687,605	-	-	1,855,000	687,605
2028-2032	7,690,000	2,562,781	-	-	7,690,000	2,562,781
2033-2037	5,830,000	1,324,977	-	-	5,830,000	1,324,977
2038-2042	4,235,000	412,700	-	-	4,235,000	412,700
Total	<u>\$ 28,115,000</u>	<u>\$ 8,695,564</u>	<u>\$ 314,352</u>	<u>\$ 4,734</u>	<u>\$ 28,429,352</u>	<u>\$ 8,700,298</u>

Year	Business-Type Activities General Obligation Bonds	
	Principal	Interest
2023	\$ 345,000	\$ 64,108
2024	345,000	56,158
2025	350,000	48,133
2026	360,000	40,016
2027	375,000	31,709
2028-2032	1,025,000	61,988
2033-2037	150,000	5,342
Total	<u>\$ 2,950,000</u>	<u>\$ 307,454</u>

In accordance with Section 67.03 (1) of the 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 following computation compares the total debt allowable for the City of Tomah with the actual outstanding indebtedness at December 31, 2022:

Equalized Valuation	\$ 803,571,600
Legal Debt Capacity (5% of Equalized Value)	40,178,580
General Obligation Debt	31,379,352
Unused Borrowing Capacity	8,799,228
Percent of Debt Capacity Remaining	21.9%

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Mortgage Revenue Bonds

Outstanding mortgage revenue bonds for the water utility totaled \$1,719,592 on December 31, 2022. The City's full faith and credit do not back mortgage revenue bonds which are instead backed only by the assets and revenue of the water and storm water utilities (proprietary funds). Individual debt issues outstanding at December 31, 2022 are:

Mortgage Revenue Bonds:	Original Amount	Issue Date	Year of Maturity	Interest Rate	Debt Outstanding	Due Within One Year
Water:						
2003 Revenue Bond	\$ 953,991	12/23/2003	2023	1.65%	\$ 56,264	\$ 56,264
2004 Revenue Bond	1,129,188	11/24/2004	2024	1.42%	129,381	64,235
2006 Revenue Bond	1,635,913	12/27/2006	2026	1.49%	368,710	90,149
2016 Revenue Bond	715,010	7/12/2017	2036	0.99%	518,248	34,694
2018 Revenue Bond	791,475	7/27/2018	2038	1.12%	646,989	37,142
Total Mortgage Revenue Bonds					<u>\$ 1,719,592</u>	<u>\$ 282,484</u>

Scheduled annual requirements for retirement of the mortgage revenue bond obligations debt outstanding at December 31, 2022 are summarized as follows:

Year	Water Enterprise Fund	
	Principal	Interest
2023	\$ 282,484	\$ 18,660
2024	229,231	15,165
2025	166,211	12,562
2026	168,366	10,392
2027	74,926	8,903
2028-2032	386,690	32,390
2033-2037	367,775	11,568
2038-2039	43,909	246
Total	<u>\$ 1,719,592</u>	<u>\$ 109,886</u>

Lease Liability

The City entered into an agreement for the use of land. A lease liability was recorded in the amount of \$93,903 for this lease. The City used an incremental borrowing rate of 5.25% for the lease since the interest rate was not provided in the lease agreement.

The future minimum lease payments under lease agreements are as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2023	\$ 31,273	\$ 1,826	\$ 33,099
2024	32,954	145	33,099
Total	<u>\$ 64,227</u>	<u>\$ 1,826</u>	<u>\$ 66,198</u>

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 LANDFILL LIABILITY

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

NOTE 7 TAX ABATEMENT

The City has entered into a developer's agreement to encourage blight elimination and economic growth within the Tax Incremental District #9 (TID #9) boundaries. Part of the agreement provides for job creation/retention and rebates a portion of the tax increment revenue back to the developer. Annual rebates will be calculated based on tax increment revenue collected for the specific development less \$50,000. During the duration of TID #9 approximately \$2,250,000 may be paid if certain criteria are met. These rebates will commence two years after substantial completion of the development which occurred in 2020. For the year ending December 31, 2022, the City made a rebate payment of \$69,549.

NOTE 8 INTERFUND ACTIVITY

As of December 31, 2022, the composition of interfund balances was as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Water Fund	\$ 384,963
General Fund	Sewer Fund	14,685
Water Fund	Sewer Fund	129,614
Sewer Fund	Water Fund	279,051
General Fund	Mass Transit	123,277
General Fund	TIF #8	207,233
General Fund	TIF #11	12,746
Sewer Fund	Capital Projects	324,499
Sewer Fund	TIF #8	48,837
Total		<u>\$ 1,524,905</u>

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

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Purpose
Sewer Fund	TIF #8	<u>\$ 1,953,491</u>	Financing Project Costs

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 8 INTERFUND ACTIVITY (CONTINUED)

The schedule of interfund transfer activity is as follows:

