

# PRELIMINARY OFFICIAL STATEMENT DATED APRIL 3, 2026

In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended, under existing law interest on the Bonds is excludable from gross income and is not an item of tax preference for federal income tax purposes; however, interest on the Bonds 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 Bonds. The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

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

**New Issue**

**Non-Rated**

## CITY OF TOMAH, WISCONSIN (Monroe County)

### \$3,815,000\* SEWER SYSTEM REVENUE BONDS, SERIES 2026C

**BID OPENING:** April 9, 2026, 10:30 A.M., C.T.

**CONSIDERATION:** Not later than 11:59 P.M., C.T. on April 9, 2026 (PARAMETERS RESOLUTION)

**PURPOSE/AUTHORITY/SECURITY:** The \$3,815,000\* Sewer System Revenue Bonds, Series 2026C (the "Bonds") are being issued pursuant to Section 66.0621, Wisconsin Statutes, by the City of Tomah, Wisconsin (the "City"), to provide funds for the public purpose of financing additions, improvements and extensions to the City's Sewer System (the "Sewer System"). The Bonds are not general obligations of the City but are payable only from and secured by a pledge of income and revenue to be derived from the operation of the Sewer System. The Bonds are being issued on a parity with the City's outstanding Taxable Sewer System Revenue Refunding Bonds, Series 2021C, dated April 15, 2021. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

**DATE OF BONDS:** April 30, 2026

**MATURITY:** May 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2027	\$55,000	2034	\$170,000	2041	\$225,000
2028	140,000	2035	175,000	2042	235,000
2029	145,000	2036	185,000	2043	245,000
2030	150,000	2037	190,000	2044	255,000
2031	155,000	2038	200,000	2045	265,000
2032	160,000	2039	205,000	2046	280,000
2033	165,000	2040	215,000		

**\*MATURITY ADJUSTMENTS:** The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each up to \$100,000 increase or \$50,000 decrease for the 2027 maturity or mandatory redemption amount, and an increase or decrease of up to \$100,000 per maturity or mandatory redemption amount for the 2028 through 2046 maturities or mandatory redemption amounts. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

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

**INTEREST:** May 1, 2027 and semiannually thereafter.

**OPTIONAL REDEMPTION:** Bonds 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:** \$3,767,312.50.

**MAXIMUM BID:** \$4,196,500.

**GOOD FAITH DEPOSIT:** A good faith deposit in the amount of \$76,300 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).

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b)(1), but is subject to revision, amendment and completion in a Final Official Statement.



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## REPRESENTATIONS

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

This Official Statement is not to be construed as a contract with the 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 Bonds. Compensation of Ehlers and Associates, Inc., payable entirely by the Village, is contingent upon the delivery of the Bonds. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the delivery of the Bonds.

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

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

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

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

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

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

## CLOSING CERTIFICATES

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

# TABLE OF CONTENTS

<p>INTRODUCTORY STATEMENT . . . . . 1</p> <p>THE BONDS . . . . . 1</p> <p style="padding-left: 20px;">GENERAL . . . . . 1</p> <p style="padding-left: 20px;">OPTIONAL REDEMPTION . . . . . 1</p> <p style="padding-left: 20px;">AUTHORITY; PURPOSE . . . . . 2</p> <p style="padding-left: 20px;">ESTIMATED SOURCES AND USES . . . . . 2</p> <p style="padding-left: 20px;">SECURITY . . . . . 2</p> <p style="padding-left: 20px;">SEWER SYSTEM REVENUE DEBT</p> <p style="padding-left: 40px;">OUTSTANDING . . . . . 5</p> <p style="padding-left: 20px;">HISTORIC SEWER SYSTEM DEBT</p> <p style="padding-left: 40px;">SERVICE COVERAGES . . . . . 6</p> <p style="padding-left: 20px;">DESCRIPTION OF THE SEWER SYSTEM . . . . . 7</p> <p style="padding-left: 20px;">RATING . . . . . 9</p> <p style="padding-left: 20px;">CONTINUING DISCLOSURE . . . . . 9</p> <p style="padding-left: 20px;">LEGAL MATTERS . . . . . 9</p> <p style="padding-left: 20px;">TAX EXEMPTION . . . . . 10</p> <p style="padding-left: 20px;">ORIGINAL ISSUE DISCOUNT . . . . . 10</p> <p style="padding-left: 20px;">BOND PREMIUM . . . . . 11</p> <p style="padding-left: 20px;">QUALIFIED TAX-EXEMPT OBLIGATIONS . . . . . 12</p> <p style="padding-left: 20px;">MUNICIPAL ADVISOR . . . . . 12</p> <p style="padding-left: 20px;">MUNICIPAL ADVISOR AFFILIATED COMPANIES . 12</p> <p style="padding-left: 20px;">INDEPENDENT AUDITORS . . . . . 12</p> <p style="padding-left: 20px;">RISK FACTORS . . . . . 12</p> <p>VALUATIONS . . . . . 14</p> <p style="padding-left: 20px;">WISCONSIN PROPERTY VALUATIONS;</p> <p style="padding-left: 40px;">PROPERTY TAXES . . . . . 14</p> <p style="padding-left: 20px;">CURRENT PROPERTY VALUATIONS . . . . . 15</p> <p style="padding-left: 20px;">2025 EQUALIZED VALUE BY CLASSIFICATION . . 15</p> <p style="padding-left: 20px;">TREND OF VALUATIONS . . . . . 15</p> <p style="padding-left: 20px;">LARGER TAXPAYERS . . . . . 16</p> <p>DEBT . . . . . 17</p> <p style="padding-left: 20px;">DIRECT DEBT . . . . . 17</p> <p style="padding-left: 20px;">DEBT PAYMENT HISTORY . . . . . 17</p> <p style="padding-left: 20px;">FUTURE FINANCING . . . . . 17</p> <p style="padding-left: 40px;">DEBT LIMIT . . . . . 18</p> <p style="padding-left: 20px;">SCHEDULE OF GENERAL OBLIGATION DEBT . . . 19</p> <p style="padding-left: 20px;">SCHEDULE OF WATER REVENUE DEBT . . . . . 21</p> <p style="padding-left: 20px;">OVERLAPPING DEBT . . . . . 22</p> <p style="padding-left: 20px;">DEBT RATIOS . . . . . 22</p>	<p>TAX LEVIES AND COLLECTIONS . . . . . 23</p> <p style="padding-left: 20px;">TAX LEVIES AND COLLECTIONS . . . . . 23</p> <p style="padding-left: 20px;">PROPERTY TAX RATES . . . . . 24</p> <p style="padding-left: 20px;">LEVY LIMITS . . . . . 24</p> <p style="padding-left: 20px;">REVENUE FROM THE STATE . . . . . 25</p> <p>THE ISSUER . . . . . 25</p> <p style="padding-left: 20px;">CITY GOVERNMENT . . . . . 25</p> <p style="padding-left: 20px;">EMPLOYEES; PENSIONS . . . . . 26</p> <p style="padding-left: 20px;">OTHER POST EMPLOYMENT BENEFITS . . . . . 27</p> <p style="padding-left: 20px;">LITIGATION . . . . . 28</p> <p style="padding-left: 20px;">MUNICIPAL BANKRUPTCY . . . . . 28</p> <p style="padding-left: 20px;">FUNDS ON HAND . . . . . 29</p> <p style="padding-left: 20px;">ENTERPRISE FUNDS . . . . . 30</p> <p style="padding-left: 20px;">SUMMARY GENERAL FUND INFORMATION . . . . 31</p> <p style="padding-left: 20px;">GENERAL FUND BUDGET SUMMARY . . . . . 32</p> <p>GENERAL INFORMATION . . . . . 33</p> <p style="padding-left: 20px;">LOCATION . . . . . 33</p> <p style="padding-left: 20px;">LARGER EMPLOYERS . . . . . 33</p> <p style="padding-left: 20px;">BUILDING PERMITS . . . . . 34</p> <p style="padding-left: 20px;">U.S. CENSUS DATA . . . . . 35</p> <p style="padding-left: 20px;">EMPLOYMENT/UNEMPLOYMENT DATA . . . . . 35</p> <p>FINANCIAL STATEMENTS . . . . . A-1</p> <p>FORM OF LEGAL OPINION . . . . . B-1</p> <p>BOOK-ENTRY-ONLY SYSTEM . . . . . C-1</p> <p>FORM OF CONTINUING DISCLOSURE</p> <p style="padding-left: 20px;">CERTIFICATE . . . . . D-1</p> <p>FORM OF PARAMETERS RESOLUTION . . . . . E-1</p> <p>NOTICE OF SALE . . . . . F-1</p> <p>BID FORM</p>
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## **CITY OF TOMAH COMMON COUNCIL**

		<u>Term Expires</u>
Paul Dwyer	Mayor	April 2026 <sup>1</sup>
Patrick Devine	Alderman	April 2026
John Glynn	Alderman	April 2027
Mitchell Koel	Alderman	April 2027
Nellie Pater	Alderman	April 2027
Dean Peterson	Alderman	April 2026 <sup>1</sup>
Travis Scholze	Alderman	April 2027
Richard Yarrington	Alderman	April 2026 <sup>1</sup>
Shawn Zabinski	Alderman	April 2026 <sup>1</sup>

## **ADMINISTRATION**

Nicholas Morales, City Administrator

Justin Derhammer, City Treasurer

Brandy Leis, Director of Public Works and Utilities

Megan Sweda, Public Works Office Manager

Nicole Jacobs, City Clerk

## **PROFESSIONAL SERVICES**

Penny J. Precour, S.C., 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 Minneapolis, Minnesota)*

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<sup>1</sup>Seeking re-election on April 7, 2026.

# INTRODUCTORY STATEMENT

This Official Statement contains certain information regarding the City of Tomah, Wisconsin (the "City") and the issuance of its \$3,815,000\* Sewer System Revenue Bonds, Series 2026C (the "Bonds"). **The Common Council adopted a resolution on March 16, 2026 (the "Parameters Resolution"), which authorizes either the City Administrator or City Treasurer to accept a bid for the Bonds if the parameters and conditions set forth in the Parameters Resolution are met. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on April 9, 2026, then neither the City Administrator nor the City Treasurer have the authority to award the sale of the Bonds, 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](http://www.ehlers-inc.com) by connecting to the Bond Sales link and following the directions at the top of the site.

## THE BONDS

### GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of April 30, 2026. The Bonds 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, 2027, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

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

The City has selected Bond Trust Services Corporation, Minneapolis, 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 Bonds 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.

\*Preliminary, subject to change.

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

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

**AUTHORITY; PURPOSE**

The Bonds are being issued pursuant to Section 66.0621, Wisconsin Statutes, by the City, to provide funds for the public purpose of financing additions, improvements and extensions to the City's Sewer System (the "Sewer System").

**ESTIMATED SOURCES AND USES\***

<b>Sources</b>		
Par Amount of Bonds	\$3,815,000	
Transfers from Prior Issue Debt Service Funds	73,500	
Estimated Interest Earnings	<u>25,500</u>	
<b>Total Sources</b>		<b>\$3,914,000</b>
<b>Uses</b>		
Estimated Underwriter's Discount	\$47,688	
Costs of Issuance	90,100	
Deposit to Debt Service Reserve Fund	375,535	
Deposit to Project Construction Fund	3,400,000	
Rounding Amount	<u>677</u>	
<b>Total Uses</b>		<b>\$3,914,000</b>

\*Preliminary, subject to change.

**SECURITY**

This section is a summary of security provisions. A detailed explanation of the security provisions is contained in the Parameters Resolution, the form of which is attached as Appendix E.

**Source of Payment:** THE BONDS ARE NOT GENERAL OBLIGATIONS of the City but are payable only out of "Net Revenues" that are pledged to the Special Redemption Fund provided for in the Parameters Resolution (the "Special Redemption Fund"). Net Revenues are defined as all revenues of the Sewer System derived from any source less current expenses, excluding depreciation, debt service, tax equivalents, and capital expenditures. In the Parameters Resolution, the City covenanted to deposit Net Revenues in the Special Redemption Fund in an amount sufficient to pay principal of and interest on the Bonds and to use the funds in the Special Redemption Fund only for

the purpose of paying principal of and interest on the Bonds and the Prior Bonds. The pledge of Net Revenues is on a parity with that granted to the owners of the City's outstanding Taxable Sewer System Revenue Refunding Bonds, Series 2021C, dated April 15, 2021 (the "Prior Bonds").

**Rate Covenant:** In the Parameters Resolution, the City covenanted to maintain the Sewer System in reasonably good condition and operate the Sewer System, and to establish, charge and collect such lawfully established rates and charges for the service rendered by the Sewer System, so that in each fiscal year Net Revenues shall not be less than 125% of the debt service due on all outstanding bonds payable from the Net Revenues of the Sewer System, including the Bonds and the Prior Bonds.

**Additional Bonds Test:** The City reserves the right and privilege to issue additional revenue bonds, from time to time, payable from Sewer System revenues and ranking on a parity with any outstanding Sewer System revenue bonds (the "Parity Bonds"), including the Bonds and the Prior Bonds. No bonds or obligations payable from the Net Revenues of the Sewer System may be issued in such manner as to enjoy priority over the Bonds. Before such additional parity bonds are issued, the City must demonstrate that either:

(1) The Net Revenues for the last completed fiscal year preceding the issuance of such additional obligations must have been at least equal to 1.25 times the average combined annual interest and principal requirements on all the Prior Bonds, the Bonds and any Parity Bonds then outstanding payable from the revenues of the Sewer System (other than the Prior Bonds, Bonds and any Parity Bonds being refunded), and the obligations so proposed to be issued; provided, however, that if prior to the authorization of such additional obligations the City shall have adopted and put into effect a revised schedule of rates, then the Net Revenues of the Sewer System for the last completed fiscal year which would, in the calculations of a registered municipal advisor, an independent consulting engineer or independent certified public accountant employed for that purpose, have resulted from such rates had they been in effect for such period may be used in lieu of the actual Net Revenues for the last completed fiscal year; or

(2) An independent certified public accountant, registered municipal advisor or consulting professional engineer provides calculations setting forth for each of the three fiscal years commencing with the fiscal year following that in which the projects financed by such additional obligations are to be completed, the projected Net Revenues and the maximum annual interest and principal requirements on all bonds outstanding payable from the gross revenues of the Sewer System and on the obligations then to be issued (the "Maximum Annual Debt Service Requirement"); and demonstrating that for each such fiscal year the projected Net Revenues will be in an amount not less than 125% of such Maximum Annual Debt Service Requirement.

**Service to City:** The reasonable cost and value of any service rendered to the City by the Sewer System by furnishing sewer services for public purposes shall be charged against the City and shall be paid by it in monthly installments as the service accrues, out of the current revenues of the City collected or in the process of collection, exclusive of the revenues derived from the Sewer System, to wit: out of the tax levy of the City made by it to raise money to meet its necessary current expenses. It is hereby found and determined that the reasonable cost and value of such service to the City in each year shall be in an amount which, together with Revenues of the System, will produce Net Revenues equivalent to not less than 1.25 times the annual service due on the Bonds and any parity bonds. Such compensation for such service rendered to the City shall, in the manner provided herein above, be paid into the separate and special funds described in the Parameters Resolution. However, such payment is subject to (a) annual appropriations by the Common Council therefor and (b) applicable levy limits, if any; and neither the Parameters Resolution nor such payment shall be construed as constituting an obligation of the City to make any such appropriation over and above the reasonable cost and value of services rendered to the City or to make any subsequent payment over and above such reasonable cost and value.

**Bond Reserve Account:** In the Parameters Resolution, the City covenanted and agreed that upon the issuance of the Bonds an amount equal to the "Reserve Requirement" will be on deposit in the Reserve Account and will be maintained therein as additional security for the payment of principal of and interest on the Bonds and the Prior Bonds. Reserve Requirement is defined as an amount, determined as of the date of issuance of the Bonds, equal to

the least of (a) the amount required to be on deposit in the Reserve Fund prior to the issuance of the Bonds plus the amount permitted to be deposited from proceeds of the Bonds pursuant to Section 148(d)(1) of the Code and Regulations; (b) the maximum annual debt service on the Prior Bonds and the Bonds in a bond year; and (c) 125% of average annual debt service on the Prior Bonds and the Bonds provided, however, after the Prior Bonds are paid in full, that on an ongoing basis it shall never exceed the remaining maximum annual principal and interest due on the Bonds in any bond year.

If parity bonds which are to be secured by the Reserve Account are issued, the Reserve Requirement shall mean an amount, determined as of the date of issuance of the parity bonds, equal to the least of (a) the amount required to be on deposit in the Reserve Account prior to the issuance of such parity bonds, plus the amount permitted to be deposited therein from proceeds of the parity bonds pursuant to Section 148(d)(1) of the Code and Regulations; (b) the maximum annual debt service on outstanding obligations secured by the Reserve Account and the parity bonds to be issued in any bond year; and (c) 125% of average annual debt service on the outstanding obligations secured by the Reserve Account and the parity bonds to be issued; provided, however, after the Prior Bonds are paid in full, that on an ongoing basis it shall never exceed the remaining maximum annual principal and interest due on the outstanding obligations secured by the Reserve Account and Parity Bonds in any bond year.

### **SEWER SYSTEM REVENUE DEBT OUTSTANDING**

All outstanding Sewer System revenue debt of the City is listed on the following page. The debt service coverage ratios included on this page are calculated using unaudited 2025 Net Revenues. No guarantee can be given that the Net Revenues in future years will be the same as the Net Revenues in 2025, and future Net Revenues may be materially different.

### **HISTORIC SEWER SYSTEM DEBT SERVICE COVERAGES**

The exhibit on the Page 6 presents historic debt service coverages of the Sewer System.

**City of Tomah, Wisconsin  
Schedule of Bonded Indebtedness  
Revenue Debt Secured by Sewer Revenues  
(As of 04/30/2026)**

	Taxable Sewer System Revenue Refunding Bonds Series 2021C		Sewer System Revenue Bonds Series 2026C									2025 Unaudited Net Revenue Available for Debt Service**
Dated Amount	04/15/2021 \$735,000		04/30/2026 \$3,815,000*									\$1,791,295
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	Coverage	
2026	95,000	7,700	0	0	95,000	7,700	102,700	4,165,000	2.23%	2026	17.44	
2027	100,000	5,750	55,000	227,047	155,000	232,797	387,797	4,010,000	5.87%	2027	4.62	
2028	100,000	3,750	140,000	143,773	240,000	147,523	387,523	3,770,000	11.50%	2028	4.62	
2029	100,000	1,875	145,000	139,141	245,000	141,016	386,016	3,525,000	17.25%	2029	4.64	
2030	50,000	500	150,000	134,385	200,000	134,885	334,885	3,325,000	21.95%	2030	5.35	
2031			155,000	129,505	155,000	129,505	284,505	3,170,000	25.59%	2031	6.30	
2032			160,000	124,425	160,000	124,425	284,425	3,010,000	29.34%	2032	6.30	
2033			165,000	119,061	165,000	119,061	284,061	2,845,000	33.22%	2033	6.31	
2034			170,000	113,408	170,000	113,408	283,408	2,675,000	37.21%	2034	6.32	
2035			175,000	107,455	175,000	107,455	282,455	2,500,000	41.31%	2035	6.34	
2036			185,000	101,063	185,000	101,063	286,063	2,315,000	45.66%	2036	6.26	
2037			190,000	94,170	190,000	94,170	284,170	2,125,000	50.12%	2037	6.30	
2038			200,000	86,758	200,000	86,758	286,758	1,925,000	54.81%	2038	6.25	
2039			205,000	78,859	205,000	78,859	283,859	1,720,000	59.62%	2039	6.31	
2040			215,000	70,403	215,000	70,403	285,403	1,505,000	64.67%	2040	6.28	
2041			225,000	61,326	225,000	61,326	286,326	1,280,000	69.95%	2041	6.26	
2042			235,000	51,664	235,000	51,664	286,664	1,045,000	75.47%	2042	6.25	
2043			245,000	41,341	245,000	41,341	286,341	800,000	81.22%	2043	6.26	
2044			255,000	30,339	255,000	30,339	285,339	545,000	87.21%	2044	6.28	
2045			265,000	18,703	265,000	18,703	283,703	280,000	93.43%	2045	6.31	
2046			280,000	6,370	280,000	6,370	286,370	0	100.00%	2046	6.26	
	445,000	19,575	3,815,000	1,879,193	4,260,000	1,898,768	6,158,768					

\* Preliminary, subject to change.

\*\*The debt service coverage ratios included on this page are calculated using unaudited 2025 Net Revenues. No guarantee can be given that the Net Revenues in future years will be the same as the Net Revenues in 2025 and future Net Revenues may be materially different.

