

PRELIMINARY OFFICIAL STATEMENT DATED MAY 7, 2024

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

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

New Issue

Rating Application Made: S&P Global Ratings

CITY OF WEST BEND, WISCONSIN (Washington County)

\$4,560,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2024A

BID OPENING: May 16, 2024, 10:30 A.M., C.T.

CONSIDERATION: Not later than 11:59 P.M., C.T. on May 16, 2024 (PARAMETERS RESOLUTION)

PURPOSE/AUTHORITY/SECURITY: The \$4,560,000* General Obligation Promissory Notes, Series 2024A (the "Notes") are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the City of West Bend, Wisconsin (the "City"), for public purposes, including paying the cost of projects and equipment included in the City's 2024 capital projects budget and TID No. 16 projects (the "Project"). The Notes are general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF NOTES: June 5, 2024

MATURITY: April 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2025	\$100,000	2030	\$355,000	2035	\$120,000
2026	250,000	2031	405,000	2036	125,000
2027	345,000	2032	510,000	2037	130,000
2028	345,000	2033	615,000	2038	135,000
2029	350,000	2034	630,000	2039	145,000

***MATURITY ADJUSTMENTS:** The City reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of \$5,000 each, up to a maximum of \$100,000 per maturity. 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: April 1, 2025 and semiannually thereafter.

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

MINIMUM BID: \$4,507,560.

MAXIMUM BID: \$4,970,400.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$91,200 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation.

BOND COUNSEL: Quarles & Brady LLP.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

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

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.

REPRESENTATIONS

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

This Preliminary Official Statement is not to be construed as a contract with the 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 Preliminary Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete. Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the delivery of the Notes.

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

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

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

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

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

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

CLOSING CERTIFICATES

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

TABLE OF CONTENTS

<p>INTRODUCTORY STATEMENT..... 1</p> <p>THE NOTES 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;">RATING 2</p> <p style="padding-left: 20px;">CONTINUING DISCLOSURE..... 3</p> <p style="padding-left: 20px;">LEGAL OPINION..... 3</p> <p style="padding-left: 20px;">STATEMENT REGARDING COUNSEL PARTICIPATION 4</p> <p style="padding-left: 20px;">TAX EXEMPTION..... 4</p> <p style="padding-left: 20px;">ORIGINAL ISSUE DISCOUNT..... 4</p> <p style="padding-left: 20px;">BOND PREMIUM 5</p> <p style="padding-left: 20px;">QUALIFIED TAX-EXEMPT OBLIGATIONS 6</p> <p style="padding-left: 20px;">MUNICIPAL ADVISOR 6</p> <p style="padding-left: 20px;">MUNICIPAL ADVISOR AFFILIATED COMPANIES.. 6</p> <p style="padding-left: 20px;">INDEPENDENT AUDITORS 6</p> <p style="padding-left: 20px;">RISK FACTORS..... 6</p> <p>VALUATIONS 9</p> <p style="padding-left: 20px;">WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES 9</p> <p style="padding-left: 20px;">CURRENT PROPERTY VALUATIONS..... 10</p> <p style="padding-left: 20px;">2023 EQUALIZED VALUE BY CLASSIFICATION .. 10</p> <p style="padding-left: 20px;">TREND OF VALUATIONS 10</p> <p style="padding-left: 20px;">LARGER TAXPAYERS..... 11</p> <p>DEBT 11</p> <p style="padding-left: 20px;">DIRECT DEBT 11</p> <p style="padding-left: 20px;">DEBT PAYMENT HISTORY 12</p> <p style="padding-left: 20px;">FUTURE FINANCING..... 12</p> <p style="padding-left: 20px;">DEBT LIMIT 12</p> <p style="padding-left: 20px;">SCHEDULE OF GENERAL OBLIGATION DEBT ... 13</p> <p style="padding-left: 20px;">OVERLAPPING DEBT 17</p> <p style="padding-left: 20px;">DEBT RATIOS 17</p>	<p>TAX LEVIES AND COLLECTIONS..... 18</p> <p style="padding-left: 20px;">TAX LEVIES AND COLLECTIONS..... 18</p> <p style="padding-left: 20px;">PROPERTY TAX RATES 19</p> <p style="padding-left: 20px;">LEVY LIMITS 19</p> <p style="padding-left: 20px;">REVENUE FROM THE STATE 20</p> <p>THE ISSUER 21</p> <p style="padding-left: 20px;">CITY GOVERNMENT..... 21</p> <p style="padding-left: 20px;">EMPLOYEES; PENSIONS 21</p> <p style="padding-left: 20px;">OTHER POST EMPLOYMENT BENEFITS..... 22</p> <p style="padding-left: 20px;">LITIGATION 23</p> <p style="padding-left: 20px;">MUNICIPAL BANKRUPTCY..... 23</p> <p style="padding-left: 20px;">FUNDS ON HAND 25</p> <p style="padding-left: 20px;">ENTERPRISE FUNDS..... 26</p> <p style="padding-left: 20px;">SUMMARY GENERAL FUND INFORMATION..... 27</p> <p>GENERAL INFORMATION 28</p> <p style="padding-left: 20px;">LOCATION..... 28</p> <p style="padding-left: 20px;">LARGER EMPLOYERS 28</p> <p style="padding-left: 20px;">BUILDING PERMITS 29</p> <p style="padding-left: 20px;">U.S. CENSUS DATA 30</p> <p style="padding-left: 20px;">EMPLOYMENT/UNEMPLOYMENT DATA..... 30</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 CERTIFICATE D-1</p> <p>NOTICE OF SALE..... E-1</p> <p>BID FORM</p>
---	---

CITY OF WEST BEND CITY COUNCIL

		<u>Term Expires</u>
Joel Ongert	Mayor	April 2025
John Butschlick	Council President	April 2026
Mark Allen	Aldersperson	April 2025
Brett Bergquist	Aldersperson	April 2026
Mary Beth Seiser	Aldersperson	April 2026
Randall Koehler	Aldersperson	April 2026
Bill Schmidt	Aldersperson	April 2026
John Spartz	Aldersperson	April 2025
Matt Sternig	Aldersperson	April 2025
Aaron Zingsheim	Aldersperson	April 2025

ADMINISTRATION

Jay Shambeau, City Administrator
Carrie Winklbauer, Treasurer/Finance Director
Jilline Dobratz, City Clerk

PROFESSIONAL SERVICES

Ian Prust, Dahlberg O'Meara Law Group LLC, City Attorney, West Bend, Wisconsin

Quarles & Brady LLP, Bond Counsel, Milwaukee, Wisconsin

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

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of West Bend, Wisconsin (the "City") and the issuance of its \$4,560,000* General Obligation Promissory Notes, Series 2024A (the "Notes"). **The Common Council adopted a resolution on April 15, 2024 (the "Parameters Resolution"), which authorized the City Administrator or the Finance Director to accept a bid for the Notes if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on May 16, 2024, neither the City Administrator nor the Finance Director will have the authority to accept a bid for the Notes, and all bids for the Notes will be rejected.**

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

THE NOTES

GENERAL

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

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

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

OPTIONAL REDEMPTION

At the option of the City, the Notes maturing on or after April 1, 2033 shall be subject to optional redemption prior to maturity on April 1, 2032 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

*Preliminary, subject to change.

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

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

AUTHORITY; PURPOSE

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the City, for public purposes, including paying the cost of projects and equipment included in the City's 2024 capital projects budget and TID No. 16 projects (the "Project").

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Notes	\$4,560,000	
Estimated Interest Earnings	<u>30,713</u>	
Total Sources		\$4,590,713
Uses		
Estimated Underwriter's Discount	\$52,440	
Costs of Issuance	73,450	
Deposit to Capitalized Interest (CIF) Fund	126,364	
Deposit to Project Construction Fund	4,335,890	
Rounding Amount	<u>2,569</u>	
Total Uses		\$4,590,713

*Preliminary, subject to change.

SECURITY

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

RATING

General obligation debt of the City is currently rated "AA" by S&P Global Ratings ("S&P"). The City has requested an underlying rating on the Notes from S&P, and bidders will be notified as to the assigned rating prior to the sale.

Such rating, if any, reflects only the views of such organization and explanations of the significance of such rating may be obtained from S&P.

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

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

CONTINUING DISCLOSURE

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

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

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

The fire equipment lease dated April 15, 2020 was not filed within the 10 business day requirement. The lease was filed along with a failure notice on May 4, 2020. 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 along with any changes to the Rule, to ensure compliance. Ehlers is currently engaged as dissemination agent for the City.

LEGAL OPINION

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

STATEMENT REGARDING COUNSEL PARTICIPATION

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

TAX EXEMPTION

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

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

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

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

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

ORIGINAL ISSUE DISCOUNT

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

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

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

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

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

BOND PREMIUM

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

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

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

Premium Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Premium Bonds.

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

MUNICIPAL ADVISOR

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

MUNICIPAL ADVISOR AFFILIATED COMPANIES

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

INDEPENDENT AUDITORS

The basic financial statements of the City for the fiscal year ended December 31, 2022 have been audited by Baker Tilly US, LLP, Madison, Wisconsin, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Preliminary Official Statement.

RISK FACTORS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

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

Assessed Value

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

CURRENT PROPERTY VALUATIONS

2023 Equalized Value	\$4,412,863,400
2023 Equalized Value Reduced by Tax Increment Valuation	\$3,987,008,900
2023 Assessed Value	\$4,351,391,200

2023 EQUALIZED VALUE BY CLASSIFICATION

	2023 Equalized Value¹	Percent of Total Equalized Value
Residential	\$2,878,362,300	65.227%
Commercial	1,359,349,800	30.804%
Manufacturing	112,507,700	2.550%
Agricultural	130,700	0.003%
Undeveloped	100,000	0.002%
Ag Forest	2,000	0.000%
Forest	613,800	0.014%
Other	451,800	0.010%
Personal Property	<u>61,345,300</u>	<u>1.390%</u>
Total	<u><u>\$4,412,863,400</u></u>	<u><u>100.000%</u></u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value ¹	Percent Increase/Decrease in Equalized Value
2019	\$2,798,588,050	\$2,956,923,800	6.88%
2020	2,915,523,600	3,200,372,200	8.23%
2021	2,935,607,600	3,483,278,500	8.84%
2022	2,994,174,800	3,991,313,500	14.59%
2023	4,351,391,200	4,412,863,400	10.56%

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

¹ Includes tax increment valuation.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2023 Equalized Value ¹	Percent of City's Total Equalized Value
West Bend Mutual Insurance Co.	Insurance Company	\$88,893,316	2.01%
Froedtert Health, Inc.	Medical Facility	52,971,312	1.20%
River Shores/Cast Iron Condos	Condos/Apartments	36,447,043	0.83%
Meijer Stores Limited Partnership	Retail	35,261,065	0.80%
Store Spe Mills Fleet II 2017-7, LLC (Fleet Farm)	Retail	32,810,107	0.74%
Manitou Equipment America, LLC (Gehl Co.)	Commercial	24,748,120	0.56%
Brixmor Paradise Pavilion (Kohl's & Hobby Lobby)	Retail	24,513,642	0.56%
Hawthorn Lake Property (Trails Edge Apartments)	Apartments	24,402,184	0.55%
Kwik Trip, Inc.	Convenience Store	24,157,565	0.55%
Menard Inc 3149	Retail	21,996,965	0.50%
Total		\$366,201,319	8.30%
City's Total 2023 Equalized Value ²		\$4,412,863,400	

Source: The City.

DEBT

DIRECT DEBT³

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Notes)* \$47,640,000

*Preliminary, subject to change.

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

² Includes tax increment valuation.

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

Lease Obligations

Issue Date	Original Amount	Purpose	Final Maturity	Principal Outstanding
4/15/20	\$ 1,303,912	Fire equipment	4/15/30	\$826,651
12/22/20	106,292	Small wheel loader	12/21/25	44,405
2/24/23	132,754	Wheel loader	2/24/26	89,910

DEBT PAYMENT HISTORY

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

FUTURE FINANCING

The City expects to issue a Safe Drinking Water Fund Loan in the approximate amount of \$3,100,000 in June of 2024. The City also expects to issue general obligation debt for capital projects in 2025, but the amount and timing have not yet been determined. Other than the preceding, the City has no current plans for additional financing in the next 12 months.

DEBT LIMIT

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

Equalized Value	\$4,412,863,400
Multiply by 5%	0.05
Statutory Debt Limit	<u>\$220,643,170</u>
Less: General Obligation Debt*	<u>(47,640,000)</u>
Unused Debt Limit*	<u><u>\$173,003,170</u></u>

*Preliminary, subject to change.

City of West Bend, Wisconsin
 Schedule of Bonded Indebtedness
 General Obligation Debt Secured by Taxes
 (As of 06/05/2024)

	Refunding Bonds Series 2011B		Refunding Bonds Series 2012B		Corporate Purpose Bonds Series 2013A		Police Facility Bonds Series 2014A		Corporate Purpose Bonds Series 2015A	
Dated	12/21/2011		05/09/2012		06/06/2013		02/26/2014		06/10/2015	
Amount	\$1,840,000		\$6,805,000		\$9,060,000		\$1,740,000		\$3,850,000	
Maturity	04/01		04/01		05/01		02/01		04/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	0	2,170	0	20,059	0	78,188	0	17,393	0	12,600
2025	50,000	3,565	1,025,000	29,228	850,000	146,813	85,000	33,638	415,000	18,975
2026	50,000	2,015	815,000	9,169	905,000	125,938	90,000	31,275	425,000	6,375
2027	40,000	620			980,000	102,375	90,000	28,665		
2028					1,000,000	76,375	95,000	25,798		
2029					1,005,000	48,806	100,000	22,625		
2030					285,000	31,069	105,000	19,140		
2031					295,000	22,725	105,000	15,413		
2032					300,000	13,800	110,000	11,435		
2033					310,000	4,650	115,000	7,100		
2034							120,000	2,400		
2035										
2036										
2037										
2038										
2039										
2040										
2041										
2042										
	140,000	8,370	1,840,000	58,456	5,930,000	650,738	1,015,000	214,880	840,000	37,950

--Continued on next page

City of West Bend, Wisconsin
 Schedule of Bonded Indebtedness continued
 General Obligation Debt Secured by Taxes
 (As of 06/05/2024)

	Corporate Purpose Bonds Series 2016A		Promissory Notes Series 2016C		Promissory Notes Series 2017A		Promissory Notes Series 2018A		Corporate Purpose Bonds Series 2019A	
Dated	03/29/2016		06/01/2016		05/11/2017		05/03/2018		04/03/2019	
Amount	\$5,525,000		\$800,000		\$2,230,000		\$2,560,000		\$4,890,000	
Maturity	03/01		06/01		03/01		05/01		04/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	0	22,488	0	1,181	0	9,414	0	19,650	0	44,000
2025	450,000	40,475	85,000	1,789	285,000	15,906	330,000	34,350	435,000	79,300
2026	460,000	31,375	90,000	608	290,000	9,868	335,000	24,375	445,000	61,700
2027	300,000	23,775			300,000	3,375	335,000	14,325	455,000	45,975
2028	290,000	17,513					310,000	4,650	470,000	32,100
2029	325,000	10,188							485,000	17,775
2030	245,000	3,063							170,000	7,950
2031									180,000	2,700
2032										
2033										
2034										
2035										
2036										
2037										
2038										
2039										
2040										
2041										
2042										
	2,070,000	148,875	175,000	3,578	875,000	38,563	1,310,000	97,350	2,640,000	291,500

--Continued on next page

City of West Bend, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 06/05/2024)

	Taxable Community Development Bonds Series 2020A		Corporate Purpose Bonds Series 2020B		Taxable Refunding Bonds Series 2020C		Corporate Purpose Bonds Series 2021A		Taxable Community Development Bonds Series 2021B	
Dated	02/05/2020		05/07/2020		10/15/2020		05/06/2021		11/03/2021	
Amount	\$3,530,000		\$6,190,000		\$3,775,000		\$5,370,000		\$2,835,000	
Maturity	02/01		05/01		03/01		04/01		04/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	0	45,703	0	56,484	0	9,994	0	42,086	0	25,036
2025	80,000	90,645	490,000	108,069	410,000	15,888	330,000	80,873	160,000	49,313
2026	100,000	88,885	495,000	98,219	215,000	9,638	330,000	74,273	160,000	47,593
2027	100,000	86,835	505,000	88,219	150,000	5,988	345,000	65,798	160,000	45,513
2028	120,000	84,465	510,000	75,519	150,000	3,700	340,000	55,523	160,000	43,153
2029	135,000	81,593	515,000	60,144	100,000	2,363	350,000	45,173	165,000	40,551
2030	155,000	78,219	520,000	44,619	100,000	1,188	365,000	36,273	165,000	37,705
2031	180,000	74,193	160,000	35,219	45,000	281	370,000	30,310	170,000	34,690
2032	200,000	69,488	165,000	31,969			380,000	25,528	180,000	31,360
2033	220,000	64,128	170,000	28,619			385,000	20,459	180,000	27,760
2034	245,000	57,960	170,000	25,219			390,000	15,130	180,000	23,980
2035	265,000	51,009	175,000	21,769			400,000	9,400	190,000	19,910
2036	290,000	43,305	180,000	18,219			400,000	3,200	135,000	16,200
2037	305,000	34,899	180,000	14,506					140,000	12,900
2038	325,000	25,840	185,000	10,628					140,000	9,435
2039	345,000	16,039	190,000	6,525					150,000	5,738
2040	365,000	5,475	195,000	2,194					150,000	1,913
2041										
2042										
	3,430,000	998,678	4,805,000	726,138	1,170,000	49,038	4,385,000	504,023	2,585,000	472,748

--Continued on next page

City of West Bend, Wisconsin
 Schedule of Bonded Indebtedness continued
 General Obligation Debt Secured by Taxes
 (As of 06/05/2024)

	Promissory Notes Series 2022A		Promissory Notes Series 2023A		Community Development Bonds Series 2023B		Promissory Notes Series 2024A							
Dated	05/11/2022		04/26/2023		04/26/2023		06/05/2024							
Amount	\$3,455,000		\$3,285,000		\$3,790,000		\$4,560,000*							
Maturity	04/01		04/01		04/01		04/01							
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
2024	0	58,175	0	64,700	0	80,550	0	0	0	609,870	609,870	47,640,000	.00%	2024
2025	335,000	107,975	275,000	123,900	0	161,100	100,000	210,009	6,190,000	1,351,808	7,541,808	41,450,000	12.99%	2025
2026	340,000	91,100	300,000	112,400	100,000	158,600	250,000	151,780	6,195,000	1,135,183	7,330,183	35,255,000	26.00%	2026
2027	345,000	73,975	325,000	99,900	150,000	152,350	345,000	141,376	4,925,000	979,063	5,904,063	30,330,000	36.34%	2027
2028	350,000	56,600	330,000	86,800	150,000	144,850	345,000	129,819	4,620,000	836,863	5,456,863	25,710,000	46.03%	2028
2029	360,000	40,650	350,000	73,200	175,000	136,725	350,000	118,178	4,415,000	697,969	5,112,969	21,295,000	55.30%	2029
2030	365,000	27,975	375,000	58,700	175,000	127,975	355,000	106,369	3,380,000	580,243	3,960,243	17,915,000	62.40%	2030
2031	370,000	16,950	410,000	43,000	200,000	118,600	405,000	93,639	2,890,000	487,719	3,377,719	15,025,000	68.46%	2031
2032	380,000	5,700	425,000	26,300	200,000	109,600	510,000	78,313	2,850,000	403,491	3,253,491	12,175,000	74.44%	2032
2033			445,000	8,900	200,000	101,600	615,000	59,161	2,640,000	322,376	2,962,376	9,535,000	79.99%	2033
2034					250,000	92,600	630,000	37,213	1,985,000	254,501	2,239,501	7,550,000	84.15%	2034
2035					250,000	82,600	120,000	23,653	1,400,000	208,340	1,608,340	6,150,000	87.09%	2035
2036					250,000	72,600	125,000	19,026	1,380,000	172,550	1,552,550	4,770,000	89.99%	2036
2037					250,000	62,600	130,000	14,053	1,005,000	138,958	1,143,958	3,765,000	92.10%	2037
2038					250,000	52,600	135,000	8,751	1,035,000	107,254	1,142,254	2,730,000	94.27%	2038
2039					290,000	41,800	145,000	3,009	1,120,000	73,110	1,193,110	1,610,000	96.62%	2039
2040					300,000	30,000			1,010,000	39,581	1,049,581	600,000	98.74%	2040
2041					300,000	18,000			300,000	18,000	318,000	300,000	99.37%	2041
2042					300,000	6,000			300,000	6,000	306,000	0	100.00%	2042
	2,845,000	479,100	3,235,000	697,800	3,790,000	1,750,750	4,560,000	1,194,346	47,640,000	8,422,878	56,062,878			

* Preliminary, subject to change.

OVERLAPPING DEBT¹

Taxing District	Equalized Value²	% In City	Total G.O. Debt³	City's Proportionate Share
Washington County	\$23,449,946,400	18.8182%	\$24,365,000	\$4,585,054
Moraine Park Technical College District	41,563,967,280	10.6170%	43,230,000	4,589,729
West Bend School District	8,190,438,878	53.8782%	3,410,000	<u>1,837,247</u>
City's Share of Total Overlapping Debt				<u><u>\$11,012,030</u></u>

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$4,412,863,400	Debt/ Per Capita 32,255⁴
Total General Obligation Debt*	\$47,640,000	1.08%	\$1,476.98
City's Share of Total Overlapping Debt	<u>11,012,030</u>	<u>0.25%</u>	<u>\$341.41</u>
Total*	\$58,652,030	1.33%	\$1,818.39

*Preliminary, subject to change.

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

² Includes tax increment valuation.

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

⁴ Estimated 2023 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Levy for City Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2019/20	\$20,402,865	100%	\$7.43
2020/21	21,104,099	100%	7.22
2021/22	21,163,943	100%	6.66
2022/23	22,532,475	100%	6.26
2023/24	23,237,612	In Process	5.83

Property tax statements are distributed to taxpayers by the town, village, and city treasurers in December of the levy year. Current state law requires counties to pay 100% of the real property taxes levied to cities, villages, towns, school districts and other taxing entities on or about August 20 of the collection year.

Personal property taxes, special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31, unless the municipality, by ordinance, permits special assessments to be paid in installments. Real property taxes must be paid in full by January 31 or in two equal installments by January 31 and July 31. Alternatively, municipalities may adopt a payment plan which permits real property taxes to be paid in three or more equal installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31, are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. On or before January 15 and February 20 the town, city or village treasurer settles with other taxing jurisdictions for all collections through December and January, respectively. In municipalities which have authorized the payment of real property taxes in three or more installments, the town, city or village treasurer settles with the other taxing jurisdictions on January 15, February 20 and on the fifteenth day of each month following the month in which an installment payment is required. On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. Any county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Uncollected personal property taxes owed by an entity that has ceased operations or filed a petition for bankruptcy, or are due on personal property that has been removed from the next assessment roll are collected from each taxing entity in the year following the levy year. The personal property tax has been repealed, starting with the property tax assessments as of January 1, 2024. Beginning in 2025, the personal property tax has been replaced with a payment from the State intended to replace the amount of property taxes imposed on personal property for the property tax assessments as of January 1, 2023.

PROPERTY TAX RATES

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

Year Levied/ Year Collected	Schools¹	County	Local	Total
2019/20	\$8.59	\$2.29	\$7.43	\$18.31
2020/21	8.58	2.24	7.22	18.04
2021/22	8.51	2.06	6.66	17.23
2022/23	6.84	1.79	6.26	14.89
2023/24	5.78	1.58	5.83	13.19

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

LEVY LIMITS

Section 66.0602 of the Wisconsin Statutes, imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of either the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current or zero percent; for a tax incremental district created after December 31, 2024, the valuation factor includes 90% of the equalized value increase due to new construction that is located in a tax incremental district, but does not include any improvements removed in a tax incremental district). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. In 2018, and in each year thereafter, the base amount is the actual levy for the immediately preceding year plus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes (an amount equal to the property taxes formerly levied on certain items of personal property), and the levy limit is the base amount multiplied by the valuation factor, minus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

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

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

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

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

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

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

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

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

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

REVENUE FROM THE STATE

In addition to local property taxes described above, a number of state programs exist which provide revenue to the City. One such program is commonly known as shared revenue which, pursuant to sec. 79.036, Wis. Stats., provides funding to the City that can be used for any public purpose. 2023 Wisconsin Act 12 ("Act 12") created a supplement to shared revenue, with payments to the City beginning in 2024. This supplemental shared revenue may be used only for the purposes specified in section 79.037, Wis. Stats. In 2024, the City is expected to receive approximately \$1,890,000 in shared revenue and supplemental shared revenue from the State, an increase from the approximately \$1,118,000 received in 2023. In future years, the amount of supplemental shared revenue could grow if State sales tax collections grow.

THE ISSUER

CITY GOVERNMENT

The City was incorporated on March 19, 1885 and is governed by a Mayor and an eight-member Common Council. The Mayor is elected to a three-year term and the Alderpersons of the Common Council are elected to staggered two-year terms. The appointed staff of a City Administrator, Treasurer/Finance Director and Clerk are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The City employs a staff of 218 full-time, 84 part-time, and 48 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, 2020 ("Fiscal Year 2020"), the fiscal year ended December 31, 2021 ("Fiscal Year 2021") and the fiscal year ended December 31, 2022 ("Fiscal Year 2022"), the City's portion of contributions to WRS (not including any employee contributions) totaled \$1,614,772, \$1,605,213 and \$1,670,002 respectively.

Governmental Accounting Standards Board Statement No. 68 ("GASB 68") requires calculation of a net pension liability for the pension plan. The net pension liability is calculated as the difference between the pension plan's total pension liability and the pension plan's fiduciary net position. The pension plan's total pension liability is the present value of the amounts needed to pay pension benefits earned by each participant in the pension plan based on the service provided as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date. The pension plan's fiduciary net position is the market value of plan assets formally set aside in a trust and restricted to paying pension plan benefits. If the pension plan's total pension liability exceeds the pension plan's fiduciary net position, then a net pension liability results. If the pension plan's fiduciary net position exceeds the pension plan's total pension liability, then a net pension asset results.