Fund Transferred To	Funds Transferred From	Amount	Purpose
General	Water	\$ 340,153	Payment in Lieu of Taxes
Capital Projects	General	33,000	Fund Capital Projects
Capital Projects	Lake District	91,000	Fund Capital Projects
Capital Projects	Grants & Donations	37,500	Fund Capital Projects
Capital Projects	Industrial Development	80,000	Fund Capital Projects
Capital Projects	Tourism	161,728	Fund Capital Projects
Ambulance	Debt Service	90,000	Repayment of Ambulance Debt
Debt Service	TIF #8	427,893	Debt Payments
Debt Service	TIF #9	37,030	Debt Payments
Debt Service	TIF #10	74,825	Debt Payments
Debt Service	Tourism	169,081	Debt Payments
Debt Service	Capital Projects	145,860	Debt Payments
TIF #8	TIF #10	318,000	Reduce TIF #8 Debt
TIF #8	TIF #9	47,000	Reduce TIF #8 Debt
Industrial Development	TIF #9	10,000	Fund Industrial Development Projects
Industrial Development	TIF #10	10,000	Fund Industrial Development Projects
Industrial Development	TIF #8	10,000	Fund Industrial Development Projects
Industrial Development	TIF #11	10,000	Fund Industrial Development Projects
Total		<u>\$ 2,093,070</u>	

NOTE 9 WISCONSIN RETIREMENT SYSTEM PENSION PLAN BENEFITS

General Information about the Pension Plan

Plan Description. The Wisconsin Retirement System (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 1200 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 issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>. Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

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

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 9 WISCONSIN RETIREMENT SYSTEM PENSION PLAN BENEFITS (CONTINUED)

General Information about the Pension 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 12/31/2016) 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.

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:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2013	-9.6%	9.0%
2014	4.7%	25.0%
2015	2.9%	2.0%
2016	0.5%	-5.0%
2017	2.0%	4.0%
2018	2.4%	17.0%
2019	0.0%	-10.0%
2020	1.7%	21.0%
2021	5.1%	13.0%

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 9 WISCONSIN RETIREMENT SYSTEM PENSION PLAN BENEFITS (CONTINUED)

General Information about the Pension Plan (Continued)

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

During the reporting period January 1, 2022 through December 31, 2022 the WRS recognized \$530,510 in contributions from the employer. Contribution rates for 2022 are:

	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	6.75%	6.75%
Protective with Social Security	6.75%	11.75%
Protective without Social Security	6.75%	16.35%

Pension Assets, Liability, Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2022, the City reported an asset of \$3,356,529 for its proportionate share of the total net pension asset. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. The City's proportion of the net pension asset was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. At December 31, 2021, the City's proportion was 0.0416433 percent, which was an increase of 0.00220208 percent from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the City recognized pension expense (revenue) of (\$283,218).

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 9 WISCONSIN RETIREMENT SYSTEM PENSION PLAN BENEFITS (CONTINUED)

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

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 5,422,301	\$ 391,006
Changes of Assumptions	626,212	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	7,508,833
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	30,190	13,912
City Contributions Subsequent to the Measurement Date	530,510	-
Total	<u>\$ 6,609,213</u>	<u>\$ 7,913,751</u>

\$530,510 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Pension Expense Amount</u>
2023	\$ (147,969)
2024	(902,520)
2025	(398,145)
2026	(386,414)
2027	-
Thereafter	-

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 9 WISCONSIN RETIREMENT SYSTEM PENSION PLAN BENEFITS (CONTINUED)

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

Actuarial Assumptions

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

Actuarial Valuation Date:	December 31, 2020
Measurement Date of Net Pension Liability (Asset):	December 31, 2021
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Inflation:	3% Approximate
Salary Increases:	3.1% to 8.6% Including Inflation
Mortality:	2020 WRS Experience Mortality Table
Postretirement Adjustments*	1.7%

*No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, postretirement adjustment, price inflation, mortality and separation rates. The total pension liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

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

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 9 WISCONSIN RETIREMENT SYSTEM PENSION PLAN BENEFITS (CONTINUED)

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

Core Asset Allocation			Variable Asset Allocation		
Asset Class	Target Allocation	Long-Term	Asset Class	Target Allocation	Long-Term
		Expected Real Rate of Return			Expected Real Rate of Return
Global Equities	52.0%	4.2%	Domestic Equity	70.0%	3.7%
Fixed Income	25.0%	1.8%	International Equity	30.0%	4.6%
Inflation Sensitive Assets	19.0%	0.2%	Fixed Income	N/A	N/A
Real Estate	7.0%	3.0%	Inflation Sensitive Assets	N/A	N/A
Private Equity/Debt	12.0%	7.0%	Real Estate	N/A	N/A
Totals	<u>115.0%</u>		Private Equity/Debt	N/A	N/A
			Multi-Asset	N/A	N/A
			Cash	N/A	N/A
			Totals	<u>100.0%</u>	