## HISTORIC STATEMENT OF REVENUES AND EXPENSES

The following table sets for the historic comparison of Net Revenues and debt service secured by revenues of the Sewer System for the audited three-year period ended December 31, 2024 and the unaudited year ended December 31, 2025.

	<u>Audited 2022</u>	<u>Audited 2023</u>	<u>Audited 2024</u>	<u>Unaudited 2025</u>
<b>Operating Revenues</b>				
Operating Revenue	\$ 3,293,707	\$ 3,076,346	\$ 3,082,766	\$ 3,031,450
<b>Total Operating Revenues</b>	\$ 3,293,707	\$ 3,076,346	\$ 3,082,766	\$ 3,031,450
<b>Operating Expenses</b>				
Operation and Maintenance	\$ 1,309,653	\$ 1,354,258	\$ 1,372,622	\$ 1,268,386
Depreciation and Amortization	838,068	850,456	851,132	67,027
Taxes - Payroll & Other	49,707	54,996	55,636	59,357
<b>Total Operating Expenses</b>	\$ 2,197,428	\$ 2,259,710	\$ 2,279,390	\$ 1,394,770
<b>Operating Income</b>	\$ 1,096,279	\$ 816,636	\$ 803,376	\$ 1,636,680
<b>Plus:</b>				
Depreciation and Amortization	\$ 838,068	\$ 850,456	\$ 851,132	\$ 67,027
Interest Income	50,548	144,631	141,667	87,588
<b>Net Revenues Available for Debt Service</b>	\$ 1,984,895	\$ 1,811,723	\$ 1,796,175	\$ 1,791,295
<b>Debt Service</b>				
2021C Taxable Sewer System Revenue Ref Bonds	\$ 14,450	\$ 113,450	\$ 106,500	\$ 104,600
<b>Total Debt Service</b>	\$ 14,450	\$ 113,450	\$ 106,500	\$ 104,600
<b>Debt Service Coverage</b>	<b>137.36</b>	<b>15.97</b>	<b>16.87</b>	<b>17.13</b>

## DESCRIPTION OF THE SEWER SYSTEM

The City owns, operates, and maintains the municipal Sewer System and related appurtenances, serving customers located entirely within the City. The wastewater treatment facility, constructed in 1999, is operated by the Tomah Wastewater Division under the oversight of the Public Works and Utilities Commission (the “Commission”). The Commission consists of six members appointed by the Mayor, subject to approval of the Common Council. The Commission is the policy making body of the Sewer System, overseeing all projects and programs, reviewing and approving the budget, and determining Sewer System projects. Sewer System operations are directed by the Director of Public Works and Utilities. On March 17, 2026, the Common Council voted to forgive a \$1,950,000 advance made by the Sewer System to the City’s Tax Incremental District No. 8 in 2019. Said forgiveness will not impact the City’s Net Revenues available for debt service, but will impact the Sewer System’s noncurrent assets.

The wastewater treatment facility consists of the treatment facility and 56 miles of various-sized sewer lines. The treatment facility has an average daily flow capacity of 2.2 million gallons per day (5,590 gallons per minute) and a current usage of 1.2 million gallons per day. The treatment facility has the capacity and durability to handle current and future development within the City to at least the year 2041, barring unforeseen circumstances.

### History of Usage and Total Billings

Year	Total Usage in Gallons (in 000’s)	Total Billings
2021 <sup>1</sup>	N/A	N/A
2022 <sup>1</sup>	N/A	N/A
2023	225,919	\$2,305,223
2024	268,844	2,510,531
2025	268,424	2,508,668

### History of Sewer Connections by Customer Type

Year	Residential	Commercial	Industrial	Public Authority	Total
2021	3,126	435	35	66	3,662
2022	3,145	436	35	57	3,673
2023	3,167	439	33	57	3,696
2024	3,181	428	34	61	3,704
2025	3,182	424	34	61	3,701

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<sup>1</sup>This information is not available due to the City’s 36-month record retention policy.

## 2025 Larger Sewer Customers

**Total 2025 Sewer Billings**                      \$2,508,668

<b>Customer</b>	<b>2025 Usage in Gallons</b>	<b>2025 Total Billings</b>	<b>Percent of Total Sewer Billings</b>
Veterans Integrated (Tomah VA Hospital)	33,627,836	\$324,727	12.94%
Toro	11,845,328	107,837	4.30%
Band Box	11,279,092	53,998	2.15%
Cardinal IG	5,585,316	53,439	2.13%
Oakwood Village Tomah	4,612,916	45,119	1.80%
Martin Warehousing	4,063,884	39,981	1.59%
Edgewood Terrace	3,900,072	37,668	1.50%
Tomah Health	3,394,424	26,674	1.06%
Walmart	2,145,264	22,078	0.88%
Mars Petcare	397,936	4,048	0.16%

## Sewer Rates

The Common Council establishes rates and charges for the Sewer System. Sewer rates are not subject to approval by the Wisconsin Public Service Commission (“WPSC”). The City annually reviews rates as required under City sewer ordinances to determine if adjustments are required. The sewer service charge for any lot, parcel of land, building or premise is based on the quantity and quality of wastewater generated, on debt service related to the Sewer System, and operation, maintenance and replacement costs of the Sewer System. The following sewer rates were approved in December 2025 and became effective March 1, 2026.

### General Service - Metered

<u>Monthly Volume Charge</u>		<u>Monthly Service Charge</u>	
		<u>Meter Size</u>	<u>Charge</u>
Domestic Strength Rates		5/8"	6.50
Volume Charge	\$7.21/100 cubic feet	1"	16.25
		1-1/2"	32.50
		2"	52.00
		3"	97.50
		4"	162.50
		10"	812.50

## Average Bill for Residential Service in 2025

### Avg. Monthly Usage in Gallons

2,764

### Avg. Monthly Bill

\$25.87

## RATING

None of the outstanding Sewer System revenue indebtedness of the City is currently rated, and the City has not requested a rating on the Bonds. A rating for the Bonds may not be requested without contacting Ehlers and receiving the permission of the City.

## CONTINUING DISCLOSURE

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

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

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

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

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

## **TAX EXEMPTION**

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

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

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

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

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

## **ORIGINAL ISSUE DISCOUNT**

To the extent that the initial public offering price of certain of the Bonds is less than the principal amount payable at maturity, such Bonds ("Discounted Bonds") will be considered to be issued with original issue discount. The original issue discount is the excess of the stated redemption price at maturity of a Discounted Bond over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discounted Bonds were sold (issue price). With respect to a taxpayer who purchases a Discounted Bond in the initial public offering at the issue price and who holds such Discounted Bond to maturity, the full amount of original

issue discount will constitute interest that is not includible in the gross income of the owner of such Discounted Bond for federal income tax purposes and such owner will not, subject to the caveats and provisions herein described, realize taxable capital gain upon payment of such Discounted Bond upon maturity.

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

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

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

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

## **BOND PREMIUM**

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

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

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

## **QUALIFIED TAX-EXEMPT OBLIGATIONS**

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

## **MUNICIPAL ADVISOR AFFILIATED COMPANIES**

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, 2024 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 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 Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here. Potential investors should read this Official Statement, including the appendices, in its entirety.

**System Revenues:** Should rates set be inadequate to cover expenses, an unusual number of delinquencies occur, or a major breakdown or other disaster cause the Sewer System to be inoperable, a shortfall of revenues could result in a delay of debt payments.

**Larger Users:** Should larger users increase or decrease usage of the sewer service currently provided, the revenues of the Sewer System will be affected proportionately.

**Interest Rates:** In the future, interest rates for this type of obligation may rise generally, possibly resulting in a reduction in the value of the Bonds for resale prior to maturity.

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

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

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

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

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

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

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

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

## 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

2025 Equalized Value	\$1,106,365,600
2025 Equalized Value Reduced by Tax Increment Valuation	\$1,042,218,200
2025 Assessed Value	\$983,451,500

## 2025 EQUALIZED VALUE BY CLASSIFICATION

	<b>2025 Equalized Value<sup>1</sup></b>	<b>Percent of Total Equalized Value</b>
Residential	\$585,879,500	52.955%
Commercial	461,479,500	41.711%
Manufacturing	58,780,700	5.313%
Agricultural	57,900	0.005%
Undeveloped	143,800	0.013%
Forest	24,200	0.002%
	<hr/>	<hr/>
Total	<u>\$1,106,365,600</u>	<u>100.000%</u>

## TREND OF VALUATIONS

<b>Year</b>	<b>Assessed Value</b>	<b>Equalized Value<sup>1</sup></b>	<b>Percent Increase/Decrease in Equalized Value</b>
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%
2024	974,604,200 <sup>2</sup>	1,052,146,300	5.23%
2025	983,451,500	1,106,365,600	5.15%

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

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

<sup>2</sup>Reassessment completed in 2024.

**LARGER TAXPAYERS**

<b>Taxpayer</b>	<b>Type of Business/Property</b>	<b>2025 Equalized Value<sup>1</sup></b>	<b>Percent of City's Total Equalized Value</b>
Decem Properties LLC	Rentals	\$31,744,619	2.87%
Walmart Store 6085	Distribution Center	29,875,205	2.70%
Gundersen Lutheran	Hospital	23,374,629	2.11%
Cardinal Glass Industries Inc	Glass Maker/Distributor	18,730,801	1.69%
Toro Company	Landscaping Equipment	14,877,628	1.34%
Realty Income U.S. Core Plus 2 LP	Construction/Rentals	14,779,538	1.34%
Tomah Lumber Properties LLC	Construction/Rentals	12,395,800	1.12%
WH LLC	Rentals	11,054,498	1.00%
3 <sup>rd</sup> Gen LLC	Construction/Rentals	10,674,697	0.96%
Walmart Stores East Inc	Supercenter	<u>9,665,441</u>	<u>0.87%</u>
Total		\$177,172,856	16.01%
City's Total 2025 Equalized Value <sup>2</sup>		\$1,106,365,600	

**Source:** The City.

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<sup>1</sup>Calculated by dividing the 2025 Assessed Values by the 2025 Aggregate Ratio of assessment for the City.

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

## DEBT

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

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

Total General Obligation Debt (includes Concurrent Notes, defined herein)*	<u>\$31,145,000</u>
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#### Revenue Debt (see schedules following)

Total revenue debt secured by sewer revenues (includes the Bonds)* (see schedule on page 5)	<u>\$4,260,000</u>
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Total revenue debt secured by water revenues (includes Concurrent Water Bonds, defined herein)*	<u>\$5,047,438</u>
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\*Preliminary, subject to change.

### DEBT PAYMENT HISTORY

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

### FUTURE FINANCING

Concurrently with the Bonds, the City plans to issue its \$1,050,000\* General Obligation Promissory Notes, Series 2026A (the “Concurrent Notes”) and its \$3,405,000\* Water System Revenue Bonds, Series 2026B (the “Concurrent Water Bonds”) (together, the “Concurrent Obligations”). Aside from the preceding, the City has no current plans for additional financing in the next 12 months.

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

## DEBT LIMIT

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

Equalized Value	\$1,106,365,600
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit <sup>1</sup>	\$55,318,280
Less: General Obligation Debt*	<u>(31,145,000)</u>
Unused Debt Limit*	<u><u>\$24,173,280</u></u>

\*Preliminary, subject to change.

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<sup>1</sup>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 04/30/2026)

	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
2026	0	53,723	120,000	10,800	0	8,318	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										
2045										
	3,770,000	581,970	520,000	27,300	885,000	81,435	2,090,000	69,584	14,565,000	5,000,163

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City of Tomah, Wisconsin  
Schedule of Bonded Indebtedness continued  
General Obligation Debt Secured by Taxes  
(As of 04/30/2026)

	Corporate Purpose Bonds Series 2023A		Promissory Notes Series 2024A		Promissory Notes Series 2025A		Promissory Notes Series 2026A							
Dated	07/27/2023		07/16/2024		07/17/2025		04/30/2026							
Amount	\$3,595,000		\$2,605,000		\$2,495,000		\$1,050,000*							
Maturity	05/01		05/01		05/01		05/01							
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2026	145,000	144,975	110,000	95,200	150,000	141,355	0	0	1,965,000	1,085,092	3,050,092	29,180,000	6.31%	2026
2027	165,000	137,225	110,000	90,800	155,000	101,206	85,000	50,338	2,485,000	1,084,345	3,569,345	26,695,000	14.29%	2027
2028	175,000	128,725	115,000	86,300	140,000	93,831	95,000	29,370	2,370,000	979,204	3,349,204	24,325,000	21.90%	2028
2029	190,000	119,600	115,000	81,700	140,000	86,831	100,000	26,348	2,265,000	896,194	3,161,194	22,060,000	29.17%	2029
2030	205,000	109,725	115,000	77,100	135,000	79,956	80,000	23,578	2,175,000	813,630	2,988,630	19,885,000	36.15%	2030
2031	210,000	99,350	120,000	72,400	130,000	73,331	105,000	20,756	2,035,000	728,094	2,763,094	17,850,000	42.69%	2031
2032	210,000	88,850	120,000	67,600	130,000	66,831	105,000	17,528	1,975,000	642,750	2,617,750	15,875,000	49.03%	2032
2033	220,000	78,100	120,000	62,800	130,000	60,331	120,000	13,980	1,960,000	563,809	2,523,809	13,915,000	55.32%	2033
2034	225,000	68,100	125,000	57,900	130,000	53,831	120,000	10,110	1,970,000	494,809	2,464,809	11,945,000	61.65%	2034
2035	230,000	59,000	125,000	52,900	130,000	47,981	120,000	6,150	1,765,000	429,856	2,194,856	10,180,000	67.31%	2035
2036	235,000	49,700	130,000	47,800	120,000	42,981	120,000	2,070	1,770,000	366,813	2,136,813	8,410,000	73.00%	2036
2037	205,000	40,900	130,000	42,600	120,000	38,181	1,370,000	309,381	1,370,000	309,381	1,679,381	7,040,000	77.40%	2037
2038	210,000	32,600	135,000	37,300	120,000	33,381	1,360,000	254,781	1,360,000	254,781	1,614,781	5,680,000	81.76%	2038
2039	130,000	25,800	135,000	31,900	120,000	28,581	1,265,000	202,281	1,265,000	202,281	1,467,281	4,415,000	85.82%	2039
2040	135,000	20,500	140,000	26,400	110,000	23,981	1,245,000	152,081	1,245,000	152,081	1,397,081	3,170,000	89.82%	2040
2041	145,000	14,900	140,000	20,800	115,000	19,481	1,200,000	103,181	1,200,000	103,181	1,303,181	1,970,000	93.67%	2041
2042	145,000	9,100	145,000	15,100	115,000	14,881	1,205,000	55,081	1,205,000	55,081	1,260,081	765,000	97.54%	2042
2043	155,000	3,100	150,000	9,200	115,000	10,209	420,000	22,509	420,000	22,509	442,509	345,000	98.89%	2043
2044			155,000	3,100	120,000	5,363	275,000	8,463	275,000	8,463	283,463	70,000	99.78%	2044
2045					70,000	1,444	70,000	1,444	70,000	1,444	71,444	0	100.00%	2045
	3,335,000	1,230,250	2,435,000	978,900	2,495,000	1,023,971	1,050,000	200,227	31,145,000	9,193,798	40,338,798			

\* Preliminary, subject to change.

City of Tomah, Wisconsin  
Schedule of Bonded Indebtedness  
Revenue Debt Secured by Water Revenues  
(As of 04/30/2026)

	Water System Revenue Bonds Series 2016		Water System Revenue Bonds Series 2018		Taxable Water System Revenue Series 2021B		Water System Revenue Bonds Series 2026B							
Dated Amount	06/22/2016 \$715,010		05/01/2018 \$791,475		04/15/2021 \$1,125,000		04/30/2026 \$3,405,000*							
Maturity	05/01		05/01		05/01		05/01							
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2026	35,735	3,913	38,406	5,779	155,000	11,938	0	0	229,141	21,630	250,771	4,818,298	4.54%	2026
2027	36,089	3,558	38,837	5,346	160,000	8,788	50,000	202,471	284,925	220,162	505,087	4,533,372	10.18%	2027
2028	36,446	3,199	39,272	4,908	165,000	5,538	125,000	128,186	365,718	141,830	507,549	4,167,654	17.43%	2028
2029	36,807	2,836	39,713	4,465	165,000	2,444	130,000	124,043	371,520	133,787	505,307	3,796,134	24.79%	2029
2030	37,171	2,470	40,158	4,017	50,000	500	135,000	119,770	262,330	126,757	389,086	3,533,805	29.99%	2030
2031	37,539	2,100	40,609	3,564			140,000	115,370	218,148	121,034	339,182	3,315,656	34.31%	2031
2032	37,911	1,726	41,065	3,105			145,000	110,774	223,976	115,606	339,581	3,091,681	38.75%	2032
2033	38,286	1,349	41,525	2,642			145,000	105,989	224,812	109,980	334,792	2,866,869	43.20%	2033
2034	38,665	968	41,991	2,174			155,000	100,925	235,657	104,067	339,724	2,631,213	47.87%	2034
2035	39,048	584	42,463	1,700			160,000	95,490	241,511	97,774	339,284	2,389,702	52.66%	2035
2036	39,435	195	42,939	1,221			165,000	89,720	247,374	91,136	338,509	2,142,329	57.56%	2036
2037			43,421	736			170,000	83,563	213,421	84,299	297,719	1,928,908	61.78%	2037
2038			43,908	246			175,000	77,006	218,908	77,253	296,160	1,710,000	66.12%	2038
2039							185,000	69,984	185,000	69,984	254,984	1,525,000	69.79%	2039
2040							190,000	62,435	190,000	62,435	252,435	1,335,000	73.55%	2040
2041							200,000	54,390	200,000	54,390	254,390	1,135,000	77.51%	2041
2042							210,000	45,778	210,000	45,778	255,778	925,000	81.67%	2042
2043							215,000	36,639	215,000	36,639	251,639	710,000	85.93%	2043
2044							225,000	26,956	225,000	26,956	251,956	485,000	90.39%	2044
2045							235,000	16,663	235,000	16,663	251,663	250,000	95.05%	2045
2046							250,000	5,688	250,000	5,688	255,688	0	100.00%	2046
	413,132	22,898	534,306	39,903	695,000	29,206	3,405,000	1,671,837	5,047,438	1,763,844	6,811,282			

\* Preliminary, subject to change.

**OVERLAPPING DEBT<sup>1</sup>**

<b>Taxing District</b>	<b>2025 Equalized Value<sup>2</sup></b>	<b>% In City</b>	<b>Total G.O. Debt<sup>3</sup></b>	<b>City's Proportionate Share</b>
Monroe County	\$5,697,778,800	19.4175%	\$22,485,000	\$4,366,025
Western Wisconsin Technical College District	36,831,841,057	3.0038%	72,072,000	<u>2,164,899</u>
City's Share of Total Overlapping Debt				<u><u>\$6,530,924</u></u>

**DEBT RATIOS**

	<b>G.O. Debt</b>	<b>Debt/Equalized Value \$1,106,365,600</b>	<b>Debt/ Per Capita 9,696<sup>4</sup></b>
Total General Obligation Debt*	\$31,145,000	2.82%	\$3,212.15
City's Share of Total Overlapping Debt	<u>6,530,924</u>	<u>0.59%</u>	<u>673.57</u>
Total*	\$37,675,924	3.41%	\$3,885.72

\*Preliminary, subject to change.

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<sup>1</sup>Overlapping debt is as of the dated date of the Bonds and the Concurrent Obligations. Only those taxing jurisdictions with general obligation debt outstanding are included in this section. Tomah Area School District does not currently have any outstanding general obligation debt.

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

<sup>3</sup>Outstanding debt based on information obtained on EMMA, Wisconsin Department of Revenue, Wisconsin Department of Public Instruction and the Municipal Advisor's records.

<sup>4</sup>Estimated 2025 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
2021/22	\$5,091,147	100%	\$6.71
2022/23	6,054,517	100%	7.53
2023/24	6,111,112	100%	6.74
2024/25	6,145,318	100%	6.72
2025/26	6,717,652	In Process of Collection	6.45

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.

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. Previously, personal property taxes were required to be paid to the town, city or village treasurer in full by January 31. Uncollected personal property taxes owed by an entity that had ceased operations or filed a petition for bankruptcy, or were due on personal property that had been removed from the next assessment roll were formerly collected from each taxing entity in the year following the levy year. The personal property tax was repealed, starting with the property tax assessments as of January 1, 2024. Beginning in 2025, the personal property tax was 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	Schools <sup>1</sup>	County	Local	Other <sup>2</sup>	Total
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
2024/25	6.47	3.98	6.72	0.16	17.33
2025/26	6.29	3.91	6.45	0.14	16.79

**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%.

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

<sup>2</sup>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.