As of December 31, 2022, the total pension liability of the WRS was calculated as \$123.7 billion and the fiduciary net position of the WRS was calculated as \$118.4 billion, resulting in a net pension liability of \$5.3 billion.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2022, the City reported an asset of \$11,179,448 for its proportionate share of the net pension asset of the WRS. The net pension asset was measured as of December 31, 2021 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 0.13869967% of the aggregate WRS net pension asset as of December 31, 2021.

The calculation of the total pension asset and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of

net pension asset of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see Note 4 "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Recognized and Certified Bargaining Units

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

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

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

The following bargaining units represent employees of the City:

Bargaining Unit	Expiration Date of Current Contract
West Bend Police Protective Association	December 31, 2024
West Bend Police Supervisors Association	December 31, 2024
Local 2025, International Association of Firefighters	December 31, 2024
Dispatcher and Clerical Association, Local 503	December 31, 2024

OTHER POST EMPLOYMENT BENEFITS

The City has obligations for some post-employment benefits for its employees. Accounting for these obligations is dictated by the Statement of Governmental Accounting Standards No. 74 and 75 (GASB 74 and GASB 75). The City's most recent actuarial study of its OPEB obligations shows a net OPEB liability of \$14,075,771 as of December 31, 2023. The City has been funding these obligations on a pay-as-you-go basis. There are no assets that have been segregated and restricted to provide for retiree medical benefits.

In the Police and Fire departments, there was a change made from the five years of health insurance coverage to a portable VEBA with monthly payments paid by the City.

In addition, the City provides OPEB through the Local Retiree Life Insurance Fund ("LRLIF"), which is a cost-sharing multiple-employer defined benefit plan established by Chapter 40. The ETF and the Group Insurance

Board have statutory authority for program administration and oversight, including establishing contribution requirements for employers.

For Fiscal Year 2022, the City's portion of contributions to the LRLIF totaled \$4,980. For Fiscal Year 2021, the City reported a liability of \$1,438,129 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2021 based on the City's share of contributions to the LRLIF relative to the contributions of all participating employers. The City's proportion was 0.24332300% of the aggregate LRLIF net OPEB liability as of December 31, 2021.

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

Sources: The City's most recent ACFR and actuarial study from Key Benefit Concepts, LLC.

LITIGATION

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

MUNICIPAL BANKRUPTCY

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

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

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

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

FUNDS ON HAND (as of February 29, 2024)

Fund	Total Cash and Investments
General	\$20,487,442
Debt Service	3,309,975
Capital Projects	2,895,566
Water Utility	4,858,624
Sewer Utility	15,527,266
Library	1,747,410
BID	157,058
Communications	1,473,467
Room Tax	457,023
Park & Recreation	88,074
ARPA	2,403,154
OPEB Trust	1,226,580
Outreach Service	206,761
Library Trust	1,764
TIF 3	689,943
TIF 5	495,569
TIF 6	16,863
TIF 7	19,042
TIF 9	423,348
TIF 10	473,460
TIF 11	464,294
TIF 12	1,295,091
TIF 13	15,258
TIF 14	751,061
TIF 15	683,117
TIF 16	183,307
Park Trust	620,735
Economic Development	54,273
FAPS	67,826
	<hr/>
Total Funds on Hand	<u><u>\$61,093,347</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:

	2020	2021	2022
	Audited	Audited	Audited
Water			
Total Operating Revenues	\$4,896,326	\$5,329,677	\$5,402,996
Less: Operating Expenses	<u>(4,477,581)</u>	<u>(3,710,134)</u>	<u>(3,420,565)</u>
Operating Income	\$418,745	\$1,619,543	\$1,982,431
Plus: Depreciation	998,833	1,116,506	1,001,753
Interest Income	<u>28,042</u>	<u>(551)</u>	<u>65,866</u>
Revenues Available for Debt Service	<u><u>\$1,445,620</u></u>	<u><u>\$2,735,498</u></u>	<u><u>\$3,050,050</u></u>
Sewer			
Total Operating Revenues	\$4,126,700	\$4,386,220	\$4,513,329
Less: Operating Expenses	<u>(4,655,460)</u>	<u>(4,422,433)</u>	<u>(4,498,179)</u>
Operating Income	(\$528,760)	(\$36,213)	\$15,150
Plus: Depreciation	1,319,380	1,334,971	1,365,675
Interest Income	<u>161,357</u>	<u>66,740</u>	<u>140,527</u>
Revenues Available for Debt Service	<u><u>\$951,977</u></u>	<u><u>\$1,365,498</u></u>	<u><u>\$1,521,352</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 purposed to be the complete audited financial statements of the City, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the City. Copies of the complete statements are available upon request. Appendix A includes the 2022 audited financial statements.

FISCAL YEAR ENDING DECEMBER 31					
COMBINED STATEMENT	2020 Audited	2021 Audited	2022 Audited	2023 Projected¹	2024 Adopted Budget²
Revenues					
Taxes & special assessments	\$15,956,892	\$16,832,002	\$16,800,077	\$18,052,888	\$18,130,117
Intergovernmental	4,902,056	3,708,397	3,473,694	3,662,694	4,258,708
Licenses and Permits	765,724	1,019,583	990,919	761,824	580,910
Fines, Forfeitures, and Penalties	280,116	344,530	326,369	335,258	350,100
Public Charges for Services	1,768,038	2,012,140	2,459,967	2,676,472	2,408,241
Intergovernmental Charges for Services	445,231	455,016	465,916	479,943	495,000
Investment income (loss)	180,776	(18,726)	(56,952)	1,019,678	759,860
Miscellaneous	203,851	908,844	261,022	348,420	146,262
Total Revenues	\$24,502,684	\$25,261,786	\$24,721,012	\$27,337,177	\$27,129,198
Expenditures					
Current:					
General Government	\$4,611,678	\$4,515,530	\$4,722,317	\$5,812,688	\$5,914,042
Public Safety	12,590,834	12,978,032	13,313,336	14,197,627	15,864,262
Public Works	5,136,775	4,764,616	4,788,850	5,436,658	5,547,066
Leisure Activities	1,850,476	1,446,823	1,461,125	1,810,394	1,743,077
Conservation and Development	767,978	384,117	667,813	595,916	417,486
Capital Outlay	16,140	1,410,205	241,179	179,910	0
Contingency	0	0	0	0	180,955
Debt Service:					
Principal Retirement	9,326	138,260	188,761	32,425	0
Interest and Fiscal Charges	1,463	47,572	31,499	899	0
Total Expenditures	\$24,984,670	\$25,685,155	\$25,414,880	\$28,066,517	\$29,666,888
Excess of revenues over (under) expenditures	(\$481,986)	(\$423,369)	(\$693,868)	(\$729,340)	(\$2,537,690)
Other Financing Sources (Uses)					
Capital lease issued	\$1,410,205	\$0	\$0	\$0	\$0
Finance purchase issued	0	0	61,587	179,910	0
Proceeds on leased assets	0	0	0	336,567	0
Sale of property	445,735	328,465	91,758	99,007	40,000
Transfers in	667,480	651,953	1,420,762	2,121,377	2,641,901
Transfers (out)	(509,639)	(10,000)	(24,200)	(14,525)	(144,211)
Total Other Financing Sources (Uses)	2,013,781	970,418	1,549,907	2,722,336	2,537,690
Net changes in Fund Balances	\$1,531,795	\$547,049	\$856,039	\$1,992,996	\$0
General Fund Balance January 1	\$8,380,584	\$9,912,379	\$10,459,428	\$11,315,467	
General Fund Balance December 31	\$9,912,379	\$10,459,428	\$11,315,467	\$13,308,463	
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	\$2,902,401	\$1,241,879	\$1,302,741	\$1,309,239	
Restricted	339,192	321,240	216,882	205,205	
Assigned	559,657	791,288	710,232	858,249	
Unassigned	6,111,129	8,105,021	9,085,612	10,935,770	
Total	\$9,912,379	\$10,459,428	\$11,315,467	\$13,308,463	

¹ The 2023 estimated data is as of May 7, 2024.

² The 2024 budget was adopted on November 13, 2023.

GENERAL INFORMATION

LOCATION

The City, with a 2020 U.S. Census population of 31,752 and a current estimated population of 32,255 comprises an area of 30 square miles and is located approximately 35 miles northwest of Milwaukee, Wisconsin. West Bend is the County Seat of Washington County.

LARGER EMPLOYERS¹

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
West Bend Mutual Insurance	Property/casualty insurance company	881
West Bend Joint School District No. 1	Elementary and secondary education	722
Wal-Mart	Retail	600
Washington County	County government and services	543 ²
Serigraph Inc.	Commercial screen and lithograph printing	500
St. Joseph's Hospital	Hospital	451
Cedar Community	Nursing and convalescent homes	435 ³
West Bend Clinic	Health care	400
The City	Municipal government and services	350
YMCA Kettle Moraine	Community service, health and fitness	333

Source: The City, ReferenceUSA, written and telephone survey, Milwaukee Book of List Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development.

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

² 543.18 FTE per 2024 County Budget.

³ Five locations in the City.

BUILDING PERMITS (as of February 29, 2024)

	2020	2021	2022	2023	2024
<u>New Single Family Homes</u>					
No. of building permits	46	20	11	6	0
Valuation	\$10,830,661	\$5,168,150	\$3,823,614	\$1,709,940	\$0
<u>New Multiple Family Buildings</u>					
No. of building permits	16	19	5	2	2
Valuation	\$6,149,800	\$25,530,000	\$33,310,145	\$738,320	\$2,367,490
<u>New Commercial/Industrial</u>					
No. of building permits	6	7	12	9	1
Valuation	\$21,630,000	\$19,892,214	\$8,028,705	\$34,700,098	\$6,384,300
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	529	505	461	379	30
Valuation	\$57,318,335	\$68,468,858	\$68,150,840	\$58,434,998	\$10,737,518

Source: The City.

U.S. CENSUS DATA

Population Trend: The City

2010 U.S. Census Population	31,078
2020 U.S. Census Population	31,752
Percent of Change 2010 - 2020	2.17%
2023 Estimated Population	32,255

Income and Age Statistics

	The City	Washington County	State of Wisconsin	United States
2022 per capita income	\$38,713	\$45,821	\$40,130	\$41,261
2022 median household income	\$71,904	\$91,915	\$72,458	\$75,149
2022 median family income	\$92,094	\$108,427	\$92,974	\$92,646
2022 median gross rent	\$973	\$1,073	\$992	\$1,268
2022 median value owner occupied units	\$224,300	\$293,300	\$231,400	\$281,900
2022 median age	40.5 yrs.	43.4 yrs.	39.9 yrs.	38.5 yrs.
		State of Wisconsin	United States	
City % of 2022 per capita income		96.47%	93.82%	
City % of 2022 median family income		99.05%	99.40%	

Housing Statistics

	<u>The City</u>		
	2020	2022	Percent of Change
All Housing Units	14,300	14,515	1.50%

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

EMPLOYMENT/UNEMPLOYMENT DATA

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

Year	<u>Average Employment</u>		<u>Average Unemployment</u>		
	The City	Washington County	The City	Washington County	State of Wisconsin
2020	15,694	72,277	6.3%	5.7%	6.4%
2021	16,111	74,193	3.5%	3.1%	3.9%
2022	16,265	74,906	2.6%	2.4%	2.9%
2023 ¹	16,401	75,531	2.7%	2.6%	3.0%
2024, March ¹	16,193	74,575	3.0%	2.9%	3.5%

Source: Wisconsin Department of Workforce Development.

¹ Preliminary.

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the City's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The City has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Official Statement, nor has the City requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the City since the date of the financial statements, in connection with the issuance of the Notes, the City represents that there have been no material adverse 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 WEST BEND, WISCONSIN
**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**
FISCAL YEAR ENDED DECEMBER 31, 2022



City of West Bend, Wisconsin

Annual Comprehensive Financial Report

Year Ended December 31, 2022

Prepared by the Finance Department:
Carrie Winklbauer, CPA – Finance Director

City of West Bend

Table of Contents
December 31, 2022

	<u>Page</u>
Introductory Section	
Letter of Transmittal	i
GFOA Certificate of Achievement for Excellence in Financial Reporting	vi
Organizational Chart	vii
Directory of Officials	viii
Financial Section	
Independent Auditors' Report	ix
Required Supplementary Information	
Management's Discussion and Analysis	xii
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements	
Balance Sheet – Governmental Funds	3
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	4
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6
Statement of Net Position – Proprietary Funds	7
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	9
Statement of Cash Flows – Proprietary Funds	10
Statement of Fiduciary Net Position – Fiduciary Funds	12
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	13
Index to Notes to the Financial Statements	14
Notes to the Financial Statements	15

City of West Bend

Table of Contents
December 31, 2022

	<u>Page</u>
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	69
Schedule of Proportionate Share of the Net Pension Liability (Asset) – Wisconsin Retirement System	70
Schedule of Employer Contributions – Wisconsin Retirement System	70
Schedule of Proportionate Share of the Net Life Insurance OPEB Liability – Local Retiree Life Insurance Fund	70
Schedule of Changes in Employer's Total OPEB Liability and Related Ratios – Health Insurance	71
Schedule of Changes in the Net OPEB Liability and Related Ratios – OPEB Trust	72
Schedule of Investment Returns – OPEB Trust	73
Schedule of Employer Contributions – OPEB Trust	74
Notes to Required Supplementary Information	75
Supplementary Information	
General Fund – Detailed Schedule of Revenues and Other Financing Sources	77
General Fund – Detailed Schedule of Expenditures and Other Financing Uses	80
Debt Service Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	82
Nonmajor Governmental Funds	
Combining Balance Sheet	83
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	87
Schedules of Revenues, Expenditures and Changes in Fund Balance (Deficit) – Budget and Actual	
Taxi Transit System Fund	91
Public Library Fund	92
Room Tax Fund	93
Communications Fund	94
Economic Development Fund	95
Recreation Fund	96
TIF District No. 3 Fund	97
TIF District No. 4 Fund	98
TIF District No. 5 Fund	99
TIF District No. 6 Fund	100
TIF District No. 7 Fund	101
TIF District No. 8 Fund	102
TIF District No. 9 Fund	103

City of West Bend

Table of Contents
December 31, 2022

	<u>Page</u>
TIF District No. 10 Fund	104
TIF District No. 11 Fund	105
TIF District No. 12 Fund	106
TIF District No. 13 Fund	107
TIF District No. 14 Fund	108
TIF District No. 15 Fund	109
Statistical Section (Other Information)	
Introduction to the Statistical Section	110
Financial Trends:	
Net Position by Component	111
Changes in Net Position	112
Fund Balances, Governmental Funds	114
Changes in Fund Balances, Governmental Funds	115
Revenue Capacity:	
Assessed and Equalized Value of Taxable Property	116
Direct and Overlapping Property Tax Rates	117
Principal Property Taxpayers	118
Property Tax Levies and Collections	119
Debt Capacity:	
Ratios of Outstanding Debt by Type	120
Ratios of Outstanding Debt to Equalized Value	121
Computation of Direct and Overlapping Debt	122
Computation of Legal Debt Margin	123
Water Utility Revenue Bond Coverage	124
Demographic and Economic Information:	
Demographic and Economic Statistics	125
Principal Employers	126
Operating Information:	
Full-time Equivalent City Government Employees by Function/Program	127
Operating Indicators and Information About Capital Assets by Function/Department	128



FINANCE DEPARTMENT

1115 South Main Street • West Bend, WI 53095
Phone: (262)335-5118 • Fax: (262)306-3104
<https://www.ci.west-bend.wi.us>

June 6, 2023

Dear Mayor Ongert, Members of Common Council, and Citizens of West Bend,

Wisconsin Statutes and the Wisconsin Administrative Code require that municipalities with a population greater than 25,000 publish at the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The attached Annual Comprehensive Financial Report of the City of West Bend for the fiscal year ended December 31, 2022 satisfies these requirements.

Management assumes full responsibility for the completeness and reliability of the information contained in this report. In order to provide a reasonable basis for this representation, management has established and maintained a framework of internal control procedures. These procedures are designed to protect the City's assets and ensure that reliable accounting data is compiled to allow for accurate preparation of financial statements in conformity with GAAP. The objective of internal controls is to provide reasonable assurance that the financial statements are free of any material misstatements. To the best of our knowledge, the presented data is complete and reliable in all material aspects and presents fairly the financial position and results of the City of West Bend for the year ended December 31, 2022.

The City of West Bend retained the services of Baker Tilly US, LLP to perform its annual audit. Baker Tilly US, LLP concluded that the City's financial statements for the year ended December 31, 2022 are fairly presented in accordance with GAAP. The auditor's opinion is located at the front of the Financial Section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE CITY OF WEST BEND

The City of West Bend is located in Washington County, approximately 32 miles northwest of the City of Milwaukee, in the southeast corner of Wisconsin. The City of West Bend was incorporated in 1885 and was known as the rest stop as the halfway point for travelers going from Milwaukee to Fond du Lac. The City covers approximately 15.74 square miles and has a population of 32,067 as of January 1, 2022 per the State of Wisconsin Department of Administration.

The City of West Bend operates under the Mayor-Council form of government. The Common Council consists of eight alderpersons, in which each represents a district and serves a two-year term that is staggered among the eight alderpersons. The Mayor is elected to serve a three-year term. The City Administrator is appointed by the Council and is responsible for the day-to-day operations of the City of West Bend.

The City of West Bend provides numerous services typical of municipal governments. This includes police, fire, emergency medical services, street maintenance, refuse and recycling collection, public library, parks and recreation activities, planning and zoning enforcement, economic development, inspection services, and financial and general administration services. The City operates Water and Sewer Utilities as enterprise funds.

The City adopts an annual Operating Budget, which serves as the foundation of the City's financial planning and control. Department budgets are prepared on an annual basis by department heads and submitted to Finance and Administration for review in August. The Finance Department then reviews the individual department budgets. A meeting is then scheduled with the City Administrator, Finance Department staff, and respective department to discuss the department budgets in more detail. Adjustments are made at this point during the compilation of the Operating Budget. The Finance Department then creates the Operating Budget document and a summary budget for the Common Council to review. The budget document is prepared by fund, function (ex: Public Safety, etc.), and department (ex: Police). The Operating Budget is adopted in November by the Common Council. Department heads may transfer resources within a department as they see fit. Transfers between departments, however, need special approval from Common Council.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

The City continues to experience moderate and controlled growth in terms of the residential, commercial, and manufacturing sectors. The change in equalized value of property within the City has averaged an 8.4% increase per year since 2018. The increases in equalized value for residential, commercial, and manufacturing class real property averaged 8.4%, 9.2%, and 5.3% respectively over that same period. The value of net new construction as a percentage of total property value in the City has averaged 1.77% over the last five years. This managed growth was based on past infrastructure investment with no significant additional expenditures required. Residential growth has included an average of 117.2 dwelling units per year since 2018. Single and two-family residential development have occurred within previously platted subdivisions with 17 dwelling units permitted in 2022.

Trail's Edge opened in spring 2022 with 120 market-rate dwelling units. The assessed value of this property increased from \$580,200 in 2021 to a partial improved value of \$7,462,200 in 2022. Commercial construction remained consistently strong in 2022. Several significant and previously-vacant commercial sites were redeveloped for regional and nationally recognized retail brands, including Big Lots, Home Goods, Sierra, Five Below, Old Navy, Dunham's Sports, Ross Dress for Less, and Panera Bread and Chipotle will open in 2023. Milwaukee Tool celebrated its grand opening in the city's 200+ acre industrial park. Milwaukee Tool constructed

a 95,700 SF manufacturing facility and offered more than 150 new jobs. In 2021, the Milwaukee Tool site's assessed value was \$3,111,700 and it grew to \$12,924,400. Prospects for the industrial park continue to be positive. In 2023, a new 75,000 SF manufacturing facility is slated for Kettle Moraine Metal Products.

Public and private investment occurred within the historic downtown of the City. City staff assisted more than 100 small businesses in acquiring the Main Street Bounce Back Grant worth \$10,000. This state funding infused more than \$1M into the local small business economy. Improvements to the downtown Riverwalk and associated parkways continued in 2022, and the City secured a \$2,655,000 Neighborhood Investment Fund grant to complete the west side of the Riverwalk. A \$27.5M mixed-use development (177 residential units, 6,800+ sq. ft. commercial space) on the former brewery site continued construction in 2022. 1840 Brewing Company was named the flagship commercial business to locate in the space.

Financial Planning

The City of West Bend Finance Department and Administration annually update the City's Five-year Financial Plan in accordance with the Government Finance Officers Association (GFOA) Budget Document criteria guidelines. The most current financial plan is published in the City's annual Operating Budget. The financial plan incorporates several financial policies that the City of West Bend Common Council has approved and is committed to ensuring compliance.

The City adopts an annual Capital Budget and publishes a Five-Year Capital Plan in its Operating Budget. The overall goal of the City is to pay down more debt than what is being borrowed annually. The City borrowed additional funds in 2021 for the new Tax Increment Districts 14 and 15. Common Council recently approved a revision to the Debt Management Policy, which states that the percentage of debt limit to general obligation debt shall be 10% below the median value for comparative municipalities in Wisconsin as defined by the policy. This guideline limits the annual borrowing for capital projects. The majority of the annual borrowing for capital projects is used towards maintaining roads. Management reviews capital planning and the funding of the plan with a combination of borrowing and using funds on hand, if available.

Long-range financial planning involves analysis of current and projected General Fund revenues and expenses, changes in assumptions, and monitoring of the projected undesignated fund balance to verify that the assumptions still fall within the City of West Bend's fund balance policy. Standard & Poor (S&P) Global Ratings maintained the City's bond rating of AA in 2021. This rating is due to a healthy undesignated fund balance and conservative financial management of the City of West Bend.

Financial Policies

Common Council has approved the following financial policies for the City of West Bend:

- **Fund Balance** – adopted this policy in 2014 to serve as a guide to improve the undesignated fund balance. This policy was updated in 2019 to reflect that the fund balance shall be maintained at the GFOA minimum of 17% of the subsequent year's budgeted general fund expenditures to a targeted maximum of 10% above the median

value for comparative municipalities in Wisconsin as defined by the policy. The 2021 median value percentage was 32.9%. The City is currently at 32.54% as of December 31, 2022.

- **Debt Management Policy** – adopted in 2014 to reduce the overall City’s borrowing over the ensuing years. Common Council limited total general obligation debt to no higher than 20% of non-capital expenditures. Currently, the City of West Bend is higher than the percentage listed, at 20.33%. The City strives to reduce this percentage to abide by this policy. During 2019 this policy was updated to include the percentage of debt limit to general obligation debt shall be 10% below the median value for comparative municipalities in Wisconsin as defined by the policy.
- **Balanced Budget Policy** – adopted in 2017 as a recommendation from the Government Finance Officers Association (GFOA) *Building a Better Budget Document* book. This policy states the various ways that the General Fund Operating Budget, Special Revenue Funds Budgets, and Enterprise Budgets are considered balanced.
- **Investment Policy** – This policy serves as a guideline for the framework of the City’s daily investment activities. This policy follows the guidelines in the Wisconsin State Statutes and requires collateralization of 102% of the value of the City’s investments.
- **Purchasing Policy** – updated in 2015 to incorporate new credit card purchasing guidelines and the new credit card rebate program implemented. This policy provides guidelines for the City on purchases of goods, purchasing procedures, public works construction, seminars & training reimbursements, petty cash procedures, credit card purchases, and disposal of surplus property.

All of these financial policies are updated as necessary and followed by the various departments at the City of West Bend.

AWARDS AND ACKNOWLEDGEMENTS

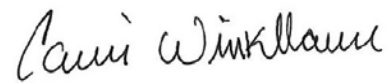
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of West Bend for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2021. This was the fourth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program’s requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report was made possible by the dedicated services of the entire staff of the City of West Bend’s Finance Department and the advice of the independent auditors, Baker

Tilly US, LLP. We would also like to thank the Mayor and the Common Council for their continued support of the financial operations of the City.

Respectfully submitted,

A handwritten signature in black ink that reads "Carrie Winklbauer". The signature is written in a cursive, flowing style.