Discount Rate

A single discount rate of 6.80% was used to measure the total pension liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 1.84% (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, 2021. 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 6.80% expected rate of return implies that a dividend of approximately 1.7% 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 expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 2,381,695	\$ (3,356,529)	\$ (7,486,982)

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 9 WISCONSIN RETIREMENT SYSTEM PENSION PLAN BENEFITS (CONTINUED)

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

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

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER PLAN

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

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

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

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

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

Contribution rates as of December 31, 2022 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Postretirement Coverage	40% of Employee Contribution
25% Postretirement Coverage	20% of Employee Contribution

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER PLAN (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 members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2021 are:

<u>Attained Age</u>	<u>Basic</u>
Under 30	\$0.05
30-34	0.06
35-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

During the reporting period January 1, 2022 through December 31, 2022 the LRLIF recognized \$1,898 in contributions from the City.

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

At December 31, 2022, the City reported a liability of \$573,879 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2021 and rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2021, the City's proportion was 0.09709700 percent, which was an increase of 0.00188200 percent from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the City recognized OPEB expense of \$77,810. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 29,194
Changes of Assumptions or Other Input	173,388	27,816
Net Difference Between Projected and Actual Earnings on OPEB Investments	7,466	-
Change in proportion and differences between employer contributions and proportionate share of contributions	29,058	1,221
District Contributions Subsequent to the Measurement Date	1,898	-
Total	<u>\$ 211,810</u>	<u>\$ 58,231</u>

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER PLAN (CONTINUED)

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (Continued)

\$1,898 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction to the net OPEB liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

<u>Year Ended December 31,</u>	<u>OPEB Expense Amount</u>
2023	\$ 34,605
2024	33,739
2025	31,351
2026	35,806
2027	15,120
2028	1,060
2029	-

Actuarial Assumptions. The total OPEB liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	January 1, 2021
Measurement Date of Net OPEB Liability (Asset)	December 31, 2021
Actuarial Cost Method	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	2.06%
Long-Term Expected Rate of Return	4.25%
Discount Rate	2.17%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.10%-5.60%
Mortality	2020 WRS Experience Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total OPEB Liability changed from the prior year, including the price inflation, mortality, and separation rates. The total OPEB liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the January 1, 2021 actuarial valuation.

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER PLAN (CONTINUED)

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (Continued)

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. Asset allocation targets and expected returns as of December 31, 2021 are as follows in the table below:

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Credit Bonds	Bloomberg US Interim Credit	45%	1.68%
U.S. Long Credit Bonds	Bloomberg US Long Credit	5%	1.82%
U.S. Mortgages	Bloomberg US MBS	50%	1.94%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return remained unchanged from the prior year at 4.25%. 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. The expected inflation rate increased from 2.20% as of December 31, 2020 to 2.30% as of December 31, 2021.

Single Discount Rate. A single discount rate of 2.17% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.25% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.12% as of December 31, 2020 to 2.06% as of December 31, 2021. The plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER PLAN (CONTINUED)

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (Continued)

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.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate. The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 2.17%, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.17%) or 1-percentage-point higher (3.17%) than the current rate:

	1% Decrease (1.17%)	Current Discount Rate (2.17%)	1% Increase (3.17%)
Proportionate share of the Net OPEB Liability (Asset)	\$ 778,547	\$ 573,879	\$ 419,875

NOTE 11 FUND BALANCE

The following is a detailed schedule of ending fund balances as reported in the fund financial statements by category:

	Total	Nonspendable	Restricted	Assigned	Unassigned
Major Funds:					
General Fund:					
Prepaid Expenses	\$ 11,040	\$ 11,040	\$ -	\$ -	\$ -
Impact Fees	62,194	-	62,194	-	-
Parks Department	66,430	-	-	66,430	-
Firefighter Funds	207,560	-	-	207,560	-
Unassigned	1,906,400	-	-	-	1,906,400
Subtotal General Fund	2,253,624	11,040	62,194	273,990	1,906,400
Debt Service	436,765	-	436,765	-	-
CDBG Revolving Loan Program	661,536	-	661,536	-	-
TIF District #10	200,977	-	200,977	-	-
Ambulance Special Revenue Fund	2,834,043	-	-	2,834,043	-
Capital Projects	7,068,042	-	7,068,042	-	-
TIF District #8	(2,379,889)	-	-	-	(2,379,889)
Nonmajor Funds:					
Public Library	259,251	-	259,251	-	-
Grants and Donations	396,033	-	396,033	-	-
Tourism Fund - Prepaid	292,004	292,004	-	-	-
Tourism Fund	510,067	-	510,067	-	-
Lake District	283,353	-	283,353	-	-
Industrial Development	689,663	-	-	689,663	-
Senior and Disabled Services	82,146	-	25,758	56,388	-
TID District #11	(15,806)	-	-	-	(15,806)
TIF District #9	(28,091)	-	-	-	(28,091)
Total Fund Balance	\$ 13,543,718	\$ 303,044	\$ 9,903,976	\$ 3,854,084	\$ (517,386)

CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 12 TAX INCREMENTAL FINANCING DISTRICTS

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

The City had three Tax Incremental Financing Districts. Accumulated project costs and revenues from inception through December 31, 2022 are shown as follows:

	TIF #8	TIF #9	TIF #10	TIF #11
Accumulated Costs:				
Project Expenditures	\$ 7,685,674	\$ 566,965	\$ 1,049,487	\$ -
Administration	788,763	27,439	28,829	5,806
Debt Expenditures:				
Bond Issue Costs	103,042	82,971	11,511	-
Transfers Out - Capital Projects	675,000	-	-	-
Transfer Out - ED	-	-	10,000	10,000
Transfer Out - TIF 8	-	173,259	706,651	-
Debt Service	4,109,639	602,858	1,330,289	-
Total Accumulated Costs	<u>13,362,118</u>	<u>1,453,492</u>	<u>3,136,767</u>	<u>15,806</u>
Accumulated Revenues:				
Tax Increments	1,351,176	439,836	939,991	-
Intergovernmental Grants and Aids	341,409	-	-	-
Rent Income	4,600	-	-	-
Interest on Investments	36,503	422	11,275	-
Miscellaneous Revenue	89,735	-	775,000	-
Bond Premium	95,918	143	35,635	-
Proceeds from Debt	7,765,051	985,000	1,575,843	-
Transfers In	1,297,837	-	-	-
Total Accumulated Revenues	<u>10,982,229</u>	<u>1,425,401</u>	<u>3,337,744</u>	<u>-</u>
Fund Balance as of December 31, 2022	<u>\$ (2,379,889)</u>	<u>\$ (28,091)</u>	<u>\$ 200,977</u>	<u>\$ (15,806)</u>
Long-Term Obligations as of December 31, 2022				
Outstanding Long-Term Debt Payable	\$ 5,170,338	\$ 399,069	\$ 268,108	\$ -
Advances from Other Funds	1,953,491	-	-	-

**CITY OF TOMAH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 13 SHORT TERM DEBT

On May 24, 2022, the City issued a \$7,951,613 short-term promissory note with CCF Bank for interim project financing purposes. The note accrued interest at 2.59% with an original maturity date of September 8, 2022. This short-term promissory note was refinanced into a long-term bond (2022A General Obligation Corporate Purpose Bonds) on June 23, 2022. The total interest paid on this note in 2022 was \$55,860. Changes in short-term borrowing during 2022 is as follows:

	Balance 1/1/22	Issued	Retired	Balance 12/31/22
Governmental Activities				
Promissory Note from Direct Borrowing	\$ -	\$ 7,951,613	\$ 7,951,613	\$ -

NOTE 14 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, and destruction of assets; errors and omission; injuries to employees; and natural disasters. The City maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this commercial coverage in any of the last three years.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF TOMAH, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Property Taxes	\$ 3,630,670	\$ 3,630,670	\$ 3,615,172	\$ (15,498)
Other Taxes	148,600	148,600	135,559	(13,041)
Special Assessment Revenue	10,000	10,000	122,598	112,598
Intergovernmental	3,137,525	3,137,525	2,896,854	(240,671)
License and Permits	120,375	120,375	97,648	(22,727)
Fines, Forfeits, and Penalties	133,650	133,650	105,430	(28,220)
Public Charges for Services	225,400	225,400	253,528	28,128
Intergovernmental Charges for Services	79,700	79,700	61,524	(18,176)
Interest Income	20,860	20,860	(121,662)	(142,522)
Miscellaneous Income	188,500	188,500	281,429	92,929
Total Revenues	<u>7,695,280</u>	<u>7,695,280</u>	<u>7,448,080</u>	<u>(247,200)</u>
EXPENDITURES				
General Government	1,498,751	1,498,751	1,344,028	154,723
Public Safety	3,552,139	3,552,139	3,627,265	(75,126)
Public Works	2,068,493	2,068,493	2,154,667	(86,174)
Culture, Recreation, and Education	795,272	795,272	737,545	57,727
Conservation and Development	9,520	9,520	12,008	(2,488)
Capital Outlay	1,708,907	1,708,907	210,247	1,498,660
Total Expenditures	<u>9,633,082</u>	<u>9,633,082</u>	<u>8,085,760</u>	<u>1,547,322</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,937,802)	(1,937,802)	(637,680)	1,300,122
OTHER FINANCING SOURCES (USES)				
Transfers In	380,000	380,000	340,153	(39,847)
Transfers Out	-	-	(33,000)	(33,000)
Sale of Capital Assets	-	-	9,534	9,534
Total Other Financing Sources	<u>380,000</u>	<u>380,000</u>	<u>316,687</u>	<u>(63,313)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,557,802)</u>	<u>\$ (1,557,802)</u>	<u>(320,993)</u>	<u>\$ 1,236,809</u>
Fund Balance - Beginning of Year			<u>2,574,617</u>	
FUND BALANCE - END OF YEAR			<u>\$ 2,253,624</u>	