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. 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.

The Bonds were authorized pursuant to Section 66.0621 of the Wisconsin Statutes and may be subject to the special provisions described above.

## **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. Chapter 79, Wis. Stats. includes other revenue sharing programs, which each have their own requirements. 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 2025, the City received approximately \$2,244,000 in shared revenue under Chapter 79, Wis. Stats., an increase from the approximately \$2,201,000 received in 2024. The City is expected to receive approximately \$2,308,000 in shared revenue under Chapter 79, Wis. Stats. in 2026. 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 appointed City Administrator, City Treasurer and City Clerk are responsible for administrative details and financial records.

## **EMPLOYEES; PENSIONS**

The City employs a staff of 79 full-time, 24 part-time, and 58 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, 2022, the fiscal year ended December 31, 2023 and the fiscal year ended December 31, 2024 ("Fiscal Year 2024"), the City's portion of contributions to WRS (not including any employee contributions) totaled \$530,510, \$586,555 and \$674,191, 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, 2023, the total pension liability of the WRS was calculated as \$129.2 billion and the fiduciary net position of the WRS was calculated as \$127.7 billion, resulting in a net pension liability of \$1.5 billion. As of December 31, 2024, the total pension liability of the WRS was calculated as \$136.18 billion and the fiduciary net position of the WRS was calculated as \$134.54 billion, resulting in a net pension liability of \$1.64 billion. Accordingly, the City will continue to report a liability for its proportionate share of the net pension liability in its audited financial statements for the year ended December 31, 2025.

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 2024, the City reported a liability of \$658,166 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2023 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 0.04426714% of the aggregate WRS net pension liability as of December 31, 2023.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of net pension liability of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see Note 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.<sup>1</sup>

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:

<b>Bargaining Unit</b>	<b>Expiration Date of Current Contract</b>
Tomah Police Protective Association	December 31, 2027
La Crosse Area Fire Fighters Association, IAFF Local 127	December 31, 2027

## **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 2024, the City's portion of contributions to the LRLIF totaled \$2,040. For Fiscal Year 2023, the City reported a liability of \$421,806 for its proportionate share of the net other post-employment benefit ("OPEB") liability of the LRLIF. The net OPEB liability was measured as of December 31, 2023 based on the City's share of contributions to the LRLIF relative to the contributions of all participating employers. The City's proportion was 0.09168400% of the aggregate LRLIF net OPEB liability as of December 31, 2023.

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<sup>1</sup> On July 3, 2024, a Wisconsin circuit court judge issued a decision in the case *Abbotsford Education Association vs. Wisconsin Employment Relations Commission, Case No. 2023CV3152*, denying the Wisconsin State Legislature's intervening motion to dismiss the plaintiffs' challenge to the different classifications the Act created regarding collective bargaining rights. The court's order denying the motion to dismiss stated that the Act violates the equal protection clause of the Wisconsin Constitution and declared those provisions of the Act relating to collective bargaining modifications unconstitutional and void. The decision further instructed the parties to make additional filings to the court as to whether the court should issue judgment on the pleadings in light of the court's order or take some other action to bring the case to a final judgment. On December 2, 2024, the court issued an order granting the plaintiffs' motion for judgment on the pleadings and striking down substantial portions of the Act. The court's decision has been appealed to the Wisconsin Court of Appeals. On January 23, 2025, the court granted a motion to stay the decision pending outcome of the appeal. No guarantee can be made regarding the outcome of the matter.

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 Bonds or otherwise questioning the validity of the Bonds.

## **MUNICIPAL BANKRUPTCY**

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

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

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

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

**FUNDS ON HAND** (as of January 31, 2026)

<b>Fund</b>	<b>Total Cash and Investments</b>
General	\$3,084,959
Lake	259,873
CDBG	304,849
Debt	35,522
Capital	6,157,460
Library	1,659,155
Senior Center & Disabled Services	200,000
Sewer Department	3,310,860
Water Department	<u>2,878,350</u>
Total Funds on Hand	<u><u>\$17,891,027</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:

	<b>2023</b> <b>Audited</b>	<b>2024</b> <b>Audited</b>	<b>2025</b> <b>Unaudited</b>
<b>Water</b>			
Total Operating Revenues	\$2,588,267	\$2,698,944	\$2,794,740
Less: Operating Expenses	<u>(1,752,569)</u>	<u>(2,122,664)</u>	<u>(2,184,703)</u>
Operating Income	\$835,698	\$576,280	\$610,037
Plus: Depreciation	721,723	753,879	723,509
Taxes - Payroll & Other	20,689	21,074	370,839
Interest Income	<u>118,022</u>	<u>173,551</u>	<u>94,817</u>
Revenues Available for Debt Service	<u><u>\$1,696,132</u></u>	<u><u>\$1,524,784</u></u>	<u><u>\$1,799,202</u></u>
<b>Sewer</b>			
Total Operating Revenues	\$3,076,346	\$3,082,766	\$3,031,450
Less: Operating Expenses	<u>(2,259,710)</u>	<u>(2,279,390)</u>	<u>(1,394,770)</u>
Operating Income	\$816,636	\$803,376	\$1,636,680
Plus: Depreciation	850,456	851,132	67,027
Interest Income	<u>144,631</u>	<u>141,667</u>	<u>87,588</u>
Revenues Available for Debt Service	<u><u>\$1,811,723</u></u>	<u><u>\$1,796,175</u></u>	<u><u>\$1,791,295</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 2024 audited financial statements.

### FISCAL YEAR ENDING DECEMBER 31

#### COMBINED STATEMENT

	2022 Audited	2023 Audited	2024 Audited	2025 Unaudited
<b>Revenues</b>				
Taxes & special assessments	\$3,873,329	\$3,949,283	\$3,993,263	\$4,282,081
Intergovernmental	2,896,854	2,772,175	3,463,908	3,505,910
Licenses and permits	97,648	175,192	102,081	135,498
Fines, forfeits and penalties	105,430	131,899	103,913	118,027
Public charges for services	253,528	292,647	220,521	273,895
Intergovernmental charges for services	61,524	64,317	67,191	70,011
Interest income	(121,662)	91,905	361,060	1,510,864
Miscellaneous	281,429	80,082	57,882	0
<b>Total Revenues</b>	<u>\$7,448,080</u>	<u>\$7,557,500</u>	<u>\$8,369,819</u>	<u>\$9,896,286</u>
<b>Expenditures</b>				
Current:				
General government	\$1,344,028	\$1,278,783	\$1,469,809	\$1,407,478
Public safety	3,627,265	3,838,841	3,866,959	4,209,066
Public works	2,154,667	1,910,629	2,127,066	2,152,578
Culture, recreation and education	737,545	785,820	894,254	951,932
Conservation and development	12,008	178	15,946	(17)
Capital outlay	210,247	183,101	258,960	31,822
<b>Total Expenditures</b>	<u>\$8,085,760</u>	<u>\$7,997,352</u>	<u>\$8,632,994</u>	<u>\$8,752,859</u>
<b>Excess of revenues over (under) expenditures</b>	(\$637,680)	(\$439,852)	(\$263,175)	\$1,143,427
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$340,153	\$362,656	\$349,516	\$0
Transfers (out)	(33,000)	(35,261)	0	0
Sale of capital asset	9,534	27,696	85,000	0
<b>Total Other Financing Sources (Uses)</b>	<u>316,687</u>	<u>355,091</u>	<u>434,516</u>	<u>0</u>
<b>Net changes in Fund Balances</b>	(\$320,993)	(\$84,761)	\$171,341	\$1,143,427
General Fund Balance January 1	<u>\$2,574,617</u>	<u>\$2,253,624</u>	<u>\$2,168,863</u>	<u>\$2,340,204</u>
General Fund Balance December 31	\$2,253,624	\$2,168,863	\$2,340,204	\$3,483,631
<b>DETAILS OF DECEMBER 31 FUND BALANCE</b>				
Nonspendable	\$11,040	\$16,579	\$16,794	
Restricted	62,194	115,125	89,877	
Assigned	273,990	78,578	99,796	
Unassigned	1,906,400	1,958,581	2,133,737	
<b>Total</b>	<u>\$2,253,624</u>	<u>\$2,168,863</u>	<u>\$2,340,204</u>	

## GENERAL FUND BUDGET SUMMARY

FISCAL YEAR ENDING DECEMBER 31

### COMBINED STATEMENT

	<b>2026 Amended Budget <sup>1</sup></b>
Revenues	
Taxes & special assessments	\$5,133,457
Intergovernmental	3,232,078
Licenses and permits	129,375
Fines, forfeits and penalties	130,000
Public charges for services	267,830
Intergovernmental charges for services	80,000
Other financing sources	109,555
Miscellaneous	297,425
<b>Total Revenues</b>	<u>\$9,359,720</u>
Expenditures	
General government	\$1,497,348
Public safety	4,257,115
Public works	2,205,063
Culture, recreation and education	908,890
Conservation and development	5,000
Capital outlay	30,050
<b>Total Expenditures</b>	<u>\$8,903,466</u>
<b>Excess of revenues over (under) expenditures</b>	\$456,254

<sup>1</sup> The 2026 budget was adopted on November 17, 2025 and amended on December 1, 2025 to correct clerical errors.

## GENERAL INFORMATION

### LOCATION

The City, with a 2020 U.S. Census population of 9,570 and a current estimated population of 9,696 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 EMPLOYERS<sup>1</sup>

Larger employers in the City include the following:

<b>Firm</b>	<b>Type of Business/Product</b>	<b>Estimated No. of Employees</b>
VA Medical Center	Hospital	800
Walmart Distribution Center	Warehouse	601
Toro Co.	Manufacturing	600
Tomah Area School District	Elementary & secondary education	453
Cardinal TG and IG	Glass manufacturing	350
Walmart Supercenter	Retail	340
Gerke Excavating Inc.	Trucking - heavy hauling and excavating	300
Tomah Health	Hospital and clinic	207
The City	Local Government	161
Handishop Industries Inc.	Adult day center	150

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

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

## BUILDING PERMITS

	2022	2023	2024	2025	2026 <sup>1</sup>
<u>New Single Family Homes</u>					
No. of building permits	2	3	9	9	0
Valuation	\$1,050,000	\$778,000	\$2,897,728	\$1,525,000	\$0
<u>New Multiple Family Buildings</u>					
No. of building permits	3	6	2	1	0
Valuation	\$900,000	\$6,590,000	\$600,000	\$350,000	\$0
<u>New Commercial/Industrial</u>					
No. of building permits	7	5	6	8	1
Valuation	\$1,820,000	\$2,558,295	\$8,115,000	\$5,841,290	\$164,610
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	253	292	288	245	26
Valuation	\$15,577,683	\$31,802,713	\$18,085,927	\$10,689,041	\$193,378

**Source:** The City.

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<sup>1</sup>As of March 3, 2026.

## 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%
2025 Estimated Population	9,696

### Income and Age Statistics

	<b>The City</b>	<b>Monroe County</b>	<b>State of Wisconsin</b>	<b>United States</b>
2024 per capita income	\$34,585	\$35,704	\$43,373	\$44,673
2024 median household income	\$51,274	\$69,467	\$77,485	\$80,734
2024 median family income	\$80,179	\$88,980	\$100,141	\$99,999
2024 median gross rent	\$903	\$914	\$1,087	\$1,413
2024 median value owner occupied units	\$174,300	\$210,000	\$266,500	\$332,700
2024 median age	41.8 yrs.	39.7 yrs.	40.2 yrs.	38.9 yrs.

	<b>State of Wisconsin</b>	<b>United States</b>
City % of 2024 per capita income	79.74%	77.42%
City % of 2024 median family income	80.07%	80.18%

### Housing Statistics

	<b><u>The City</u></b>		
	<b>2020</b>	<b>2024</b>	<b>Percent of Change</b>
All Housing Units	4,456	4,832	8.44%

**Source:** 2010 and 2020 Census of Population and Housing, Wisconsin Demographic Services Center ([https://doa.wi.gov/Pages/LocalGovtsGrants/Population\\_Estimates.aspx](https://doa.wi.gov/Pages/LocalGovtsGrants/Population_Estimates.aspx)) and 2024 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov/cedsci>).

## EMPLOYMENT/UNEMPLOYMENT DATA

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

<b>Year</b>	<b><u>Average Employment</u></b>		<b><u>Average Unemployment</u></b>	
	<b>Monroe County</b>	<b>Monroe County</b>	<b>State of Wisconsin</b>	
2021	22,189	3.4%	3.8%	
2022	22,195	2.6%	2.8%	
2023	22,573	2.5%	2.8%	
2024	22,850 <sup>1</sup>	2.7% <sup>1</sup>	3.0%	
2025, December <sup>1</sup>	21,960	2.9%	3.0%	

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

<sup>1</sup> Preliminary.

**FINANCIAL STATEMENTS**

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

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

**CITY OF TOMAH, WISCONSIN**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**YEAR ENDED DECEMBER 31, 2024**



CPAs | CONSULTANTS | WEALTH ADVISORS

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**CITY OF TOMAH, WISCONSIN  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2024**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>4</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>6</b>
<b>BALANCE SHEET – GOVERNMENTAL FUNDS</b>	<b>7</b>
<b>RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO     NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>8</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND     BALANCES – GOVERNMENTAL FUNDS</b>	<b>9</b>
<b>RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,     AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO     THE STATEMENT OF ACTIVITIES</b>	<b>10</b>
<b>STATEMENT OF NET POSITION – PROPRIETARY FUNDS</b>	<b>11</b>
<b>STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET     POSITION – PROPRIETARY FUNDS</b>	<b>13</b>
<b>STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS</b>	<b>14</b>
<b>STATEMENT OF FIDUCIARY NET POSITION</b>	<b>16</b>
<b>STATEMENT OF CHANGES IN FIDUCIARY NET POSITION</b>	<b>17</b>
<b>NOTES TO BASIC FINANCIAL STATEMENTS</b>	<b>18</b>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
<b>1 – BUDGETARY COMPARISON SCHEDULE – GENERAL FUND</b>	<b>58</b>
<b>2 – BUDGETARY COMPARISON SCHEDULE – CDBG FUND</b>	<b>59</b>
<b>3 – BUDGETARY COMPARISON SCHEDULE – AMBULANCE FUND</b>	<b>60</b>
<b>4 – SCHEDULE OF PROPORTIONATE SHARE OF WISCONSIN     RETIREMENT SYSTEM NET PENSION PLAN (ASSET) LIABILITY – LAST     TEN FISCAL YEARS</b>	<b>61</b>
<b>5 – SCHEDULE OF CONTRIBUTIONS TO WISCONSIN RETIREMENT     SYSTEM PENSION PLAN – LAST TEN FISCAL YEARS</b>	<b>62</b>

**CITY OF TOMAH, WISCONSIN  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2024**

<b>6 – SCHEDULE OF CITY’S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY WISCONSIN LOCAL RETIREE LIFE INSURANCE FUND MULTIEMPLOYER OPEB PLAN – LAST TEN FISCAL YEARS</b>	<b>63</b>
<b>7 – SCHEDULE OF CITY’S CONTRIBUTIONS TO WISCONSIN LOCAL RETIREE LIFE INSURANCE FUND MULTIEMPLOYER OPEB PLAN – LAST TEN FISCAL YEARS</b>	<b>64</b>
<b>NOTES TO REQUIRED SUPPLEMENTARY INFORMATION</b>	<b>65</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS</b>	<b>67</b>
<b>COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS</b>	<b>68</b>



## INDEPENDENT AUDITORS' REPORT

City Council  
City of Tomah, Wisconsin  
Tomah, Wisconsin

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the 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, 2024, 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 accompanying 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, 2024, 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  
February 14, 2026

**CITY OF TOMAH, WISCONSIN  
STATEMENT OF NET POSITION  
DECEMBER 31, 2024**

<b>ASSETS</b>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
Cash and Investments	\$ 12,772,921	\$ 7,357,987	\$ 20,130,908
Restricted Cash and Investments	-	299,083	299,083
Taxes Receivable	5,896,406	30,741	5,927,147
Receivables:			
Other Receivables, Net of Allowance for Doubtful Accounts	844,658	524,347	1,369,005
Interest	-	9,870	9,870
Lease Receivable	2,321	-	2,321
Prepayments	471,921	-	471,921
Internal Balances	(1,151,913)	1,151,913	-
Due from Other Governments	6,969	-	6,969
Inventories	-	75,919	75,919
Restricted Cash and Investments	-	609,135	609,135
Special Assessments Receivable	72,719	3,026	75,745
Loan Receivable, Net of Allowance for Doubtful Accounts	1,018,186	-	1,018,186
Right-to-Use Lease Receivable	226,232	-	226,232
Capital Assets:			
Capital Assets Not Being Depreciated/Amortized	7,346,284	2,419,516	9,765,800
Capital Assets Being Depreciated/Amortized	83,082,266	64,950,440	148,032,706
Less: Accumulated Depreciation and Amortization	<u>(36,454,495)</u>	<u>(26,192,763)</u>	<u>(62,647,258)</u>
 Total Assets	 74,134,475	 51,239,214	 125,373,689
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Wisconsin Retirement System Pension Related	5,377,897	536,533	5,914,430
Life Insurance Other Postemployment Benefits Related	<u>140,779</u>	<u>14,045</u>	<u>154,824</u>
 Total Deferred Outflows of Resources	 5,518,676	 550,578	 6,069,254

See accompanying Notes to Basic Financial Statements.



**CITY OF TOMAH, WISCONSIN  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2024**

Functions/Programs	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
<b>GOVERNMENTAL ACTIVITIES</b>					
General Government	\$ 1,602,135	\$ -	\$ -	\$ (1,424,177)	\$ -
Public Safety	8,632,758	187,098	146,784	(4,981,056)	-
Public Works	5,215,454	853,609	-	(4,276,384)	-
Health and Human Services	182,119	7,482	-	(154,973)	-
Culture, Recreation, and Education	1,794,915	274,530	-	(1,344,159)	-
Conservation and Development	450,698	849	-	(392,520)	-
Interest and Fiscal Charges	1,013,313	-	-	(1,013,313)	-
Total Governmental Activities	18,891,392	1,392,230	146,784	(13,586,582)	-
<b>BUSINESS-TYPE ACTIVITIES</b>					
Water Utility	2,155,749	-	3,500	-	546,695
Sewer Utility	2,232,877	-	7,650	-	857,539
Mass Transit	1,330,603	682,885	-	-	(407,303)
Total Business-Type Activities	5,719,229	682,885	11,150	-	996,931
Total Primary Government	\$ 24,610,621	\$ 9,787,921	\$ 2,075,115	(13,586,582)	996,931
					(12,589,651)
<b>GENERAL REVENUES</b>					
Property Taxes, Levied for General Purposes				5,921,647	5,966,647
Property Taxes, Levied for Debt Service				1,945,609	1,945,609
Other Taxes				178,114	178,114
Room Taxes				734,817	734,817
Payments in Lieu of Taxes				-	-
State and Federal Aid Not Restricted for a Particular Purpose				2,550,284	2,550,284
Interest Income				609,467	924,685
Miscellaneous				112,318	112,318
Gain on Sale of Capital Assets				85,000	85,000
Transfers				349,516	(349,516)
Total General Revenues and Transfers				12,486,772	12,497,474
<b>CHANGE IN NET POSITION</b>				(1,099,810)	1,007,633
Net Position - Beginning of Year				32,865,178	46,298,055
<b>NET POSITION - END OF YEAR</b>				\$ 31,765,368	\$ 47,305,688

See accompanying Notes to Basic Financial Statements.