Carrie Winklbauer, CPA
Finance Director





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of West Bend
Wisconsin**

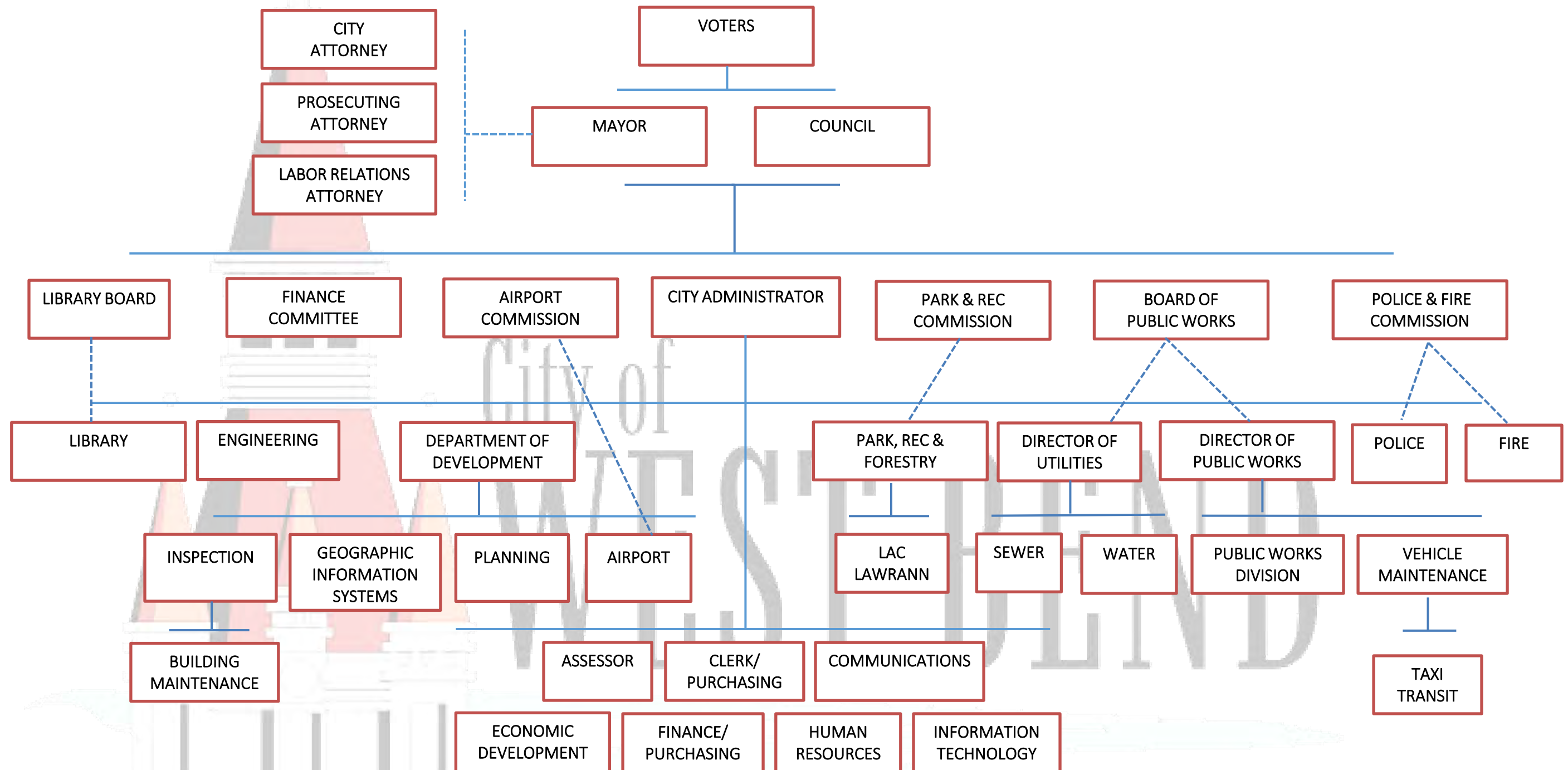
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO

CITY OF WEST BEND ORGANIZATIONAL CHART



DIRECTORY OF OFFICIALS (As of May 2023)

MAYOR

Joel Ongert



COMMON COUNCIL

John Butschlick - District 1



Mark Allen - District 2



Brett Bergquist - District 3



Matt Sternig - District 4



Jed Dolnick - District 5



John Spartz - District 6



Justice Madl - District 7



Aaron Zingsheim - District 8



DEPARTMENT HEADS

Jay Shambeau

City Administrator

Chuck Beistle

Interim Fire Chief

Tim Dehring

Police Chief

Michelle Hoey

Human Resources Director

Mike Jentsch

Parks, Recreation and Forestry Director

Kurt Lulich

IT Director

Max Marechal

City Engineer

Ruth Mueller

Utilities Director

Doug Neumann

Public Works Director

Mark Piotrowicz

Development Director

Lizbet Santana

City Clerk

Steve Thiry

Library Director

Jessica Wildes

Communications and Economic

Development Director

Carrie Winklbauer

Finance Director

Jeff Yoder

City Assessor

ISSUING ANNUAL COMPREHENSIVE FINANCIAL REPORT

Carrie Winklbauer, CPA, Finance Director

Lisa Rosbeck, Account Technician II

INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report

To the City Council of
City of West Bend

Opinions

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

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

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1, the City adopted the provisions of GASB Statement No. 87, *Leases*, effective January 1, 2022. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections as listed in the table of contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Baker Tilly US, LLP

Madison, Wisconsin
June 6, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF WEST BEND

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2022

UNAUDITED

As management of the City of West Bend, we offer readers of the City of West Bend's financial statements this narrative overview and analysis of the financial activities of the City of West Bend for the fiscal year ended December 31, 2022.

Financial Highlights

- The assets and deferred outflows of resources of the City of West Bend exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$187,146,541 (net position). Of this amount, there is \$13,326,216 of unrestricted net position.
- The City's total net position increased by \$9,177,871.
- At the close of the current fiscal year, the City of West Bend's governmental funds reported combined ending fund balances of \$17,316,439, a decrease of \$418,804 from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$9,085,612, or 32.54% of total 2023 budgeted General Fund expenditures.
- The City's General Obligation debt decreased by \$3,068,900 during 2022, due to debt issued for capital improvements of \$3,455,000 offset by scheduled repayments.
- The City implemented GASB No. 87, *Leases* effective January 1, 2022.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of West Bend's basic financial statements. The City of West Bend's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the City of West Bend's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City of West Bend's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of West Bend is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

CITY OF WEST BEND

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2022

UNAUDITED

Both of the government-wide financial statements distinguish functions of the City of West Bend that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of West Bend include general government, public safety, public works, leisure activities, and community development.

The business-type activities of the City of West Bend include the Water Utility and Sewer Utility.

The government-wide financial statements include not only the City of West Bend itself (known as the primary government) but also a legally separate Business Improvement District for which the City of West Bend is financially accountable. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

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

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of West Bend, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of West Bend can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City of West Bend maintains twenty-seven governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, the debt service fund, and the capital projects fund which are considered major funds. Data from the other twenty-four governmental funds are combined into a single, aggregated presentation. Nonmajor governmental fund data is provided in the form of combining statements elsewhere in this report.

The City of West Bend adopts an annual appropriated budget for various funds. Amendments are made during the year to the adopted budgets. Budgetary comparison statements have been provided in the required supplementary information and supplementary information.

The basic governmental fund financial statements can be found on pages 3-6 of this report.

CITY OF WEST BEND

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2022

UNAUDITED

Proprietary funds. The City of West Bend uses enterprise funds to account for its Water and Sewer Utilities. Enterprise funds are used to report the same functions as business type activities in the government-wide financial statements. The Water Utility and Sewer Utility are considered to be major funds of the City of West Bend.

The basic proprietary fund financial statements can be found on pages 7-11 of this report.

Fiduciary funds. *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of West Bend's own programs. The only fiduciary funds maintained by the City of West Bend include an OPEB Trust fund as well as a Custodial – Tax Collection Fund which records the tax roll and tax collections for other taxing jurisdictions within the City of West Bend. The accounting used for fiduciary funds is much like that used for governmental funds.

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

Notes to Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14-68 of this report.

Supplementary Information: The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 77-109 of this report.

Government-wide Financial Analysis: Net position may serve over time as a useful indicator of a government's financial position. At year-end, the City of West Bend's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$187,146,541.

The largest portion of the City of West Bend's net position (\$158,252,691) is its net investment in capital assets (land, buildings, machinery, equipment, and infrastructure). The City used these capital assets to provide services to citizens, and therefore these assets are not available for future spending. Although the City of West Bend's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of West Bend's net position represents restricted net position (\$15,567,634), or resources that are subject to external restrictions on how they may be used. The remaining portion of unrestricted net position is \$13,326,216.

At the end of the current fiscal year, the City of West Bend is able to report positive balances in all categories of net position for the business-type activities, and in governmental activities, for its net investment in capital assets and restricted net position.

There was an increase of \$2,586,747 in restricted net position. This increase is due mainly to the increase in the net pension asset from 2021 to 2022, which requires restricted net position equal to the amount of the net pension asset.

CITY OF WEST BEND

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2022

UNAUDITED

The governmental activities' net position increased by \$6,394,080 during the current fiscal year.

*City of West Bend Net Position
December 31, 2022 and 2021*

	Governmental Activities		Business-Type Activities		Total	
	2021	2022	2021	2022	2021	2022
Current and Other Assets	\$ 58,616,813	\$ 63,720,814	\$ 26,865,871	\$ 35,075,899	\$ 85,482,684	\$ 98,796,713
Capital Assets	150,684,110	153,278,050	50,126,739	51,058,321	200,810,849	204,336,371
Total Assets	209,300,923	216,998,864	76,992,610	86,134,220	286,293,533	303,133,084
Unamortized loss on refunding	339,517	232,233	-	-	339,517	232,233
Pension related items	13,158,541	20,118,542	1,156,420	1,734,752	14,314,961	21,853,294
OPEB related items	3,748,408	3,761,126	194,694	188,446	3,943,102	3,949,572
Total Deferred Outflows	17,246,466	24,111,901	1,351,114	1,923,198	18,597,580	26,035,099
Long-term Liabilities	69,743,612	68,239,758	4,379,693	4,055,950	74,123,305	72,295,708
Current and Other Liabilities	4,988,701	6,020,486	491,618	670,688	5,480,319	6,691,174
Total Liabilities	74,732,313	74,260,244	4,871,311	4,726,638	79,603,624	78,986,882
Pension related items	17,372,611	24,281,857	1,473,529	2,045,790	18,846,140	26,327,647
OPEB related items	1,825,154	1,534,924	80,958	69,745	1,906,112	1,604,669
Lease related items	-	29,581	-	6,513,528	-	6,543,109
Unearned revenues	26,566,567	28,559,335	-	-	26,566,567	28,559,335
Total Deferred Inflows	45,764,332	54,405,697	1,554,487	8,629,063	47,318,819	63,034,760
Net Investment in Capital Assets	107,062,906	110,641,042	46,786,130	48,108,886	153,224,394	158,252,691
Restricted	11,860,484	14,496,820	1,120,403	1,070,814	12,980,887	15,567,634
Unrestricted (deficit)	(12,872,646)	(12,693,038)	24,011,393	25,522,017	11,763,389	13,326,216
Total Net Position	\$106,050,744	\$112,444,824	\$71,917,926	\$74,701,717	\$177,968,670	\$187,146,541

See Note 1 for the adjustment to total net position related to capital assets owned by the business-type activities, but financed by the governmental activities.

CITY OF WEST BEND

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2022

UNAUDITED

Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2022	2021	2022	2021	2022
Revenues						
Program revenues:						
Charges for services	\$ 5,449,651	\$ 5,705,495	\$ 9,717,108	\$ 9,917,101	\$ 15,166,759	\$ 15,622,596
Operating grants/ contribution	3,471,679	3,737,745	-	-	3,471,679	3,734,745
Capital grants/ contribution	1,084,581	1,881,860	-	-	1,084,581	1,881,860
Total Program Revenue	10,005,911	11,325,100	9,717,108	9,917,101	19,723,019	21,339,201
General revenues:						
Property taxes	26,127,745	26,407,725	-	-	26,127,745	26,407,725
Other taxes	754,167	857,352	-	-	754,167	857,352
Intergovernmental revenues	2,354,186	2,361,077	-	-	2,354,186	2,361,077
Investment income	9,847	260,847	66,189	314,676	76,036	575,523
Miscellaneous	1,256,089	336,892	1,936	483	1,258,025	337,375
Total General revenue	30,502,034	30,223,893	68,125	315,159	30,570,159	30,539,052
Total revenues	40,507,945	41,548,993	9,785,233	10,232,260	50,293,178	51,781,253
Program expenses						
General government	4,980,348	5,049,093	-	-	4,980,348	5,049,093
Public safety	11,829,101	12,514,158	-	-	11,829,101	12,514,158
Public works	10,877,656	8,827,640	-	-	10,877,656	8,827,640
Leisure activities	3,911,497	2,905,228	-	-	3,911,497	2,905,228
Conservation and development	2,953,899	3,680,895	-	-	2,953,899	3,680,895
Interest and fiscal charges	1,360,450	1,650,669	-	-	1,360,450	1,650,669
Water	-	-	3,770,215	3,473,894	3,770,215	3,473,894
Sewer	-	-	4,425,758	4,501,805	4,425,758	4,501,805
Total expenses	35,912,951	34,627,683	8,195,973	7,975,699	44,108,924	42,603,382
Increase (decrease) before transfers	4,594,994	6,921,310	1,589,260	2,256,561	6,184,254	9,177,871
Transfers	(226,374)	(527,230)	226,374	527,230	-	-
Change in Net Position	4,368,620	6,394,080	1,815,634	2,783,791	6,184,254	9,177,871
Net Position – Beginning of Year	101,682,124	106,050,744	70,102,292	71,917,926	171,784,416	177,968,670
Net Position – End of Year	\$106,050,744	\$112,444,824	\$71,917,926	\$74,701,717	\$177,968,670	\$187,146,541

CITY OF WEST BEND

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2022

UNAUDITED

Governmental Activities: The net position in the governmental activities increased by \$6,394,080 during the fiscal year. This was due to increases related to the City's net pension asset, grant revenue received for the airport and the Riverwalk project, and repayment of debt service levy shortfalls from TIFs 5, 7, and 9.

Business-type Activities: Business-type activities increased the City of West Bend's net position by \$2,783,791. This increase resulted from operations, pension-related items, and capital contributions.

Financial Analysis of the Government Funds: As noted earlier, the City of West Bend uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the City of West Bend's governmental funds reported combined ending fund balances of \$17,316,439, a decrease of \$(418,804). Approximately \$5.6 million of this total fund balance constitutes unassigned fund balance. For 2022, approximately \$1.4 million of fund balance was assigned for use in the general fund and for future capital projects.

The general fund is the chief operating fund of the City of West Bend. At the end of the current fiscal year, unassigned fund balance of the general fund was \$9,085,612, while total general fund balance was \$11,315,467. Unassigned fund balance represents 32.54% of total 2023 budgeted general fund expenditures, which is in line with the policy range detailed in Note 1 to the financial statements.

General Fund revenues and other financing sources were greater than expenditures and other financing uses by \$856,039 due to savings in salaries in the Police Department and salt usage in the Public Works Department. The Debt Service fund balance at year end was \$666,010, a decrease of \$(58,888) from the prior year due to usage of funds on hand for debt payments. The Capital Projects fund balance decreased by \$(381,399) from the prior year due primarily to usage of unspent debt proceeds available.

Proprietary Funds. The City of West Bend's proprietary funds provide the same type of information found in the government-wide statements.

Unrestricted net position of the Water Utility at the end of the year amounted to \$6,728,315 and for the Sewer Utility \$18,793,702. The total increase in net position for the Water Utility was \$1,871,529. The total increase in net position for the Sewer Utility was \$912,262.

General Fund Budgetary Highlights

Revenues

- Investment income below budget by \$258,852 due to market fluctuation.
- Building permits revenues above budget by \$96,504.
- Municipal court fines and penalties below budget by \$78,009.
- Ambulance fees above budget by \$358,768 due to a higher volume of calls and increase in rates.
- Payment in lieu of taxes from Water Utility below budget by \$101,204.
- Insurance recoveries above budget by \$29,000 due to landfill insurance funds received.

CITY OF WEST BEND

MANAGEMENT’S DISCUSSION AND ANALYSIS

December 31, 2022

UNAUDITED

Expenditures

- Health insurance below final budget by \$221,564 due to a decrease in health claims.
- Police costs below budget by \$406,918 due to open positions.
- Fire costs below budget by \$100,500.
- 2022 Public Works type expenditures within General Fund below budget by \$724,346, due to engineering and snow and ice control costs being below budget.
- Within authorized statutory debt limits at 23.88% at EOY.

Capital Asset and Debt Administration

Capital Assets: The City of West Bend’s investment in capital assets for its governmental and business-type activities as of December 31, 2022 amounts to \$204,336,371 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, construction in progress, and infrastructure. Infrastructure includes streets, bridges, sidewalks, drainage systems, sewer lines, and other infrastructure. Capital assets net of accumulated depreciation increased \$3,525,522 during 2022. The increase in capital assets was due to the completion of the new Beach House at Regner Park and also street infrastructure improvements. Please refer to footnote disclosure Note 3 for more information regarding capital assets.

***City of West Bend’s Capital Assets
(Net of Accumulated Depreciation)
December 31, 2022 and 2021***

	Governmental Activities		Business-Type Activities		Total	
	2021	2022	2021	2022	2021	2022
Land and Improvements	\$ 19,753,161	\$ 19,586,201	\$ 552,571	\$ 552,571	\$ 20,305,732	\$ 20,138,772
Right of Way	40,261,156	40,316,302	-	-	40,261,156	40,316,302
Buildings	18,321,150	19,631,198	-	-	18,321,150	19,631,198
Machinery and Equipment	8,647,255	8,203,536	-	-	8,647,255	8,203,536
Infrastructure	63,163,372	65,341,104	-	-	63,163,372	65,341,104
Construction in Progress	538,016	199,709	229,269	804,321	767,285	1,004,030
Water Utility Plant	-	-	26,268,728	26,680,908	26,268,728	26,680,908
Sewer Utility Plant	-	-	23,076,171	23,020,521	23,076,171	23,020,521
Total	\$ 150,684,110	\$ 153,278,050	\$ 50,126,739	\$ 51,058,321	\$ 200,810,849	\$ 204,336,371

Long Term Debt: At the end of the current fiscal year, the City of West Bend had total debt outstanding of \$49,679,123. Of this amount, \$48,330,000 represents general obligation debt, which is secured by the taxing authority of the city, \$146,680 represents leases payable, and \$1,202,443 represents financed purchases. The City’s total outstanding general obligation debt decreased by \$3,068,900 due to scheduled repayments. Please refer to footnote disclosure Note 3 for more information regarding long-term obligations.

CITY OF WEST BEND

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2022

UNAUDITED

Economic Factors

- The unemployment rate for the City of West Bend was 2.8% in December 2022. This compares to the state's average unemployment rate of 2.9% and the national average rate of 3.3% (no seasonal adjustments to these rates).
- Equalized value increased approximately 14.58% for 2022 showing continued increase over the past several years.
- Continued emphasis on downtown/brownfield redevelopment in TIF District Nos. 12 and 15. In September, 120 market-rate apartments became available for residents at Trail's Edge Apartments - a \$16.5M redevelopment in TIF District 12.
- Tax increment levy sharing from TIF District Nos. 4 and 6 to TIF District Nos. 5 and 9 will continue in future years.
- Building permit activity for residential construction continued showing signs of growth along with reasonable activity expected for commercial/industrial construction.
- Milwaukee Tool celebrated the opening of its state-of-the-art hand tool manufacturing facility in the West Bend Manufacturing Center in TIF District 14 - a new 216-acre city-owned industrial park. Milwaukee Tool invested \$55M into this project, is providing more than 150 new jobs, and is already preparing for future expansion.
- TIF District 15 was created in spring 2021. HKS Holdings is building 177 luxury apartments and townhomes on three acres along the Milwaukee River. The development includes a commercial venue for 1840 Brewing Company. A value of \$30M for the redevelopment and taproom is anticipated upon completion in spring of 2023.
- TIF District 16 was created in early 2023. The first project planned is a 115-unit senior living facility with assisted living and memory care, 54 independent living units, and a clubhouse.

2023 Budget Outlook

- The City did not need to use fund balance for 2022 tax rate that funds the 2023 Operating Budget and looks to continue the trend of growing the unrestricted fund balance to a healthy level.
- The 2023 Operating Budget includes the multi-year implementation of the compensation plan for all non-represented employees.
- The American Rescue Plan funding was allocated to various street and parking lot projects that the general public uses on a daily basis.
- The City looks to reduce overall general obligation debt.
- Attention to tax rate stabilization will likely continue for future budgets.

Requests for Information: This financial report is designed to provide a general overview of the City of West Bend's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Finance Director
City of West Bend
1115 South Main Street
West Bend, WI 53095

BASIC FINANCIAL STATEMENTS

City of West Bend

Statement of Net Position

December 31, 2022

	Primary Government			Component Unit
	Governmental Activities	Business - Type Activities	Total	
Assets				
Cash and investments	\$ 23,768,289	\$ 18,953,596	\$ 42,721,885	\$ 284,430
Taxes receivable	28,785,406	-	28,785,406	103,527
Special assessments receivable	58,733	929,927	988,660	-
Other receivables (net)	3,109,599	1,918,265	5,027,864	-
Loans receivable	409,928	-	409,928	-
Leases receivable	19,197	6,654,832	6,674,029	-
Internal balances	(4,944,944)	4,944,944	-	-
Prepaid items and inventories	1,271,110	145,071	1,416,181	-
Land held for resale	507,000	-	507,000	-
Other assets	-	458,450	458,450	-
Restricted assets:				
Cash and investments	412,166	215,696	627,862	-
Net pension asset	10,324,330	855,118	11,179,448	-
Capital assets:				
Land	14,656,650	552,571	15,209,221	-
Right of ways	40,316,302	-	40,316,302	-
Construction in progress	199,709	804,321	1,004,030	-
Other capital assets, net of depreciation	98,105,389	49,701,429	147,806,818	-
Total assets	<u>216,998,864</u>	<u>86,134,220</u>	<u>303,133,084</u>	<u>387,957</u>
Deferred Outflows of Resources				
Unamortized loss on refunding	232,233	-	232,233	-
Pension related items	20,118,542	1,734,752	21,853,294	-
OPEB related items	3,761,126	188,446	3,949,572	-
Total deferred outflows of resources	<u>24,111,901</u>	<u>1,923,198</u>	<u>26,035,099</u>	<u>-</u>
Liabilities				
Accounts payable and other current liabilities	2,716,832	670,688	3,387,520	1,371
Unearned revenue	3,303,654	-	3,303,654	-
Noncurrent liabilities:				
Due within one year	7,037,744	727,546	7,765,290	-
Due in more than one year	44,211,711	2,576,104	46,787,815	-
Net OPEB liability, due in more than one year	16,990,303	752,300	17,742,603	-
Total liabilities	<u>74,260,244</u>	<u>4,726,638</u>	<u>78,986,882</u>	<u>1,371</u>
Deferred Inflows of Resources				
Pension related items	24,281,857	2,045,790	26,327,647	-
OPEB related items	1,534,924	69,745	1,604,669	-
Lease related items	29,581	6,513,528	6,543,109	-
Deferred revenues	28,559,335	-	28,559,335	103,527
Total deferred inflows of resources	<u>54,405,697</u>	<u>8,629,063</u>	<u>63,034,760</u>	<u>103,527</u>
Net Position				
Net investment in capital assets	110,641,042	48,108,886	158,252,691	-
Restricted for loans and grants	215,167	-	215,167	-
Restricted for tourism	322,320	-	322,320	-
Restricted for donations	628,335	-	628,335	-
Restricted for future HRA payments	148,078	-	148,078	-
Restricted for library	783,765	-	783,765	-
Restricted for pension	10,324,330	855,118	11,179,448	-
Restricted for debt service	239,697	-	239,697	-
Restricted for replacement	-	215,696	215,696	-
Restricted for TIF related projects	1,835,128	-	1,835,128	-
Unrestricted (deficit)	(12,693,038)	25,522,017	13,326,216	283,059
Total net position	<u>\$ 112,444,824</u>	<u>\$ 74,701,717</u>	<u>\$ 187,146,541</u>	<u>\$ 283,059</u>

See notes to financial statements

City of West Bend

Statement of Activities

Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary Government								
Governmental activities:								
General government	\$ 5,049,093	\$ 557,241	\$ 136,037	\$ -	\$ (4,355,815)	\$ -	\$ (4,355,815)	\$ -
Public safety	12,514,158	2,931,365	35,521	31,275	(9,515,997)	-	(9,515,997)	-
Public works	8,827,640	1,027,813	2,087,165	215,354	(5,497,308)	-	(5,497,308)	-
Leisure activities	2,905,228	718,587	1,479,022	-	(707,619)	-	(707,619)	-
Conservation and development	3,680,895	470,489	-	1,635,231	(1,575,175)	-	(1,575,175)	-
Interest and fiscal charges	1,650,669	-	-	-	(1,650,669)	-	(1,650,669)	-
Total governmental activities	<u>34,627,683</u>	<u>5,705,495</u>	<u>3,737,745</u>	<u>1,881,860</u>	<u>(23,302,583)</u>	<u>-</u>	<u>(23,302,583)</u>	<u>-</u>
Business-type activities:								
Water	3,473,894	5,402,996	-	-	-	1,929,102	1,929,102	-
Sewer	4,501,805	4,514,105	-	-	-	12,300	12,300	-
Total business-type activities	<u>7,975,699</u>	<u>9,917,101</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,941,402</u>	<u>1,941,402</u>	<u>-</u>
Total primary government	<u>\$ 42,603,382</u>	<u>\$ 15,622,596</u>	<u>\$ 3,737,745</u>	<u>\$ 1,881,860</u>	<u>(23,302,583)</u>	<u>1,941,402</u>	<u>(21,361,181)</u>	<u>-</u>
Component Units								
Business improvement district	<u>\$ 74,555</u>	<u>\$ -</u>	<u>\$ 103,532</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,977</u>
General Revenues								
Taxes:								
Property taxes, levied for general purposes					16,720,894	-	16,720,894	-
Property taxes, levied for special revenue funds					811,015	-	811,015	-
Property taxes, levied for debt service					3,306,925	-	3,306,925	-
Property taxes, levied for TIF					5,568,891	-	5,568,891	-
Other taxes					857,352	-	857,352	-
Intergovernmental revenues not restricted to specific programs					2,361,077	-	2,361,077	-
Investment income					260,847	314,676	575,523	4,347
Miscellaneous					336,892	483	337,375	-
Total general revenues					<u>30,223,893</u>	<u>315,159</u>	<u>30,539,052</u>	<u>4,347</u>
Transfers					<u>(527,230)</u>	<u>527,230</u>	<u>-</u>	<u>-</u>
Change in net position					6,394,080	2,783,791	9,177,871	33,324
Net Position, Beginning					<u>106,050,744</u>	<u>71,917,926</u>	<u>177,968,670</u>	<u>249,735</u>
Net Position, Ending					<u>\$ 112,444,824</u>	<u>\$ 74,701,717</u>	<u>\$ 187,146,541</u>	<u>\$ 283,059</u>

See notes to financial statements

City of West Bend

Balance Sheet
 Governmental Funds
 December 31, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Assets					
Cash and investments	\$ 9,311,357	\$ 666,010	\$ 4,285,387	\$ 9,505,535	\$ 23,768,289
Receivables:					
Taxes	18,364,086	3,429,846	-	6,991,474	28,785,406
Delinquent personal property taxes	8,834	-	-	-	8,834
Accounts (net)	880,049	-	116,692	2,044,805	3,041,546
Leases	19,197	-	-	-	19,197
Special assessments	58,733	-	-	-	58,733
Delinquent special assessments	44,366	-	-	-	44,366
Accrued interest	14,853	-	-	-	14,853
Loans	-	-	-	409,928	409,928
Due from other funds	1,427,443	-	11,443	19,493	1,458,379
Inventories	957,253	-	-	-	957,253
Prepaid items	292,288	-	-	21,569	313,857
Advances to other funds	-	-	-	233,333	233,333
Restricted cash and investments	-	-	-	412,166	412,166
	<u>31,378,459</u>	<u>4,095,856</u>	<u>4,413,522</u>	<u>19,638,303</u>	<u>59,526,140</u>
Total assets	<u>\$ 31,378,459</u>	<u>\$ 4,095,856</u>	<u>\$ 4,413,522</u>	<u>\$ 19,638,303</u>	<u>\$ 59,526,140</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 964,696	\$ -	\$ 112,933	\$ 515,788	\$ 1,593,417
Accrued liabilities	642,399	-	-	32,499	674,898
Deposits	21,428	-	-	-	21,428
Due to other governments	526	-	250	-	776
Due to other funds	208,814	-	21,265	609,401	839,480
Unearned revenue	-	-	-	3,303,654	3,303,654
Advances from other funds	-	-	-	5,797,176	5,797,176
	<u>1,837,863</u>	<u>-</u>	<u>134,448</u>	<u>10,258,518</u>	<u>12,230,829</u>
Total liabilities	<u>1,837,863</u>	<u>-</u>	<u>134,448</u>	<u>10,258,518</u>	<u>12,230,829</u>
Deferred Inflows of Resources					
Deferred revenue	18,136,815	3,429,846	-	6,992,674	28,559,335
Lease related items	29,581	-	-	-	29,581
Unavailable revenue	58,733	-	75,000	1,256,223	1,389,956
	<u>18,225,129</u>	<u>3,429,846</u>	<u>75,000</u>	<u>8,248,897</u>	<u>29,978,872</u>
Total deferred inflows of resources	<u>18,225,129</u>	<u>3,429,846</u>	<u>75,000</u>	<u>8,248,897</u>	<u>29,978,872</u>
Fund Balances					
Nonspendable	1,302,741	-	-	21,569	1,324,310
Restricted	216,882	666,010	3,535,206	2,959,407	7,377,505
Committed	-	-	-	1,601,200	1,601,200
Assigned	710,232	-	668,868	-	1,379,100
Unassigned (deficit)	9,085,612	-	-	(3,451,288)	5,634,324
	<u>11,315,467</u>	<u>666,010</u>	<u>4,204,074</u>	<u>1,130,888</u>	<u>17,316,439</u>
Total fund balances	<u>11,315,467</u>	<u>666,010</u>	<u>4,204,074</u>	<u>1,130,888</u>	<u>17,316,439</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 31,378,459</u>	<u>\$ 4,095,856</u>	<u>\$ 4,413,522</u>	<u>\$ 19,638,303</u>	<u>\$ 59,526,140</u>

See notes to financial statements

City of West Bend

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2022

Fund Balance, Total Governmental Funds \$ 17,316,439

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

Land held for resale used in governmental funds is not a financial resource and, therefore,
is not reported in the funds. 507,000

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

Land	14,656,650
Right of ways	40,316,302
Construction in progress	199,709
Other capital assets, net of depreciation	98,105,389

Some receivables that are not currently available are reported as unavailable
revenue in the fund financial statements but are recognized as revenue
when earned in the government-wide statements. See Note 3. 1,389,956

The net pension asset does not related to current financial resources and is not
reported in the governmental funds. 10,324,330

Deferred outflows of resources related to pensions do not relate to current financial
resources and are not reported in the funds. 20,118,542

Deferred inflows of resources related to pensions do not relate to current financial
resources and are not reported in the funds. (24,281,857)

Deferred outflows of resources related to OPEB do not relate to current financial
resources and are not reported in the funds. 3,761,126

Deferred inflows of resources related to OPEB do not relate to current financial
resources and are not reported in the funds. (1,534,924)

Some deferred outflows of resources and liabilities, including long-term debt, are not due and payable
in the current period and, therefore, not reported in the funds.