**CITY OF TOMAH, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
CDBG FUND
YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Interest Income	\$ 200	\$ 200	\$ 292	\$ 92
Miscellaneous Income	50,000	38,200	38,695	495
Total Revenues	<u>50,200</u>	<u>38,400</u>	<u>38,987</u>	<u>587</u>
EXPENDITURES				
Conservation and Development	97,079	149,041	9,858	139,183
Capital Outlay	78,650	1,708,907	-	1,708,907
Total Expenditures	<u>175,729</u>	<u>1,857,948</u>	<u>9,858</u>	<u>1,848,090</u>
NET CHANGE IN FUND BALANCE	<u>\$ (125,529)</u>	<u>\$ (1,819,548)</u>	29,129	<u>\$ 1,848,677</u>
Fund Balance - Beginning of Year			<u>632,407</u>	
FUND BALANCE - END OF YEAR			<u>\$ 661,536</u>	

**CITY OF TOMAH, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
AMBULANCE FUND
YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ 6,000	\$ 6,000	\$ 91,084	\$ 85,084
Public Charges for Services	2,600,250	2,600,250	2,593,183	(7,067)
Intergovernmental Charges for Services	301,470	301,470	289,444	(12,026)
Interest Income	5,000	5,000	22,056	17,056
Miscellaneous Income	8,333	8,333	8,398	65
Total Revenues	2,921,053	2,921,053	3,004,165	83,112
EXPENDITURES				
Public Safety	2,310,616	2,310,616	2,341,828	(31,212)
Capital Outlay	300,000	300,000	291,036	8,964
Total Expenditures	2,610,616	2,610,616	2,632,864	(22,248)
EXCESS OF REVENUES OVER EXPENDITURES	310,437	310,437	371,301	60,864
OTHER FINANCING SOURCES				
Transfers In	-	-	90,000	90,000
Sale of Capital Assets	5,000	5,000	1,685	(3,315)
Total Other Financing Sources	5,000	5,000	91,685	86,685
NET CHANGE IN FUND BALANCE	<u>\$ 315,437</u>	<u>\$ 315,437</u>	462,986	<u>\$ 147,549</u>
Fund Balance - Beginning of Year			<u>2,371,057</u>	
FUND BALANCE - END OF YEAR			<u>\$ 2,834,043</u>	

CITY OF TOMAH, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF
WISCONSIN RETIREMENT SYSTEM NET PENSION PLAN (ASSET) LIABILITY
LAST TEN FISCAL YEARS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

Pension Fiscal Year End Date (Measurement Date)	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2021	0.04164333%	\$ (3,356,529)	\$ 5,526,838	-60.73%	106.02%
12/31/2020	0.03944125%	(2,462,371)	5,402,484	-45.58%	105.26%
12/31/2019	0.03641979%	(1,174,340)	5,139,381	-22.85%	102.96%
12/31/2018	0.03486684%	1,240,452	4,770,929	26.00%	96.45%
12/31/2017	0.03344337%	(992,973)	4,346,144	-22.85%	102.93%
12/31/2016	0.03253007%	268,125	4,244,277	6.32%	99.12%
12/31/2015	0.03211731%	521,900	4,104,815	12.71%	98.20%
12/31/2014	0.03237662%	(795,257)	3,889,332	-20.45%	102.74%

**CITY OF TOMAH, WISCONSIN
SCHEDULE OF CONTRIBUTIONS TO
WISCONSIN RETIREMENT SYSTEM PENSION PLAN
LAST TEN FISCAL YEARS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2022	\$ 530,510	\$ (530,510)	\$ -	\$ 5,757,406	9.21%
12/31/2021	505,912	(505,912)	-	5,526,838	9.37%
12/31/2020	490,814	(490,814)	-	5,402,484	9.08%
12/31/2019	378,697	(378,697)	-	5,139,381	7.37%
12/31/2018	347,844	(347,844)	-	4,770,929	7.29%
12/31/2017	317,356	(317,356)	-	4,346,144	7.30%
12/31/2016	314,687	(314,687)	-	4,244,277	7.41%
12/31/2015	311,297	(311,297)	-	4,104,815	7.58%

Changes of Benefit Terms

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

Changes of Assumptions

Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the postretirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

Based on a three-year experience study conducted 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the postretirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. The City is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

CITY OF TOMAH, WISCONSIN
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
WISCONSIN LOCAL RETIREE LIFE INSURANCE FUND MULTI-EMPLOYER OPEB PLAN
LAST TEN FISCAL YEARS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

<u>OPEB Fiscal Year End Date (Measurement Date)</u>	<u>City's Proportion of the Net OPEB Liability (Asset)</u>	<u>City's Proportionate Share of the Net OPEB Liability (Asset)</u>	<u>City's Covered Payroll</u>	<u>City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)</u>
12/31/2021	0.09709700%	\$ 573,879	\$ 5,672,000	10.12%	29.57%
12/31/2020	0.09521500%	523,751	5,262,000	9.95%	31.36%
12/31/2019	0.09338900%	397,669	5,079,000	7.83%	37.58%
12/31/2018	0.08688000%	224,200	4,684,000	4.79%	48.69%
12/31/2017	0.08076200%	242,979	3,396,273	7.15%	44.81%