**CITY OF TOMAH, WISCONSIN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2024**

	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				
<b>ASSETS</b>												
Cash and Investments	\$ 2,879,983	\$ 589,703	\$ 864,557	\$ 383,612	\$ 1,047,272	\$ 2,534,086	\$ 99,097	\$ 4,374,601	\$ 12,772,921			
Taxes Receivable	2,555,420	-	1,408,710	827,018	322,896	-	-	782,362	5,896,406			
Delinquent Personal Property Taxes	30,656	-	-	-	-	-	-	-	30,656			
Special Assessments Receivable	72,719	-	-	-	-	-	-	-	72,719			
Other Receivable, Net of Allowance for Doubtful Accounts	51,516	-	-	-	-	679,637	-	82,849	814,002			
Right-to-Use Lease Receivable	228,553	-	-	-	-	-	-	-	228,553			
Prepayments	16,794	-	-	-	-	-	-	455,127	471,921			
Due from Other Funds	1,375,000	-	-	-	-	-	-	-	1,375,000			
Due from Other Governments	6,969	-	-	-	-	-	-	-	6,969			
Loans Receivable, Net of Allowance for Doubtful Accounts	118,085	761,937	-	138,164	-	-	-	-	1,018,186			
<b>Total Assets</b>	<b>\$ 7,335,705</b>	<b>\$ 1,351,640</b>	<b>\$ 2,273,267</b>	<b>\$ 1,348,794</b>	<b>\$ 1,370,168</b>	<b>\$ 3,213,723</b>	<b>\$ 99,097</b>	<b>\$ 5,694,939</b>	<b>\$ 22,687,333</b>			

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

<b>LIABILITIES</b>												
Accounts Payable	\$ 167,374	\$ 3,041	\$ -	\$ 31	\$ 31	\$ 54,236	\$ 298,402	\$ 20,768	\$ 543,883			
Accrued Liabilities	285,055	-	-	128	128	40,215	-	10,149	335,675			
Due to Other Governments	3,754	1,197	-	-	-	-	-	-	4,951			
Due to Other Funds	71,400	-	-	172,440	-	-	329,582	-	573,422			
Unearned Revenue - Other	341,010	-	-	-	-	-	-	150	341,160			
Advance from Other Funds	-	-	-	1,953,491	-	-	-	-	1,953,491			
<b>Total Liabilities</b>	<b>868,593</b>	<b>4,238</b>	<b>-</b>	<b>2,126,090</b>	<b>159</b>	<b>94,451</b>	<b>627,984</b>	<b>31,067</b>	<b>3,752,582</b>			

**DEFERRED INFLOWS OF RESOURCES**

Subsequent Years Taxes	3,740,752	-	2,062,140	1,210,630	472,671	-	-	1,145,261	8,631,454			
Right-to-Use Lease Related	197,818	-	-	-	-	-	-	-	197,818			
Unavailable Revenue - Special Assessments	70,253	-	-	-	-	-	-	-	70,253			
Unavailable Revenue - Other	118,085	761,937	-	138,164	-	-	-	-	1,018,186			
<b>Total Deferred Inflows of Resources</b>	<b>4,126,908</b>	<b>761,937</b>	<b>2,062,140</b>	<b>1,348,794</b>	<b>472,671</b>	<b>-</b>	<b>-</b>	<b>1,145,261</b>	<b>9,917,711</b>			

**FUND BALANCES**

Nonspendable	16,794	-	-	-	-	-	-	455,127	471,921			
Restricted	89,877	585,465	211,127	-	897,338	-	-	3,364,789	5,148,596			
Assigned	99,796	-	-	-	-	3,119,272	-	599,192	3,818,260			
Unassigned	2,133,737	-	-	(2,126,090)	-	-	(528,887)	99,503	(421,737)			
<b>Total Fund Balances</b>	<b>2,340,204</b>	<b>585,465</b>	<b>211,127</b>	<b>(2,126,090)</b>	<b>897,338</b>	<b>3,119,272</b>	<b>(528,887)</b>	<b>4,518,611</b>	<b>9,017,040</b>			

Total Liabilities, Deferred Inflows of  
Resources, and Fund Balances

	\$ 7,335,705	\$ 1,351,640	\$ 2,273,267	\$ 1,348,794	\$ 1,370,168	\$ 3,213,723	\$ 99,097	\$ 5,694,939	\$ 22,687,333			
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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, 2024**

Total Fund Balances - Governmental Funds	\$	9,017,040
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	2,977,508	
Buildings and Improvements	27,860,255	
Improvements Other than Buildings	11,551,207	
Machinery and Equipment	13,158,610	
Infrastructure	30,512,194	
Accumulated Depreciation	<u>(36,454,495)</u>	53,974,055
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	70,253	
Loans Receivable	<u>1,018,186</u>	1,088,439
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	5,377,897	
Net Pension Liability	(598,460)	
Deferred Inflows of Resources	<u>(3,241,254)</u>	1,538,183
Local Retiree Life Insurance Other Postemployment Benefit:		
Deferred Outflows of Resources	140,779	
Net OPEB Liability	(383,541)	
Deferred Inflows of Resources	<u>(203,785)</u>	(446,547)
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	(29,590,000)	
Accrued Interest Payable	(232,320)	
Landfill Post-Closure Liability	(1,467,000)	
Compensated Absences	(698,760)	
Unamortized Debt Premium	<u>(1,417,722)</u>	<u>(33,405,802)</u>
Net Position of Governmental Activities	\$	<u><u>31,765,368</u></u>

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, 2024**

	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
<b>REVENUES</b>									
Property Taxes	\$ 3,753,797	\$ -	\$ 1,945,609	\$ 719,365	\$ 420,641	\$ -	\$ -	\$ 1,027,844	\$ 7,867,256
Other Taxes	178,114	-	-	-	-	-	-	734,817	912,931
Special Assessment Revenue	61,352	-	13,870	-	-	-	-	-	75,222
Intergovernmental	3,463,908	-	-	9,447	-	700	146,784	242,888	3,863,727
License and Permits	102,081	-	-	-	-	-	-	-	102,081
Fines, Forfeits, and Penalties	103,913	-	-	-	-	-	-	-	103,913
Public Charges for Services	220,521	-	-	-	-	2,876,838	-	9,152	3,106,511
Intergovernmental Charges for Services	67,191	-	-	-	-	377,220	-	-	444,411
Interest Income	361,060	139	17,068	6,276	5,524	1,757	249,460	(31,817)	609,467
Donations	-	-	-	-	-	-	-	37,264	37,264
Miscellaneous Income	57,882	24,385	-	10,525	-	6,139	-	204,175	303,106
Total Revenues	8,369,819	24,524	1,976,547	745,613	426,165	3,262,654	396,244	2,224,323	17,425,889
<b>EXPENDITURES</b>									
Current:									
General Government	1,469,809	-	-	-	-	-	-	-	1,469,809
Public Safety	3,866,959	-	-	-	-	2,842,188	-	20,461	6,729,608
Public Works	2,127,066	-	-	-	-	-	-	-	2,127,066
Health and Human Services	-	-	-	-	-	-	-	175,712	175,712
Culture, Recreation, and Education	894,254	-	-	-	-	-	-	645,452	1,539,706
Conservation and Development	15,946	16,728	-	8,190	8,285	-	-	402,942	452,091
Debt Service:									
Principal	-	-	2,285,000	-	-	-	-	-	2,285,000
Interest	-	-	1,087,708	-	-	-	-	-	1,087,708
Other	-	-	2,295	-	-	-	116,194	-	118,489
Capital Outlay	258,960	-	-	105,361	-	263,676	5,360,274	155,793	6,144,064
Total Expenditures	8,632,994	16,728	3,375,003	113,551	8,285	3,105,864	5,476,468	1,400,360	22,129,253
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(263,175)	7,796	(1,398,456)	632,062	417,880	156,790	(5,080,224)	823,963	(4,703,364)
<b>OTHER FINANCING SOURCES (USES)</b>									
Long-Term Debt Issued	-	-	-	-	-	-	2,605,000	-	2,605,000
Premium on Debt Issued	-	-	-	-	-	-	42,957	-	42,957
Transfers In	349,516	-	1,083,728	-	-	-	-	-	1,433,244
Transfers Out	-	-	-	(444,474)	(73,449)	(459,325)	-	(106,480)	(1,083,728)
Sale of Capital Assets	85,000	-	-	-	-	-	-	-	85,000
Total Other Financing Sources (Uses)	434,516	-	1,083,728	(444,474)	(73,449)	(459,325)	2,647,957	(106,480)	3,082,473
<b>NET CHANGE IN FUND BALANCES</b>	171,341	7,796	(314,728)	187,588	344,431	(302,535)	(2,432,267)	717,483	(1,620,891)
Fund Balances - Beginning of Year	2,168,863	577,669	525,855	(2,313,678)	552,907	3,421,807	1,903,380	3,801,128	10,637,931
<b>FUND BALANCES - END OF YEAR</b>	\$ 2,340,204	\$ 585,465	\$ 211,127	\$ (2,126,090)	\$ 897,338	\$ 3,119,272	\$ (528,887)	\$ 4,518,611	\$ 9,017,040

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, 2024**

Net Change in Fund Balances - Governmental Funds \$ (1,620,891)

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	\$ 3,985,650	
Depreciation Expense Reported in the Statement of Activities	<u>(2,731,815)</u>	1,253,835

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.

Disposal of Governmental Activities Capital Assets		(357,471)
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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.

		(68,823)
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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 Related	216,636	
Local Retiree Life Insurance Other Postemployment Benefit Related	<u>(82,514)</u>	134,122

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	(2,605,000)	
Landfill Post-Closure Liability	<u>(107,896)</u>	(2,712,896)

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	2,285,000	
Landfill Post-Closure Liability	<u>63,896</u>	2,348,896

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.

		(42,957)
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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	9,459	
Amortization of Debt Premium	183,425	
Net Change in Compensated Absences Payable	<u>(226,509)</u>	<u>(33,625)</u>

Change in Net Position of Governmental Activities		<u>\$ (1,099,810)</u>
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See accompanying Notes to Basic Financial Statements.

**CITY OF TOMAH, WISCONSIN  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2024**

	Business-Type Activities - Enterprise Funds			
	Major		Nonmajor	
	Water Utility	Sewer Utility	Mass Transit	Totals
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and Investments	\$ 3,441,330	\$ 3,902,398	\$ 14,259	\$ 7,357,987
Restricted Cash and Investments	225,583	73,500	-	299,083
Taxes Receivable	-	-	30,741	30,741
Accounts Receivable, Net	229,673	283,303	-	512,976
Other Accounts Receivable	7,609	3,762	-	11,371
Interest Receivable	7,944	1,926	-	9,870
Due from Other Funds	134,823	211,261	-	346,084
Inventories	75,919	-	-	75,919
Total Current Assets	<u>4,122,881</u>	<u>4,476,150</u>	<u>45,000</u>	<u>8,644,031</u>
<b>NONCURRENT ASSETS</b>				
<b>CAPITAL ASSETS</b>				
Land	275,148	1,888,720	-	2,163,868
Construction in Process	9,418	246,230	-	255,648
Buildings and Improvements	2,136,373	6,669,895	-	8,806,268
Machinery and Equipment	3,477,149	10,917,958	282,050	14,677,157
Infrastructure	22,852,737	18,520,375	-	41,373,112
Leased Asset - Land	-	93,903	-	93,903
Less: Accumulated Depreciation/Amortization	<u>(12,088,946)</u>	<u>(13,945,789)</u>	<u>(158,028)</u>	<u>(26,192,763)</u>
Total Capital Assets	<u>16,661,879</u>	<u>24,391,292</u>	<u>124,022</u>	<u>41,177,193</u>
<b>OTHER NONCURRENT ASSETS</b>				
Restricted Cash and Investments	-	609,135	-	609,135
Special Assessment Receivable	1,538	1,488	-	3,026
Advanced to Other Funds	-	1,953,491	-	1,953,491
Total Other Noncurrent Assets	<u>1,538</u>	<u>2,564,114</u>	<u>-</u>	<u>2,565,652</u>
Total Noncurrent Assets	<u>16,663,417</u>	<u>26,955,406</u>	<u>124,022</u>	<u>43,742,845</u>
Total Assets	20,786,298	31,431,556	169,022	52,386,876
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Wisconsin Retirement System Pension Related	247,790	288,743	-	536,533
Local Retirement Life Insurance OPEB Related	6,486	7,559	-	14,045
Total Deferred Outflows of Resources	<u>254,276</u>	<u>296,302</u>	<u>-</u>	<u>550,578</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TOMAH, WISCONSIN  
STATEMENT OF NET POSITION (CONTINUED)  
PROPRIETARY FUNDS  
DECEMBER 31, 2024**

	Business-Type Activities - Enterprise Funds			
	Major		Nonmajor	
	Water Fund	Sewer Fund	Mass Transit	Totals
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts Payable	\$ 62,613	\$ 105,725	\$ 73,942	\$ 242,280
Accrued Liabilities	10,875	16,648	-	27,523
Accrued Interest Payable	5,412	8,201	-	13,613
Due to Other Funds	678,560	134,823	334,279	1,147,662
Unearned Revenue - Other	20,467	-	-	20,467
Current Portion of Long-Term Debt:				
General Obligation Bonds	195,000	155,000	-	350,000
Accrued Compensated Absences	39,759	44,429	-	84,188
Total Current Liabilities	<u>1,012,686</u>	<u>464,826</u>	<u>408,221</u>	<u>1,885,733</u>
<b>CURRENT LIABILITIES FROM RESTRICTED ASSETS</b>				
Accrued Revenue Bond Interest	2,273	-	-	2,273
Current Portion of Revenue Bonds	166,211	-	-	166,211
Total Current Liabilities Payable from Restricted Assets	<u>168,484</u>	<u>-</u>	<u>-</u>	<u>168,484</u>
<b>LONG-TERM LIABILITIES</b>				
Net Pension Liability	27,574	32,132	-	59,706
Local Retirement Life Insurance Net OPEB Liability	17,672	20,593	-	38,265
Accrued Compensated Absences	43,764	44,060	-	87,824
General Obligation Bonds	877,305	1,084,082	-	1,961,387
Revenue Bonds	1,041,667	-	-	1,041,667
Total Long-Term Liabilities	<u>2,007,982</u>	<u>1,180,867</u>	<u>-</u>	<u>3,188,849</u>
<b>Total Liabilities</b>	<b>3,189,152</b>	<b>1,645,693</b>	<b>408,221</b>	<b>5,243,066</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Wisconsin Retirement System Pension Related	149,343	174,026	-	323,369
Local Retirement Life Insurance OPEB Related	9,390	10,941	-	20,331
Subsequent Year Property Taxes	-	-	45,000	45,000
Total Deferred Inflows of Resources	<u>158,733</u>	<u>184,967</u>	<u>45,000</u>	<u>388,700</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	14,381,696	23,152,210	124,022	37,657,928
Restricted for Debt Service	223,310	73,500	-	296,810
Restricted for Equipment Replacement	-	682,635	-	682,635
Unrestricted	<u>3,087,683</u>	<u>5,988,853</u>	<u>(408,221)</u>	<u>8,668,315</u>
<b>Total Net Position</b>	<b><u>\$ 17,692,689</u></b>	<b><u>\$ 29,897,198</u></b>	<b><u>\$ (284,199)</u></b>	<b><u>\$ 47,305,688</u></b>

See accompanying Notes to Basic Financial Statements.

**CITY OF TOMAH, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2024**

	Business-Type Activities - Enterprise Funds			
	Major		Nonmajor	Totals
	Water Utility	Sewer Utility	Mass Transit	
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 2,558,181	\$ 2,931,719	\$ 240,415	\$ 5,730,315
Intergovernmental Revenue	-	-	682,885	682,885
Other Operating Revenues	140,763	151,047	-	291,810
Total Operating Revenues	<u>2,698,944</u>	<u>3,082,766</u>	<u>923,300</u>	<u>6,705,010</u>
<b>OPERATING EXPENSES</b>				
Operation and Maintenance	1,347,711	1,372,622	1,287,514	4,007,847
Depreciation/Amortization	753,879	851,132	43,089	1,648,100
Taxes	21,074	55,636	-	76,710
Total Operating Expenses	<u>2,122,664</u>	<u>2,279,390</u>	<u>1,330,603</u>	<u>5,732,657</u>
<b>OPERATING INCOME (LOSS)</b>	576,280	803,376	(407,303)	972,353
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest Income	173,551	141,667	-	315,218
Property Taxes	-	-	45,000	45,000
Miscellaneous Nonoperating Expense	-	73,940	-	73,940
Interest and Fiscal Costs on Long-Term Debt	(33,085)	(27,427)	-	(60,512)
Total Nonoperating Revenue (Expenses)	<u>140,466</u>	<u>188,180</u>	<u>45,000</u>	<u>373,646</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	716,746	991,556	(362,303)	1,345,999
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>				
Capital Contributions	3,500	7,650	-	11,150
Transfers Out	(349,516)	-	-	(349,516)
Total Contributions and Transfers	<u>(346,016)</u>	<u>7,650</u>	<u>-</u>	<u>(338,366)</u>
<b>CHANGE IN NET POSITION</b>	370,730	999,206	(362,303)	1,007,633
Net Position - Beginning of Year	<u>17,321,959</u>	<u>28,897,992</u>	<u>78,104</u>	<u>46,298,055</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 17,692,689</u>	<u>\$ 29,897,198</u>	<u>\$ (284,199)</u>	<u>\$ 47,305,688</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TOMAH, WISCONSIN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2024**

	Business-Type Activities - Enterprise Funds			
	Major		Nonmajor	
	Water Utility	Sewer Utility	Mass Transit	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts From Customers	\$ 2,702,315	\$ 3,141,391	\$ 240,415	\$ 6,084,121
Payments to Suppliers	(548,445)	(847,271)	(1,280,250)	(2,675,966)
Payments to Employees	(731,441)	(677,714)	-	(1,409,155)
Operating Grants	-	-	682,885	682,885
Net Cash Provided (Used) by Operating Activities	<u>1,422,429</u>	<u>1,616,406</u>	<u>(356,950)</u>	<u>2,681,885</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers to Other Funds	(349,516)	-	-	(349,516)
Amounts Received from/(Repaid to) Other Funds	181,032	44,090	326,739	551,861
Other Nonoperating Revenue	-	-	44,470	44,470
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(168,484)</u>	<u>44,090</u>	<u>371,209</u>	<u>246,815</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Payments for Acquisition and Construction of Capital Assets	(1,001,067)	(1,850,814)	-	(2,851,881)
Principal Payments on Long-Term Debt	(429,477)	(186,457)	-	(615,934)
Interest Payments on Long-Term Debt	(34,423)	(28,293)	-	(62,716)
Cash Received from Capital Contributions	-	7,650	-	7,650
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,464,967)</u>	<u>(2,057,914)</u>	<u>-</u>	<u>(3,522,881)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Sale (Purchase) of Investments	71,558	145,178	-	216,736
Interest on Investments	173,551	141,667	-	315,218
Net Cash Provided by Investing Activities	<u>245,109</u>	<u>286,845</u>	<u>-</u>	<u>531,954</u>
<b>NET INCREASE (DECREASE) IN CASH AND INVESTMENTS</b>	34,087	(110,573)	14,259	(62,227)
Cash and Investments - Beginning of Year	<u>1,232,006</u>	<u>2,997,969</u>	<u>-</u>	<u>4,229,975</u>
<b>CASH AND INVESTMENTS - END OF YEAR</b>	<u><u>\$ 1,266,093</u></u>	<u><u>\$ 2,887,396</u></u>	<u><u>\$ 14,259</u></u>	<u><u>\$ 4,167,748</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TOMAH, WISCONSIN  
STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2024**

	Business-Type Activities - Enterprise Funds			
	Major		Nonmajor	
	Water Utility	Sewer Utility	Mass Transit	Totals
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ 576,280	\$ 803,376	\$ (407,303)	\$ 972,353
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Other Cash Paid	-	73,940	-	73,940
Depreciation	753,879	851,132	43,089	1,648,100
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:				
Customer Accounts Receivable	3,371	(15,315)	-	(11,944)
Inventory	36,021	-	-	36,021
Net Pension Asset/LRLIF Net OPEB Liability and Related Deferred Outflows and Inflows	(20,656)	(41,954)	-	(62,610)
Accounts Payable	40,068	(103,450)	7,264	(56,118)
Accrued Liabilities	33,466	48,677	-	82,143
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,422,429</u>	<u>\$ 1,616,406</u>	<u>\$ (356,950)</u>	<u>\$ 2,681,885</u>
<b>RECONCILIATION OF CASH AND INVESTMENTS TO STATEMENT OF NET POSITION</b>				
Cash and Investments per Statement of Net Position:				
Cash and Cash Equivalents	\$ 1,040,510	\$ 2,204,761	\$ 14,259	\$ 3,259,530
Cash and Cash Equivalents - Restricted	225,583	682,635	-	908,218
Total Cash and Cash Equivalents	<u>1,266,093</u>	<u>2,887,396</u>	<u>14,259</u>	<u>4,167,748</u>
Investments	2,400,820	1,697,637	-	4,098,457
Total Cash and Investments	<u>\$ 3,666,913</u>	<u>\$ 4,585,033</u>	<u>\$ 14,259</u>	<u>\$ 8,266,205</u>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>				
Capital Contributions	<u>\$ 3,500</u>	<u>\$ 7,650</u>	<u>\$ -</u>	<u>\$ 11,150</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TOMAH, WISCONSIN  
STATEMENT OF FIDUCIARY NET POSITION  
DECEMBER 31, 2024**

	Tax Collection Custodial Fund
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 3,030,526
Taxes Receivable	6,533,415
Total Assets	9,563,941
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Taxes Levied for the Subsequent Year	9,563,941
 <b>NET POSITION</b>	
Restricted for Other Governments	\$ -

See accompanying Notes to Basic Financial Statements.