Bonds and notes payable	(45,540,000)
Financed purchase	(1,188,329)
Lease payable	(54,119)
Compensated absences	(3,505,693)
Other post-employment benefits	(16,990,303)
Accrued interest	(426,313)
Unamortized loss on refunding	232,233
Unamortized debt premium	(961,314)

Net Position of Governmental Activities \$ 112,444,824

City of West Bend

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended December 31, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Taxes	\$ 16,779,688	\$ 3,306,925	\$ -	\$ 7,179,300	\$ 27,265,913
Intergovernmental	3,473,694	-	-	3,509,166	6,982,860
Licenses and permits	990,919	-	-	327,908	1,318,827
Fines, forfeitures and penalties	326,369	-	-	-	326,369
Public charges for services	2,459,967	-	-	1,176,478	3,636,445
Intergovernmental charges for services	465,916	-	-	57,201	523,117
Special assessments	20,389	-	-	-	20,389
Investment income (loss)	(56,952)	12,914	81,731	221,323	259,016
Miscellaneous	261,022	-	570,796	71,682	903,500
	<u>24,721,012</u>	<u>3,319,839</u>	<u>652,527</u>	<u>12,543,058</u>	<u>41,236,436</u>
Total revenues					
Expenditures					
Current:					
General government	4,722,317	-	-	36,785	4,759,102
Public safety	13,313,336	-	-	-	13,313,336
Public works	4,788,850	-	-	1,169,322	5,958,172
Leisure activities	1,461,125	-	-	2,895,858	4,356,983
Conservation and development	667,813	-	-	795,184	1,462,997
Capital outlay	241,179	-	4,682,450	2,661,228	7,584,857
Debt service:					
Principal retirement	188,761	2,945,000	-	3,116,496	6,250,257
Interest and fiscal charges	31,499	565,685	78,938	596,235	1,272,357
	<u>25,414,880</u>	<u>3,510,685</u>	<u>4,761,388</u>	<u>11,271,108</u>	<u>44,958,061</u>
Total expenditures					
Excess (deficiency) of revenues over expenditures	<u>(693,868)</u>	<u>(190,846)</u>	<u>(4,108,861)</u>	<u>1,271,950</u>	<u>(3,721,625)</u>
Other Financing Sources (Uses)					
General obligation debt issued	-	-	3,455,000	-	3,455,000
Finance purchase issued	61,587	-	-	3,328	64,915
Premium on debt issued	-	-	209,496	-	209,496
Sale of property	91,758	-	-	8,882	100,640
Transfers in	1,420,762	183,734	284,200	2,741,681	4,630,377
Transfers out	(24,200)	(51,776)	(221,234)	(4,860,397)	(5,157,607)
	<u>1,549,907</u>	<u>131,958</u>	<u>3,727,462</u>	<u>(2,106,506)</u>	<u>3,302,821</u>
Total other financing sources (uses)					
Net change in fund balances	856,039	(58,888)	(381,399)	(834,556)	(418,804)
Fund Balances, Beginning	<u>10,459,428</u>	<u>724,898</u>	<u>4,585,473</u>	<u>1,965,444</u>	<u>17,735,243</u>
Fund Balances, Ending	<u>\$ 11,315,467</u>	<u>\$ 666,010</u>	<u>\$ 4,204,074</u>	<u>\$ 1,130,888</u>	<u>\$ 17,316,439</u>

See notes to financial statements

City of West Bend

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
Year Ended December 31, 2022

Net Change in Fund Balances, Total Governmental Funds \$ (418,804)

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

Governmental funds report capital outlays as expenditures. However, in the statement of net position, the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements.	7,584,857
Some items reported as operating expenditures in the fund financial statements are capitalized in the government-wide statements.	370,158
Depreciation is reported in the government-wide statements	(5,136,188)
Net book value of assets retired	(224,886)

Receivables not currently available are reported as unavailable revenue in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.

211,917

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

Debt issued	(3,455,000)
Financed purchase issued	(64,915)
Principal repaid	6,250,257
Lease liability adjustments	(96,911)

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Vested compensated absences	33,402
Accrued interest on debt	(130,944)
Net OPEB liability	(1,083,114)
Net pension asset	2,387,698
Deferred outflows of resources related to pensions	6,960,001
Deferred inflows of resources related to pensions	(6,909,246)
Deferred outflows of resources related to OPEB	12,718
Deferred inflows of resources related to OPEB	290,230

Governmental funds report debt discount as expenditures and debt premium as revenue. However, in the statement of net position, these are deferred and reported as noncurrent liabilities. These are allocated over the period the debt is outstanding in the statement of activities and are reported as amortization expense. The loss on refunding is reported on the statement of net position as a deferred outflow and also amortized on the statement of activities.

Premium on long-term debt and other debt related items	(79,864)
Amortization of loss on refunding	(107,286)

Change in Net Position of Governmental Activities \$ 6,394,080

City of West Bend

Statement of Net Position

Proprietary Funds

December 31, 2022

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Total
Assets			
Current assets:			
Cash and investments	\$ 6,852,062	\$ 7,742,246	\$ 14,594,308
Restricted assets			
Interest receivable	36,722	9,867	46,589
Accounts receivable	936,947	934,729	1,871,676
Due from other funds	13,923	177,878	191,801
Inventories	142,154	-	142,154
Prepaid items	1,784	1,133	2,917
Current portion of lease receivable	183,087	-	183,087
Current portion of advances to other funds	-	283,127	283,127
Total current assets	<u>8,166,679</u>	<u>9,148,980</u>	<u>17,315,659</u>
Noncurrent assets:			
Restricted assets:			
Replacement account	-	215,696	215,696
Net pension asset	494,832	360,286	855,118
Capital assets:			
Property and equipment	48,174,691	54,800,109	102,974,800
Accumulated depreciation	(20,976,742)	(31,744,058)	(52,720,800)
Construction work in progress	543,252	261,069	804,321
Other assets:			
Special assessments receivable	257,425	672,502	929,927
Lease receivable	6,471,745	-	6,471,745
Advances to other funds	-	5,280,716	5,280,716
Designated project investments	-	4,359,288	4,359,288
Property held for future use	163,124	-	163,124
Preliminary survey and investigation	119,444	100,882	220,326
Nonutility property	-	75,000	75,000
Total noncurrent assets	<u>35,247,771</u>	<u>34,381,490</u>	<u>69,629,261</u>
Total assets	<u>43,414,450</u>	<u>43,530,470</u>	<u>86,944,920</u>
Deferred Outflows of Resources			
Pension related items	1,023,576	711,176	1,734,752
OPEB related items	149,796	38,650	188,446
Total deferred outflows of resources	<u>1,173,372</u>	<u>749,826</u>	<u>1,923,198</u>

See notes to financial statements

City of West Bend

Statement of Net Position

Proprietary Funds

December 31, 2022

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Total
Liabilities			
Current liabilities:			
Accounts payable	\$ 301,374	\$ 292,448	\$ 593,822
Accrued liabilities	67,647	9,219	76,866
Due to other funds	622,375	188,325	810,700
Current portion of finance purchase lease	2,157	1,007	3,164
Current portion of general obligation debt	465,000	30,000	495,000
Current portion of lease liability	34,353	3,935	38,288
Current portion of compensated absences	116,056	75,038	191,094
Total current liabilities	<u>1,608,962</u>	<u>599,972</u>	<u>2,208,934</u>
Long-term liabilities net of current maturities:			
General obligation debt payable	2,257,759	90,000	2,347,759
Financed purchase lease liability	7,465	3,485	10,950
Compensated absences	119,892	43,230	163,122
Lease liability	53,319	954	54,273
OPEB liability	623,234	129,066	752,300
Total long-term liabilities	<u>3,061,669</u>	<u>266,735</u>	<u>3,328,404</u>
Total liabilities	<u>4,670,631</u>	<u>866,707</u>	<u>5,537,338</u>
Deferred Inflows of Resources			
Pension related items	1,202,059	843,731	2,045,790
OPEB related items	57,309	12,436	69,745
Lease related items	6,513,528	-	6,513,528
Total deferred inflows of resources	<u>7,772,896</u>	<u>856,167</u>	<u>8,629,063</u>
Net Position			
Net investment in capital assets	24,921,148	23,187,738	48,108,886
Restricted for replacement	-	215,696	215,696
Restricted for pension	494,832	360,286	855,118
Unrestricted	6,728,315	18,793,702	25,522,017
Total net position	<u>\$ 32,144,295</u>	<u>\$ 42,557,422</u>	<u>\$ 74,701,717</u>

See notes to financial statements

City of West Bend

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

Year Ended December 31, 2022

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Total
Operating Revenues	<u>\$ 5,402,996</u>	<u>\$ 4,513,329</u>	<u>\$ 9,916,325</u>
Operating Expenses			
Operation and maintenance	2,418,812	3,132,504	5,551,316
Depreciation	<u>1,001,753</u>	<u>1,365,675</u>	<u>2,367,428</u>
Total operating expenses	<u>3,420,565</u>	<u>4,498,179</u>	<u>7,918,744</u>
Operating income	<u>1,982,431</u>	<u>15,150</u>	<u>1,997,581</u>
Nonoperating Revenues (Expenses)			
Investment income	65,866	140,527	206,393
Lease interest income	108,283	-	108,283
Interest expense	(76,179)	(3,626)	(79,805)
Amortization of premium net of issuance costs	22,850	-	22,850
Income from merchandising and jobbing	-	776	776
Miscellaneous revenues	<u>483</u>	<u>-</u>	<u>483</u>
Total nonoperating revenue (expenses)	<u>121,303</u>	<u>137,677</u>	<u>258,980</u>
Income (loss) before transfers	<u>2,103,734</u>	<u>152,827</u>	<u>2,256,561</u>
Transfers			
Transfers in	339,954	774,774	1,114,728
Transfers out	<u>(572,159)</u>	<u>(15,339)</u>	<u>(587,498)</u>
Total transfers	<u>(232,205)</u>	<u>759,435</u>	<u>527,230</u>
Change in net position	1,871,529	912,262	2,783,791
Net Position, Beginning	<u>30,272,766</u>	<u>41,645,160</u>	<u>71,917,926</u>
Net Position, Ending	<u>\$ 32,144,295</u>	<u>\$ 42,557,422</u>	<u>\$ 74,701,717</u>

See notes to financial statements

City of West Bend

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2022

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Total
Cash Flows From Operating Activities			
Cash received from customers	\$ 5,625,923	\$ 4,386,434	\$ 10,012,357
Cash paid to suppliers for goods and services	(1,630,874)	(2,230,006)	(3,860,880)
Cash payments to employees for services	(1,060,111)	(890,882)	(1,950,993)
Net cash flows from operating activities	<u>2,934,938</u>	<u>1,265,546</u>	<u>4,200,484</u>
Cash Flows From Investing Activities			
Investments sold and matured	23,779	10,918	34,697
Investments purchased	-	-	-
Investment income	<u>141,477</u>	<u>119,766</u>	<u>261,243</u>
Net cash flows from investing activities	<u>165,256</u>	<u>130,684</u>	<u>295,940</u>
Cash Flows From Noncapital Financing Activities			
Transfers from (to) other funds	324,614	774,774	1,099,388
Advances to (received from) other funds	-	141,692	141,692
Paid to municipality for tax equivalent	(631,615)	(15,339)	(646,954)
Net cash flows from noncapital financing activities	<u>(307,001)</u>	<u>901,127</u>	<u>594,126</u>
Cash Flows From Capital and Related Financing Activities			
Acquisition and construction of capital assets	(1,961,994)	(1,529,073)	(3,491,067)
Leases paid	(2,860)	(8,548)	(11,408)
Special assessments received	-	6,137	6,137
Debt retired	(445,000)	(30,000)	(475,000)
Interest paid	(79,168)	(2,838)	(82,006)
Net cash flows from capital and related financing activities	<u>(2,489,022)</u>	<u>(1,564,322)</u>	<u>(4,053,344)</u>
Net change in cash and cash equivalents	304,171	733,035	1,037,206
Cash and Cash Equivalents, Beginning	<u>5,615,317</u>	<u>8,682,695</u>	<u>14,298,012</u>
Cash and Cash Equivalents, Ending	<u>\$ 5,919,488</u>	<u>\$ 9,415,730</u>	<u>\$ 15,335,218</u>

See notes to financial statements

City of West Bend

Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2022

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Total
Reconciliation of Operating Income to Net Cash Flows From Operating Activities			
Operating income	\$ 1,982,431	\$ 15,150	\$ 1,997,581
Nonoperating revenue	483	776	1,259
Adjustments to reconcile operating income to net cash flows from operating activities:			
Noncash items included in income:			
Depreciation	1,001,753	1,365,675	2,367,428
Depreciation charged to other accounts	70,221	-	70,221
Changes in assets, liabilities, and deferred outflows/inflows of resources:			
Accounts receivable	212,273	(90,960)	121,313
Due from other funds	(2,612)	(35,369)	(37,981)
Inventories	(27,111)	-	(27,111)
Prepaid items	1,796	841	2,637
Accounts payable	(88,252)	98,263	10,011
Accrued liabilities	1,396	8,583	9,979
Due to other funds	(93,167)	(32,504)	(125,671)
Customer deposits	784	-	784
OPEB related assets, liabilities and deferrals	(10,416)	14,337	3,921
Compensated absences	(8,622)	3,907	(4,715)
Pension related assets, liabilities and deferrals	(106,019)	(83,153)	(189,172)
Net cash flows from operating activities	<u>\$ 2,934,938</u>	<u>\$ 1,265,546</u>	<u>\$ 4,200,484</u>
Reconciliation of Cash and Cash Equivalents to Statement of Net Position Accounts			
Cash and investments	\$ 6,852,062	\$ 7,742,246	\$ 14,594,308
Replacement account	-	215,696	215,696
Designated project investments	-	4,359,288	4,359,288
Total cash and investments	6,852,062	12,317,230	19,169,292
Less noncash equivalents	<u>(932,574)</u>	<u>(2,901,500)</u>	<u>(3,834,074)</u>
Cash and cash equivalents	<u>\$ 5,919,488</u>	<u>\$ 9,415,730</u>	<u>\$ 15,335,218</u>
Noncash Capital and Related Financing Activities			
Interest accrued on advances	<u>\$ -</u>	<u>\$ 23,634</u>	<u>\$ 23,634</u>

See notes to financial statements

City of West Bend

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2022

	<u>OPEB Trust</u>	<u>Custodial Fund Tax Collection Fund</u>
Assets		
Cash and investments	\$ -	\$ 21,896,909
Taxes receivable	-	9,294,722
Accrued interest receivable	6,214	
Restricted assets:		
Certificates of deposit, negotiable	<u>1,184,015</u>	<u>-</u>
Total assets	<u>1,190,229</u>	<u>31,191,631</u>
Liabilities		
Due to other taxing units	-	31,088,104
Due to component unit	<u>-</u>	<u>103,527</u>
Total liabilities	<u>-</u>	<u>31,191,631</u>
Net Position		
Restricted for OPEB	<u>1,190,229</u>	<u>-</u>
Total net position	<u>\$ 1,190,229</u>	<u>\$ -</u>

See notes to financial statements

City of West Bend

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

Year Ended December 31, 2022

	<u>OPEB Trust</u>	<u>Custodial Fund Tax Collection Fund</u>
Additions		
Property taxes collected for county	\$ -	\$ 5,020,774
Property taxes collected for technical college	-	1,310,049
Property taxes collected for school district	-	19,440,805
Net investment income	<u>20,261</u>	<u>-</u>
Total additions	<u>20,261</u>	<u>25,771,628</u>
Deductions		
Property taxes collected for county	-	5,020,774
Property taxes collected for technical college	-	1,310,049
Property taxes collected for school district	<u>-</u>	<u>19,440,805</u>
Total deletions	<u>-</u>	<u>25,771,628</u>
Change in net position	20,261	-
Net Position, Beginning	<u>1,169,968</u>	<u>-</u>
Net Position, Ending	<u>\$ 1,190,229</u>	<u>\$ -</u>

See notes to financial statements

City of West Bend

Index to Notes to Financial Statements
December 31, 2022

	<u>Page</u>
1. Summary of Significant Accounting Policies	15
Reporting Entity	15
Government-Wide and Fund Financial Statements	16
Measurement Focus, Basis of Accounting and Financial Statement Presentation	18
Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity	20
Deposits and Investments	20
Receivables	21
Inventories and Prepaid Items	22
Restricted Assets	22
Capital Assets	22
Other Assets	23
Deferred Outflows of Resources	23
Compensated Absences	23
Long-Term Obligations/Conduit Debt	24
Leases	24
Deferred Inflows of Resources	24
Equity Classifications	25
Basis for Existing Rates	26
Pension	26
Postemployment Benefits Other Than Pensions (OPEB)	27
2. Stewardship, Compliance and Accountability	27
Budgetary Information	27
Excess Expenditures and Other Financing Uses Over Appropriations	27
Deficit Balances	28
Limitations on the City's Tax Levy	28
3. Detailed Notes on All Funds	29
Deposits and Investments	29
Receivables	31
Restricted Assets	32
Capital Assets	33
Interfund Receivables/Payables, Advances and Transfers	35
Long-Term Obligations	38
Lease Disclosure	41
Net Position/Fund Balances	47
Component Unit	49
4. Other Information	50
Employees' Retirement System	50
Risk Management	55
Commitments and Contingencies	56
Joint Venture	57
Other Postemployment Benefits	57
Related Organization	68
Subsequent Events	68
Effect of New Accounting Standards on Current-Period Financial Statements	68

1. Summary of Significant Accounting Policies

The accounting policies of the City of West Bend, Wisconsin (City) conform to generally accepted accounting principles as applicable to governmental units. The accepted standard setting body for establishing governmental accounting and financial reporting is the Governmental Accounting Standards Board (GASB).

Reporting Entity

This report includes all of the funds of the City. The reporting entity for the City consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if: 1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, 2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the primary government, 3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the primary government. Certain legally separate, tax-exempt organizations should also be reported as a component unit if all of the following criteria are met: 1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units or its constituents; 2) the primary government or its component units, is entitled to or has the ability to access, a majority of the economic resources received or held by the separate organization; and 3) the economic resources received or held by an individual organization that the primary government or its component units, is entitled to or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of three methods, discrete presentation, blending or fiduciary. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: 1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, 2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, 3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

Discretely Presented Component Units

Business Improvement District

In 2000, the City created a business improvement district (District). The District is a legally separate organization. The board of the District is appointed by the mayor, subject to approval of the City Council, of West Bend. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the District and also create a potential financial benefit to or burden on the City. See Note 3. As a component unit, the District's financial statements have been presented as a discrete column in the financial statements. The information presented is for the year ended December 31, 2022. The District does not issue separate financial statements.

Redevelopment Authority of the City of West Bend

In 2001, the City created the Redevelopment Authority of the City of West Bend (Redevelopment Authority). The Redevelopment Authority is a legally separate organization. The board of the Redevelopment Authority is appointed by the mayor, subject to approval of the City Council, of West Bend. Wisconsin statutes provide for circumstances whereby the City can impose its will on the Redevelopment Authority and also create a potential financial benefit to or burden on the City. However, the Redevelopment Authority had no financial transactions during 2022, which are material to these financial statements. Also, the Redevelopment Authority does not own any assets nor is it liable for any debt. Therefore, no financial statements are presented in this report. The Redevelopment Authority does not issue separate financial statements.

Government-Wide and Fund Financial Statements

In June 2017, the GASB issued Statement No. 87, *Leases*. This Statement requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under the Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, which enhances the relevance and consistency of information about the City's leasing activities. This standard was implemented January 1, 2022.

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate indirect expenses to functions in the Statement of Activities. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

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

City of West Bend

Notes to Financial Statements
December 31, 2022

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type and
- b. The same element of the individual governmental fund or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

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

The City reports the following major governmental funds:

General Fund accounts for the City's primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for the payment of general long-term debt principal, interest and related costs other than Tax Incremental Financing (TIF) District or enterprise debt.

Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The City reports the following major enterprise funds:

Water Utility accounts for operations of the water system.

Sewer Utility accounts for operations of the sewer system.

The City reports the following nonmajor governmental funds:

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or major capital projects).

Taxi Transit System	Park Development
Public Library	Library
Room Tax	EMS FAPS Grant
Communications	Recreation
Economic Development	American Rescue Plan

City of West Bend

Notes to Financial Statements
December 31, 2022

Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

TIF District No. 3	TIF District No. 9
TIF District No. 4	TIF District No. 10
TIF District No. 5	TIF District No. 11
TIF District No. 6	TIF District No. 12
TIF District No. 7	TIF District No. 13
TIF District No. 8	TIF District No. 14
	TIF District No. 15

Permanent Fund is used to account for and report resources that are legally restricted to the extent that only earnings and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.

Library

In addition, the City reports the following fund type:

Fiduciary Funds are used to account for and report assets held by the City in a trustee capacity or controlled by the City and for the benefit of individuals, private organizations and/or other governmental units.

OPEB Trust reports resources required to be held in trust for the members and beneficiaries of the City's OPEB plan.

Tax Collection Fund – Custodial Fund

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and unearned revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues. Delinquent special assessments being held for collection by the county are reported as receivables and nonspendable fund balance in the general fund. At December 31, 2022, there were \$1,834,711 of unrecorded unearned special assessments, which are not receivables because collection is subject to certain events occurring in the future. No formal repayment schedule has been established.

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

Proprietary fund and fiduciary financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water utility and sewer utility are charges to customers for sales and services. The rates used in the water utility were approved by the Public Service Commission. Sewer service charges are billed at rates established by the City Council. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

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

Deposits and Investments

For purposes of the statement of cash flows, the City considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of City funds is restricted by state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

Investment of library trust funds is regulated by Chapter 112. That section gives broad authority to use such funds to acquire various kinds of investments including stocks, bonds and debentures.

The City has adopted an investment policy. That policy follows the state statute for allowable investments.

The City's investment policy addresses custodial credit risk by seeking to collateralize certificates of deposit or any other time deposit in an amount equal to 105% of the investment less the amount insured by the FDIC or guaranteed by the State of Wisconsin.

City of West Bend

Notes to Financial Statements
December 31, 2022

Credit risk and interest rate risk are also addressed in the City's investment policy. Commercial paper issued with a maturity not exceeding 270 days shall have a rating of at least A1 by Standard & Poors at the time of purchase. Corporate notes and bonds with maturities not exceeding 5 years should be rated at least Aa by Moody's or AA by Standard & Poors at the time of purchase. All money market mutual funds should be rated AAAM by Standard & Poors or AAA by Moody's Investor Service at the time of purchase.