CITY OF TOMAH, WISCONSIN
SCHEDULE OF CITY'S CONTRIBUTIONS TO
WISCONSIN LOCAL RETIREE LIFE INSURANCE FUND MULTI-EMPLOYER OPEB PLAN
LAST TEN FISCAL YEARS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

<u>City's Fiscal Year End Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>City's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2022	\$ 1,898	\$ (1,898)	\$ -	\$ 5,672,000	0.03%
12/31/2021	1,950	(1,950)	-	5,262,000	0.04%
12/31/2020	1,688	(1,688)	-	5,079,000	0.03%
12/31/2019	1,674	(1,674)	-	4,684,000	0.04%
12/31/2018	1,533	(1,533)	-	3,396,273	0.05%

Changes of Benefit Terms

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

Changes of Assumptions: In addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. The City is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

CITY OF TOMAH, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022

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 is derived from the City's annual operating budget.

The City's budget is adopted in accordance with Chapter 65 of the *Wisconsin Statutes* and on a basis consistent with generally accepted accounting principles. Changes to appropriations authorized in the adopted budget generally require a vote of two-thirds of the entire membership of the governing body. The City's legal budget is adopted at the major function level in the general fund (i.e., general government) and at the fund level in all other funds.

Budget amounts in the financial statements include both the original adopted budget and the final budget. Changes to the budget during the year, if any, generally include amendments authorized by the governing body, additions of approved carryover amounts and appropriations of revenues and other sources for specified expenditures/uses. Appropriated budget amounts lapse at the end of the year unless specifically carried over for financing subsequent year expenditures.

EXCESS OF EXPENDITURES OVER BUDGET

Comparisons of actual revenues and expenditures to budgeted amounts for the City's general fund and each major special revenue fund are presented as required supplementary information following the basic financial statements. Expenditures in excess of budgeted amounts at the legally adopted levels for each of these funds are shown in those schedules.

Expenditures exceeded budget in the general fund and ambulance special revenue fund as detailed below. These overages were authorized by the City Council and were financed with available resources and fund balance.

	Budgeted Amounts	Actual Amounts	Variance with Final Budget
General Fund Expenditures:			
Public Safety	\$ 3,552,139	\$ 3,627,265	\$ (75,126)
Public Works	2,068,493	2,154,667	(86,174)
Conservation and Development	9,520	12,008	(2,488)
Ambulance Fund Expenditures:			
Public Safety	2,310,616	2,341,828	(31,212)

SUPPLEMENTARY INFORMATION

SCHEDULE A-1

CITY OF TOMAH, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2022

	Special Revenue Funds				Capital Projects Fund			Total Nonmajor Governmental Funds
	Library	Lake District	Tourism	Senior and Disabled Services	Grants and Donations	TIF #9	TIF #11	Industrial Development
ASSETS								
Cash and Cash Equivalents	\$ 349,751	\$ 300,641	\$ 445,285	\$ 104,250	\$ 396,033	\$ 53,800	\$ -	\$ 700,694
Taxes Receivable	199,913	38,188	-	49,796	-	180,895	6,758	-
Other Receivable	-	-	64,782	1,544	-	-	-	-
Prepayments	-	-	292,004	-	-	-	-	-
Total Assets	\$ 549,664	\$ 338,829	\$ 802,071	\$ 155,590	\$ 396,033	\$ 234,695	\$ 6,758	\$ 700,694
								\$ 3,184,334
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities:								
Accounts Payable	\$ -	\$ -	\$ -	\$ 295	\$ -	\$ -	\$ -	\$ 11,326
Accrued Liabilities	-	-	-	661	-	-	-	661
Due to Other Funds	-	-	-	-	-	-	12,746	-
Deferred Revenue	-	-	-	150	-	-	-	150
Total Liabilities	-	-	-	1,106	-	-	12,746	11,031
								24,883
Deferred Inflows of Resources:								
Succeeding Year's Property Taxes	290,413	55,476	-	72,338	-	262,786	9,818	-
								690,831
Fund Balances:								
Nonspendable	-	-	292,004	-	-	-	-	-
Restricted	259,251	283,353	510,067	25,758	396,033	-	-	-
Assigned	-	-	-	56,388	-	-	-	689,663
Unassigned	-	-	-	-	-	(28,091)	(15,806)	-
Total Fund Balances	259,251	283,353	802,071	82,146	396,033	(28,091)	(15,806)	689,663
								2,468,620
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 549,664	\$ 338,829	\$ 802,071	\$ 155,590	\$ 396,033	\$ 234,695	\$ 6,758	\$ 700,694
								\$ 3,184,334