**CITY OF TOMAH, WISCONSIN  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED DECEMBER 31, 2024**

	Tax Collection Custodial Fund
<b>ADDITIONS:</b>	
Tax Collections for Other Governments	\$ 10,755,526
<b>DEDUCTIONS:</b>	
Payments of Taxes to Other Governments	10,755,526
<b>CHANGE IN FIDUCIARY NET POSTION</b>	-
Fiduciary Net Position - Beginning of Year	-
<b>FIDUCIARY NET POSITION - END OF YEAR</b>	\$ -

*See accompanying Notes to Basic Financial Statements.*

**CITY OF TOMAH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**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 may be 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, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Government-Wide Statements (Continued)

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, 2024**

**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 Statute 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, 2024**

**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, 2024**

**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 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, 2024**

**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 – 2024 payable 2025 tax roll:

Lien Date and Levy Date	December 2024
Tax Bills Mailed	December 2024
Payment in Full, or	January 31, 2025
First Installment Due	January 31, 2025
Second Installment Due	March 31, 2025
Third Installment Due	May 31, 2025
Fourth Installment Due	July 31, 2025
Personal Property Taxes in Full	January 31, 2025

**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 \$337,905.

**CITY OF TOMAH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**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, 2024**

**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 to 75 Years
Machinery and Equipment	5,000	Straight-line	3 to 30 Years
Utility Systems	5,000	Straight-line	30 to 100 Years
Infrastructure	25,000	Straight-line	30 to 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, 2024**

**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, 2024**

**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 more likely than not to be paid 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**

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset),
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions,
- Pension Expense (Revenue).

Information about the fiduciary net position of the 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.

**CITY OF TOMAH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**13. Long-Term Obligations (Continued)**

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.

**14. Other Postemployment Benefits**

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring following:

- Net OPEB Liability (Asset),
- Deferred Outflows and Inflows of Resources Related to OPEBs, and
- OPEB Expense (Revenue).

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.

**CITY OF TOMAH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**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)**

Government-Wide, Proprietary Fund, and Fiduciary Fund Financial Statements (Continued)

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.

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, 2024**

**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, ambulance fund and CDBG 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	\$ 1,363,409	\$ 1,469,809	\$ (106,400)
Public Works	2,065,233	2,127,066	(61,833)
Conservation and Development	10,500	15,946	(5,446)
Debt Service:			
Ambulance Fund Expenditures			
Public Safety	2,425,740	2,842,188	(416,448)
Capital Projects	20,000	263,676	(243,676)
CDBG Special Revenue Fund			
Conservation and Development	8,668	16,728	(8,060)

Fund Deficits

The capital projects fund TIF #8 and the Capital Projects Fund had fund balance deficits of \$2,126,090 and \$528,887, respectively, at December 31, 2024. These deficits will be eliminated through future tax increment collections or issuance of debt.

**CITY OF TOMAH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**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.

**I. Adoption of New Accounting Standards**

GASB Statement No. 101, *Compensated Absences*

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This standard requires that liabilities from compensated absences be recognized for leave that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not been paid in cash or settled through noncash means and certain other types of leave.

**CITY OF TOMAH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 2 CASH AND INVESTMENTS**

Cash for all City funds is pooled for investment purposes. At December 31, 2024, the cash and equivalents consist of the following:

Governmental Funds	\$ 12,772,921
Proprietary Funds	8,266,205
Fiduciary Funds	3,030,526
Total	\$ 24,069,652

The above cash and investments balances consisted of the following:

Deposits at Financial Institutions	\$ 13,293,408
Non-Negotiable Certificates of Deposit	3,571,438
Investments in Local Governmental Investment Pool	816,584
Mutual Funds	3,484,287
U.S. Treasuries	1,991,895
U.S. Agencies	911,395
Petty Cash	645
Total	\$ 24,069,652

**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, 2024**

**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 \$1,000,000 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, 2024, the City's deposits were not exposed to custodial credit risk.

**Investments**

The City's investments at December 31, 2024 consisted of deposits in the State of Wisconsin Local Government Investment Pool (an external investment pool), mutual funds, U.S. treasuries and U.S. agencies.

**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 seven 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	\$ 3,484,287	\$ 3,484,287	\$ -	\$ -	\$ -
U.S. Treasuries	1,991,895	1,991,895	-	-	-
Federal Farm Credit Banks Funding Corp.	911,395	254,166	284,447	-	372,782
Total	<u>\$ 6,387,577</u>	<u>\$ 5,730,348</u>	<u>\$ 284,447</u>	<u>\$ -</u>	<u>\$ 372,782</u>

**CITY OF TOMAH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**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 2024 was 13 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, 2024, the City's investments were rated as follows:

<u>Type</u>	Credit	
	<u>Quality Rating</u>	<u>Amount</u>
United States Treasuries	A-1+	\$ 1,991,895
Federal Farm Credit Banks Funding Corp.	AA+	911,395
Mutual Funds	AAAm	3,484,287
State LGIP Funds	Not Rated	816,584

**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, 2024**

**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, 2024, the investment portfolio of the City was concentrated as follows:

<u>Type</u>	<u>Amount</u>	<u>Percentage</u>
United States Treasuries	\$ 1,991,895	27.6%
Federal Farm Credit Banks Funding Corp.	911,395	23.5%
Mutual Funds	3,484,287	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 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, 2024**

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

**Fair Value Measurements (Continued)**

The City's investments are measured as follows:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
United States Treasuries	\$ 1,991,895	\$ -	\$ -	\$ 1,991,895
Federal Farm Credit Banks Funding Corp.	-	911,395	-	911,395
Mutual Funds	3,484,287	-	-	3,484,287
Total	<u>\$ 5,476,182</u>	<u>\$ 911,395</u>	<u>\$ -</u>	<u>6,387,577</u>
Investments Measured at Amortized				
Cost - State LGIP Funds				816,584
Total Investments				<u>\$ 7,204,161</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, 2024, 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, 2024, the City recognized \$11,694 and \$12,052 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:

<u>Fiscal Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	8,616	10,585	19,201
2030-2034	58,740	44,712	103,452
2035-2039	91,796	25,250	117,046
2040-2042	46,377	2,489	48,866
Total	<u>\$ 228,553</u>	<u>\$ 129,117</u>	<u>\$ 357,670</u>

**CITY OF TOMAH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 4 CAPITAL ASSETS**

Capital asset activity in the governmental activities for the year ended December 31, 2024 is as follows:

**Governmental Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Non-Depreciable Capital Assets:</b>				
Land	\$ 4,368,776	\$ -	\$ -	\$ 4,368,776
Construction Work in Progress	1,375,019	2,984,459	1,381,970	2,977,508
Total Capital Assets Not Being Depreciated	5,743,795	2,984,459	1,381,970	7,346,284
<b>Capital Assets Being Depreciated:</b>				
Buildings and Improvements	26,494,102	1,366,153	-	27,860,255
Land Improvements	11,375,287	175,920	-	11,551,207
Machinery and Equipment	13,016,612	573,147	431,149	13,158,610
Infrastructure	30,244,253	267,941	-	30,512,194
Total Capital Assets Being Depreciated	81,130,254	2,383,161	431,149	83,082,266
Total Capital Assets	86,874,049	5,367,620	1,813,119	90,428,550
<b>Less Accumulated Depreciation:</b>				
Buildings and Improvements	5,575,837	715,168	-	6,291,005
Land Improvements	4,681,125	327,096	-	5,008,221
Machinery and Equipment	8,929,650	893,476	73,678	9,749,448
Infrastructure	14,609,746	796,075	-	15,405,821
Total Accumulated Depreciation:	33,796,358	2,731,815	73,678	36,454,495
Capital Assets Net of Depreciation	<u>\$ 53,077,691</u>	<u>\$ 2,635,805</u>	<u>\$ 1,739,441</u>	<u>\$ 53,974,055</u>

Depreciation was charged to governmental functions as follows:

General Government	\$ 74,754
Public Safety	988,268
Public Works	1,209,437
Culture, Recreation, and Education	459,356
Total Depreciation - Governmental Activities	<u>\$ 2,731,815</u>

**CITY OF TOMAH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 4 CAPITAL ASSETS (CONTINUED)**

Capital asset activity in the business-type activities for the year ended December 31, 2024 was as follows:

**Business-Type Activities**

<u>Business-Type Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Water Utility:</b>				
Non-Depreciable Capital Assets:				
Land	\$ 275,148	\$ -	\$ -	\$ 275,148
Construction Work in Progress	4,391	9,418	4,391	9,418
Total Non-Depreciable Capital Assets	279,539	9,418	4,391	284,566
Capital Assets Being Depreciated:				
Buildings and Improvements	2,099,233	37,140	-	2,136,373
Machinery and Equipment	3,371,632	105,517	-	3,477,149
Infrastructure	22,168,299	856,883	172,445	22,852,737
Total Capital Assets Being Depreciated	27,639,164	999,540	172,445	28,466,259
Total Capital Assets	27,918,703	1,008,958	176,836	28,750,825
Less: Accumulated Depreciation	11,507,512	753,879	172,445	12,088,946
Net Capital Assets	<u>\$ 16,411,191</u>	<u>\$ 255,079</u>	<u>\$ 4,391</u>	<u>\$ 16,661,879</u>
<b>Sewer Utility:</b>				
Non-Depreciable Capital Assets:				
Land	\$ 1,888,720	\$ -	\$ -	\$ 1,888,720
Construction Work in Progress	572,862	109,335	435,967	246,230
Total Non-Depreciable Capital Assets	2,461,582	109,335	435,967	2,134,950
Capital Assets Being Depreciated/Amortized:				
Buildings and Improvements	6,669,895	-	-	6,669,895
Machinery and Equipment	9,462,683	1,605,275	150,000	10,917,958
Infrastructure	18,030,741	572,172	82,538	18,520,375
Right-to-Use Leased Asset - Land	93,903	-	-	93,903
Total Capital Assets Being Depreciated/Amortized	34,257,222	2,177,447	232,538	36,202,131
Total Capital Assets	36,718,804	2,286,782	668,505	38,337,081
Less: Accumulated Depreciation/Amortization	13,327,194	851,132	232,537	13,945,789
Net Capital Assets	<u>\$ 23,391,610</u>	<u>\$ 1,435,650</u>	<u>\$ 435,968</u>	<u>\$ 24,391,292</u>
<b>Mass Transit Utility:</b>				
Capital Assets Being Depreciated:				
Machinery and Equipment	282,050	-	-	282,050
Less: Accumulated Depreciation	114,939	43,089	-	158,028
Net Capital Assets	<u>\$ 167,111</u>	<u>\$ (43,089)</u>	<u>\$ -</u>	<u>\$ 124,022</u>

**CITY OF TOMAH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 4 CAPITAL ASSETS (CONTINUED)**

**Business-Type Activities (Continued)**

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

Water	\$	753,879
Sewer		851,132
Mass Transit		43,089
Total Depreciation/Amortization - Business-Type Activities		\$ 1,648,100

**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, 2024:

	Balance 1/1/24	Issued	Retired	Balance 12/31/24	Amounts Due Within One Year
<b>Governmental Activities</b>					
General Obligation Bonds and Notes	\$ 29,270,000	\$ 2,605,000	\$ 2,285,000	\$ 29,590,000	\$ 2,295,000
Landfill Post-Closure Liability	1,423,000	107,896	63,896	1,467,000	50,000
Compensated Absences	472,251	226,509	-	698,760	419,347
Unamortized Debt Premium	1,558,190	42,957	183,425	1,417,722	-
Subtotal Governmental Activities	32,723,441	2,982,362	2,532,321	33,173,482	2,764,347
<b>Business-Type Activities</b>					
General Obligation Bonds	2,605,000	-	345,000	2,260,000	350,000
Mortgage Revenue Bonds - Direct Borrowing	1,437,104	-	229,230	1,207,874	166,211
Right-to-Use Lease Liability	32,954	-	32,954	-	-
Unamortized Debt Premium	60,141	-	8,750	51,391	-
Compensated Absences	98,115	73,897	-	172,012	84,188
Subtotal Business-Type Activities	4,233,314	73,897	615,934	3,691,277	600,399
Total	\$ 36,956,755	\$ 3,056,259	\$ 3,148,255	\$ 36,864,759	\$ 3,364,746

**CITY OF TOMAH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**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.

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 \$244,395 and \$2,698,944, 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 \$1,207,875. 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, 2024 consists of:

	Original Amount	Issue Date	Year 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%	\$ 3,600,000	\$ 240,000
2020B Bond Issue	1,480,000	6/11/2020	2034	0.75-2.15%	1,095,000	105,000
2020A Note Issue	2,100,000	6/11/2020	2030	1.90%	690,000	170,000
2021A Note Issue	3,785,000	4/15/2021	2029	.25-1.75%	3,450,000	590,000
2021B Note Issue	1,125,000	4/15/2021	2029	.25-1.75%	840,000	145,000
2021C Note Issue	735,000	4/15/2021	2029	.25-1.75%	540,000	95,000
2022A Note Issue	18,075,000	6/23/2022	2042	3-5%	15,585,000	1,020,000
2023A Note Issue	3,595,000	7/27/2023	2043	4-5%	3,445,000	110,000
2024A Note Issue	2,605,000	7/16/2024	2044	4.00%	2,605,000	170,000
Total					<u>\$ 31,850,000</u>	<u>\$ 2,645,000</u>

**CITY OF TOMAH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**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, 2024 are as follows:

Year	Governmental Activities		Total	
	General Obligation Bonds and General Obligation Notes		Principal	Interest
	Principal	Interest		
2025	\$ 2,295,000	\$ 1,099,898	\$ 2,295,000	\$ 1,099,898
2026	2,170,000	991,212	2,170,000	991,212
2027	2,130,000	915,630	2,130,000	915,630
2028	2,020,000	842,109	2,020,000	842,109
2029	1,960,000	771,686	1,960,000	771,686
2030-2034	8,565,000	2,796,426	8,565,000	2,796,426
2035-2039	6,680,000	1,363,787	6,680,000	1,363,787
2040-2044	3,770,000	267,400	3,770,000	267,400
Total	<u>\$ 29,590,000</u>	<u>\$ 9,048,148</u>	<u>\$ 29,590,000</u>	<u>\$ 9,048,148</u>

Year	Business-Type Activities	
	Principal	Interest
2025	\$ 350,000	\$ 48,133
2026	360,000	40,015
2027	375,000	31,709
2028	380,000	23,181
2029	330,000	15,648
2030-2034	465,000	27,433
Total	<u>\$ 2,260,000</u>	<u>\$ 186,119</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, 2024:

Equalized Valuation	\$ 1,052,146,300
Legal Debt Capacity (5% of Equalized Value)	49,992,960
General Obligation Debt	31,850,000
Unused Borrowing Capacity	18,142,960

**CITY OF TOMAH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Mortgage Revenue Bonds**

Outstanding mortgage revenue bonds for the water utility totaled \$1,207,875 on December 31, 2024. 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, 2024 are:

Mortgage Revenue Bonds:	Original Amount	Issue Date	Year of Maturity	Interest Rate	Debt Outstanding	Due Within One Year
Water:						
2006 Revenue Bond	1,635,913	12/27/2006	2026	1.49%	\$ 187,072	\$ 92,847
2016 Revenue Bond	715,010	7/12/2017	2036	0.99%	448,516	35,385
2018 Revenue Bond	791,475	7/27/2018	2038	1.12%	572,286	37,979
Total Mortgage Revenue Bonds					<u>\$ 1,207,874</u>	<u>\$ 166,211</u>

Scheduled annual requirements for retirement of the mortgage revenue bond obligations debt outstanding at December 31, 2024 are summarized as follows:

Year	Water Enterprise Fund	
	Principal	Interest
2025	\$ 166,211	\$ 12,562
2026	168,366	10,392
2027	74,926	8,903
2028	75,718	8,107
2029	76,520	7,301
2030-2034	394,910	24,115
2035-2039	251,223	4,681
Total	<u>\$ 1,207,874</u>	<u>\$ 76,061</u>

The bonds are subject to redemption and repayment at the option of the City, in whole or in part, and if in part, at the option of the City and in such manner as the City shall determine and by lot as to bonds maturing in the same year at a price of par plus accrued interest.

According to the resolution authorizing the issuance of the sewer system revenue bonds, the sewer utility is to set aside gross revenues in separate and special funds as follows:

1. Revenue Fund
2. Operation and Maintenance fund
3. Special Redemption Fund:
  - a. Principal and Interest Debt Service Account
  - b. Reserve Account
4. Depreciation Fund

**CITY OF TOMAH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Mortgage Revenue Bonds (Continued)**

Special requirements pertaining to the establishment, use and balances required in the about funds are detailed in the authorizing resolutions. The City has established all of the above required funds. The balance in the sewer utility debt reserve at December 31, 2024 was \$73,500. The balance in the water utility debt reserve at December 31, 2024 was \$225,583.

**NOTE 6 LANDFILL LIABILITY**

The City has been involved in an Environmental Protection Agency (EPA) Superfund investigation of abandoned landfills. The Tomah Municipal Sanitary Landfill was operated by the City from 1959 through 1979. The landfill accepted both municipal and industrial waste. Containment and monitoring systems were installed. On-going costs include long-term monitoring and are estimated by engineers. The City has an agreement with another party to share landfill costs. The City is responsible for 42.5% of the costs while the other party is responsible for 57.5%. 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. 30 years remain on the original 50-year remediation period.

**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, 2024, the City did not make any rebate payments.

**CITY OF TOMAH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 8 INTERFUND ACTIVITY**

As of December 31, 2024, the composition of interfund balances was as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Water Fund	\$ 587,536
Sewer Fund	General Fund	71,400
Water Fund	Sewer Fund	134,823
Sewer Fund	Water Fund	91,024
General Fund	Mass Transit	334,279.00
General Fund	TIF #8	123,603.00
Sewer Fund	TIF #8	48,837
General Fund	Capital Projects	329,582
Total		<u>\$ 1,721,084</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

The schedule of interfund transfer activity is as follows:

Fund Transferred To	Funds Transferred From	Amount	Purpose
General	Water	\$ 349,516	Payment in Lieu of Taxes
Debt Service	TIF #8	444,474	Debt Payments
Debt Service	TIF #9	41,480	Debt Payments
Debt Service	TIF #10	73,449	Debt Payments
Debt Service	Tourism	65,000	Debt Payments
Debt Service	Ambulance	459,325	Debt Payments
Total		<u>\$ 1,433,244</u>	

**CITY OF TOMAH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**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.

*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.

**CITY OF TOMAH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 9 WISCONSIN RETIREMENT SYSTEM PENSION PLAN BENEFITS (CONTINUED)**

**General Information about the Pension Plan (Continued)**

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2014	4.7 %	25.0 %
2015	2.9 %	0.0 %
2016	0.5 %	(0.1)%
2017	2.0 %	0.0 %
2018	2.4 %	0.2 %
2019	- %	(0.1)%
2020	1.7 %	0.2 %
2021	5.1 %	0.1 %
2022	7.4 %	0.2 %
2023	1.6 %	(21.0)%

*Contributions.* Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, 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, 2024 through December 31, 2024 the WRS recognized \$674,191 in contributions from the employer. Contribution rates for 2024 are:

	<u>Employee</u>	<u>Employer</u>
General (Including Teachers)	6.80 %	6.80 %
Protective With Social Security	6.80 %	13.20 %
Protective Without Social Security	6.80 %	18.10 %

**CITY OF TOMAH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**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**

At December 31, 2024, the City reported a liability of \$658,166 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, 2022 rolled forward to December 31, 2023. 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, 2023, the City's proportion was 0.04426714%, which was an increase of 0.00036799% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the City recognized pension expense (revenue) of \$445,577.

At December 31, 2024, 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	\$ 2,653,720	\$ 3,514,870
Changes of Assumptions	286,875	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,293,603	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	6,041	49,753
City Contributions Subsequent to the Measurement Date	674,191	-
Total	<u>\$ 5,914,430</u>	<u>\$ 3,564,623</u>

\$674,191 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 Ending December 31,</u>	<u>Pension Expense Amount</u>
2025	\$ 337,788
2026	350,558
2027	1,429,876
2028	(442,606)

**CITY OF TOMAH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**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, 2022
Measurement Date of Net Pension Liability (Asset)	December 31, 2023
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 invest return, acutarial experience, and other factors. 1.7% is the assumed annual adjustment based on 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, 2023 is based upon a roll-forward of the liability calculated from the December 31, 2022 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:

Asset Class	Core Asset Allocation		Asset Class	Variable Asset Allocation	
	Target Allocation	Long-Term Expected Real Rate of Return		Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	40.0 %	4.5 %	Domestic Equity	70.0 %	4.0 %
Public Fixed Income	27.0	3.0	International Equity	30.0	4.8
Inflation Sensitive Assets	19.0	1.7	Fixed Income	N/A	N/A
Real Estate	8.0	3.0	Inflation Sensitive Assets	N/A	N/A
Private Equity/Debt	18.0	6.7	Real Estate	N/A	N/A
Leverage	(12.0)	1.0	Private Equity/Debt	N/A	N/A
Total	100.0 %	4.6%	Multi-Asset	N/A	N/A
			Cash	N/A	N/A
			Total	100.0 %	

**CITY OF TOMAH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**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)**

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 3.77% (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, 2023. 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)	\$ 6,361,497	\$ 658,166	\$ (3,332,695)

**CITY OF TOMAH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**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/about-etf/reports-and-studies/financial-reports-and-statements>.