Concentration of credit risk is addressed generally by the City's investment policy. There are no specific limits on concentration of investments.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs outlined in Note 3. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2022, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note 3 for further information.

Receivables

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

Property tax calendar – 2022 tax roll:

Lien date and levy date	December 2022
Tax bills mailed	December 2022
Payment in full or	January 31, 2023
First installment due	January 31, 2023
Second installment due	July 31, 2023
Personal property taxes in full	January 31, 2023
Tax sale, 2022 delinquent real estate taxes	October 2025

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

During the course of operations transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as *due to and from other funds*. Long-term interfund loans (noncurrent portion) are reported as *advances from and to other funds*. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

The City has received federal grant funds for economic development loan programs to various businesses. The City records a loan receivable when the loan has been made and funds have been disbursed. The net amount of the loan receivable balance is included in restricted fund balance. Interest received from the loan repayments is recognized as revenue when received in cash. Any unspent loan repayments would be presented as restricted fund balance in the fund financial statements.

Inventories and Prepaid Items

Governmental fund inventories are recorded at cost based on the average cost method using the consumption method of accounting. Proprietary fund inventories are generally used for construction and for operation and maintenance work. They are not for resale. They are valued at the lower of cost or market utilizing the average cost method of accounting and charged to construction or operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements under the consumption method of accounting.

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment (including right-to-use lease assets), are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and infrastructure assets and \$500 for utility assets and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost, if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor and overhead. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

City of West Bend

Notes to Financial Statements
December 31, 2022

Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation and amortization reflected in the Statement of Net Position. Depreciation and amortization is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	50 Years
Land Improvements	50 Years
Machinery and Equipment	5-50 Years
Utility System	4-77 Years

Lease assets are typically amortized over the lease term.

Fund Financial Statements

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

Other Assets

The governmental activities financial statements include a balance of land held for resale. This represents land purchased with the intent of selling the property for future development. This is recorded at the lower of cost or estimated market value.

The proprietary fund type financial statements include a balance of property held for future use. This represents land purchased and held for a possible water treatment facility, as well as donated wetlands to be used to offset future wastewater treatment levels.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding can arise from advance refunding of debt. The difference between the cost of the securities placed in trust for future payment of refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide statements.

Compensated Absences

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

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

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2022, are determined on the basis of current salary rates and include salary related payments.

Long-Term Obligations/Conduit Debt

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, accrued compensated absences and other postemployment benefits.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face values of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are deferred and amortized over the life of the issue using the effective interest method. The balance at year-end for premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position.

The City has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects and do not constitute indebtedness of the City. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRBs outstanding at the end of the year is approximately \$2,592,647 made up of two issues.

Leases

The City is a lessor because it leases capital assets to other entities. As a lessor, the City reports a lease receivable and corresponding deferred inflow of resources in both the fund financial statements and government-wide financial statements. The City continues to report and depreciate the capital assets being leased as capital assets of the primary government.

The City is a lessee because it leases capital assets from other entities. As a lessee, the City reports a lease liability and an intangible right-to-use capital asset (known as the lease asset) on the government-wide financial statements and proprietary fund statements. In the governmental fund financial statements, the City recognizes lease proceeds and capital outlay at initiation of the lease, and the outflow of resources for the lease liability as a debt service payment.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Equity Classifications

Government–Wide Statements

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

- a. **Net Investment in Capital Assets** – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. **Restricted Net Position** – Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted Net Position** – All other net position that does not meet the definition of *restricted* or *net investment in capital assets*.

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

	Governmental Activities	Business-Type Activities	Adjustments	Total
Net investment in capital assets	\$ 110,641,042	\$ 48,108,886	\$ (497,237)	\$ 158,252,691
Unrestricted (deficit)	(12,693,038)	25,522,017	497,237	13,326,216

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

Fund Financial Statements

Governmental fund equity is classified as fund balance and displayed as follows:

- a. **Nonspendable** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. **Restricted** - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

- c. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City Council that originally created the commitment.
- d. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following: 1) The council may take official action to assign amounts; and 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- e. **Unassigned** - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City has a formal fund balance policy. The policy requires that unassigned fund balance shall be maintained as of December 31 of each year equal to the current GFOA recommended minimum of 17% of the ensuing year's budgeted general fund expenditures, with a targeted maximum of 10% above the median value for comparable municipalities in Wisconsin as defined by the policy. Actual unassigned general fund balance was 33% of the 2023 budgeted general fund expenditures at December 31, 2022.

Basis for Existing Rates

Current water rates were approved by the PSCW effective April 1, 2021.

Current sewer rates were approved by the City Council on January 1, 2020.

Pension

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

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the City OPEB Plan and additions to/deductions from the City OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the City OPEB Plan. For this purpose, the City OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. Stewardship, Compliance and Accountability

Budgetary Information

A budget has been adopted for the general fund, certain special revenue funds, the debt service fund and certain capital projects funds. A budget has not been formally adopted for the Capital Projects major fund, Park Development special revenue fund, EMS – FAPS Grant fund, the Library special revenue fund, the Library permanent fund, and American Rescue Plan special revenue fund. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

Excess Expenditures and Other Financing Uses Over Appropriations

Fund	Budgeted Expenditures and Other Financing Uses	Actual Expenditures and Other Financing Uses	Excess Expenditures and Other Financing Uses Over Budget
TIF District No. 3	\$ 575,353	\$ 602,308	\$ 26,955
TIF District No. 4	1,445,651	1,448,508	2,857
TIF District No. 6	1,112,678	1,117,457	4,779
TIF District No. 9	3,480,750	3,489,610	8,860
TIF District No. 10	834,113	841,631	7,518
TIF District No. 15	862,916	884,271	21,355
Public Library	1,592,181	1,896,997	304,816

City of West Bend

Notes to Financial Statements
December 31, 2022

Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year-end. As of December 31, 2022, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
TIF District No. 3	\$ 1,518,796	Unrecovered costs
TIF District No. 10	342,040	Unrecovered costs
TIF District No. 12	1,570,834	Unrecovered costs
TIF District No. 15	19,618	Unrecovered costs

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995 and 23 years for districts created through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases.

Limitations on the City's Tax Levy

Wisconsin law limits the City's future tax levies. Generally, the City is limited to its prior tax levy dollar amount (excluding TIF districts), increased by the greater of the percentage change in the City's equalized value due to net new construction or 0%. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The City is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

City of West Bend

Notes to Financial Statements
December 31, 2022

3. Detailed Notes on All Funds

Deposits and Investments

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

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

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>Associated Risks</u>
Demand deposits	\$ 13,825,839	\$ 13,472,576	Custodial credit
Certificates of deposit, negotiable	3,390,306	3,390,306	Custodial credit, credit, concentration of credit, interest rate
U.S. agencies, implicitly guaranteed	3,063,223	3,063,223	Custodial credit, credit, concentration of credit, interest rate
Municipal bonds	905,393	905,393	Custodial credit, credit, concentration of credit, interest rate
US Treasuries	2,320,627	2,320,627	Custodial credit, interest rate
LGIP	42,917,428	42,917,428	Credit
Petty cash	7,855	-	N/A
	<u> </u>	<u> </u>	
Total cash and investments	<u>\$ 66,430,671</u>	<u>\$ 66,069,553</u>	
Reconciliation to financial statements:			
Per statement of net position:			
Unrestricted cash and investments	\$ 42,721,885		
Restricted cash and investments	627,862		
Per statement of fiduciary net position	<u>23,080,924</u>		
	<u> </u>		
Total cash and investments	<u>\$ 66,430,671</u>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit amounts (interest-bearing and noninterest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposits.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

City of West Bend

Notes to Financial Statements
December 31, 2022

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

SIPC membership provides account protection up to a maximum of \$500,000 per customer, of which \$100,000 may be in cash. \$500,000 of the City's investments are covered by SIPC. Additionally, through Lloyds of London, accounts have additional securities coverage of \$99.5 million per customer, subject to a \$500 million aggregate firm limit.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring fair value measurements are as follows:

- Quoted prices for identical assets in active markets – US Treasuries
- Quoted prices for similar assets in active markets
- Yield scales and bond evaluation models for similar assets that have recently traded

Investment Type	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Certificates of deposit, negotiable	\$ -	\$ 3,390,306	\$ -	\$ 3,390,306
U.S. agencies, implicitly guaranteed	-	3,063,223	-	3,063,223
Municipal bonds	-	905,393	-	3,063,223
US Treasuries	2,320,627	-	-	2,320,627
Total	<u>\$ 2,320,627</u>	<u>\$ 7,358,922</u>	<u>\$ -</u>	<u>\$ 9,679,549</u>

Custodial Credit Risk

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

As of December 31, 2022, the City does not have any deposits exposed to custodial credit risk.

Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

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

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

City of West Bend

Notes to Financial Statements
December 31, 2022

As of December 31, 2022, the City's investments were rated as follows:

Investment Type	Standard & Poor's	Moody's Investor Service
U.S. agencies, implicitly guaranteed	AA+, A-1+	Aaa, P-1
Municipal bonds	AA+, AA, not rated	Aa1, Aa2, Aa3, A1, not rated

The City also had investments in the Local Government Investment Pool, and negotiable certificates of deposit, which are not rated.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

As of December 31, 2022, the City's investments were as follows:

Type of Investment	Fair Value	Investment Maturities (in Years)		
		Less Than 1 Year	1-5	More Than 5 Years
U.S. Agencies, implicitly guaranteed	\$ 3,063,223	\$ -	\$ 3,063,223	\$ -
Municipal bonds	905,393	468,191	437,202	-
Certificates of deposit	3,390,306	1,348,597	2,041,709	-
US Treasuries	2,320,627	2,231,658	88,969	-
Total	<u>\$ 9,679,549</u>	<u>\$ 4,048,446</u>	<u>\$ 5,631,103</u>	<u>\$ -</u>

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

Receivables

Accounts receivable not expected to be collected within one year related to delinquent items, loans, and leases respectively, are as follows:

General fund	\$ 53,200
Nonmajor governmental funds	409,928
Leases	<u>19,197</u>
Total amount not due within one year	<u>\$ 482,325</u>

An allowance for doubtful accounts has been established in the amount of \$343,206, which relates to ambulance billings reported in the general fund.

City of West Bend

Notes to Financial Statements
December 31, 2022

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

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes receivable for subsequent year	\$ -	\$ 28,380,054
Developer payments receivable	984,683	-
Special assessments receivable	58,733	-
Grant reimbursements	346,540	-
Subsequent period prepayments	-	179,281
Grant funds not yet spent	-	3,303,654
Lease related amounts	-	29,581
	<hr/>	<hr/>
Total unavailable/unearned review for governmental funds	<u>\$ 1,389,956</u>	<u>\$ 31,892,570</u>
Unearned revenue included in liabilities		\$ 3,303,654
Unearned revenue included in deferred inflows		<u>28,588,916</u>
Total unearned revenue for governmental funds		<u>\$ 31,892,570</u>

Restricted Assets

The following represent the balances of the restricted assets:

Net Pension Asset

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits. The City reported \$11,179,448 in restricted assets for pension at December 31, 2022.

OPEB Asset

Restricted assets have been reported in connection with the OPEB Trust fiduciary fund since this balance must be used to fund other postemployment benefits. The City reported \$1,184,015 in restricted assets for OPEB in the fiduciary fund at December 31, 2022.

Equipment Replacement Account

The City established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources. The Sewer Utility reported \$215,696 in restricted assets for the replacement account at December 31, 2022.

There are also restricted assets \$412,166 reported in the nonmajor governmental funds for the parkland acquisition trust.

City of West Bend

Notes to Financial Statements
December 31, 2022

Capital Assets

Capital asset activity for the year ended December 31, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated/amortized:				
Land	\$ 14,656,650	\$ -	\$ -	\$ 14,656,650
Right of ways	40,261,156	55,156	-	40,316,302
Construction in progress	538,016	199,709	538,016	199,709
Total capital assets not being depreciated	<u>55,455,822</u>	<u>254,855</u>	<u>538,016</u>	<u>55,172,661</u>
Capital assets being depreciated/amortized:				
Land improvements	8,939,578	-	-	8,939,578
Buildings	29,177,286	1,849,582	18,912	31,007,956
Machinery and equipment	23,199,381	1,038,191	1,384,955	22,852,617
Streets	85,193,891	2,888,685	240,647	87,841,929
Bridges	4,685,943	-	-	4,685,943
Traffic signals	2,889,347	17,718	-	2,907,065
Dams	650,000	-	-	650,000
Storm water system	35,954,223	2,335,627	88,900	38,200,950
Street lights	542,000	-	-	542,000
Other	1,331,800	-	-	1,331,800
Lease asset, equipment	-	108,373	-	108,373
Total capital assets being depreciated	<u>192,563,449</u>	<u>8,238,176</u>	<u>1,733,414</u>	<u>199,068,211</u>
Less accumulated depreciation/amortization for:				
Land improvements	(3,843,067)	(166,960)	-	(4,010,027)
Buildings	(10,856,136)	(536,619)	15,997	(11,376,758)
Machinery and equipment	(14,552,126)	(1,279,940)	1,182,985	(14,649,081)
Streets	(46,261,665)	(2,196,048)	240,647	(48,217,066)
Bridges	(2,578,732)	(93,719)	-	(2,672,451)
Traffic signals	(1,851,300)	(96,805)	-	(1,948,105)
Dams	(425,000)	(13,000)	-	(438,000)
Storm water system	(15,841,275)	(637,956)	68,898	(16,410,333)
Street lights	(357,720)	(18,049)	-	(375,769)
Other	(768,140)	(44,349)	-	(812,489)
Other	-	(52,743)	-	(52,743)
Total accumulated depreciation/amortization	<u>(97,335,161)</u>	<u>(5,136,188)</u>	<u>1,508,527</u>	<u>(100,962,822)</u>
Net capital assets being depreciated/ amortized	<u>95,228,288</u>	<u>3,101,988</u>	<u>224,887</u>	<u>98,105,389</u>
Total governmental activities capital assets, net of depreciation/ amortization	<u>\$ 150,684,110</u>	<u>\$ 3,356,843</u>	<u>\$ 762,903</u>	<u>\$ 153,278,050</u>

City of West Bend

Notes to Financial Statements
December 31, 2022

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$	302,183
Public safety		678,395
Public works, including infrastructure assets		3,445,758
Leisure activities		698,406
Conservation and development		11,446
		<u>11,446</u>

Total governmental activities depreciation expense	\$	<u>5,136,188</u>
--	----	------------------

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-Type Activities				
Capital assets not being depreciated:				
Land	\$ 552,571	\$ -	\$ -	\$ 552,571
Construction in progress	229,269	2,313,625	1,738,573	804,321
	<u>781,840</u>	<u>2,313,625</u>	<u>1,738,573</u>	<u>1,356,892</u>
Total capital assets not being depreciated				
Capital assets being depreciated:				
Water utility plant	46,329,494	1,505,962	177,806	47,657,650
Sewer utility plant	53,620,877	1,337,979	194,277	54,764,579
	<u>99,950,371</u>	<u>2,843,941</u>	<u>372,083</u>	<u>102,422,229</u>
Total capital assets being depreciated				
Less accumulated depreciation for:				
Water utility plant	(20,049,669)	(1,104,879)	177,806	(20,976,742)
Sewer utility plant	(30,531,270)	(1,407,065)	194,277	(31,744,058)
	<u>(50,580,939)</u>	<u>(2,511,944)</u>	<u>372,083</u>	<u>(52,720,800)</u>
Total accumulated depreciation				
Net capital assets being depreciated	49,369,432	331,997	-	49,701,429
	<u>49,369,432</u>	<u>331,997</u>	<u>-</u>	<u>49,701,429</u>
Total business-type activities capital assets, net of depreciation	<u>\$ 50,151,272</u>	<u>\$ 2,645,622</u>	<u>\$ 1,738,573</u>	<u>\$ 51,058,321</u>

City of West Bend

Notes to Financial Statements
December 31, 2022

Depreciation expense was charged to functions as follows:

Business-Type Activities

Water	\$ 1,001,753
Sewer	<u>1,365,675</u>
Total business-type activities depreciation expense	<u>\$ 2,367,428</u>

Depreciation expense does not agree to the increases in accumulated depreciation due to joint metering, salvage and cost of removal.

Interfund Receivables/Payables, Advances and Transfers

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Water utility	\$ 622,375
General	Sewer utility	174,402
General	Nonmajor governmental funds	609,401
General	Capital projects	21,265
Water utility	Sewer utility	13,923
Sewer utility	General	177,878
Capital Projects	General	11,443
Nonmajor governmental funds	General	<u>19,493</u>
Subtotal, fund financial statements		1,650,180
Less fund eliminations		(675,525)
Less government-wide eliminations		(355,756)
Less interfund advances		<u>(5,563,843)</u>
Total internal balances, government-wide statement of net position		<u>\$ (4,944,944)</u>
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Activities	Business-Type Activities	\$ 796,777
Business-Type Activities	Governmental Activities	<u>(5,741,721)</u>
Total government-wide financial statements		<u>\$ (4,944,944)</u>

All interfund balances resulted from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made. All interfund receivables/payables are due within one year.

City of West Bend

Notes to Financial Statements
December 31, 2022

Advances

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
Communications	Economic Development	\$ 233,333	\$ 221,666
Sewer utility	TIF District No. 3	1,839,563	1,651,436
Sewer utility	TIF District No. 9	54,179	54,179
Sewer utility	TIF District No. 10	522,358	522,358
Sewer utility	TIF District No. 12	2,247,743	2,197,743
Sewer utility	Economic Development	900,000	855,000
	Subtotal, interfund advances	5,797,176	<u>\$ 5,502,382</u>
	Less fund eliminations	<u>(233,333)</u>	
	Total, interfund advances	<u>\$ 5,563,843</u>	

The sewer utility is advancing funds to the TIF Districts No. 3, No. 9, No. 10 and No. 12. The sewer utility is charging these funds interest on the advance based on the average outstanding advance balance during the year. The rate varies from year to year. The 2022 rate was 1.46%. No repayment schedules have been established for these advances. The sewer utility has also advanced funds to TIF Districts No. 5, No. 7, No. 9, No. 11, and No. 12. However, these advances were determined to be uncollectible in 2013, with the exception of \$54,179 advanced to TIF No. 9 in 2015. \$1,750,000 was advanced to TIF No. 12 in 2017 and \$742,000 in 2021. Interest is being charged at 2.385% on this advance. The amount due within one year is based on the subsequent year's budget, however, a formal repayment schedule has not been established. An allowance is set up in the amount of \$1,373,740. The sewer utility is also advancing funds to the economic development fund. The economic development fund is paying \$45,000 annually in principal over a 30-year period, which began in 2013 plus interest calculated at 0.69%.

The communications fund is advancing funds to the economic development fund. Interest is being charged at 0.69% on this advance and repayment is scheduled for \$11,667 annually over a 30-year period beginning in 2013.

City of West Bend

Notes to Financial Statements
December 31, 2022

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General	Water utility	\$ 572,159	Payment in lieu of taxes
General	Nonmajor governmental funds	848,603	Refer to general note
Debt service	Capital project	183,734	Refer to general note
Nonmajor governmental funds	Nonmajor governmental funds	2,654,571	Increment sharing
Capital projects	General	24,200	Refer to general note
Capital projects	Nonmajor governmental funds	260,000	Refer to general note
Nonmajor governmental funds	Capital project	37,500	Refer to general note
Sewer utility	Nonmajor governmental funds	774,774	Refer to general note
Water utility	Nonmajor governmental funds	322,449	Refer to general note
Water utility	Debt service	2,166	Refer to general note
Water utility	Sewer utility	15,339	Refer to general note
Nonmajor governmental funds	Debt service	<u>49,610</u>	Reallocate debt proceeds
Subtotal, fund financial statements		5,745,105	
Less fund eliminations		(4,073,557)	
Less government-wide eliminations		<u>(2,198,778)</u>	
Total transfers, government-wide statement of activities		<u>\$ (527,230)</u>	
<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	
Governmental Activities	Business-Type Activities	\$ 572,159	
Business-Type Activities	Governmental Activities	<u>(1,099,389)</u>	
Total		<u>\$ (527,230)</u>	

Generally, transfers are used to: 1) move revenues from the fund that collects them to the fund that the budget requires to expend them, 2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund and 3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

City of West Bend

Notes to Financial Statements
December 31, 2022

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2022 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and notes payable:					
General obligation debt	\$ 48,085,000	\$ 3,455,000	\$ 6,000,000	\$ 45,540,000	\$ 5,625,000
General obligation notes from direct borrowings or direct placements	48,900	-	48,900	-	-
Unamortized debt premiums	881,450	209,496	129,632	961,314	-
	<u>49,015,350</u>	<u>3,664,496</u>	<u>6,178,532</u>	<u>46,501,314</u>	<u>5,625,000</u>
Total bonds and notes payable					
	<u>49,015,350</u>	<u>3,664,496</u>	<u>6,178,532</u>	<u>46,501,314</u>	<u>5,625,000</u>
Other liabilities:					
Vested compensated absences:					
Sick leave	2,357,441	291,986	242,731	2,406,696	120,335
Vacation	996,548	920,511	996,548	920,511	920,511
Compensatory time	185,106	297,879	304,499	178,486	178,486
Financed purchases	1,281,979	64,915	158,565	1,188,329	156,892
Lease payable	-	96,911	42,792	54,119	36,520
	<u>4,821,074</u>	<u>1,672,202</u>	<u>1,745,135</u>	<u>4,748,141</u>	<u>1,412,744</u>
Total other liabilities					
	<u>4,821,074</u>	<u>1,672,202</u>	<u>1,745,135</u>	<u>4,748,141</u>	<u>1,412,744</u>
Total governmental activities long-term liabilities	<u>\$ 53,836,424</u>	<u>\$ 5,336,698</u>	<u>\$ 7,923,667</u>	<u>\$ 51,249,455</u>	<u>\$ 7,037,744</u>
Business-Type Activities					
Bonds and notes payable:					
General obligation debt	\$ 3,265,000	\$ -	\$ 475,000	\$ 2,790,000	\$ 495,000
Unamortized debt premiums	75,609	-	22,850	52,759	-
	<u>3,340,609</u>	<u>-</u>	<u>497,850</u>	<u>2,842,759</u>	<u>495,000</u>
Total bonds and notes payable					
	<u>3,340,609</u>	<u>-</u>	<u>497,850</u>	<u>2,842,759</u>	<u>495,000</u>
Other liabilities:					
Compensated absences	295,670	135,156	76,610	354,216	191,094
Financed purchases	-	14,114	-	14,114	3,164
Lease payable	-	103,969	11,408	92,561	38,288
	<u>295,670</u>	<u>253,239</u>	<u>88,018</u>	<u>460,891</u>	<u>232,546</u>
Total other liabilities					
	<u>295,670</u>	<u>253,239</u>	<u>88,018</u>	<u>460,891</u>	<u>232,546</u>
Total business-type activities long-term liabilities	<u>\$ 3,636,279</u>	<u>\$ 253,239</u>	<u>\$ 585,868</u>	<u>\$ 3,303,650</u>	<u>\$ 727,546</u>

City of West Bend

Notes to Financial Statements
December 31, 2022

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the City. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2022 was \$199,565,675. Total general obligation debt outstanding at year-end was \$48,330,000.

	<u>Date of Issue</u>	<u>Due Date</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/22</u>
Governmental Activities					
General obligation debt:					
General obligation refunding bonds	12/21/11	04/01/27	0.50-3.10%	\$ 1,840,000	\$ 240,000
General obligation refunding bonds	05/09/12	04/01/26	2.00-2.25	6,570,000	3,620,000
General obligation refunding bonds – 2013A	06/06/13	05/01/33	1.00-3.00	9,060,000	6,620,000
General obligation refunding bonds – 2013C	06/06/13	04/01/23	0.30-2.25	5,980,000	65,000
General obligation notes – 2013B	06/06/13	05/01/23	0.40-1.75	820,000	65,000
General obligations bonds – 2014A	02/26/14	02/01/34	0.50-4.00	1,740,000	1,175,000
General obligations bonds – 2014B	02/26/14	02/01/24	2.00-2.75	6,210,000	800,000
General obligation bonds – 2015A	06/10/15	04/01/26	1.50-3.00	3,730,000	1,610,000
General obligation bonds – 2016A	03/29/16	03/01/30	2.60-2.50	4,750,000	2,530,000
General obligation notes – 2018A	05/11/17	03/01/27	2.03	1,530,000	1065,000
General obligation notes – 2019A	05/03/18	11/01/28	3.00	2,030,000	1,525,000
General obligation notes – 2019B	04/03/19	04/01/31	3.00-4.00	3,540,000	2,695,000
General obligation notes – 2020A	04/03/19	03/01/24	2.625-2.65	1,975,000	805,000
General obligation notes – 2020B	02/05/20	02/01/40	1.80-3.00	3,530,000	3,530,000
General obligation notes – 2020C	05/07/20	05/01/40	2.00-3.00	5,890,000	5,440,000
General obligation notes – 2021A	10/15/20	03/01/31	1.05-2.00	3,750,000	2,445,000
General obligation notes – 2021B	05/06/21	04/01/36	1.25-3.00	5,370,000	5,065,000
Taxable general obligation bonds – 2022A	11/03/21	04/01/40	0.20-2.55	2,835,000	2,790,000
General obligation notes – 2022A	05/11/22	04/01/32	3.00-5.00	3,455,000	<u>3,455,000</u>
Total governmental activities, general obligation debt					<u>\$ 45,540,000</u>

City of West Bend

Notes to Financial Statements
December 31, 2022

	<u>Date of Issue</u>	<u>Due Date</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/22</u>
Business-Type Activities					
General obligation debt:					
General obligation refunding bonds	05/09/12	04/01/26	2.00-2.25%	\$ 235,000	\$ 120,000
General obligation refunding bonds	03/29/16	03/01/30	2.60-2.50	775,000	480,000
General obligation notes	06/01/16	06/01/26	1.35	800,000	345,000
General obligation notes	05/11/17	03/01/27	2.03	700,000	3,75,000
General obligation notes	05/03/18	05/01/28	3.00	530,000	345,000
General obligation notes	04/03/19	04/01/31	3.00-4.00	1,350,000	885,000
General obligation notes	05/07/20	05/01/40	2.00-3.00	300,000	<u>240,000</u>
Total business-type activities, general obligation debt					<u>\$ 2,790,000</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>		<u>Business-Type Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 5,625,000	\$ 1,150,086	\$ 495,000	\$ 67,671
2024	5,685,000	952,446	470,000	54,199
2025	5,375,000	814,561	440,000	42,239
2026	5,095,000	681,301	450,000	31,101
2027	3,770,000	564,261	335,000	21,175
2028-2032	12,800,000	1,531,893	600,000	22,325
2033-2037	5,145,000	522,720	-	-
2038-2040	<u>2,045,000</u>	<u>83,786</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 45,540,000</u>	<u>\$ 6,301,054</u>	<u>\$ 2,790,000</u>	<u>\$ 238,710</u>

Other Debt Information

Estimated payments of accumulated employee benefits and other commitments are not included in the debt service requirement schedules. The compensated absences are attributable to governmental activities, which will be liquidated primarily by the general fund.