SCHEDULE A-2

**CITY OF TOMAH, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2022**

	Special Revenue Funds				Capital Projects Fund				Total Nonmajor Governmental Funds
	Library	Lake District	Tourism	Senior and Disabled Services	Grants and Donations	TIF #9	TIF #11	Industrial Development	
REVENUES									
Taxes	\$ 286,536	\$ 180,692	\$ 661,619	\$ 71,372	\$ -	\$ 171,028	\$ -	\$ -	\$ 1,371,247
Intergovernmental	94,454	849	-	-	136,785	-	-	-	232,088
Public Charges for Services	5,947	-	-	6,061	-	-	-	-	12,008
Interest Income	2,428	1,590	6,043	785	-	171	-	-	11,017
Miscellaneous	61,691	1,749	450	66,850	128,588	-	-	-	259,328
Total Revenues	451,056	184,880	668,112	145,068	265,373	171,199	-	-	1,885,688
EXPENDITURES									
General Government	-	-	-	-	1,848	-	-	-	1,848
Public Safety	-	-	-	-	23,604	-	-	-	23,604
Public Works	-	-	-	-	553	-	-	-	553
Health and Human Services	-	-	-	133,420	-	-	-	-	133,420
Culture, Recreation, and Education	538,592	-	-	-	1,047	-	-	-	539,639
Conservation and Development	-	23,819	298,376	-	-	70,189	1,889	40,511	434,784
Capital Outlay	16,453	-	-	-	37,008	-	-	-	53,461
Total Expenditures	555,045	23,819	298,376	133,420	64,060	70,189	1,889	40,511	1,187,309
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(103,989)	161,061	369,736	11,648	201,313	101,010	(1,889)	(40,511)	698,379
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	40,000	40,000
Transfers Out	-	(91,000)	(330,809)	-	(37,500)	(94,030)	(10,000)	(80,000)	(643,339)
Total Other Financing Sources (Uses)	-	(91,000)	(330,809)	-	(37,500)	(94,030)	(10,000)	(40,000)	(603,339)
NET CHANGE IN FUND BALANCES	(103,989)	70,061	38,927	11,648	163,813	6,980	(11,889)	(80,511)	95,040
Fund Balance - Beginning of Year	363,240	213,292	763,144	70,498	232,220	(35,071)	(3,917)	770,174	2,373,580
FUND BALANCE - END OF YEAR	\$ 259,251	\$ 283,353	\$ 802,071	\$ 82,146	\$ 396,033	\$ (28,091)	\$ (15,806)	\$ 689,663	\$ 2,468,620

FORM OF LEGAL OPINION

(See following pages)

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

July 16, 2024

Re: City of Tomah, Wisconsin ("Issuer")
\$2,640,000 General Obligation Promissory Notes, Series 2024A,
dated July 16, 2024 ("Notes")

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

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

The Notes are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on May 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2025	\$175,000	____%
2026	120,000	____
2027	120,000	____
2028	120,000	____
2029	120,000	____
2030	115,000	____
2031	120,000	____
2032	120,000	____
2033	125,000	____
2034	125,000	____
2035	125,000	____
2036	130,000	____
2037	130,000	____
2038	135,000	____
2039	135,000	____
2040	135,000	____
2041	140,000	____
2042	145,000	____
2043	150,000	____
2044	155,000	____

Interest is payable semi-annually on May 1 and November 1 of each year commencing on May 1, 2025.

The Notes maturing on May 1, 2035 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on May 1, 2034 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

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

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

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

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

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

3. The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Notes.

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

The rights of the owners of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights

and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

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

QUARLES & BRADY LLP

BOOK-ENTRY-ONLY SYSTEM

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

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

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Tomah, Monroe County, Wisconsin (the "Issuer") in connection with the issuance of \$2,640,000 General Obligation Promissory Notes, Series 2024A, dated July 16, 2024 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on June 18, 2024, as supplemented by an Approving Certificate, dated June 27, 2024 (collectively, the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the Final Official Statement dated June 27, 2024 delivered in connection with the Securities, which is available from the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the Common Council of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means the City of Tomah, Monroe County, Wisconsin, which is the obligated person with respect to the Securities.

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

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

"SEC" means the Securities and Exchange Commission.

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

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year ending December 31, 20__, 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 16th day of July, 2024.

(SEAL)

Paul Dwyer
Mayor

Rebecca Weyer
City Clerk

NOTICE OF SALE

\$2,640,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2024A CITY OF TOMAH, WISCONSIN

Bids for the purchase of \$2,640,000* General Obligation Promissory Notes, Series 2024A (the "Notes") of the City of Tomah, Wisconsin (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the City, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via bondsale@ehlers-inc.com or **PARITY**, in the manner described below, until 10:00 A.M. Central Time, on June 27, 2024, at which time they will be opened, read and tabulated. **The Common Council adopted a resolution on June 18, 2024 (the "Parameters Resolution"), which authorized the City Treasurer or the City Clerk to accept a bid for the Notes if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on June 27, 2024, neither the City Treasurer nor the City Clerk will have the authority to accept a bid for the Notes, and all bids will be rejected.**

AUTHORITY; PURPOSE; SECURITY

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the City, for public purposes, including paying the cost of facility improvements, including to the Police Station, City Hall, Street Shop and Senior Center, street improvements, parks improvements, including for Tomah Ice Center, the acquisition of equipment for the Parks and Recreation Department and the acquisition of two squad cars for the Police Department. The Notes are general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount.