**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/about-etf/reports-and-studies/financial-reports-and-statements>.

*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, 2024 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, 2024**

**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, 2023 are:

Attained Age	Basic
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, 2024 through December 31, 2024, the LRLIF recognized \$2,040 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, 2024, the City reported a liability of \$421,806 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2023 and rolled forward to December 31, 2023. 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, 2023, the City's proportion was 0.09168400%, which was a decrease of 0.00267300% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the City recognized OPEB expense of \$34,541. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 37,331
Changes of Assumptions or Other Input	131,944	166,098
Net Difference Between Projected and Actual Earnings on OPEB Investments	5,698	-
Change in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	15,142	20,687
District Contributions Subsequent to the Measurement Date	2,040	-
Total	\$ 154,824	\$ 224,116

**CITY OF TOMAH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**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)**

\$2,040 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:

Year Ending December 31,	OPEB Expense Amount
2025	\$ (993)
2026	3,117
2027	(16,572)
2028	(30,520)
2029	(29,547)
Thereafter	3,183

*Actuarial Assumptions.* The total OPEB liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	January 1, 2023
Measurement Date of Net OPEB Liability (Asset)	December 31, 2023
Actuarial Cost Method	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	3.26%
Long-Term Expected Rate of Return	4.25%
Discount Rate	3.32%
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, 2023 is based upon a roll-forward of the liability calculated from the January 1, 2023 actuarial valuation.

**CITY OF TOMAH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**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, 2026 are as follows in the table below:

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
U.S. Intermediate Credit Bo	Bloomberg US Interim Credit	40%	2.32%
U.S. Mortgages	Bloomberg US MBS	60%	2.52%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

*Single Discount Rate.* A single discount rate of 3.32% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.76% for the prior year. The change in the discount rate was primarily caused by the decrease in the municipal bond rate from 3.72% as of December 31, 2022 to 3.26% as of December 31, 2023. The plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

**CITY OF TOMAH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**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)**

*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 3.32%, 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 (2.32%) or 1-percentage-point higher (4.32%) than the current rate:

	1% Decrease (2.32%)	Current Discount Rate (3.32%)	1% Increase (4.32%)
Proportionate Share of the Net OPEB Liability (Asset)	\$ 566,756	\$ 421,806	\$ 311,163

**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	\$ 16,794	\$ 16,794	\$ -	\$ -	\$ -
Impact Fees	89,877	-	89,877	-	-
Parks Department	57,817	-	-	57,817	-
Firefighter Funds	41,979	-	-	41,979	-
Unassigned	2,133,737	-	-	-	2,133,737
Subtotal General Fund	2,340,204	16,794	89,877	99,796	2,133,737
Debt Service	211,127	-	211,127	-	-
CDBG Revolving Loan Program	585,465	-	585,465	-	-
TIF District #10	897,338	-	897,338	-	-
Ambulance Special Revenue Fund	3,119,272	-	-	3,119,272	-
Capital Projects	(528,887)	-	-	-	(528,887)
TIF District #8	(2,126,090)	-	-	-	(2,126,090)
Nonmajor Funds:					
Public Library	1,179,102	-	1,179,102	-	-
Grants and Donations	447,918	-	447,918	-	-
Tourism Fund - Prepaid	455,127	455,127	-	-	-
Tourism Fund	880,110	-	880,110	-	-
Lake District	348,755	-	348,755	-	-
Industrial Development	567,624	-	-	567,624	-
Senior and Disabled Services	42,515	-	10,947	31,568	-
TID District #11	99,503	-	-	-	99,503
TIF District #9	497,957	-	497,957	-	-
Total Fund Balance	\$ 9,017,040	\$ 471,921	\$ 5,148,596	\$ 3,818,260	\$ (421,737)

**CITY OF TOMAH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**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, 2024 are shown as follows:

	TIF #8	TIF #9	TIF #10	TIF #11
<b>Accumulated Costs:</b>				
Project Expenditures	\$ 7,845,512	\$ 566,965	\$ 1,049,487	\$ 40,644
Administration	809,208	148,848	38,040	14,890
<b>Debt Expenditures:</b>				
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	4,998,925	681,119	1,476,615	-
Total Accumulated Costs	<u>14,431,687</u>	<u>1,653,162</u>	<u>3,292,304</u>	<u>65,534</u>
<b>Accumulated Revenues:</b>				
Tax Increments	2,617,118	1,149,670	1,756,403	162,936
Intergovernmental Grants and Aids	361,137	10,814	12,968	2,101
Rent Income	4,600	-	-	-
Interest on Investments	56,484	5,491	33,793	-
Sale of Property	24,805	-	-	-
Miscellaneous Revenue	82,647	-	775,000	-
Bond Premium	95,918	144	35,635	-
Proceeds from Debt	7,765,051	985,000	1,575,843	-
Transfers In	1,297,837	-	-	-
Total Accumulated Revenues	<u>12,305,597</u>	<u>2,151,119</u>	<u>4,189,642</u>	<u>165,037</u>
Fund Balance as of December 31, 2024	<u>\$ (2,126,090)</u>	<u>\$ 497,957</u>	<u>\$ 897,338</u>	<u>\$ 99,503</u>
<b>Long-Term Obligations as of December 31, 2024</b>				
Outstanding Long-Term Debt Payable	\$ 4,281,051	\$ 320,807	\$ 121,783	\$ -
Advances from Other Funds	1,953,491	-	-	-

**CITY OF TOMAH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 13 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.

**NOTE 14 SUBSEQUENT EVENTS**

Subsequent to year-end December 31, 2024, the City issued general obligation promissory notes in the amount of \$2,495,000. The notes require annual principal and interest payments through November 1, 2045 and accrue interest at set rates by year ranging from 4.0% and 5.0%. The proceeds from the debt issuance will be used to finance various City Hall, fire, parks, police and street capital projects and equipment.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF TOMAH, WISCONSIN  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 3,753,796	\$ 3,753,796	\$ 3,753,797	\$ 1
Other Taxes	147,600	147,600	178,114	30,514
Special Assessment Revenue	-	-	61,352	61,352
Intergovernmental	3,504,848	3,504,848	3,463,908	(40,940)
License and Permits	144,450	144,450	102,081	(42,369)
Fines, Forfeits, and Penalties	130,150	130,150	103,913	(26,237)
Public Charges for Services	267,200	267,200	220,521	(46,679)
Intergovernmental Charges for Services	77,000	77,000	67,191	(9,809)
Interest Income	151,000	151,000	361,060	210,060
Miscellaneous Income	70,100	70,100	57,882	(12,218)
Total Revenues	<u>8,246,144</u>	<u>8,246,144</u>	<u>8,369,819</u>	<u>123,675</u>
<b>EXPENDITURES</b>				
General Government	1,363,409	1,363,409	1,469,809	(106,400)
Public Safety	3,944,077	3,944,077	3,866,959	77,118
Public Works	2,065,233	2,065,233	2,127,066	(61,833)
Culture, Recreation, and Education	910,191	910,191	894,254	15,937
Conservation and Development	10,500	10,500	15,946	(5,446)
Capital Outlay	323,900	323,900	258,960	64,940
Total Expenditures	<u>8,617,310</u>	<u>8,617,310</u>	<u>8,632,994</u>	<u>(15,684)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(371,166)	(371,166)	(263,175)	107,991
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	371,212	371,212	349,516	(21,696)
Sale of Capital Assets	-	-	85,000	85,000
Total Other Financing Sources	<u>371,212</u>	<u>371,212</u>	<u>434,516</u>	<u>63,304</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 46</u>	<u>\$ 46</u>	171,341	<u>\$ 171,295</u>
Fund Balance - Beginning of Year			<u>2,168,863</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 2,340,204</u>	

See accompanying Notes to Required Supplementary Information.

**CITY OF TOMAH, WISCONSIN  
BUDGETARY SCHEDULE  
CDBG FUND  
YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Interest Income	\$ 200	\$ 200	\$ 139	\$ (61)
Miscellaneous Income	31,300	31,300	24,385	(6,915)
Total Revenues	<u>31,500</u>	<u>31,500</u>	<u>24,524</u>	<u>(6,976)</u>
<b>EXPENDITURES</b>				
Conservation and Development	8,668	8,668	16,728	(8,060)
Total Expenditures	<u>8,668</u>	<u>8,668</u>	<u>16,728</u>	<u>(8,060)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 22,832</u>	<u>\$ 22,832</u>	7,796	<u>\$ (15,036)</u>
Fund Balance - Beginning of Year			<u>577,669</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 585,465</u>	

See accompanying Notes to Required Supplementary Information.

**CITY OF TOMAH, WISCONSIN  
BUDGETARY SCHEDULE  
AMBULANCE FUND  
YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 700	\$ 700
Public Charges for Services	2,700,000	2,700,000	2,876,838	176,838
Intergovernmental Charges for Services	391,680	391,680	377,220	(14,460)
Interest Income	2,500	2,500	1,757	(743)
Miscellaneous Income	3,000	3,000	6,139	3,139
Total Revenues	<u>3,097,180</u>	<u>3,097,180</u>	<u>3,262,654</u>	<u>165,474</u>
<b>EXPENDITURES</b>				
Public Safety	2,425,740	2,425,740	2,842,188	(416,448)
Capital Outlay	20,000	20,000	263,676	(243,676)
Total Expenditures	<u>2,445,740</u>	<u>2,445,740</u>	<u>3,105,864</u>	<u>(660,124)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>				
	651,440	651,440	156,790	(494,650)
<b>OTHER FINANCING SOURCES</b>				
Transfers Out	(585,525)	(585,525)	(459,325)	126,200
Total Other Financing Sources	<u>(585,525)</u>	<u>(585,525)</u>	<u>(459,325)</u>	<u>126,200</u>
<b>NET CHANGE IN FUND BALANCE</b>				
	<u>\$ 65,915</u>	<u>\$ 65,915</u>	(302,535)	<u>\$ (368,450)</u>
Fund Balance - Beginning of Year			<u>3,421,807</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 3,119,272</u>	

See accompanying Notes to Required Supplementary Information.

**CITY OF TOMAH, WISCONSIN  
SCHEDULE OF PROPORTIONATE SHARE OF  
WISCONSIN RETIREMENT SYSTEM NET PENSION PLAN (ASSET) LIABILITY  
LAST TEN FISCAL YEARS**

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
12/31/2023	0.04426714%	\$ 658,166	\$ 5,884,125	11.19 %	98.85 %
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	(0.23)%	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 %

See accompanying Notes to Required Supplementary Information.

**CITY OF TOMAH, WISCONSIN  
SCHEDULE OF CONTRIBUTIONS TO  
WISCONSIN RETIREMENT SYSTEM PENSION PLAN  
LAST TEN FISCAL YEARS**

Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2024	\$ 674,191	\$ (674,191)	\$ -	\$ 6,360,150	10.60 %
12/31/2023	586,555	(586,555)	-	5,884,125	9.97 %
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 %

**Notes to Schedule:**

*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 ended 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 post-retirement 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 in 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 post-retirement 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.

See accompanying Notes to Required Supplementary Information.

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

OPEB Fiscal Year-End Date (Measurement Date)	City's Proportion of the Net OPEB Liability (Asset)	City's Proportionate Share of the Net OPEB Liability (Asset)	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
12/31/2023	0.09168400%	\$ 421,806	\$ 5,884,125	7.36 %	33.90 %
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 %

See accompanying Notes to Required Supplementary Information.

**CITY OF TOMAH, WISCONSIN**  
**SCHEDULE OF CITY'S CONTRIBUTIONS TO**  
**WISCONSIN LOCAL RETIREE LIFE INSURANCE FUND MULTIEMPLOYER 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
12/31/2024	\$ 2,040	\$ (2,040)	\$ -	\$ 5,729,000	0.04 %
12/31/2023	1,883	(1,883)	-	5,884,125	0.03 %
12/31/2022	1,898	(1,898)	-	5,444,000	0.03 %
12/31/2021	1,950	(1,950)	-	5,672,000	0.04 %
12/31/2020	1,688	(1,688)	-	5,262,000	0.03 %
12/31/2019	1,674	(1,674)	-	5,079,000	0.03 %
12/31/2018	1,533	(1,533)	-	4,684,000	0.03 %

*Benefit Terms:* There were no recent changes in benefit terms.

*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.

**CITY OF TOMAH, WISCONSIN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2024**

**NOTE 1 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.

**NOTE 2 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, ambulance fund, and CDBG 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	\$ 1,363,409	\$ 1,469,809	\$ (106,400)
Public Works	2,065,233	2,127,066	(61,833)
Conservation and Development	10,500	15,946	(5,446)
Debt Service:			
Ambulance Fund Expenditures			
Public Safety	2,425,740	2,842,188	(416,448)
Capital Projects	20,000	263,676	(243,676)
CDBG Special Revenue Fund			
Conservation and Development	8,668	16,728	(8,060)

## **SUPPLEMENTARY INFORMATION**

**SCHEDULE A-1**

**CITY OF TOMAH, WISCONSIN  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2024**

	Special Revenue Funds			Capital Projects Fund				Total	
	Library	Lake District	Tourism	Senior and Disabled Services	Grants and Donations	TIF #9	TIF #11	Industrial Development	Nonmajor Governmental Funds
<b>ASSETS</b>									
Cash and Cash Equivalents	\$ 1,283,118	\$ 396,757	\$ 797,261	\$ 52,641	\$ 454,193	\$ 643,530	\$ 175,370	\$ 571,731	\$ 4,374,601
Taxes Receivable	203,181	102,469	-	-	-	313,494	163,218	-	782,362
Other Receivable	-	-	82,849	-	-	-	-	-	82,849
Prepayments	-	-	455,127	-	-	-	-	-	455,127
Total Assets	\$ 1,486,299	\$ 499,226	\$ 1,335,237	\$ 52,641	\$ 454,193	\$ 957,024	\$ 338,588	\$ 571,731	\$ 5,694,939
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Accounts Payable	\$ 3,084	\$ 471	\$ -	\$ 7,538	\$ 6,275	\$ 31	\$ 31	\$ 3,338	\$ 20,768
Accrued Liabilities	6,686	-	-	2,438	-	128	128	769	10,149
Deferred Revenue	-	-	-	150	-	-	-	-	150
Total Liabilities	9,770	471	-	10,126	6,275	159	159	4,107	31,067
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Succeeding Year's Property Taxes	297,427	150,000	-	-	-	458,908	238,926	-	1,145,261
<b>FUND BALANCES</b>									
Nonspendable	-	-	455,127	-	-	-	-	-	455,127
Restricted	1,179,102	348,755	880,110	10,947	447,918	497,957	-	-	3,364,789
Assigned	-	-	-	31,568	-	-	-	567,624	599,192
Unassigned	-	-	-	-	-	-	99,503	-	99,503
Total Fund Balances	1,179,102	348,755	1,335,237	42,515	447,918	497,957	99,503	567,624	4,518,611
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,486,299	\$ 499,226	\$ 1,335,237	\$ 52,641	\$ 454,193	\$ 957,024	\$ 338,588	\$ 571,731	\$ 5,694,939

SCHEDULE A-2

**CITY OF TOMAH, WISCONSIN  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
YEAR ENDED DECEMBER 31, 2024**

	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	
<b>REVENUES</b>									
Taxes	\$ 296,035	\$ 58,000	\$ 734,817	\$ 73,738	\$ -	\$ 447,047	\$ 153,024	\$ -	\$ 1,762,661
Intergovernmental	194,157	849	-	-	40,001	5,871	2,010	-	242,888
Public Charges for Services	6,247	-	-	2,905	-	-	-	-	9,152
Interest Income	(37,242)	4,471	953	-	-	1	-	-	(31,817)
Donations	18,300	-	-	18,964	-	-	-	-	37,264
Miscellaneous	29,152	1,071	34	52,204	121,714	-	-	-	204,175
Total Revenues	506,649	64,391	735,804	147,811	161,715	452,919	155,034	-	2,224,323
<b>EXPENDITURES</b>									
Public Safety	-	-	-	-	20,461	-	-	-	20,461
Health and Human Services	-	-	-	175,712	-	-	-	-	175,712
Culture, Recreation, and Education	601,128	-	-	-	44,324	-	-	-	645,452
Conservation and Development	-	10,936	224,300	-	-	37,419	48,802	81,485	402,942
Capital Outlay	68,672	24,542	-	-	62,579	-	-	-	155,793
Total Expenditures	669,800	35,478	224,300	175,712	127,364	37,419	48,802	81,485	1,400,360
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(163,151)	28,913	511,504	(27,901)	34,351	415,500	106,232	(81,485)	823,963
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers Out	-	-	(65,000)	-	-	(41,480)	-	-	(106,480)
<b>NET CHANGE IN FUND BALANCE</b>	(163,151)	28,913	446,504	(27,901)	34,351	374,020	106,232	(81,485)	717,483
Fund Balance - Beginning of Year	1,342,253	319,842	888,733	70,416	413,567	123,937	(6,729)	649,109	3,801,128
<b>FUND BALANCE - END OF YEAR</b>	\$ 1,179,102	\$ 348,755	\$ 1,335,237	\$ 42,515	\$ 447,918	\$ 497,957	\$ 99,503	\$ 567,624	\$ 4,518,611



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**FORM OF LEGAL OPINION**

(See following pages)

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

April 30, 2026

Re: City of Tomah, Wisconsin ("Issuer")  
\$3,815,000 Sewer System Revenue Bonds, Series 2026C,  
dated April 30, 2026 ("Bonds")

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

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

The Bonds are issued pursuant to Section 66.0621, Wisconsin Statutes, and a resolution adopted by the Common Council of the Issuer on March 16, 2026, as supplemented by the Approving Certificate, dated \_\_\_\_\_, 2026 (collectively, the "Bond Resolution"). Pursuant to the Bond Resolution, the Bonds are issued on a parity with the Issuer's outstanding Taxable Sewer System Revenue Refunding Bonds, Series 2021C, dated April 15, 2021 (the "Prior Bonds"). The Issuer covenanted in the Bond Resolution that revenues of the Sewer System (the "System") of the Issuer which are deposited in the Special Redemption Fund provided by the Bond Resolution (the "Revenues") shall at all times be sufficient to pay the principal of and interest on the Prior Bonds and the Bonds as the same falls due.

The Bonds are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on May 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2027	\$ 55,000	___%
2028	140,000	___
2029	145,000	___
2030	150,000	___
2031	155,000	___
2032	160,000	___
2033	165,000	___
2034	170,000	___
2035	175,000	___
2036	185,000	___
2037	190,000	___
2038	200,000	___
2039	205,000	___
2040	215,000	___
2041	225,000	___
2042	235,000	___

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2043	\$245,000	___%
2044	255,000	___
2045	265,000	___
2046	280,000	___

Interest is payable semi-annually on May 1 and November 1 of each year commencing on May 1, 2027.

The Bonds 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 Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

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

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

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

1. The Issuer is duly created and validly existing under the Constitution and laws of the State of Wisconsin with the power to adopt the Bond Resolution, perform the agreements on its part contained therein and issue the Bonds.
2. The Bond Resolution has been duly adopted by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer.
3. The Bonds have been lawfully authorized and issued by the Issuer pursuant to the laws of the State of Wisconsin now in force and are valid and binding special obligations of the Issuer in accordance with their terms payable solely from the Revenues of the System. The Bonds, together with interest thereon, do not constitute an indebtedness of the Issuer nor a charge against its general credit or taxing power.
4. The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the Bonds 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 Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income

retroactively to the date of issuance of the Bonds. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

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

We express no opinion regarding the creation, perfection or priority of any security interest in the Revenues or other funds created by the Bond Resolution or on the sufficiency of the Revenues.