Lease Disclosure

Leases Payable

For the year ended December 31, 2022, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Lessee values are not material to these statements, and as a result they have been added as a current year adjustment. For additional information, refer to the disclosures below.

On January 1, 2022, the City of West Bend, WI entered into a 28 month lease as Lessee for the use of Vehicle 23RQS9. An initial lease liability was recorded in the amount of \$9,272. As of December 31, 2022, the value of the lease liability is \$5,306. City of West Bend, WI is required to make monthly fixed payments of \$332. The lease has an interest rate of 0.3300%. The value of the right to use asset as of December 31, 2022 of \$9,272 with accumulated amortization of \$3,881 is included with Vehicles on the Lease Class activities table found below.

On October 27, 2022, City of West Bend, WI entered into a 36 month lease as Lessee for the use of Water Utility - Backhoe # 2. An initial lease liability was recorded in the amount of \$47,592. As of December 31, 2022, the value of the lease liability is \$43,682. City of West Bend, WI is required to make monthly fixed payments of \$1,385. The lease has an interest rate of 3.2380%. The value of the right to use asset as of December 31, 2022 of \$47,592 with accumulated amortization of \$2,823 is included with Equipment on the Lease Class activities table found below.

On January 1, 2022, City of West Bend, WI entered into a 15 month lease as Lessee for the use of Vehicle 23RQP5. An initial lease liability was recorded in the amount of \$7,667. As of December 31, 2022, the value of the lease liability is \$1,535. City of West Bend, WI is required to make monthly fixed payments of \$512. The lease has an interest rate of 0.2383%. The value of the right to use asset as of December 31, 2022 of \$7,667 with accumulated amortization of \$5,872 is included with Vehicles on the Lease Class activities table found below.

On August 31, 2022, City of West Bend, WI entered into a 36 month lease as Lessee for the use of Water Utility - Backhoe # 1. An initial lease liability was recorded in the amount of \$43,832. As of December 31, 2022, the value of the lease liability is \$37,846. City of West Bend, WI is required to make monthly fixed payments of \$1,257. The lease has an interest rate of 2.1843%. The value of the right to use asset as of December 31, 2022 of \$43,832 with accumulated amortization of \$5,046 is included with Equipment on the Lease Class activities table found below. City of West Bend, WI has the option to purchase the Equipment for \$81,349.

On January 1, 2022, City of West Bend, WI entered into a 29 month lease as Lessee for the use of Vehicle 23RQRG. An initial lease liability was recorded in the amount of \$9,579. As of December 31, 2022, the value of the lease liability is \$5,623. City of West Bend, WI is required to make monthly fixed payments of \$332. The lease has an interest rate of 0.3300%. The value of the right to use asset as of December 31, 2022 of \$9,579 with accumulated amortization of \$3,932 is included with Vehicles on the Lease Class activities table found below.

City of West Bend

Notes to Financial Statements
December 31, 2022

On January 1, 2022, City of West Bend, WI entered into a 15 month lease as Lessee for the use of Vehicle 23RQV3. An initial lease liability was recorded in the amount of \$7,640. As of December 31, 2022, the value of the lease liability is \$1,530. City of West Bend, WI is required to make monthly fixed payments of \$510.09. The lease has an interest rate of 0.2383%. The value of the right to use asset as of December 31, 2022 of \$7,640 with accumulated amortization of \$5,852 is included with Vehicles on the Lease Class activities table found below.

On January 1, 2022, City of West Bend, WI entered into a 51 month lease as Lessee for the use of Vehicle 23RQVH. An initial lease liability was recorded in the amount of \$20,155. As of December 31, 2022, the value of the lease liability is \$15,452. City of West Bend, WI is required to make monthly fixed payments of \$400. The lease has an interest rate of 0.5517%. The value of the right to use asset as of December 31, 2022 of \$20,155 with accumulated amortization of \$4,684 is included with Vehicles on the Lease Class activities table found below.

On January 1, 2022, City of West Bend, WI entered into a 15 month lease as Lessee for the use of Vehicle 23RQV8. An initial lease liability was recorded in the amount of \$7,640. As of December 31, 2022, the value of the lease liability is \$1,530. City of West Bend, WI is required to make monthly fixed payments of \$510. The lease has an interest rate of 0.2383%. The value of the right to use asset as of December 31, 2022 of \$7,640 with accumulated amortization of \$5,940 is included with Vehicles on the Lease Class activities table found below.

On January 1, 2022, City of West Bend, WI entered into a 15 month lease as Lessee for the use of Vehicle 23RQV2. An initial lease liability was recorded in the amount of \$7,640. As of December 31, 2022, the value of the lease liability is \$1,530. City of West Bend, WI is required to make monthly fixed payments of \$510. The lease has an interest rate of 0.2383%. The value of the right to use asset as of December 31, 2022 of \$7,640 with accumulated amortization of \$5,852 is included with Vehicles on the Lease Class activities table found below.

On January 1, 2022, City of West Bend, WI entered into a 15 month lease as Lessee for the use of Vehicle 23RQTG. An initial lease liability was recorded in the amount of \$7,627. As of December 31, 2022, the value of the lease liability is \$1,527. City of West Bend, WI is required to make monthly fixed payments of \$509. The lease has an interest rate of 0.2383%. The value of the right to use asset as of December 31, 2022 of \$7,627 with accumulated amortization of \$5,842 is included with Vehicles on the Lease Class activities table found below.

On January 1, 2022, City of West Bend, WI entered into a 28 month lease as Lessee for the use of Vehicle 23RQSF. An initial lease liability was recorded in the amount of \$9,272. As of December 31, 2022, the value of the lease liability is \$5,306. City of West Bend, WI is required to make monthly fixed payments of \$332. The lease has an interest rate of 0.3300%. The value of the right to use asset as of December 31, 2022 of \$9,272 with accumulated amortization of \$3,881 is included with Vehicles on the Lease Class activities table found below.

City of West Bend

Notes to Financial Statements
December 31, 2022

On January 1, 2022, City of West Bend, WI entered into a 28 month lease as Lessee for the use of Vehicle 23RQS6. An initial lease liability was recorded in the amount of \$9,272. As of December 31, 2022, the value of the lease liability is \$5,306. City of West Bend, WI is required to make monthly fixed payments of \$332. The lease has an interest rate of 0.3300%. The value of the right to use asset as of December 31, 2022 of \$9,272 with accumulated amortization of \$3,881 is included with Vehicles on the Lease Class activities table found below.

On January 1, 2022, City of West Bend, WI entered into a 27 month lease as Lessee for the use of Vehicle 23RQQX. An initial lease liability was recorded in the amount of \$16,821. As of December 31, 2022, the value of the lease liability is \$9,359. City of West Bend, WI is required to make monthly fixed payments of \$625. The lease has an interest rate of 0.3300%. The value of the right to use asset as of December 31, 2022 of \$16,821 with accumulated amortization of \$7,305 is included with Vehicles on the Lease Class activities table found below.

On January 1, 2022, City of West Bend, WI entered into a 27 month lease as Lessee for the use of Vehicle 23RQQ4. An initial lease liability was recorded in the amount of \$10,836. As of December 31, 2022, the value of the lease liability is \$6,030. City of West Bend, WI is required to make monthly fixed payments of \$403. The lease has an interest rate of 0.3300%. The value of the right to use asset as of December 31, 2022 of \$10,836 with accumulated amortization of \$4,666 is included with Vehicles on the Lease Class activities table found below.

On January 1, 2022, City of West Bend, WI entered into a 26 month lease as Lessee for the use of Outreach Van Lease. An initial lease liability was recorded in the amount of \$9,487. As of December 31, 2022, the value of the lease liability is \$5,118. City of West Bend, WI is required to make monthly fixed payments of \$366. The lease has an interest rate of 0.3300%. The value of the right to use asset as of December 31, 2022 of \$9,485 with accumulated amortization of \$4,297 is included with Vehicles on the Lease Class activities table found below.

Lessee - Lease Assets by Major Classes

Asset Class	As of Fiscal Year-End	
	Lease Asset Value	Accumulated Amortization
Vehicles	\$ 132,906	\$ 65,885
Equipment	91,424	7,869
Total leases	<u>224,330</u>	<u>73,754</u>

City of West Bend

Notes to Financial Statements
December 31, 2022

Principal and Interest Requirements to Maturity

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 36,520	\$ 144	\$ 36,664
2024	11,624	51	11,675
2025	4,777	21	4,798
2026	1,198	1	1,199

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 38,288	\$ 1,891	\$ 40,179
2024	33,246	1,047	34,293
2025	21,027	230	21,257

Lessor – Lease Receivables

On January 1, 2022, City of West Bend, WI entered into a 231 month lease as Lessor for the use of Verizon Hospital Tower. An initial lease receivable was recorded in the amount of \$590,108. As of December 31, 2022, the value of the lease receivable is \$568,580. The lessee is required to make monthly fixed payments of \$2,429. The lease has an interest rate of 1.5180%. The value of the deferred inflow of resources as of December 31, 2022 was \$559,453, and City of West Bend, WI recognized lease revenue of \$30,655 during the fiscal year. The lessee has 3 extension option(s), each for 60 months.

On January 1, 2022, City of West Bend, WI entered into a 183 month lease as Lessor for the use of Verizon Barton Tower. An initial lease receivable was recorded in the amount of \$465,455. As of December 31, 2022, the value of the lease receivable is \$437,362. The lessee is required to make annual fixed payments of \$29,810. The lease has an interest rate of 1.3690%. The value of the deferred inflow of resources as of December 31, 2022 was \$434,972, and City of West Bend, WI recognized lease revenue of \$30,483 during the fiscal year. The lessee has 3 extension option(s), each for 60 months.

On January 1, 2022, City of West Bend, WI entered into a 85 month lease as Lessor for the use of USPS Ground Lease. An initial lease receivable was recorded in the amount of \$21,737. As of December 31, 2022, the value of the lease receivable is \$19,197. The lessee is required to make monthly fixed payments of \$247. The lease has an interest rate of 0.9780%. The value of the deferred inflow of resources as of December 31, 2022 was \$18,668, and City of West Bend, WI recognized lease revenue of \$3,069 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

On January 1, 2022, City of West Bend, WI entered into a 70 month lease as Lessor for the use of US Cellular University Tower. An initial lease receivable was recorded in the amount of \$185,590. As of December 31, 2022, the value of the lease receivable is \$159,200. The lessee is required to make annual fixed payments of \$27,300. The lease has an interest rate of 0.8330%. The value of the deferred inflow of resources as of December 31, 2022 was \$154,149, and City of West Bend, WI recognized lease revenue of \$31,441 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

City of West Bend

Notes to Financial Statements
December 31, 2022

On January 1, 2022, City of West Bend, WI entered into a 342 month lease as Lessor for the use of US Cellular 10th Avenue Tower. An initial lease receivable was recorded in the amount of \$4,031,760. As of December 31, 2022, the value of the lease receivable is \$3,995,796. The lessee is required to make quarterly fixed payments of \$22,050. The lease has an interest rate of 1.7390%. The value of the deferred inflow of resources as of December 31, 2022 was \$3,890,556, and City of West Bend, WI recognized lease revenue of \$141,204 during the fiscal year. The lessee has 5 extension option(s), each for 60 months. The lessee had a termination period of 2 months as of the lease commencement.

On January 1, 2022, City of West Bend, WI entered into a 284 month lease as Lessor for the use of T-Mobile Hospital Tower. An initial lease receivable was recorded in the amount of \$920,520. As of December 31, 2022, the value of the lease receivable is \$896,256. The lessee is required to make annual fixed payments of \$35,010. The lease has an interest rate of 1.6810%. The value of the deferred inflow of resources as of December 31, 2022 was \$881,625, and City of West Bend, WI recognized lease revenue of \$38,895 during the fiscal year. The lessee has 4 extension option(s), each for 60 months. The lessee had a termination period of 3 months as of the lease commencement.

On January 1, 2022, City of West Bend, WI entered into a 146 month lease as Lessor for the use of AT & T 10th Ave Tower. An initial lease receivable was recorded in the amount of \$503,087. As of December 31, 2022, the value of the lease receivable is \$466,317. The lessee is required to make annual fixed payments of \$38,245. The lease has an interest rate of 1.2720%. The value of the deferred inflow of resources as of December 31, 2022 was \$461,953, and City of West Bend, WI recognized lease revenue of \$41,134 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

On January 1, 2022, City of West Bend, WI entered into a 63 month lease as Lessor for the use of T-Mobile Barton Tower. An initial lease receivable was recorded in the amount of \$161,244. As of December 31, 2022, the value of the lease receivable is \$131,320. The lessee is required to make annual fixed payments of \$30,255. The lease has an interest rate of 0.6860%. The value of the deferred inflow of resources as of December 31, 2022 was \$130,820, and City of West Bend, WI recognized lease revenue of \$30,423 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

On January 1, 2022, City of West Bend, WI entered into a 18 month lease as Lessor for the use of General Fund - US Cellular Tower. An initial lease receivable was recorded in the amount of \$30,856. The lessee is required to make annual fixed payments of \$30,912. The lease has an interest rate of 0.3300%. The value of the deferred inflow of resources as of December 31, 2022 was \$10,913, and City of West Bend, WI recognized lease revenue of \$19,943 during the fiscal year.

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 2,797	\$ 173	\$ 2,970
2024	3,098	144	3,242
2025	3,153	114	3,267
2026	3,184	83	3,267
2027	3,216	51	3,267
2028-2032	3,749	20	3,539

City of West Bend

Notes to Financial Statements
December 31, 2022

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 183,087	\$ 107,029	\$ 290,116
2024	196,282	104,694	300,976
2025	209,838	102,173	312,011
2026	224,391	99,457	323,848
2027	201,032	96,536	297,568
2028-2032	1,027,203	438,390	1,465,593
2033-2037	1,137,698	350,284	1,487,982
2038-2042	1,245,187	251,839	1,497,026
2043-2047	1,351,434	138,545	1,489,979
2048-2050	878,680	23,538	902,218

Regulated Leases

The City maintains certain regulated leases that, in accordance with GASB No. 87, do not recognize a lease receivable or a deferred inflow of resources. Regulated leases are subject to external laws, regulations, or legal rulings. The following summarizes these regulated leases:

On January 1, 2022, City of West Bend, WI entered into a 336 month Regulated lease as Lessor for the use of WI Dept of Military Affairs. As of December 31, 2022, the value of the expected future minimum receipts is \$1,633,193. The lessee is required to make semi-annual fixed payments of \$18,991. City of West Bend, WI recognized lease revenue of \$37,981 during the fiscal year. The lessee has 13 extension option(s), each for 24 months.

On January 1, 2022, City of West Bend, WI entered into a 215 month Regulated lease as Lessor for the use of West Bend Air. As of December 31, 2022, the value of the expected future minimum receipts is \$105,235. The lessee is required to make quarterly fixed payments of \$1,548. City of West Bend, WI recognized lease revenue of \$6,190 during the fiscal year. The lessee has 1 extension option(s), each for 215 months.

On January 1, 2022, City of West Bend, WI entered into 31 separate regulated lease agreements for the use of airport hangars. As of December 31, 2022, the value of the expected future minimum receipts is \$1,597,152. The lessee is required to make annual fixed payments. The City recognized \$43,850 in lease revenue during the fiscal year. The lessees have extension options.

City of West Bend

Notes to Financial Statements
December 31, 2022

Fiscal Year	Governmental Activities Future Minimum Expected Receipts
2023	\$ 88,034
2024	95,630
2025	95,630
2026	95,630
2027	95,630
2028-2032	508,534
2033-2037	546,516
2038-2042	557,686
2043-2047	570,866
2048-2052	328,027
2053-2057	142,534
2058-2062	127,857
2063-2067	62,391
2068-2072	20,615

Net Position/Fund Balances

Governmental activities net position reported on the government-wide statement of net position at December 31, 2022 includes the following:

Governmental Activities

Net investment in capital assets:	
Land	\$ 14,656,650
Right of way	40,316,302
Construction in progress	199,709
Other capital assets, net of accumulated depreciation/amortization	98,105,389
Less capital related long-term debt outstanding	(46,230,064)
Less unamortized premiums	(961,314)
Plus unamortized loss on refunding	232,233
Plus unspent capital related debt proceeds	4,322,137
	\$ 110,641,042
Total net investment in capital assets	\$ 110,641,042

City of West Bend

Notes to Financial Statements
December 31, 2022

Governmental fund balances reported on the fund financial statements at December 31, 2022 include the following:

	Major Funds			Nonmajor Funds	Total
	General Fund	Debt Service	Capital Projects		
Fund Balance					
Nonspendable:					
Inventories	\$ 957,253	\$ -	\$ -	\$ -	\$ 957,253
Prepaid items	292,288	-	-	21,569	313,857
Delinquent personal property taxes	8,834	-	-	-	8,834
Delinquent special assessments	44,366	-	-	-	44,366
Restricted for:					
Debt service	-	666,010	-	-	666,010
Library purposes	-	-	-	775,955	775,955
Fire department equipment	7,702	-	-	-	7,702
Fire department training	2,516	-	-	-	2,516
Rescue squad	4,616	-	-	-	4,616
Parks and recreation	12,680	-	-	457,852	470,532
Park impact fee	10,800	-	-	-	10,800
Police department crime prevention	16,242	-	-	-	16,242
Police department explorers	14,248	-	-	-	14,248
EMS	-	-	-	101,679	101,679
Transit	-	-	-	43,511	43,511
Loan programs	-	-	-	164,374	164,374
Future HRA payments	148,078	-	-	-	148,078
Tourism	-	-	-	322,320	322,320
Grants, ARPA	-	-	-	50,793	50,793
TIF related projects	-	-	-	1,085,923	1,042,923
Future capital related projects (unspent proceeds)	-	-	3,535,206	-	3,535,206
Committed to:					
Communications	-	-	-	1,505,067	1,505,067
Recreation programs	-	-	-	96,133	96,133
Assigned to:					
Carryforwards	710,232	-	-	-	710,232
Future capital projects	-	-	668,868	-	668,868
Unassigned (deficit)	9,085,612	-	-	(3,451,288)	5,634,324
Total fund balances	<u>\$ 11,315,467</u>	<u>\$ 666,010</u>	<u>\$ 4,204,074</u>	<u>\$ 1,130,888</u>	<u>\$ 17,316,439</u>

Business-Type Activities

Invested in capital assets, net of related debt:

Land	\$ 552,571
Construction in progress	804,321
Other capital assets, net of accumulated depreciation	49,701,429
Less unrelated long-term debt outstanding	(2,896,676)
Less unamortized debt premium	(52,759)

Total amount not due within one year \$ 48,108,886

City of West Bend

Notes to Financial Statements
December 31, 2022

Component Unit

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

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

a. Basis of Accounting/Measurement Focus

The BID follows the modified accrual basis of accounting and the flow of financial resources measurement focus. No conversion adjustments are required for the BID statements to present full accrual information.

b. Deposits and Investments

The component unit cash and investments at year-end was comprised of the following:

	<u>Carrying Value</u>	<u>Bank Balance</u>
Demand deposits	\$ 284,430	\$ 284,430

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest bearing).

Custodial Credit Risk

Custodial credit risk is associated with the demand deposits.

See Note 3 for a description of custodial credit risk.

As of December 31, 2022, the component unit's bank balance of \$284,430 was commingled with City funds. Custodial credit risk related to the BID cannot be determined.

The City has adopted an investment policy, which is also followed by the BID.

c. Transactions with the Primary Government

At December 31, 2022, the Business Improvement District has a receivable of \$103,527 from the City's tax collection fund for the subsequent year's annual assessment.

4. Other Information

Employees' Retirement System

Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year 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 occupation employees, 62 for elected officials and State executive participants, if hired on or before December 31, 2016) are entitled to retirement benefit based on a formula factor, their average earnings and creditable services.

Final average earnings is the average of the participant's three highest annual earnings period. Creditable service includes current service and prior service for which a participant received earnings and makes contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at age 55 (50 for protective occupations) and receive an actuarially reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

Post-Retirement Adjustments

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2012	(7.0)%	(7.0)%
2013	(9.6)	9.0
2014	4.7	25
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0

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 and Executives and Elected Officials. Starting January 1, 2016, the Executives and Elected Officials category was merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$1,606,930 in contributions from the City.

Contribution rates for the plan year reported as of December 31, 2022 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (executives & elected officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.75%
Protective without Social Security	6.75%	16.35%

City of West Bend

Notes to Financial Statements
December 31, 2022

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

At December 31, 2022, the City reported an asset of \$11,179,448 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the City's proportion was 0.13869967%, which was an increase of 0.00080991% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the City recognized pension expense of \$(1,022,412).

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual experience	\$ 18,059,834	\$ 1,302,309
Changes of actuarial assumptions	2,085,702	-
Net differences between projected and actual earnings on pension plan investments	-	25,009,357
Changes in proportion and differences between employer contributions and proportionate share of contributions	37,756	15,981
Employer contributions – January 1, 2022 to end of current fiscal year	<u>1,670,002</u>	<u>-</u>
Total	<u>\$ 21,853,294</u>	<u>\$ 26,327,647</u>

\$1,670,002 reported as deferred outflows of resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/(asset) in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Years Ending December 31:	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
2023	\$ (511,816)
2024	(3,022,097)
2025	(1,328,740)
2026	(1,281,702)

Actuarial Assumptions

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2020
Measurement Date of Net Pension Liability (Asset):	December 31, 2021
Experience Study:	January 1, 2018 – December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Post-Retirement Adjustments*:	1.7%

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

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

City of West Bend

Notes to Financial Statements
December 31, 2022

Long-Term Expected Return on Plan Assets

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

Asset Allocation Targets and Expected Returns* as of December 31, 2021			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %**
Global Equities	52	6.8	4.2
Fixed Income	25	4.3	1.8
Inflation Sensitive	19	2.7	0.2
Real Estate	7	5.6	3.0
Private Equity/Debt	12	9.7	7.0
Total Core Fund***	115	6.6	4.0
Variable Fund Asset			
U.S. Equities	70	6.3	3.7
International Equities	30	7.2	4.6
Total Variable Fund	100	6.8	4.2

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

** New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

*** The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used subject to an allowable range of up to 20%.

Single Discount Rate

A single discount rate of 6.8% was used to measure the total pension liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate was based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 1.84%. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's *20-year Municipal GO AA Index* as of December 31, 2021. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 6.8% 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 municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

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 to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
City's proportionate share of the net pension liability (asset)	\$ 7,932,611	\$ (11,179,488)	\$ (24,936,575)

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://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements> and reference report number 15-11.

At December 31, 2022, the City reported a payable to the pension plan, which represents contractually required contributions outstanding as of the end of the year.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors or omissions; workers' compensation; and health care of its employees. The City purchases commercial insurance to provide coverage for losses from torts; theft of, damage to or destruction of assets; workers compensation; and errors and omission. There have been no significant reductions in insurance coverage for any risk of loss in the past year and settled claims have not exceeded the commercial coverage in any of the past three years. However, other risks, such as health care of its employees are accounted for and financed by the City in the general fund.

City of West Bend

Notes to Financial Statements
December 31, 2022

Self Insurance

For health claims, the uninsured risk of loss is \$90,000 per incident and \$3,042,217 in the aggregate for a policy year. The City has purchased commercial insurance for claims in excess of those amounts. There have been no significant reductions in coverage compared to the prior year and settled claims have not exceeded the commercial coverage in any of the past three years.

All funds of the City participate in the risk management program. Amounts payable to the general fund are based on actuarial estimates of the amounts necessary to pay prior and current year claims.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. An amount for claims that have been incurred but not reported (IBNR) has not been recorded as it is not material to these financial statements at December 31, 2022. The City does not allocate overhead costs or other nonincremental costs to the claims liability. Changes in the current claims liability, which is recorded in the general fund follows:

Claims Liability

	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims, beginning of year	\$ 304,366	\$ 371,611
Current year claims and changes in estimates	2,541,567	2,333,973
Claim payments	<u>(3,217,544)</u>	<u>(2,911,379)</u>
Unpaid claims, end of year	<u>\$ 371,611</u>	<u>\$ 205,795</u>

Commitments and Contingencies

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

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

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

City of West Bend

Notes to Financial Statements
December 31, 2022

Joint Venture

Mid-Moraine Municipal Court

The sixteen municipalities from Washington and Ozaukee Counties jointly operate the local municipal court, which is called the Mid-Moraine Municipal Court and provides noncriminal citation processing. The communities share in the annual operation of the District as follows:

<u>Municipality</u>	<u>% Fines</u>
City of West Bend	22.07%
Village of Germantown	9.51
City of Hartford	8.99
Village of Kewaskum	3.80
Village of Slinger	8.96
Village of Jackson	6.07
City of Port Washington	6.21
Village of Grafton	3.75
Village of Saukville	6.11
Town of Hartford	0.34
Town of Trenton	1.55
Village of Newburg	0.50
City of Cedarburg	3.71
Village of Fredonia	0.65
Village of Thiensville	2.85
City of Mequon	14.93
Total	<u>100.00%</u>

The governing committee is made up of employees from each community. Local representatives are appointed by the chief executive officer of each community. The committee recommends its own budget which is ratified by each community member. The committee also controls the financial affairs of the court.