DATES AND MATURITIES

The Notes will be dated July 16, 2024, will be issued as fully registered Notes 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>
2025	\$175,000	2032	\$120,000	2039	\$135,000
2026	120,000	2033	125,000	2040	135,000
2027	120,000	2034	125,000	2041	140,000
2028	120,000	2035	125,000	2042	145,000
2029	120,000	2036	130,000	2043	150,000
2030	115,000	2037	130,000	2044	155,000
2031	120,000	2038	135,000		

ADJUSTMENT OPTION

The City reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of \$5,000 each, with the amount of principal due in 2025 to be determined by the authorized officer so that the amount required to be levied to pay debt service on all general obligation debt outstanding, including the Notes, will be approximately \$2,065,000 in 2025, principal increases or decreases may be made to any maturity from 2026 through 2044 up to a maximum of \$50,000 per maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BOND OPTION

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

INTEREST PAYMENT DATES AND RATES

Interest will be payable on May 1 and November 1 of each year, commencing May 1, 2025, to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. All Notes of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

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

PAYING AGENT

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

OPTIONAL REDEMPTION

At the option of the City, the Notes maturing on or after May 1, 2035 shall be subject to optional redemption prior to maturity on May 1, 2034 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 Notes subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Notes to be redeemed shall be at the discretion of the City. If only part of the Notes having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

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

DELIVERY

On or about July 16, 2024, the Notes will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Notes is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Notes must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL MATTERS

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

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

SUBMISSION OF BIDS

Bids must not be for less than \$2,607,000 nor more than \$2,824,800, plus accrued interest on the principal sum of \$2,640,000 from date of original issue of the Notes to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

- 1) Electronically to bondsale@ehlers-inc.com; or
- 2) Electronically via **PARITY** in accordance with this Notice of Sale until 10:00 A.M. Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact IHS Markit (now part of S&P Global) at <https://ihsmarkit.com/products/municipal-issuance.html> or via telephone (844) 301-7334.

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 submission.

A good faith deposit ("Deposit") in the amount of \$52,800 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 Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

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

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

AWARD

The Notes will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Notes will be awarded by lot. The City reserves the right to reject any and all bids and to waive any informality in any bid. **The Notes will not be awarded if the TIC (taking the purchaser's compensation into account) exceeds 5.25% or if the other conditions set forth in the Parameters Resolution are not satisfied.**

BOND INSURANCE

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

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

CUSIP NUMBERS

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Notes shall be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CONTINUING DISCLOSURE

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

NEW ISSUE PRICING

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

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

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

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

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

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

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

(1) the close of the fifth (5th) business day after the sale date; or

(2) the date on which the underwriters have sold at least 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Official Statement relating to the Notes prior to the bid opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The Underwriter (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

Molly Powell, City Treasurer
City of Tomah, Wisconsin

BID FORM

June 27, 2024

City of Tomah, Wisconsin (the "City")

RE: \$2,640,000* General Obligation Promissory Notes, Series 2024A (the "Notes")

DATED: July 16, 2024

For all or none of the above Notes, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$_____ (not less than \$2,607,000 nor more than \$2,824,800) plus accrued interest to date of delivery for fully registered Notes bearing interest rates and maturing in the stated years as follows:

_____ % due 2025	_____ % due 2032	_____ % due 2039
_____ % due 2026	_____ % due 2033	_____ % due 2040
_____ % due 2027	_____ % due 2034	_____ % due 2041
_____ % due 2028	_____ % due 2035	_____ % due 2042
_____ % due 2029	_____ % due 2036	_____ % due 2043
_____ % due 2030	_____ % due 2037	_____ % due 2044
_____ % due 2031	_____ % due 2038	

The City reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of \$5,000 each, with the amount of principal due in 2025 to be determined by the authorized officer so that the amount required to be levied to pay debt service on all general obligation debt outstanding, including the Notes, will be approximately \$2,065,000 in 2025, principal increases or decreases may be made to any maturity from 2026 through 2044 up to a maximum of \$50,000 per maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

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

A good faith deposit ("Deposit") in the amount of \$52,800 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 Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Notes to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about July 16, 2024.

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

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

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

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

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

Account Manager: _____ By: _____
Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from July 16, 2024 of the above bid is \$_____ and the true interest cost (TIC) is ____%.

The foregoing offer is hereby accepted by and on behalf of the the City of Tomah, Wisconsin, on June 27, 2024.

By: _____

Title: _____