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

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

QUARLES & BRADY LLP

### BOOK-ENTRY-ONLY SYSTEM

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

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

**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

(See following pages)

## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Tomah, Monroe County, Wisconsin (the "Issuer") in connection with the issuance of \$3,815,000 Sewer System Revenue Bonds, Series 2026C, dated April 30, 2026 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on March 16, 2026, as supplemented by an Approving Certificate, dated \_\_\_\_\_, 2026 (collectively, the "Resolution") and delivered to \_\_\_\_\_ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at [www.emma.msrb.org](http://www.emma.msrb.org) in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the Final Official Statement dated \_\_\_\_\_, 2026 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 Treasurer 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, 2025, 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. THE BONDS - DESCRIPTION OF THE SEWER SYSTEM

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
7. Modification to rights of holders of the Securities, if material;
8. Securities calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Listed Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the following conditions are met:

(a)(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or the type of business conducted; or

(ii) This Disclosure Certificate, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of beneficial owners of the Securities, as determined and certified to the Issuer by an underwriter, financial advisor, bond counsel or trustee.

In the event this Disclosure Certificate is amended for any reason other than to cure any ambiguities, inconsistencies, or typographical errors that may be contained herein, the Issuer agrees the next Annual Report it submits after such amendment shall include an explanation of the reasons for the amendment and the impact of the change, if any, on the type of financial statements or operating data being provided.

If the amendment concerns the accounting principles to be followed in preparing financial statements, then the Issuer agrees that it will give an event notice and that the next Annual Report it submits after such amendment will include a comparison between financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 30th day of April, 2026.

(SEAL)

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Paul Dwyer  
Mayor

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Nicole Jacobs  
City Clerk

**FORM OF PARAMETERS RESOLUTION**

(See following pages)

RESOLUTION NO. \_\_\_\_\_

RESOLUTION AUTHORIZING THE ISSUANCE AND  
ESTABLISHING PARAMETERS FOR THE SALE OF NOT TO EXCEED  
\$3,815,000 SEWER SYSTEM REVENUE BONDS, SERIES 2026C

WHEREAS, the City of Tomah, Monroe County, Wisconsin (the "City") owns and operates its Sewer System (the "System") which is operated for a public purpose as a public utility; and

WHEREAS, under the provisions of Section 66.0621, Wisconsin Statutes (the "Act"), any municipality in the State of Wisconsin may, by action of its governing body, provide funds for extending, adding to and improving a public utility from the proceeds of bonds, which bonds are to be payable only from the Revenues of such utility and are to be secured by a pledge of the Revenues of the utility; and

WHEREAS, pursuant to a resolution adopted on February 23, 2021 (the "Prior Resolution"), the City has heretofore issued its Taxable Sewer System Revenue Refunding Bonds, Series 2021C, dated April 15, 2021 (the "Prior Bonds"), which Prior Bonds are payable from the Revenues of the System; and

WHEREAS, the Prior Resolution permits the issuance of additional bonds on a parity with the Prior Bonds upon compliance with certain conditions, and those conditions have been met; and

WHEREAS, the City has determined that certain additions, improvements and extensions to the System, including project costs of the City's tax incremental districts (the "Project") are necessary to adequately supply the needs of the City and the residents thereof; and

WHEREAS, it is necessary, desirable and in the best interests of the City to authorize and sell sewer system revenue bonds (the "Bonds") for the purpose of financing the Project payable solely from the Revenues of the System, which Bonds are to be authorized and issued pursuant to the provisions of Section 66.0621, Wisconsin Statutes, on a parity with the Prior Bonds; and

WHEREAS, other than the Prior Bonds, no bonds or obligations payable from the Revenues of the System are now outstanding; and

WHEREAS, it is the finding of the Common Council that it is in the best interest of the City to direct its financial advisor, Ehlers & Associates, Inc. ("Ehlers"), to take the steps necessary for the City to offer and sell the Bonds and to obtain bids for the purchase of the Bonds; and

WHEREAS, the City Clerk (in consultation with Ehlers) is hereby authorized and directed to cause the sale of the Bonds to be publicized at such times and in such manner as the City Clerk may determine and to cause pertinent data to be forwarded to interested bidders as the City Clerk may determine; and

WHEREAS, in order to facilitate the sale of the Bonds in a timely manner, the Common Council hereby finds and determines that it is necessary, desirable and in the best interest of the City to delegate to either the City Administrator or the City Treasurer (each an "Authorized Officer") the authority to accept on behalf of the City the bid for the Bonds (the "Proposal") so long as the Proposal meets the terms and conditions provided for in this Resolution by executing a certificate in substantially the form attached hereto as Exhibit A and incorporated herein by reference (the "Approving Certificate").

NOW, THEREFORE, the Common Council of the City of Tomah, Monroe County, Wisconsin, do resolve that:

Section 1. Authorization and Sale of the Bonds; Parameters. For the purpose of paying the cost of the Project (including paying legal, financing, engineering and other professional fees in connection therewith, and funding the Reserve Account, if necessary), the City is authorized to borrow pursuant to Section 66.0621, Wisconsin Statutes, the principal sum of not to exceed THREE MILLION EIGHT HUNDRED FIFTEEN THOUSAND DOLLARS (\$3,815,000) upon the terms and subject to the conditions set forth in this Resolution. Subject to satisfaction of the condition set forth in Section 20 of this Resolution, the Mayor and City Clerk are hereby authorized, empowered and directed to make, execute, issue and sell to the financial institution that submitted the Proposal (the "Purchaser"), on behalf of and in the name of the City, the Bonds aggregating the principal amount of not to exceed THREE MILLION EIGHT HUNDRED FIFTEEN THOUSAND DOLLARS (\$3,815,000). The purchase price to be paid to the City for the Bonds shall not be less than 98.75% nor more than 110.00% of the principal amount of the Bonds.

Section 2A. Terms of the Bonds. The Bonds shall be designated "Sewer System Revenue Bonds, Series 2026C"; shall be issued in the aggregate principal amount of up to \$3,815,000; shall be dated as of their date of issuance; shall be in the denomination of \$5,000 or any integral multiple thereof; shall be numbered R-1 and upward; and shall mature or be subject to mandatory redemption on the dates and in the principal amounts set forth below, provided (a) that the principal amount of the 2027 maturity or mandatory redemption amount may be increased by no more than \$100,000 or decreased by no more than \$50,000, (b) that the principal amount of each of the 2028 through 2046 maturities or mandatory redemption amounts may be increased or decreased by up to \$100,000 per maturity or mandatory redemption amount and (c) that the aggregate principal amount of the Bonds shall not exceed \$3,815,000 . The schedule below assumes the Bonds are issued in the aggregate principal amount of \$3,815,000.

<u>Date</u>	<u>Amount</u>
05/01/2027	\$ 55,000
05/01/2028	140,000
05/01/2029	145,000
05/01/2030	150,000
05/01/2031	155,000
05/01/2032	160,000
05/01/2033	165,000
05/01/2034	170,000
05/01/2035	175,000

<u>Date</u>	<u>Amount</u>
05/01/2036	\$185,000
05/01/2037	190,000
05/01/2038	200,000
05/01/2039	205,000
05/01/2040	215,000
05/01/2041	225,000
05/01/2042	235,000
05/01/2043	245,000
05/01/2044	255,000
05/01/2045	265,000
05/01/2046	280,000

Interest shall be payable semi-annually on May 1 and November 1 of each year commencing on May 1, 2027. The true interest cost on the Bonds (computed taking the Purchaser's compensation into account) shall not exceed 4.50%. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board.

Provided that the parameters set forth in this Resolution are met, the schedule of maturities or mandatory redemptions established by the parameters of this Resolution is found to be such that the amount of annual debt service payments is reasonable in accordance with prudent municipal utility practices and an Authorized Officer will confirm this finding in the Approving Certificate.

Section 2B. Redemption Provisions. The Bonds maturing on May 1, 2035 and thereafter shall be subject to redemption prior to maturity, at the option of the City, on May 1, 2034 or on any date thereafter. Said Bonds shall be redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity, by lot, at the principal amount thereof, plus accrued interest to the date of redemption. If the Proposal specifies that certain of the Bonds shall be subject to mandatory redemption, the terms of such mandatory redemption shall be set forth on an attachment to the Approving Certificate labeled as Schedule MRP. Upon the optional redemption of any of the Bonds subject to mandatory redemption, the principal amount of such Bonds so redeemed shall be credited against the mandatory redemption payments established in the Approving Certificate in such manner as the City shall direct.

Section 2C. Security for the Bonds. The Bonds, together with interest thereon, shall not constitute an indebtedness of the City nor a charge against its general credit or taxing power. The Bonds, together with interest thereon, shall be payable only out of the Special Redemption Fund provided for in Section 5 herein, and shall be a valid claim of the registered owner or owners thereof only against the Special Redemption Fund and the Revenues of the System pledged to such Fund, on a parity with the pledge granted to the owners of the Prior Bonds. Sufficient Revenues are hereby pledged to said Special Redemption Fund, and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Prior Bonds and the Bonds as the same becomes due.

Section 3. Form of the Bonds. The Bonds shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit B and incorporated herein by this reference.

Section 4. Definitions. In addition to the words defined elsewhere in this Resolution, the following words shall have the following meanings unless the context or use indicates another or different meaning or intent:

"Annual Debt Service Requirement" means the total amount of principal and interest due in any Fiscal Year on the Prior Bonds, the Bonds and Parity Bonds.

"Bond Year" means the twelve-month period ending on each May 1.

"Code" means the Internal Revenue Code of 1986, as amended.

"DTC" means The Depository Trust Company, New York, New York, or any successor securities depository for the City with respect to the Bonds.

"Fiscal Year" means the fiscal year adopted by the City for the System, which is currently the calendar year.

"Net Revenues" means the Revenues minus all Operation and Maintenance Expenses of the System.

"Operation and Maintenance Expenses" means the reasonable and necessary costs of operating, maintaining, administering and repairing the System, including salaries, wages, costs of materials and supplies, insurance and audits, but excluding depreciation, debt service, tax equivalents and capital expenditures.

"Parity Bonds" means additional bonds or obligations issued on a parity as to pledge and lien with the Bonds in accordance with the provisions of Section 8 of this Resolution.

"Reserve Requirement" means an amount, determined as of the date of issuance of the Bonds, equal to the least of (a) the amount required to be on deposit in the Reserve Account prior to the issuance of the Bonds plus the amount permitted to be deposited from proceeds of the Bonds pursuant to Section 148 (d)(1) of the Code; (b) the maximum annual debt service on the Prior Bonds and the Bonds in any Bond Year; and (c) 125% of average annual debt service on the Prior Bonds and the Bonds; provided, however, that on an ongoing basis it shall never exceed the remaining maximum annual principal and interest due on the Bonds and the Prior Bonds in any Bond Year. If Parity Bonds which are to be secured by the Reserve Account are issued, the Reserve Requirement shall mean an amount, determined as of the date of issuance of the Parity Bonds, equal to the least of (a) the amount required to be on deposit in the Reserve Account prior to the issuance of such Parity Bonds, plus the amount permitted to be deposited therein from proceeds of the Parity Bonds pursuant to Section 148(d)(1) of the Code; (b) the maximum annual debt service on outstanding obligations secured by the Reserve Account and the Parity Bonds to be issued in any Bond Year; and (c) 125% of average annual debt service on the outstanding obligations secured by the Reserve Account and the Parity Bonds to be issued; provided, however, that on an ongoing basis it shall never exceed the remaining maximum

annual principal and interest due on the outstanding obligations secured by the Reserve Account and Parity Bonds in any Bond Year.

"Revenues" means all income and revenue derived from operation of the System, including the revenues received from the City for services rendered to it, funds appropriated by the Common Council for services provided by the System to the City and all moneys received from any other source, including income derived from investments.

"System" means the entire sewerage system of the City including all property of every nature now or hereafter owned by the City for the collection, transmission, treatment, storage, metering and disposal of domestic, industrial and public sewage, including all improvements and extensions thereto made by the City while any of the Bonds and Parity Bonds remain outstanding, including all real and personal property of every nature comprising part of or used or useful in connection with such sewerage system and including all appurtenances, contracts, leases, franchises and other intangibles.

Section 5. Income and Revenue Funds. When the Bonds shall have been delivered in whole or in part, the Revenues shall be set aside into the following separate and special funds, which were created and established in the Prior Resolution, continued by this Resolution and shall be used and applied as described below:

- Revenues in amounts sufficient to provide for the reasonable and proper operation and maintenance of the System through the payment of Operation and Maintenance Expenses shall be set aside into the Sewer System Operation and Maintenance Fund (the "Operation and Maintenance Fund").

- Revenues in amounts sufficient to pay the principal of and interest on the Prior Bonds, the Bonds and Parity Bonds and to meet the Reserve Requirement shall be set aside into the Sewer System Revenue Bond and Interest Special Redemption Fund (the "Special Redemption Fund"), to be applied to the payment of the principal of and interest on the Prior Bonds, the Bonds and Parity Bonds and to meet the Reserve Requirement. The monies standing in the Special Redemption Fund are irrevocably pledged to the payment of principal of and interest on the Prior Bonds, the Bonds and Parity Bonds.

- Revenues in amounts sufficient to provide a proper and adequate depreciation account for the System shall be set aside into the Sewer System Depreciation Fund (the "Depreciation Fund").

The Operation and Maintenance Fund and Depreciation Fund shall be deposited as received in public depositories to be selected by the Common Council in the manner required by Chapter 34, Wisconsin Statutes and may be invested in legal investments subject to the provisions of Section 66.0603(1m), Wisconsin Statutes.

Money in the Operation and Maintenance Fund shall be used to pay Operation and Maintenance Expenses as the same come due; money not immediately required for Operation and Maintenance Expenses shall be used to accumulate a reserve in the Operation and Maintenance Fund equal to estimated Operation and Maintenance Expenses for one month. Any

money then available and remaining in the Operation and Maintenance Fund may be transferred to the Surplus Fund, which fund is hereby continued.

Revenues shall be deposited in the Depreciation Fund each month until such amount as the Common Council may from time to time determine to constitute an adequate and reasonable depreciation account for the System (the "Depreciation Requirement") is accumulated therein. Money in the Depreciation Fund shall be available and shall be used, whenever necessary, to restore any deficiency in the Special Redemption Fund and for the maintenance of the Reserve Account therein. When the Special Redemption Fund is sufficient for its purpose, funds in the Depreciation Fund may be expended for repairs, replacements, new construction, extensions or additions to the System. Any money on deposit in the Depreciation Fund in excess of the Depreciation Requirement which is not required during the current Fiscal Year for the purposes of the Depreciation Fund, may be transferred to the Surplus Fund.

It is the express intent and determination of the Common Council that the amount of Revenues to be set aside and paid into the Special Redemption Fund (including the Reserve Account) shall in any event be sufficient to pay principal of and interest on the Prior Bonds, the Bonds and Parity Bonds and to meet the Reserve Requirement, and the City Treasurer shall each Fiscal Year deposit at least sufficient Revenues in the Special Redemption Fund to pay promptly all principal and interest falling due on the Prior Bonds, the Bonds and Parity Bonds and to meet the Reserve Requirement.

The Revenues so set aside for payment of the principal of and interest on the Prior Bonds, the Bonds and Parity Bonds shall be set apart and shall be paid into the Special Redemption Fund not later than the 10th day of each month. The amount deposited each month shall be not less than one-sixth of the interest next coming due, plus one-twelfth of the principal next maturing or subject to mandatory redemption on the next redemption date.

The minimum amounts to be so deposited for debt service on the Bonds will be set forth on the schedule attached to the Approving Certificate.

The Special Redemption Fund shall be used for no purpose other than the payment of interest on and principal of the Prior Bonds, the Bonds and Parity Bonds promptly as the same become due and payable or to pay redemption premiums. All money in the Special Redemption Fund shall be deposited in a special account and invested in legal investments subject to Section 66.0603(1m), Wisconsin Statutes, and the monthly payments required to be made to the Special Redemption Fund shall be made directly to such account.

The Reserve Account established by Section 5 of the Prior Resolution shall be continued to additionally secure the payment of principal of and interest on the Prior Bonds and the Bonds. The City covenants and agrees that upon the issuance of the Bonds an amount sufficient to make the amount on deposit in the Reserve Account equal to the Reserve Requirement shall be deposited into the Reserve Account and shall be maintained therein.

The City covenants and agrees that at any time that the Reserve Account is drawn on and the amount in the Reserve Account shall be less than the Reserve Requirement, an amount equal to one-twelfth of the Reserve Requirement will be paid monthly into the Reserve Account from

those funds in the Special Redemption Fund, the Operation and Maintenance Fund, the Depreciation Fund and the Surplus Fund which are in excess of the minimum amounts required by the preceding paragraphs to be paid therein until the Reserve Requirement will again have accumulated in the Reserve Account. If at any time the amount on deposit in the Reserve Account exceeds the Reserve Requirement, the excess shall be transferred to the Special Redemption Fund and used to pay principal and interest on the Bonds. If for any reason there shall be insufficient funds on hand in the Special Redemption Fund to meet principal or interest becoming due on the Prior Bonds, the Bonds or Parity Bonds secured by the Reserve Account, then all sums then held in the Reserve Account shall be used to pay the portion of interest or principal on such Prior Bonds, the Bonds or Parity Bonds becoming due as to which there would otherwise be default, and thereupon the payments required by this paragraph shall again be made into the Reserve Account until an amount equal to the Reserve Requirement is on deposit in the Reserve Account.

Funds in the Special Redemption Fund in excess of the minimum amounts required to be paid therein plus reserve requirements may be transferred to the Surplus Fund.

Money in the Surplus Fund shall first be used when necessary to meet requirements of the Operation and Maintenance Fund including the one month reserve, the Special Redemption Fund including the Reserve Account, and the Depreciation Fund. Any money then remaining in the Surplus Fund at the end of any Fiscal Year may be used only as permitted and in the order specified in Section 66.0811(2), Wisconsin Statutes. Money thereafter remaining in the Surplus Fund may be transferred to any of the funds or accounts created by this section.

Section 6. Service to the City. The reasonable cost and value of any service rendered to the City by the System by furnishing sewer services for public purposes shall be charged against the City and shall be paid by it in monthly installments as the service accrues, out of the current revenues of the City collected or in the process of collection, exclusive of the revenues derived from the System, to wit: out of the tax levy of the City made by it to raise money to meet its necessary current expenses. It is hereby found and determined that the reasonable cost and value of such service to the City in each year shall be in an amount which, together with Revenues of the System, will produce Net Revenues equivalent to not less than 1.25 times the Annual Debt Service Requirement. Such compensation for such service rendered to the City shall, in the manner provided hereinabove, be paid into the separate and special funds described in Section 5 of this Resolution. However, such payment is subject to (a) annual appropriations by the Common Council therefor and (b) applicable levy limits, if any; and neither this Resolution nor such payment shall be construed as constituting an obligation of the City to make any such appropriation over and above the reasonable cost and value of services rendered to the City or to make any subsequent payment over and above such reasonable cost and value.

Section 7. Operation of System; City Covenants. It is covenanted and agreed by the City with the owner or owners of the Bonds, and each of them, that:

(a) The City will faithfully and punctually perform all duties with reference to the System required by the Constitution and Statutes of the State of Wisconsin, including the making and collecting of reasonable and sufficient rates lawfully established for services rendered by the

System, and will collect and segregate the Revenues of the System and apply them to the respective funds and accounts described hereinabove;

(b) The City will not sell, lease, or in any manner dispose of the System, including any part thereof or any additions, extensions, or improvements that may be made part thereto, except that the City shall have the right to sell, lease or otherwise dispose of any property of the System found by the Common Council to be neither necessary nor useful in the operation of the System, provided the proceeds received from such sale, lease or disposal shall be paid into the Special Redemption Fund or applied to the acquisition or construction of capital facilities for use in the normal operation of the System, and such payment shall not reduce the amounts otherwise required to be paid into the Special Redemption Fund;

(c) The City will cause the Project to be completed as expeditiously as reasonably possible;

(d) The City will pay or cause to be paid all lawful taxes, assessments, governmental charges, and claims for labor, materials or supplies which if unpaid could become a lien upon the System or its Revenues or could impair the security of the Bonds;

(e) The City will maintain in reasonably good condition and operate the System, and will establish, charge and collect such lawfully established rates and charges for the service rendered by the System, so that in each Fiscal Year Net Revenues shall not be less than 125% of the Annual Debt Service Requirement, and so that the Revenues of the System herein agreed to be set aside to provide for the payment of the Prior Bonds, the Bonds and Parity Bonds and the interest thereon as the same becomes due and payable, and to meet the Reserve Requirement, will be sufficient for those purposes;

(f) The City will prepare a budget not less than sixty days prior to the end of each Fiscal Year and, in the event such budget indicates that the Net Revenues for each Fiscal Year will not exceed the Annual Debt Service Requirement for each corresponding Fiscal Year by the proportion stated hereunder, will take any and all steps permitted by law to increase rates so that the aforementioned proportion of Net Revenues to the Annual Debt Service Requirement shall be accomplished as promptly as possible;

(g) The City will keep proper books and accounts relative to the System separate from all other records of the City and will cause such books and accounts to be audited annually by a recognized independent firm of certified public accountants including a balance sheet and a profit and loss statement of the System as certified by such accountants. Each such audit, in addition to whatever matters may be thought proper by the accountants to be included therein shall include the following: (1) a statement in detail of the income and expenditures of the System for the Fiscal Year; (2) a statement of the Net Revenues of the System for such Fiscal Year; (3) a balance sheet as of the end of such Fiscal Year; (4) the accountants' comment regarding the manner in which the City has carried out the requirements of this Resolution and the accountants' recommendations for any changes or improvements in the operation of the System; (5) the number of connections to the System at the end of the Fiscal Year, for each user classification (i.e., residential, commercial, public and industrial); (6) a list of the insurance policies in force at the end of the Fiscal Year setting out as to each policy the amount of the

policy, the risks covered, the name of the insurer, and the expiration date of the policy; and (7) the volume of water used. The owners of any of the Bonds shall have at all reasonable times the right to inspect the System and the records, accounts and data of the City relating thereto; and

(h) So long as any of the Bonds are outstanding the City will carry for the benefit of the owners of the Bonds insurance of the kinds and in the amounts normally carried by private companies or other public bodies engaged in the operation of similar systems. All money received for loss of use and occupancy shall be considered Revenue of the System payable into the separate funds and accounts named in Section 5 of this Resolution. All money received for losses under any casualty policies shall be used in repairing the damage or in replacing the property destroyed provided that if the Common Council shall find it is inadvisable to repair such damage or replace such property and that the operation of the System has not been impaired thereby, such money shall be deposited in the Special Redemption Fund, but in that event such payments shall not reduce the amounts otherwise required to be paid into the Special Redemption Fund.