Financial information of the court as of December 31, 2022 is available directly from the municipal court in West Bend, Wisconsin.

The City of West Bend accounts for its share of the operation in the general fund. The City of West Bend does not have an equity interest in the organization.

Other Postemployment Benefits

At December 31, 2022, the City reported activity related to the City's health insurance OPEB and Local Retire Life Insurance Fund OPEB as follows:

	<u>Health Insurance OPEB Plan</u>	<u>LRLIF OPEB Plan</u>	<u>Total</u>
Deferred outflow of resources	\$ 3,451,543	\$ 498,029	\$ 3,949,572
Deferred inflow of resources	1,461,805	142,864	1,604,669
OPEB liability	16,304,474	1,438,129	17,742,603
OPEB expense	1,178,590	184,045	1,362,635

City of West Bend

Notes to Financial Statements
December 31, 2022

Other postemployment benefits attributable to the governmental activities will be liquidated primarily by the general fund.

General Information About the OPEB Plan

Plan Description

The City's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides health insurance for eligible retirees and their spouses through the City's group health insurance plan, which covers both active and retired members. RBP is a single-employer defined benefit OPEB plan administered by the City.

Benefits Provided

RBP provides health insurance benefits for retirees and their spouses. The benefit terms provide for payment of 100% of health insurance premiums for eligible police and fire employees for a defined period of years or until Medicare-eligibility. Eligible nonunion employees hired on or before December 31, 2011, will be provided with 100% of health insurance premiums for up to three years or until Medicare-eligibility. In addition, other eligible employees are allowed to remain on the City's health plan at a blended rate prior to becoming Medicare eligible. These retirees are responsible for 100% of the health care premium, but are receiving an implicit benefit due to the blended rate.

Employees Covered by Benefit Terms

At December 31, 2022, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	33
Active plan members	<u>169</u>
	<u>202</u>

Net OPEB Liability

The City's net OPEB liability of \$16,304,474 was measured as of December 31, 2021 and was determined by an actuarial valuation as of December 31, 2020, rolled forward to December 31, 2021.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00%
Salary increases	3% inflation plus 0.1%-4.8% merit
Healthcare cost trend rates	6.50% decreasing by 0.1% per year to an ultimate rate of 5.0%
Retirees' share of benefit-related costs	50% nonpolice union, 100% police union

City of West Bend

Notes to Financial Statements
December 31, 2022

The discount rate was updated to 2.00% and based on the Bond Buyer GO 20-Year AA Bond Index.

Mortality rates are based on the Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied 60%).

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of the WRS experience study for the period 2015-2017 conducted in 2018.

Changes in the Net OPEB Liability

	<u>Total OPEB Liability</u>	<u>Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balances, December 31, 2021	\$ 16,483,573	\$ 1,141,136	\$ 15,342,437
Changes for the year:			
Service cost	685,487	-	685,487
Interest	373,901	-	373,901
Difference between expected and actual experience	-	-	-
Changes in assumptions*	323,495	-	323,495
Benefit payments	(416,977)	(14,848)	(402,129)
Net investment income	-	18,717	(18,717)
Net changes	<u>965,906</u>	<u>3,869</u>	<u>962,037</u>
Balances, December 31, 2022	<u>\$ 17,449,479</u>	<u>\$ 1,145,005</u>	<u>\$ 16,304,474</u>

*Changes in assumptions included an updated discount rate.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.00%) or 1-percentage-point higher (3.00%) than the current discount rate:

	<u>1% Decrease (1.00%)</u>	<u>Discount Rate (2.00%)</u>	<u>1% Increase (3.00%)</u>
Net OPEB liability	\$ 17,652,305	\$ 16,304,474	\$ 15,043,314

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates.

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.5% decreasing to 4.0%) or 1-percentage-point higher (7.5% decreasing to 6.0%) than the current healthcare cost trend rates of 6.5% decreasing to 5.0%:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Net OPEB liability	\$ 14,431,725	\$ 16,304,474	\$ 18,498,792

City of West Bend

Notes to Financial Statements
December 31, 2022

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

For the year ended December 31, 2022, the City recognized OPEB expense of \$1,178,590. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual experiences	\$ 1,137,807	\$ 4,491
Changes of actuarial assumptions	1,693,698	1,457,314
Net differences between projected and actual earnings on OPEB plan investments	26,643	-
Employer contributions, subsequent to measurement date	<u>593,395</u>	<u>-</u>
Total	<u>\$ 3,451,543</u>	<u>\$ 1,461,805</u>

Deferred outflows of \$593,395 related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the Net OPEB Liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending December 31:	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
2023	\$ 144,711
2024	144,710
2025	140,286
2026	136,168
Thereafter	830,468

Plan Description – OPEB Trust

Plan Description

The City contributes to the OPEB Trust (Plan), a fiduciary fund, which is a single-employer public employee defined benefit OPEB plan. The City established the Plan to provide other post-employment benefits for employees of the City. The Plan is governed by the City Council, which has the right at any time and from time to time to amend the Plan. The Plan does not issue a stand-alone financial report and is not included in the report of another entity.

City of West Bend

Notes to Financial Statements
December 31, 2022

The benefit terms provide for payment of 100% of health insurance premiums for eligible police and fire employees for a defined period of years or until Medicare-eligibility. Eligible nonunion employees hired on or before December 31, 2011, will be provided with 100% of health insurance premiums for up to three years or until Medicare-eligibility. In addition, other eligible employees are allowed to remain on the City's health plan at a blended rate prior to becoming Medicare eligible. These retirees are responsible for 100% of the health care premium, but are receiving an implicit benefit due to the blended rate.

Employees Covered by Benefit Terms

At December 31, 2022, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	36
Active plan member	<u>181</u>
Total	<u><u>217</u></u>

Contributions

Employer contributions to the Plan are actuarially determined each year. The Plan does not permit employees to make contributions. RBP provides health insurance benefits for retirees and their spouses.

Investments

Investment Policy

RBP follows the investment policies of the City.

Concentrations

The investments of the trust are concentrated within various deposits and negotiable certificates of deposit as follows:

Deposits	59.0 %
Financial Federal Bank	21.0
First National Bank	20.0

Rate of Return

For the year ended December 31, 2022, the annual money-weighted rate of return on investments, net of investment expense, was 3.00%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

City of West Bend

Notes to Financial Statements
December 31, 2022

Net OPEB Liability

The components of the net OPEB liability of the City at December 31, 2022, were as follows:

Total OPEB liability	\$ 14,747,179
Less plan fiduciary net position	<u>1,184,014</u>
City's net OPEB liability	<u>\$ 13,563,165</u>

Plan fiduciary net position as a percentage of the total OPEB liability	8.03%
---	-------

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.00% inflation plus 0.1-4.8% merit
Investment Rate of Return	2.50%
Healthcare cost trend rates	7.00% decreasing to 6.5%, then decreasing by 0.1% per year to 4.5% and level after that

Assumptions related to the investment rate of return and discount rate changed since the 2021 valuation. Mortality rates were based on the 2020 WRS Experience Tables for Active Employees and Healthy Retirees projected with mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010.

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period 2018 – 2020 performed by the actuary for the Wisconsin Retirement System during 2021.

The Plan assets are held as fixed income, therefore, the long-term expected rate of return on OPEB plan investments was based on a 20-year AA municipal bond rate index applied to all periods of projected benefit payments.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.25%. The projection of cash flows used to determine the discount rate assumed that the City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position will be available to make all projected future benefit payments of current plan members. Therefore, the discount was used based on the long-term expected rate of return on OPEB plan investments to determine the total OPEB liability.

The City's net OPEB liability was measured as of December 31, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.25%) or 1-percentage-point higher (5.25%) than the current discount rate:

	<u>1% Decrease (3.25%)</u>	<u>Discount Rate (4.25%)</u>	<u>1% Increase (5.25%)</u>
Net OPEB liability	\$ 14,758,354	\$ 13,563,165	\$ 12,465,477

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.0% decreasing to 3.5%) or 1-percentage-point higher (8.0% decreasing to 5.5%) than the current healthcare cost trend rates (7.0% decreasing to 4.5%):

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Net OPEB liability	\$ 12,199,087	\$ 13,563,165	\$ 15,136,643

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available is included above. The OPEB Trust does not issue separate financial statements.

Local Retiree Life Insurance Fund (LRLIF)

Plan Description

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

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 Retiree Life Insurance Financial Report, which can be found at the link above.

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

Contribution rates for the plan year reported as of December 31, 2022 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Post Retirement Coverage	40% of member contribution
25% Post Retirement Coverage	20% of member contribution

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

<u>Life Insurance Member Contribution Rates* for the Plan Year</u>		
<u>Attained Age</u>	<u>Basic</u>	<u>Supplemental</u>
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

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

During the reporting period, the LRLIF recognized \$4,980 in contributions from the employer.

OPEB Liabilities, OPEB Expense (Revenue) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At December 31, 2022, the City reported a liability of \$1,438,129 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2021 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2021, the City's proportion was 0.24332300%, which was an increase of 0.00550600% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the City recognized OPEB expense (revenue) of \$184,045.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experiences	\$ -	\$ 73,157
Net differences between projected and investment earnings on plan investments	18,711	-
Changes in actuarial assumptions	434,509	69,707
Changes in proportion and differences between employer contributions and proportionate share of contributions	40,314	-
Employer contributions subsequent to the measurement date	4,495	-
Total	<u>\$ 498,029</u>	<u>\$ 142,864</u>

City of West Bend

Notes to Financial Statements
December 31, 2022

\$4,495 reported as deferred outflows of resources related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows:

Years ending December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2023	\$ 80,346
2024	78,176
2025	70,665
2026	82,215
2027	36,259
Thereafter	3,009

Actuarial Assumptions

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

Actuarial Valuation Date:	January 1, 2022
Measurement Date of Net OPEB Liability (Asset):	December 31, 2022
Experience Study:	January 1, 2018 – December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	2.06%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.17%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.10% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total OPEB liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the January 1, 2021 actuarial valuation.

Long-Term Expected Return on Plan Assets

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

**State OPEB Life Insurance
Asset Allocation Targets and Expected Returns
as of December 31, 2021**

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interim Credit	45.000 %	1.68 %
U.S. Long Credit Bonds	Bloomberg U.S. Long Credit	5.00	1.82
U.S. Mortgages	Bloomberg U.S. MBS	50.00	1.94
Inflation			2.30
Long-Term Expected Rate of Return			4.25

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate increased from 2.20% as of December 31, 2020 to 2.30% as of December 31, 2021.

Single Discount Rate

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

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 West Bend

Notes to Financial Statements
December 31, 2022

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 2.17%, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.17%) or 1-percentage-point higher (3.17%) than the current rate:

	<u>1% Decrease to Discount Rate (1.17%)</u>	<u>Current Discount Rate (2.17%)</u>	<u>1% Increase to Discount Rate (3.17%)</u>
City's proportionate share of the net OPEB liability (asset)	\$ 1,951,022	\$ 1,438,129	\$ 1,052,198

Related Organization

Housing Authority

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

Subsequent Events

In April 2023, the City issued \$3,285,000 in general obligation promissory notes, Series 2023A, for financing capital projects and projects in TIF District No. 16. Interest rates are 4.0% with final maturity in 2033.

In April 2023, the City issued \$3,790,000 in general obligation community development bonds, Series 2023B, for financing capital projects in TIF District No. 15. Interest rates are 4.0 – 5.0% with final maturity in 2042.

On March 6, 2023, the City sold 9 acres of land for \$450,000 and granted an additional 2-acre out lot as a development incentive along the south side of Forge Place within the City's West Bend Manufacturing Center funded under TIF District No. 14. The land will be used by Kettle Moraine Metal Products to allow development of a 75,000 square foot manufacturing facility.

Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-based Information Technology Arrangements*
- Statement No. 99, *Omnibus 2022*
- Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*

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

REQUIRED SUPPLEMENTARY INFORMATION

City of West Bend

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 16,773,125	\$ 16,773,125	\$ 16,779,688	\$ 6,563
Intergovernmental	3,449,223	3,453,965	3,473,694	19,729
Licenses and permits	733,450	763,422	990,919	227,497
Fines, forfeitures and penalties	407,600	407,600	326,369	(81,231)
Public charges for services	1,903,290	2,032,434	2,459,967	427,533
Intergovernmental charges for services	465,916	465,916	465,916	-
Special assessments	2,000	19,569	20,389	820
Investment income (loss)	201,900	201,900	(56,952)	(258,852)
Miscellaneous revenues	176,328	247,956	261,022	13,066
Total revenues	<u>24,112,832</u>	<u>24,365,887</u>	<u>24,721,012</u>	<u>355,125</u>
Expenditures				
Current:				
General government	5,306,884	4,933,140	4,722,317	210,823
Public safety	13,418,997	13,871,215	13,313,336	557,879
Public works	5,012,614	5,513,196	4,788,850	724,346
Leisure activities	1,490,328	1,585,947	1,461,125	124,822
Conservation and development	401,975	708,445	667,813	40,632
Capital outlay	22,000	266,998	241,179	25,819
Debt service:				
Principal	-	-	188,761	(188,761)
Interest	-	-	31,499	(31,499)
Total expenditures	<u>25,652,798</u>	<u>26,878,941</u>	<u>25,414,880</u>	<u>1,464,061</u>
Excess (deficiency) of revenues over expenditures	<u>(1,539,966)</u>	<u>(2,513,054)</u>	<u>(693,868)</u>	<u>1,819,186</u>
Other Financing Sources (Uses)				
Sale of property	20,000	24,000	91,758	67,758
Finance purchases issued	-	-	61,587	61,587
Transfers in	1,519,966	2,513,254	1,420,762	(1,092,492)
Transfers out	-	(24,200)	(24,200)	-
Total other financing sources (uses)	<u>1,539,966</u>	<u>2,513,054</u>	<u>1,549,907</u>	<u>(963,147)</u>
Net change in fund balances	-	-	856,039	856,039
Fund Balances, Beginning	<u>10,459,428</u>	<u>10,459,428</u>	<u>10,459,428</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 10,459,428</u>	<u>\$ 10,459,428</u>	<u>\$ 11,315,467</u>	<u>\$ 856,039</u>

See notes to required supplementary information

City of West Bend

Schedule of Proportionate Share of the Net Pension Liability (Asset)

Wisconsin Retirement System

Year Ended December 31, 2022

<u>Fiscal Year Ending</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
12/31/22	0.13869967 %	\$ (11,179,448)	\$ 15,776,216	70.86 %	106.02 %
12/31/21	0.13788976 %	(8,608,649)	15,407,868	55.87 %	105.26 %
12/31/20	0.13400969 %	(4,321,084)	14,443,038	29.92 %	102.96 %
12/31/19	0.13139584 %	4,674,652	14,256,587	32.79 %	96.45 %
12/31/18	0.12859065 %	(3,818,008)	13,712,222	27.84 %	102.93 %
12/31/17	0.12732465 %	1,049,459	13,332,848	7.87 %	99.12 %
12/31/16	0.12885040 %	2,093,794	13,590,193	15.41 %	98.20 %
12/31/15	0.13330900 %	(3,274,434)	13,505,764	24.24 %	102.74 %

Schedule of Employer Contributions - Wisconsin Retirement System

Year Ended December 31, 2022

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/22	\$ 1,670,002	\$ 1,670,002	\$ -	\$ 15,776,216	10.59 %
12/31/21	1,605,213	1,605,213	-	15,163,207	10.59 %
12/31/20	1,614,772	1,614,772	-	15,407,868	10.48 %
12/31/19	1,401,971	1,401,971	-	14,443,039	9.71 %
12/31/18	1,394,234	1,394,234	-	14,256,588	9.78 %
12/31/17	1,342,189	1,342,189	-	13,281,145	10.11 %
12/31/16	1,197,637	1,197,637	-	13,332,848	8.98 %
12/31/15	1,227,987	1,227,987	-	13,590,193	9.04 %

Schedule of Proportionate Share of the Net Life Insurance OPEB Liability

Local Retiree Life Insurance Fund

Year Ended December 31, 2022

<u>Fiscal Year Ending</u>	<u>Proportion of the Net OPEB Liability</u>	<u>Proportionate Share of the Net OPEB Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</u>
12/31/22	0.24332300 %	\$ 1,438,129	\$ 15,776,216	9.12 %	29.57 %
12/31/21	0.23781700 %	1,308,165	14,004,000	9.34 %	31.36 %
12/31/20	0.23657300 %	1,007,374	13,691,000	7.36 %	37.58 %
12/31/19	0.23472500 %	605,670	13,771,000	4.40 %	48.69 %
12/31/18	0.22589600 %	679,626	9,499,573	7.15 %	44.81 %

See notes to required supplementary information

City of West Bend

Schedule of Changes in Employer's Total OPEB Liability and Related Ratios
Health Insurance
December 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service cost	\$ 685,487	\$ 611,605	\$ 464,261	\$ 783,846	\$ 740,648
Interest	373,901	386,970	485,574	385,785	379,621
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	1,329,918	-	186,171	(7,816)
Changes of assumptions	323,495	638,332	1,364,500	(2,623,166)	-
Benefit payments	<u>(416,977)</u>	<u>(498,140)</u>	<u>(413,311)</u>	<u>(510,764)</u>	<u>(568,460)</u>
Net change in total OPEB liability	965,906	2,468,685	1,901,024	(1,778,128)	543,993
Total OPEB liability, beginning	<u>16,483,573</u>	<u>14,014,888</u>	<u>12,113,864</u>	<u>13,891,992</u>	<u>13,347,999</u>
Total OPEB liability, ending (a)	<u>\$ 17,449,479</u>	<u>\$ 16,483,573</u>	<u>\$ 14,014,888</u>	<u>\$ 12,113,864</u>	<u>\$ 13,891,992</u>
Fiduciary Net Position					
Contributions, employer	\$ -	\$ -	\$ 1,160,000	\$ -	\$ -
Net investment income	18,717	10,905	1,076	-	-
Benefit payments	<u>(14,848)</u>	<u>(30,845)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fiduciary net position	3,869	(19,940)	1,161,076	-	-
Fiduciary Net Position, Beginning	<u>1,141,136</u>	<u>1,161,076</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fiduciary Net Position, Ending (b)	<u>\$ 1,145,005</u>	<u>\$ 1,141,136</u>	<u>\$ 1,161,076</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability (a) - (b)	<u>\$ 16,304,474</u>	<u>\$ 15,342,437</u>	<u>\$ 12,853,812</u>	<u>\$ 12,113,864</u>	<u>\$ 13,891,992</u>
Fiduciary Net Position as a percentage of the Total OPEB Liability	6.56%	6.92%	8.28%	0.00%	0.00%
Covered payroll	\$ 13,578,000	\$ 13,578,000	\$ 13,139,385	\$ 13,139,385	\$ 13,712,222
Net OPEB liability as a percentage of covered payroll	120.08%	112.99%	97.83%	92.20%	101.31%

Notes to Schedule:

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year.

Changes in benefit terms. There were no changes of benefit terms.

Changes in assumptions. The discount rate was updated based on the Bond Buyer GO 20-year AA Bond Index to 2.00%

No assets were accumulated in a trust that meets the criteria in paragraph 4 of Statement 75 for the years ended December 31, 2019 and 2018.

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

City of West Bend

Schedule of Changes in the Net OPEB Liability and Related Ratios

OPEB Trust

Last 10 Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability				
Service cost	\$ 733,867	\$ 685,487	\$ 611,605	\$ 464,261
Interest on the total OPEB liability	350,300	373,901	386,970	485,574
Differences between expected and actual experience	(1,450,402)	-	1,329,918	-
Changes of assumptions or other inputs	(1,733,279)	323,495	638,332	1,364,500
Benefit payments	<u>(602,786)</u>	<u>(416,977)</u>	<u>(498,140)</u>	<u>(413,311)</u>
Net change in the total OPEB liability	<u>\$ (2,702,300)</u>	<u>\$ 965,906</u>	<u>\$ 2,468,685</u>	<u>\$ 1,901,024</u>
Total OPEB liability, beginning	\$ 17,449,479	\$ 16,483,573	\$ 14,014,888	\$ 12,113,864
Total OPEB liability, ending (a)	\$ 14,747,179	\$ 17,449,479	\$ 16,483,573	\$ 14,014,888
Fiduciary Net Position				
Employer contributions	\$ -	\$ -	\$ -	\$ 1,160,000
Net investment income	39,009	18,717	10,905	1,076
Benefit payments	<u>-</u>	<u>(14,848)</u>	<u>(30,845)</u>	<u>-</u>
Net change in plan fiduciary net position	<u>\$ 39,009</u>	<u>\$ 3,869</u>	<u>\$ (19,940)</u>	<u>\$ 1,161,076</u>
Total fiduciary net position, beginning	<u>\$ 1,145,005</u>	<u>\$ 1,141,136</u>	<u>\$ 1,161,076</u>	<u>\$ -</u>
Total fiduciary, ending (b)	<u>\$ 1,184,014</u>	<u>\$ 1,145,005</u>	<u>\$ 1,141,136</u>	<u>\$ 1,161,076</u>
Net OPEB liability, ending = (a) - (b)	\$ 13,563,165	\$ 16,304,474	\$ 15,342,437	\$ 12,853,812
Covered payroll	14,963,665	13,578,000	13,578,000	13,139,385
Net OPEB liability as a percent of covered payroll	90.64%	120.08%	112.99%	97.83%

Notes to the Schedule:

Benefit changes : No changes in benefits

Changes in assumptions : The discount rate was updated to 4.25%.

*The Plan implemented GASB Statement No. 74 in fiscal year 2019. Information prior to fiscal year 2019 is not available.

Note: this schedule is to show information for 10 years. However, accounting standards allow the presentation of as many years are available until 10 years are presented.

City of West Bend

Schedule of Investment Returns - OPEB Trust
Last 10 Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Annual money-weighted rate of return, net of investment expense	3.000%	0.780%	2.202%	2.434%

*Note: this schedule is to show information for 10 years. However, accounting standards allow the presentation of as many years as are available until 10 years are presented.

City of West BendSchedule of Employer Contributions - OPEB Trust
Last 10 Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially Determined Contribution (ADC)	\$ 1,409,721	\$ 1,409,721	\$ 1,183,377	\$ 1,183,377
Contributions in Relation to the ADC	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,160,000</u>
Contribution Deficiency / (Excess)	<u>\$ 1,409,721</u>	<u>\$ 1,409,721</u>	<u>\$ 1,183,377</u>	<u>\$ 23,377</u>
Covered Payroll	\$ 14,963,665	\$ 13,578,000	\$ 13,578,000	\$ 13,139,385
Contributions as a percentage of Covered-Employee Payroll	\$ -	\$ -	\$ -	\$ -

Notes to the Schedule:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Amortization method	30-year Level Dollar
Discount rate	2.25%
Inflation	2.00%

*Note: this schedule is to show information for 10 years. However, accounting standards allow the presentation of as many years as are available until 10 years are presented.

1. Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1.

The budgeted amounts presented include any amendments made. The City may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds council action.

Appropriations lapse at year-end unless specifically carried over. Carryovers to the following year were \$710,232. Budgets are adopted at the function level of expenditure.