Section 8. Parity Bonds. The Bonds are issued on a parity with the Prior Bonds. No bonds or obligations payable out of the Revenues of the System may be issued in such manner as to enjoy priority over the Bonds. Additional obligations may be issued if their lien and pledge is junior and subordinate to that of the Bonds. Additional obligations may be issued on a parity with the Prior Bonds and the Bonds as to the pledge of Revenues of the System ("Parity Bonds") only if all of the following conditions are met:

a. (1) The Net Revenues for the last completed Fiscal Year preceding the issuance of such additional obligations must have been at least equal to 1.25 times the average combined annual interest and principal requirements on all Prior Bonds, the Bonds and any Parity Bonds then outstanding payable from the revenues of the System (other than the Prior Bonds, the Bonds and any Parity Bonds being refunded), and the obligations so proposed to be issued; provided, however, that if prior to the authorization of such additional obligations the City shall have adopted and put into effect a revised schedule of rates, then the Net Revenues of the System for the last completed Fiscal Year which would, in the calculations of a registered municipal advisor, an independent consulting engineer or independent certified public accountant employed for that purpose, have resulted from such rates had they been in effect for such period may be used in lieu of the actual Net Revenues for the last completed Fiscal Year; or

(2) An independent certified public accountant, registered municipal advisor or consulting professional engineer provides calculations setting forth for each of the three Fiscal Years commencing with the Fiscal Year following that in which the projects financed by such additional obligations are to be completed, the projected Net Revenues and the maximum annual interest and principal requirements on all bonds outstanding payable from the Gross Revenues of the System and on the obligations then to be issued (the "Maximum Annual Debt Service Requirement"); and demonstrating that for each such Fiscal Year the projected Net Revenues will be in an amount not less than 125% of such Maximum Annual Debt Service Requirement.

b. The payments required to be made into the funds and accounts enumerated in Section 5 of this Resolution (including the Reserve Account, but not the Surplus Fund) must have been made in full.

c. The additional obligations must have principal maturing on May 1 of each year in which principal falls due and interest falling due on May 1 and November 1 of each year.

d. If the additional obligations are to be secured by the Reserve Account, the amount on deposit in the Reserve Account must be equal to the Reserve Requirement applicable upon the issuance of Parity Bonds as defined in Section 4 of this Resolution.

e. The proceeds of the additional obligations must be used only for the purpose of providing additions, extensions or improvements to the System, or to refund obligations issued for such purpose.

While the Prior Bonds are outstanding, unless waived by the registered owners of the Prior Bonds, the City must also meet the additional bonds test set forth in the Prior Resolution prior to the issuance of Parity Bonds.

Section 9. Application of Bond Proceeds. All accrued interest received from the sale of the Bonds shall be deposited into the Special Redemption Fund. An amount of proceeds of the Bonds sufficient to make the amount on deposit in the Reserve Account equal to the Reserve Requirement shall be deposited in the Reserve Account. The balance of the proceeds, less the expenses incurred in authorizing, issuing and delivering the Bonds, shall be deposited in a special fund designated as "Sewer System Improvement Fund." Said special fund shall be adequately secured and used solely for the purpose of meeting costs of extending, adding to and improving the System, as described in the preamble hereof. The balance of the proceeds, less the expenses incurred in authorizing, issuing and delivering the Bonds, shall be deposited in the Special Redemption Fund for use in payment of principal of and interest on the Bonds.

Section 10. Amendment to Resolution. After the issuance of any of the Bonds, no change or alteration of any kind in the provisions of this Resolution may be made until all of the Bonds have been paid in full as to both principal and interest, or discharged as herein provided, except:

a. The City may, from time to time, amend this Resolution without the consent of any of the owners of the Bonds, but only to cure any ambiguity, administrative conflict, formal defect, or omission or procedural inconsistency of this Resolution; and

b. This Resolution may be amended, in any respect, with the written consent of the owners of not less than two-thirds of the principal amount of the Bonds then outstanding, exclusive of Bonds held by the City; provided, however, that no amendment shall permit any change in the pledge of Revenues derived from the System, or in the maturity of any Bond issued hereunder, or a reduction in the rate of interest on any Bond, or in the amount of the principal obligation thereof, or in the amount of the redemption premium payable in the case of redemption thereof, or change the terms upon which the Bonds may be redeemed or make any

other modification in the terms of the payment of such principal or interest without the written consent of the owner of each such Bond to which the change is applicable.

Section 11. Defeasance. When all Bonds have been discharged, all pledges, liens, covenants and other rights granted to the owners thereof by this Resolution shall cease. The City may discharge all Bonds due on any date by depositing into a special account on or before that date a sum sufficient to pay the same in full; or if any Bonds should not be paid when due, it may nevertheless be discharged by depositing into a special account a sum sufficient to pay it in full with interest accrued from the due date to the date of such deposit. The City, at its option, may also discharge all Bonds called for redemption on any date when they are prepayable according to their terms, by depositing into a special account on or before that date a sum sufficient to pay them in full, with the required redemption premium, if any, provided that notice of redemption has been duly given as required by this Resolution. The City, at its option, may also discharge all Bonds of said issue at any time by irrevocably depositing in escrow with a suitable bank or trust company a sum of cash and/or bonds or securities issued or guaranteed as to principal and interest of the U.S. Government, or of a commission, board or other instrumentality of the U.S. Government, maturing on the dates and bearing interest at the rates required to provide funds sufficient to pay when due the interest to accrue on each of said Bonds to its maturity or, at the City's option, if said Bond is prepayable to any prior date upon which it may be called for redemption, and to pay and redeem the principal amount of each such Bond at maturity, or at the City's option, if said Bond is prepayable, at its earliest redemption date, with the premium required for such redemption, if any, provided that notice of the redemption of all prepayable Bonds on such date has been duly given or provided for. Upon such payment or deposit, in the amount and manner provided by this Section, all liability of the City with respect to the Bonds shall cease, terminate and be completely discharged, and the owners thereof shall be entitled only to payment out of the money so deposited.

Section 12. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the City and the owner or owners of the Bonds, and after issuance of any of the Bonds no change or alteration of any kind in the provisions of this Resolution may be made, except as provided in Section 10, until all of the Bonds have been paid in full as to both principal and interest. The owner or owners of any of the Bonds shall have the right in addition to all other rights, by mandamus or other suit or action in any court of competent jurisdiction, to enforce such owner's or owners' rights against the City, the governing body thereof, and any and all officers and agents thereof including, but without limitation, the right to require the City, its governing body and any other authorized body, to fix and collect rates and charges fully adequate to carry out all of the provisions and agreements contained in this Resolution.

Section 13. No Arbitrage. All investments made pursuant to this Resolution shall be Permitted Investments, but no such investment shall be made in such a manner as would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or the Regulations and an officer of the City, charged with the responsibility for issuing the Bonds, shall certify as to facts, estimates, circumstances and reasonable expectations in existence on the date of delivery of the Bonds to the Purchaser which will permit the conclusion that the Bonds are not "arbitrage bonds," within the meaning of the Code or Regulations.

Section 14. Compliance with Federal Tax Laws. (a) The City represents and covenants that the projects financed by the Bonds and the ownership, management and use of the projects will not cause the Bonds to be "private activity bonds" within the meaning of Section 141 of the Code. The City further covenants that it shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the Bonds including, if applicable, the rebate requirements of Section 148(f) of the Code. The City further covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The City Clerk or other officer of the City charged with the responsibility of issuing the Bonds shall provide an appropriate certificate of the City certifying that the City can and covenanting that it will comply with the provisions of the Code and Regulations.

(b) The City also covenants to use its best efforts to meet the requirements and restrictions of any different or additional federal legislation which may be made applicable to the Bonds provided that in meeting such requirements the City will do so only to the extent consistent with the proceedings authorizing the Bonds and the laws of the State of Wisconsin and to the extent that there is a reasonable period of time in which to comply.

Section 15. Designation as Qualified Tax-Exempt Obligations. The Bonds are hereby designated as "qualified tax-exempt obligations" for purposes of Section 265 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.

Section 16. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Bonds eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the City agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations, which the City Clerk or other authorized representative of the City is authorized and directed to execute and deliver to DTC on behalf of the City to the extent an effective Blanket Issuer Letter of Representations is not presently on file in the City Clerk's office.

Section 17. Payment of the Bonds; Fiscal Agent. The principal of and interest on the Bonds shall be paid by the Bond Trust Services Corporation, which is hereby appointed as the City's registrar and fiscal agent pursuant to the provisions of Section 67.10(2), Wisconsin Statutes (the "Fiscal Agent"). The City hereby authorizes the Mayor and City Clerk or other appropriate officers of the City to enter into a Fiscal Agency Agreement between the City and the Fiscal Agent. Such contract may provide, among other things, for the performance by the Fiscal Agent of the functions listed in Wis. Stats. Sec. 67.10(2)(a) to (j), where applicable, with respect to the Bonds.

Section 18. Persons Treated as Owners; Transfer of Bonds. The City shall cause books for the registration and for the transfer of the Bonds to be kept by the Fiscal Agent. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner

thereof for all purposes and payment of either principal or interest on any Bond shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Any Bond may be transferred by the registered owner thereof by surrender of the Bond at the office of the Fiscal Agent, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such transfer, the Mayor and City Clerk shall execute and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount, series and maturity and the Fiscal Agent shall record the name of each transferee in the registration book. No registration shall be made to bearer. The Fiscal Agent shall cancel any Bond surrendered for transfer.

The City shall cooperate in any such transfer, and the Mayor and City Clerk are authorized to execute any new Bond or Bonds necessary to effect any such transfer.

Section 19. Record Date. The fifteenth day of each calendar month next preceding each interest payment date shall be the record date for the Bonds (the "Record Date"). Payment of interest on the Bonds on any interest payment date shall be made to the registered owners of the Bonds as they appear on the registration book of the City at the close of business on the Record Date.

Section 20. Condition on Issuance and Sale of the Bonds. The issuance of the Bonds and the sale of the Bonds to the Purchaser are subject to approval by an Authorized Officer of the principal amount, definitive maturities, interest rates and purchase price for the Bonds. Satisfaction of such condition shall be evidenced by execution by an Authorized Officer of the Approving Certificate.

The Bonds shall not be issued, sold or delivered until this condition has been satisfied. Upon satisfaction of this condition, an Authorized Officer is authorized to execute the Proposal with the Purchaser providing for the sale of the Bonds to the Purchaser.

Section 21. Payment of Issuance Expenses. The City authorizes the Purchaser to forward the amount of the proceeds of the Bonds allocable to the payment of issuance expenses to a financial institution selected by Ehlers at Closing for further distribution as directed by Ehlers.

Section 22. Official Statement. The Common Council hereby directs an Authorized Officer to approve the Preliminary Official Statement with respect to the Bonds and deem the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by an Authorized Officer or other officers of the City in connection with the preparation of such Preliminary Official Statement and any addenda to it or final Official Statement are hereby ratified and approved. In connection with the closing of the Bonds, the appropriate City official shall certify the Preliminary Official Statement and any addenda or final Official Statement. The City Clerk shall cause copies of the Preliminary Official Statement and any addenda or final Official Statement to be distributed to the Purchaser.

Section 23. Undertaking to Provide Continuing Disclosure. The City hereby covenants and agrees, for the benefit of the owners of the Bonds, to enter into a written undertaking (the "Undertaking") required by the Rule to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the Bonds or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the City to comply with the provisions of the Undertaking shall not be an event of default with respect to the Bonds).

The Mayor and City Clerk, or other officer of the City charged with the responsibility for issuing the Bonds, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the City's Undertaking.

Section 24. Record Book. The City Clerk shall provide and keep the transcript of proceedings as a separate record book (the "Record Book") and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Bonds in the Record Book.

Section 25. Bond Insurance. If the Purchaser determines to obtain municipal bond insurance with respect to the Bonds, the officers of the City are authorized to take all actions necessary to obtain such municipal bond insurance. The Mayor and City Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the Mayor and City Clerk including provisions regarding restrictions on investment of Bond proceeds, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Bonds by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Bond provided herein.

Section 26. Execution of the Bonds; Closing; Professional Services. The Bonds shall be issued in printed form, executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Clerk, authenticated, if required, by the Fiscal Agent, sealed with its official or corporate seal, if any, or a facsimile thereof, and delivered to the Purchaser upon payment to the City of the purchase price thereof, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Bonds may be imprinted on the Bonds in lieu of the manual signature of the officer but, unless the City has contracted with a fiscal agent to authenticate the Bonds, at least one of the signatures appearing on each Bond shall be a manual signature. In the event that either of the officers whose signatures appear on the Bonds shall cease to be such officers before the Closing, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until the Closing. The aforesaid officers are hereby authorized and directed to do all acts and execute and deliver the Bonds and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The City hereby authorizes the officers and agents of the City to enter into, on its behalf, agreements and contracts in conjunction with the Bonds, including but not limited to agreements and contracts for legal, trust, fiscal agency, disclosure and continuing disclosure, and rebate calculation

services. Any such contract heretofore entered into in conjunction with the issuance of the Bonds is hereby ratified and approved in all respects.

Section 27. Conflicting Ordinances or Resolutions. All prior ordinances, resolutions (other than the Prior Resolution), rules, or orders, or parts thereof heretofore enacted, adopted or entered, in conflict with the provisions of this Resolution, are hereby repealed and this Resolution shall be in effect from and after its passage. In case of any conflict between this Resolution and the Prior Resolution, the Prior Resolution shall control so long as any Prior Bonds authorized by such resolution are outstanding.

Adopted, approved and recorded March 16, 2026.

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Paul Dwyer  
Mayor

ATTEST:

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Nicole Jacobs  
City Clerk

(SEAL)

**NOTICE OF SALE**

**\$3,815,000\* SEWER SYSTEM REVENUE BONDS, SERIES 2026C  
CITY OF TOMAH, WISCONSIN**

Bids for the purchase of \$3,815,000\* Sewer System Revenue Bonds, Series 2026C (the "Bonds") of the City of Tomah, Wisconsin (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, municipal advisors to the City, until 10:30 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:30 A.M., Central Time, on April 9, 2026, at which time they will be opened, read and tabulated. **The Common Council adopted a resolution on March 16, 2026 (the "Parameters Resolution"), which authorizes either the City Administrator or City Treasurer to accept a bid for the Bonds if the parameters and conditions set forth in the Parameters Resolution are met. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on April 9, 2026, then neither the City Administrator nor the City Treasurer have the authority to award the sale of the Bonds, and all bids will be rejected.**

**AUTHORITY; PURPOSE; SECURITY**

The Bonds are being issued pursuant to Section 66.0621, Wisconsin Statutes, by the City, to provide funds for the public purpose of financing additions, improvements and extensions to the City's Sewer System (the "Sewer System"). The Bonds are not general obligations of the City but are payable only from and secured by a pledge of income and revenue to be derived from the operation of the Sewer System. The Bonds are being issued on a parity with the City's outstanding Taxable Sewer System Revenue Refunding Bonds, Series 2021C, dated April 15, 2021.

**DATES AND MATURITIES**

The Bonds will be dated April 30, 2026, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on May 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2027	\$55,000	2034	\$170,000	2041	\$225,000
2028	140,000	2035	175,000	2042	235,000
2029	145,000	2036	185,000	2043	245,000
2030	150,000	2037	190,000	2044	255,000
2031	155,000	2038	200,000	2045	265,000
2032	160,000	2039	205,000	2046	280,000
2033	165,000	2040	215,000		

**ADJUSTMENT OPTION**

The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each up to \$100,000 increase or \$50,000 decrease for the 2027 maturity or mandatory redemption amount, and an increase or decrease of up to \$100,000 per maturity or mandatory redemption amount for the 2028 through 2046 maturities or mandatory redemption amounts. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

## **TERM BOND OPTION**

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

## **INTEREST PAYMENT DATES AND RATES**

Interest will be payable on May 1 and November 1 of each year, commencing May 1, 2027, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

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

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

## **PAYING AGENT**

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

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

## DELIVERY

On or about April 30, 2026, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City at its designated depository on the date of closing in immediately available funds.

## LEGAL MATTERS

An opinion as to the validity of the Bonds and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City ("Bond Counsel"), and will be available at the time of delivery of the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding special obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). (See "FORM OF LEGAL OPINION" found in Appendix B of the 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 Bonds. Although, as Disclosure Counsel to the City, Quarles & Brady LLP has assisted the City with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in the Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Bonds for any investor.

## SUBMISSION OF BIDS

Bids must not be for less than \$3,767,312.50, nor more than \$4,196,500, plus accrued interest on the principal sum of \$3,815,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

- 1) Electronically to [bondsale@ehlers-inc.com](mailto:bondsale@ehlers-inc.com); or
- 2) Electronically via **PARITY** in accordance with this Notice of Sale until 10:30 A.M., Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact 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 facsimile submission.

**A good faith deposit ("Deposit") in the amount of \$76,300 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids.** The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

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

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

### **AWARD**

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The City reserves the right to reject any and all bids and to waive any informality in any bid. **The Bonds will not be awarded if the TIC (taking the winning bidder's compensation into account) exceeds 4.50% or if the other conditions set forth in the Parameters Resolution are not satisfied.**

### **BOND INSURANCE**

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

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

### **CUSIP NUMBERS**

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

### **QUALIFIED TAX-EXEMPT OBLIGATIONS**

The Bonds 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 Bonds. A description of the details and terms of the undertaking is set forth in Appendix D of the Official Statement.

## NEW ISSUE PRICING

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **PRELIMINARY OFFICIAL STATEMENT**

Bidders may obtain a copy of the Official Statement relating to the Bonds prior to the bid opening by request from Ehlers at [www.ehlers-inc.com](http://www.ehlers-inc.com) by connecting to the Bond Sales link. The 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 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, Telephone (651) 697-8500.

By Order of the Common Council

Nicole Jacobs, City Clerk  
City of Tomah, Wisconsin

BID FORM

City of Tomah, Wisconsin (the "City")

April 9, 2026

RE: \$3,815,000\* Sewer System Revenue Bonds, Series 2026C (the "Bonds")

DATED: April 30, 2026

For all or none of the above Bonds, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$\_\_\_\_\_ (not less than \$3,767,312.50, nor more than \$4,196,500) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

Table with 4 columns: % due, year, % due, year, % due, year. Rows list years from 2027 to 2046.

The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each up to \$100,000 increase or \$50,000 decrease for the 2027 maturity or mandatory redemption amount, and an increase or decrease of up to \$100,000 per maturity or mandatory redemption amount for the 2028 through 2046 maturities or mandatory redemption amounts. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

A rating for the Bonds may not be requested without contacting Ehlers and receiving the permission of the City.

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

A good faith deposit ("Deposit") in the amount of \$76,300 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about April 30, 2026.

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

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

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

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

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

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

Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from April 30, 2026 of the above bid is \$\_\_\_\_\_ and the true interest cost (TIC) is \_\_\_\_\_%.

The foregoing offer is hereby accepted on behalf of the Common Council of the City of Tomah, Wisconsin, on April 9, 2026.

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

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