2. Wisconsin Retirement System

The amounts determined for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

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

Changes in benefit terms. There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

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

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the 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

3. Local Retiree Life Insurance Fund

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

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

Changes in 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

SUPPLEMENTARY INFORMATION

GENERAL FUND

City of West Bend

General Fund

Detailed Schedule of Revenues and Other Financing Sources (Major Fund)

Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Taxes				
General property tax	\$ 16,717,376	\$ 16,717,376	\$ 16,720,894	\$ 3,518
Mobile home taxes	53	53	49	(4)
Taxes from housing authority	39,000	39,000	35,435	(3,565)
Taxes from cell towers	7,224	7,224	12,045	4,821
Delinquent property chargebacks	1,472	1,472	2,159	687
Interest on taxes	8,000	8,000	9,106	1,106
Total	<u>16,773,125</u>	<u>16,773,125</u>	<u>16,779,688</u>	<u>6,563</u>
Intergovernmental Revenues				
Shared taxes from state	1,597,276	1,597,276	1,560,351	(36,925)
Fire insurance tax from state	155,000	155,000	161,345	6,345
Federal aid, FEMA Grant	-	3,437	3,437	-
State aid, emergency medical services	-	-	37,330	37,330
State aid, personal property aid	68,294	68,294	68,294	-
State aid, service to state facilities	105,149	105,149	117,238	12,089
State aid, police training	9,600	10,905	17,667	6,762
State aid, road allotment	1,158,717	1,158,717	1,155,508	(3,209)
State aid, exempt computer aid	112,095	112,095	112,095	-
State aid, connecting streets	130,235	130,235	130,235	-
State aid, recycling assistance	108,857	108,857	108,514	(343)
State aid, fire training	4,000	4,000	1,680	(2,320)
Total	<u>3,449,223</u>	<u>3,453,965</u>	<u>3,473,694</u>	<u>19,729</u>
Licenses and Permits				
Liquor and malt beverage licenses	53,450	53,450	64,236	10,786
Operators' licenses	22,645	22,645	21,304	(1,341)
Weights and measures	15,765	15,765	16,153	388
Cigarette licenses	3,100	3,100	3,400	300
Bicycle licenses	1,400	1,400	1,175	(225)
Dog licenses	19,750	19,750	20,276	526
Amusement device licenses	7,755	7,755	8,360	605
Cat licenses	3,630	3,630	3,576	(54)
Other miscellaneous licenses	8,880	8,880	14,643	5,763
Building permits	210,000	210,000	306,504	96,504
State building permits	2,000	2,000	569	(1,431)
Electrical permits	52,000	52,000	82,944	30,944
Plumbing permits	73,000	73,000	79,090	6,090
Erosion control	14,500	14,500	13,900	(600)
Occupancy permits	13,800	13,800	14,900	1,100
Heating permits	41,500	41,500	44,997	3,497
Sign permits	10,000	10,000	23,180	13,180
Sidewalk permits	10,000	10,000	6,365	(3,635)
Street opening permits applied	18,000	18,000	19,540	1,540
Zoning	15,075	15,075	20,025	4,950
Yardwaste drop permits	76,000	76,000	74,800	(1,200)
Storm water management permits	3,000	3,000	17,200	14,200
Plan examination fees	32,150	32,150	54,795	22,645
Engineering inspection fees	25,000	54,972	77,929	22,957
Plan handling fees	1,000	1,000	500	(500)
Other regulatory permits / fees	50	50	558	508
Total	<u>733,450</u>	<u>763,422</u>	<u>990,919</u>	<u>227,497</u>

City of West Bend

General Fund

Detailed Schedule of Revenues and Other Financing Sources (Major Fund)

Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Fines, Forfeitures and Penalties				
Parking violations	\$ 87,100	\$ 87,100	\$ 86,688	\$ (412)
Municipal court fines and penalties	313,500	313,500	235,491	(78,009)
Awards and damages	7,000	7,000	4,190	(2,810)
Total	407,600	407,600	326,369	(81,231)
Public Charges for Services				
Copy revenue	20	20	-	(20)
Clerk fees	100	361	2,901	2,540
Treasurer fees	15,050	15,050	13,000	(2,050)
NSF charges	1,600	1,600	1,360	(240)
License publication fees	1,266	1,266	1,310	44
Police department fees	195,000	195,000	229,783	34,783
Registration suspension fees	3,500	3,500	3,096	(404)
False alarm assessments	9,300	9,300	28,500	19,200
Fire department fees	17,000	17,000	35,885	18,885
Ambulance fees	1,370,000	1,370,000	1,728,768	358,768
Snow and ice control	1,000	1,000	110	(890)
Airport	72,664	164,664	158,523	(6,141)
Sale of street materials and services	12,000	21,787	21,394	(393)
Sale of materials and services, sanitation	2,000	2,000	3,115	1,115
Grinders revenue	100	100	-	(100)
Outside services	40,000	40,000	38,226	(1,774)
Other recreation revenues	5,815	5,815	11,142	5,327
Weed control	2,500	2,500	3,713	1,213
Subdivision fees	5,900	5,900	5,790	(110)
Site plan revenue	11,000	11,000	14,220	3,220
Refuse and garbage collection	250	250	-	(250)
Lac Lawrann Conservancy revenues	22,025	22,025	23,151	1,126
Street tree revenue	-	27,096	27,096	-
Special event fee	-	-	1,500	1,500
Leisure-building rental	55,200	55,200	68,139	12,939
Uncollectible receivable collected	60,000	60,000	39,245	(20,755)
Total	1,903,290	2,032,434	2,459,967	427,533
Intergovernmental Charges for Services				
Local fire protection services	465,916	465,916	465,916	-
Special Assessments				
Street construction	-	5,933	5,933	-
Sidewalks	-	11,636	11,636	-
Administrative fees	2,000	2,000	2,820	820
Total	2,000	19,569	20,389	820
Investment Income (Loss)				
Investment income on temporary investments	200,000	200,000	(58,692)	(258,692)
Interest on special assessments	1,900	1,900	1,502	(398)
Interest on leases	-	-	238	238
Total	201,900	201,900	(56,952)	(258,852)

City of West Bend

General Fund

Detailed Schedule of Revenues and Other Financing Sources (Major Fund)

Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Miscellaneous				
Lease revenue	\$ -	\$ -	\$ 23,012	\$ 23,012
Rent of city property	31,097	31,097	28,374	(2,723)
Rent of airport property	67,031	67,031	39,731	(27,300)
Sale of materials	3,200	3,200	4,106	906
Insurance recoveries	30,000	90,697	61,697	(29,000)
Miscellaneous donations	-	10,931	50,526	39,595
Commercial card rebate	45,000	45,000	53,576	8,576
Total	176,328	247,956	261,022	13,066
Other Financing Sources				
Sale of property	20,000	24,000	91,758	67,758
Finance purchase issued	-	-	61,587	61,587
Transfers in	846,603	1,839,891	848,603	(991,288)
Transfers in, tax equivalent	673,363	673,363	572,159	(101,204)
Total	1,539,966	2,537,254	1,574,107	(963,147)
Total revenues and other financing sources	\$ 25,652,798	\$ 26,903,141	\$ 26,295,119	\$ (608,022)

City of West Bend

General Fund

Detailed Schedule of Expenditures and Other Financing Uses (Major Fund)

Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
General Government				
Council	\$ 41,370	\$ 41,370	\$ 40,357	\$ 1,013
Mayor	8,690	8,690	8,178	512
Administrator	574,002	68,782	95,084	(26,302)
Clerk:				
Legislative support	176,941	188,532	152,603	35,929
Elections	54,291	54,552	47,004	7,548
Personnel:				
Recruitment	158,634	179,195	209,058	(29,863)
Financial administration:				
Treasury	347,762	388,800	387,668	1,132
Assessment of property	289,083	301,949	305,627	(3,678)
Independent auditing	38,460	38,460	38,960	(500)
Legal counseling	95,298	95,298	212,829	(117,531)
Municipal buildings	508,285	529,393	487,656	41,737
Risk management	570,278	570,278	508,853	61,425
Health insurance	2,189,069	2,189,069	1,967,505	221,564
GIS	26,009	26,974	24,161	2,813
Information systems	225,662	248,748	218,118	30,630
Other general government	3,050	3,050	18,656	(15,606)
	<u>5,306,884</u>	<u>4,933,140</u>	<u>4,722,317</u>	<u>210,823</u>
Total				
Public Safety				
Police:				
Patrol	7,132,261	7,287,054	6,999,107	287,947
Criminal and juvenile investigation	904,484	930,064	822,517	107,547
Crossing guards	93,564	93,564	82,140	11,424
Fire:				
Fire administration	812,402	988,279	877,940	110,339
Suppression	2,778,148	2,817,560	2,824,595	(7,035)
Prevention	188,679	197,403	190,747	6,656
Training	394,089	400,537	363,508	37,029
Rescue	800,623	833,798	880,287	(46,489)
Building inspection	215,781	223,296	199,353	23,943
Sealer of weights and measures	11,200	11,200	11,600	(400)
Hydrant rental	35,066	35,760	28,375	7,385
Communications system	52,700	52,700	33,167	19,533
	<u>13,418,997</u>	<u>13,871,215</u>	<u>13,313,336</u>	<u>557,879</u>
Total				

City of West Bend

General Fund

Detailed Schedule of Expenditures and Other Financing Uses (Major Fund)

Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Public Works				
Garage	\$ 394,228	\$ 402,820	\$ 336,496	\$ 66,324
Public works administration	174,614	179,309	97,554	81,755
Engineering	392,203	662,030	396,744	265,286
Streets and related facilities	12,500	12,500	8,221	4,279
Street maintenance	1,120,837	1,197,669	1,018,869	178,800
Snow and ice control	491,790	491,790	305,556	186,234
Traffic control	52,716	92,497	153,386	(60,889)
Street lighting	785,000	785,000	804,602	(19,602)
Storm sewers	50,263	50,263	50,687	(424)
Airport	117,685	209,685	92,577	117,108
Garbage and refuse collection	113,456	121,003	140,809	(19,806)
Recycling	661,519	662,552	672,469	(9,917)
Sanitary landfill	645,803	646,078	710,880	(64,802)
Total	<u>5,012,614</u>	<u>5,513,196</u>	<u>4,788,850</u>	<u>724,346</u>
Leisure Activities				
Recreation administration	344,914	355,591	283,607	71,984
Other summer recreation	-	32,307	506	31,801
Parks	596,286	636,726	616,455	20,271
Public areas	549,128	561,323	560,557	766
Total	<u>1,490,328</u>	<u>1,585,947</u>	<u>1,461,125</u>	<u>124,822</u>
Conservation and Development				
Forestry	50,028	117,160	81,997	35,163
Lac Lawrann Conservancy	56,930	76,162	75,477	685
Urban development	217,884	236,218	228,541	7,677
Economic development	77,133	278,905	281,798	(2,893)
Total	<u>401,975</u>	<u>708,445</u>	<u>667,813</u>	<u>40,632</u>
Capital Outlay				
Airport	22,000	90,804	-	90,804
Economic development	-	2,695	-	2,695
Parks	-	163,099	163,099	-
Information technology	-	-	61,587	(61,587)
Public areas	-	10,400	16,493	(6,093)
Total	<u>22,000</u>	<u>266,998</u>	<u>241,179</u>	<u>25,819</u>
Debt Service				
Principal	-	-	188,761	(188,761)
Interest and fiscal charges	-	-	31,499	(31,499)
Total	<u>-</u>	<u>-</u>	<u>220,260</u>	<u>(220,260)</u>
Other Financing Uses				
Transfers out	-	24,200	24,200	-
Total expenditures and other financing uses	<u>\$ 25,652,798</u>	<u>\$ 26,903,141</u>	<u>\$ 25,439,080</u>	<u>\$ 1,464,061</u>

DEBT SERVICE FUND

City of West Bend

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual - Debt Service Fund (Major Fund)
 Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 3,306,925	\$ 3,306,925	\$ 3,306,925	\$ -
Investment income	825	825	12,914	12,089
Total revenues	<u>3,307,750</u>	<u>3,307,750</u>	<u>3,319,839</u>	<u>12,089</u>
Expenditures				
Debt service:				
Principal	2,945,000	2,945,000	2,945,000	-
Interest and fiscal charges	<u>634,694</u>	<u>818,428</u>	<u>565,685</u>	<u>252,743</u>
Total expenditures	<u>3,579,694</u>	<u>3,763,428</u>	<u>3,510,685</u>	<u>252,743</u>
Excess of revenues over expenditures	<u>(271,944)</u>	<u>(455,678)</u>	<u>(190,846)</u>	<u>264,832</u>
Other Financing Sources (Uses)				
Transfers in	-	183,734	183,734	-
Transfers out	<u>-</u>	<u>(82,729)</u>	<u>(51,776)</u>	<u>30,953</u>
Total other financing sources (uses)	<u>-</u>	<u>101,005</u>	<u>131,958</u>	<u>30,953</u>
Net change in fund balance	(271,944)	(354,673)	(58,888)	295,785
Fund Balance, Beginning	<u>724,898</u>	<u>724,898</u>	<u>724,898</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 452,954</u>	<u>\$ 370,225</u>	<u>\$ 666,010</u>	<u>\$ 295,785</u>

NONMAJOR GOVERNMENTAL FUNDS

City of West Bend

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2022

	Special Revenue Funds			
	Taxi Transit System	Public Library	Room Tax	Communications
Assets				
Cash and investments	\$ -	\$ 799,895	\$ 247,844	\$ 1,191,041
Taxes receivable	-	915,338	-	-
Accounts receivable	526,973	33,120	139,753	79,872
Loans receivable	-	-	-	-
Due from other funds	-	-	-	19,493
Prepaid items	-	7,810	-	9,279
Advances to other funds	-	-	-	233,333
Restricted cash and investments	-	-	-	-
Total assets	<u>\$ 526,973</u>	<u>\$ 1,756,163</u>	<u>\$ 387,597</u>	<u>\$ 1,533,018</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 65,537	\$ 28,715	\$ 8,280	\$ 11,086
Accrued liabilities	1,264	21,308	405	7,586
Due to other funds	416,661	128,679	56,592	-
Unearned revenue	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>483,462</u>	<u>178,702</u>	<u>65,277</u>	<u>18,672</u>
Deferred Inflows of Resources				
Unearned revenue	-	915,338	-	-
Unavailable	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>915,338</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)				
Nonspendable	-	7,810	-	9,279
Restricted	43,511	654,313	322,320	-
Committed	-	-	-	1,505,067
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	<u>43,511</u>	<u>662,123</u>	<u>322,320</u>	<u>1,514,346</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 526,973</u>	<u>\$ 1,756,163</u>	<u>\$ 387,597</u>	<u>\$ 1,533,018</u>

Economic Development	Park Development	Special Revenue Funds				Capital Project Funds	
		Library	EMS FAPS Grant	Recreation	American Rescue Plan	TIF District No. 3	TIF District No. 4
\$ 888,410	\$ 47,064	\$ 78,642	\$ 101,679	\$ 108,995	\$ 3,354,447	\$ 320,767	\$ 14,172
-	-	-	-	-	-	541,809	1,416,440
-	-	-	-	128	-	-	-
409,928	-	-	-	-	-	-	-
-	-	-	-	4,480	-	-	-
-	-	-	-	-	-	-	-
-	412,166	-	-	-	-	-	-
<u>\$ 1,298,338</u>	<u>\$ 459,230</u>	<u>\$ 78,642</u>	<u>\$ 101,679</u>	<u>\$ 113,603</u>	<u>\$ 3,354,447</u>	<u>\$ 862,576</u>	<u>\$ 1,430,612</u>
\$ 631	\$ 178	\$ -	\$ -	\$ 3,585	\$ -	\$ -	\$ -
-	-	-	-	1,936	-	-	-
-	-	-	-	7,469	-	-	-
-	-	-	-	-	3,303,654	-	-
<u>1,133,333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,839,563</u>	<u>-</u>
<u>1,133,964</u>	<u>178</u>	<u>-</u>	<u>-</u>	<u>12,990</u>	<u>3,303,654</u>	<u>1,839,563</u>	<u>-</u>
-	1,200	-	-	-	-	541,809	1,416,440
-	-	-	-	-	-	-	-
-	1,200	-	-	-	-	541,809	1,416,440
-	-	-	-	4,480	-	-	-
164,374	457,852	78,642	101,679	-	50,793	-	14,172
-	-	-	-	96,133	-	-	-
-	-	-	-	-	-	(1,518,796)	-
<u>164,374</u>	<u>457,852</u>	<u>78,642</u>	<u>101,679</u>	<u>100,613</u>	<u>50,793</u>	<u>(1,518,796)</u>	<u>14,172</u>
<u>\$ 1,298,338</u>	<u>\$ 459,230</u>	<u>\$ 78,642</u>	<u>\$ 101,679</u>	<u>\$ 113,603</u>	<u>\$ 3,354,447</u>	<u>\$ 862,576</u>	<u>\$ 1,430,612</u>

City of West Bend

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2022

	Capital Project Funds				
	TIF District No. 5	TIF District No. 6	TIF District No. 7	TIF District No. 8	TIF District No. 9
Assets					
Cash and investments	\$ 276,690	\$ 22,774	\$ 31,545	\$ 9,544	\$ 327,395
Taxes receivable	283,888	1,001,671	287,291	23,396	36,535
Accounts receivable	9,736	-	-	-	909,683
Loans receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Prepaid items	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-
Total assets	<u>\$ 570,314</u>	<u>\$ 1,024,445</u>	<u>\$ 318,836</u>	<u>\$ 32,940</u>	<u>\$ 1,273,613</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 251,191
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Advances from other funds	-	-	-	-	54,179
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>305,370</u>
Deferred Inflows of Resources					
Unearned revenue	283,888	1,001,671	287,291	23,396	36,535
Unavailable	-	-	-	-	909,683
Total deferred inflows of resources	<u>283,888</u>	<u>1,001,671</u>	<u>287,291</u>	<u>23,396</u>	<u>946,218</u>
Fund Balances (Deficit)					
Nonspendable	-	-	-	-	-
Restricted	286,426	22,774	31,545	9,544	22,025
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficit)	<u>286,426</u>	<u>22,774</u>	<u>31,545</u>	<u>9,544</u>	<u>22,025</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 570,314</u>	<u>\$ 1,024,445</u>	<u>\$ 318,836</u>	<u>\$ 32,940</u>	<u>\$ 1,273,613</u>

Capital Project Funds							
TIF District No. 10	TIF District No. 11	TIF District No. 12	TIF District No. 13	TIF District No. 14	TIF District No. 15	Permanent Fund Library	Total Nonmajor Funds
\$ 180,318	\$ 39,777	\$ 697,413	\$ 95,676	\$ 520,984	\$ 107,463	\$ 43,000	\$ 9,505,535
797,835	600,564	739,159	59,203	257,232	31,113	-	6,991,474
-	-	-	-	-	345,540	-	2,044,805
-	-	-	-	-	-	-	409,928
-	-	-	-	-	-	-	19,493
-	-	-	-	-	-	-	21,569
-	-	-	-	-	-	-	233,333
-	-	-	-	-	-	-	412,166
<u>\$ 978,153</u>	<u>\$ 640,341</u>	<u>\$ 1,436,572</u>	<u>\$ 154,879</u>	<u>\$ 778,216</u>	<u>\$ 484,116</u>	<u>\$ 43,000</u>	<u>\$ 19,638,303</u>
\$ -	\$ -	\$ 19,504	\$ -	\$ -	\$ 127,081	\$ -	\$ 515,788
-	-	-	-	-	-	-	32,499
-	-	-	-	-	-	-	609,401
-	-	-	-	-	-	-	3,303,654
<u>522,358</u>	<u>-</u>	<u>2,247,743</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,797,176</u>
<u>522,358</u>	<u>-</u>	<u>2,267,247</u>	<u>-</u>	<u>-</u>	<u>127,081</u>	<u>-</u>	<u>10,258,518</u>
797,835	600,564	739,159	59,203	257,232	31,113	-	6,992,674
-	-	1,000	-	-	345,540	-	1,256,223
<u>797,835</u>	<u>600,564</u>	<u>740,159</u>	<u>59,203</u>	<u>257,232</u>	<u>376,653</u>	<u>-</u>	<u>8,248,897</u>
-	-	-	-	-	-	-	21,569
-	39,777	-	95,676	520,984	-	43,000	2,959,407
-	-	-	-	-	-	-	1,601,200
<u>(342,040)</u>	<u>-</u>	<u>(1,570,834)</u>	<u>-</u>	<u>-</u>	<u>(19,618)</u>	<u>-</u>	<u>(3,451,288)</u>
<u>(342,040)</u>	<u>39,777</u>	<u>(1,570,834)</u>	<u>95,676</u>	<u>520,984</u>	<u>(19,618)</u>	<u>43,000</u>	<u>1,130,888</u>
<u>\$ 978,153</u>	<u>\$ 640,341</u>	<u>\$ 1,436,572</u>	<u>\$ 154,879</u>	<u>\$ 778,216</u>	<u>\$ 484,116</u>	<u>\$ 43,000</u>	<u>\$ 19,638,303</u>

City of West Bend

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended December 31, 2022

	Special Revenue Funds			
	Taxi Transit System	Public Library	Room Tax	Communications
Revenues				
Taxes	\$ -	\$ 811,015	\$ 562,685	\$ -
Intergovernmental	813,254	704,115	-	84,566
Licenses and permits	-	-	-	311,619
Public charges for services	352,031	60,896	-	175,499
Intergovernmental charges for services	-	57,201	-	-
Investment income	-	18,891	3,256	19,760
Miscellaneous	17,455	2,873	7,500	-
	<u>1,182,740</u>	<u>1,654,991</u>	<u>573,441</u>	<u>591,444</u>
Total revenues				
	<u>1,182,740</u>	<u>1,654,991</u>	<u>573,441</u>	<u>591,444</u>
Expenditures				
Current:				
General government	-	-	-	-
Public works	1,168,392	-	-	-
Leisure activities	-	1,645,582	503,853	493,773
Conservation and development	-	-	-	-
Capital outlay	-	-	-	22,547
Debt service:				
Principal retirement	-	4,371	-	8,225
Interest and fiscal charges	-	23	-	43
	<u>1,168,392</u>	<u>1,649,976</u>	<u>503,853</u>	<u>524,588</u>
Total expenditures				
	<u>1,168,392</u>	<u>1,649,976</u>	<u>503,853</u>	<u>524,588</u>
Excess (deficiency) of revenues over expenditures	<u>14,348</u>	<u>5,015</u>	<u>69,588</u>	<u>66,856</u>
Other Financing Sources (Uses)				
Financed purchases issued	-	-	-	3,328
Sale of property	8,882	-	-	-
Transfers in	-	284,521	-	-
Transfers out	-	(247,021)	-	-
	<u>8,882</u>	<u>37,500</u>	<u>-</u>	<u>3,328</u>
Total other financing sources (uses)				
	<u>8,882</u>	<u>37,500</u>	<u>-</u>	<u>3,328</u>
Net change in fund balances	23,230	42,515	69,588	70,184
Fund Balance (Deficit), Beginning	<u>20,281</u>	<u>619,608</u>	<u>252,732</u>	<u>1,444,162</u>
Fund Balance (Deficit), Ending	<u>\$ 43,511</u>	<u>\$ 662,123</u>	<u>\$ 322,320</u>	<u>\$ 1,514,346</u>

Special Revenue Funds						Capital Project Funds	
Economic Development	Park Development	Library	EMS FAPS Grant	Recreation	American Rescue Plan	TIF District No. 3	TIF District No. 4
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 542,143	\$ 1,415,146
-	-	-	49,942	-	-	33,210	30,505
-	16,289	-	-	-	-	-	-
-	368,094	-	-	219,958	-	-	-
-	-	-	-	-	-	-	-
25,574	10,216	43,839	-	1,645	50,325	5,640	222
-	9,264	8,840	-	-	-	-	-
<u>25,574</u>	<u>403,863</u>	<u>52,679</u>	<u>49,942</u>	<u>221,603</u>	<u>50,325</u>	<u>580,993</u>	<u>1,445,873</u>
-	-	-	-	-	-	4,687	4,687
-	-	-	930	-	-	-	-
-	10,645	51,270	-	190,735	-	-	-
2,692	-	-	-	-	-	374,608	-
-	-	3,635	-	-	-	150	150
-	-	-	-	-	-	10,813	-
8,212	-	-	-	-	-	26,921	-
<u>10,904</u>	<u>10,645</u>	<u>54,905</u>	<u>930</u>	<u>190,735</u>	<u>-</u>	<u>417,179</u>	<u>4,837</u>
<u>14,670</u>	<u>393,218</u>	<u>(2,226)</u>	<u>49,012</u>	<u>30,868</u>	<u>50,325</u>	<u>163,814</u>	<u>1,441,036</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	3,599	-	-	-	-	-
-	(262,000)	-	-	-	-	(185,129)	(1,443,671)
-	(262,000)	3,599	-	-	-	(185,129)	(1,443,671)
14,670	131,218	1,373	49,012	30,868	50,325	(21,315)	(2,635)
<u>149,704</u>	<u>326,634</u>	<u>77,269</u>	<u>52,667</u>	<u>69,745</u>	<u>468</u>	<u>(1,497,481)</u>	<u>16,807</u>
<u>\$ 164,374</u>	<u>\$ 457,852</u>	<u>\$ 78,642</u>	<u>\$ 101,679</u>	<u>\$ 100,613</u>	<u>\$ 50,793</u>	<u>\$ (1,518,796)</u>	<u>\$ 14,172</u>

City of West Bend

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year Ended December 31, 2022

	Capital Project Funds				
	TIF District No. 5	TIF District No. 6	TIF District No. 7	TIF District No. 8	TIF District No. 9
Revenues					
Taxes	\$ 265,755	\$ 1,092,429	\$ 192,518	\$ 23,534	\$ 241,080
Intergovernmental	3,077	7,151	22,073	-	530,865
Licenses and permits	-	-	-	-	-
Public charges for services	-	-	-	-	-
Intergovernmental charges for services	-	-	-	-	-
Investment income	4,517	426	489	174	10,063
Miscellaneous	-	-	-	-	-
	<u>273,349</u>	<u>1,100,006</u>	<u>215,080</u>	<u>23,708</u>	<u>782,008</u>
Total revenues					
	<u>273,349</u>	<u>1,100,006</u>	<u>215,080</u>	<u>23,708</u>	<u>782,008</u>
Expenditures					
Current:					
General government	1,830	4,687	1,830	3,616	1,830
Public works	-	-	-	-	-
Leisure activities	-	-	-	-	-
Conservation and development	-	-	-	-	-
Capital outlay	197	15,170	191	150	1,668,086
Debt service:					
Principal retirement	577,566	-	61,243	-	869,058
Interest and fiscal charges	22,231	-	2,307	-	61,975
	<u>601,824</u>	<u>19,857</u>	<u>65,571</u>	<u>3,766</u>	<u>2,600,949</u>
Total expenditures					
	<u>601,824</u>	<u>19,857</u>	<u>65,571</u>	<u>3,766</u>	<u>2,600,949</u>
Excess (deficiency) of revenues over expenditures	<u>(328,475)</u>	<u>1,080,149</u>	<u>149,509</u>	<u>19,942</u>	<u>(1,818,941)</u>
Other Financing Sources (Uses)					
Financed purchases issued	-	-	-	-	-
Sale of property	-	-	-	-	-
Transfers in	674,168	-	-	-	1,729,783
Transfers out	(341,140)	(1,097,600)	(142,030)	-	(888,661)
	<u>333,028</u>	<u>(1,097,600)</u>	<u>(142,030)</u>	<u>-</u>	<u>841,122</u>
Total other financing sources (uses)					
	<u>333,028</u>	<u>(1,097,600)</u>	<u>(142,030)</u>	<u>-</u>	<u>841,122</u>
Net change in fund balances	4,553	(17,451)	7,479	19,942	(977,819)
Fund Balances (Deficit), Beginning	<u>281,873</u>	<u>40,225</u>	<u>24,066</u>	<u>(10,398)</u>	<u>999,844</u>
Fund Balances (Deficit), Ending	<u>\$ 286,426</u>	<u>\$ 22,774</u>	<u>\$ 31,545</u>	<u>\$ 9,544</u>	<u>\$ 22,025</u>

Capital Project Funds							
TIF District No. 10	TIF District No. 11	TIF District No. 12	TIF District No. 13	TIF District No. 14	TIF District No. 15	Permanent Fund Library	Total Nonmajor Funds
\$ 684,798	\$ 606,845	\$ 575,606	\$ 102,596	\$ 63,150	\$ -	\$ -	\$ 7,179,300
135	26,620	598,222	48	250,000	355,383	-	3,509,166
-	-	-	-	-	-	-	327,908
-	-	-	-	-	-	-	1,176,478
-	-	-	-	-	-	-	57,201
3,353	898	7,450	1,618	9,488	3,479	-	221,323
-	-	12,000	-	13,750	-	-	71,682
<u>688,286</u>	<u>634,363</u>	<u>1,193,278</u>	<u>104,262</u>	<u>336,388</u>	<u>358,862</u>	<u>-</u>	<u>12,543,058</u>
1,521	3,713	1,830	1,830	2,894	1,830	-	36,785
-	-	-	-	-	-	-	1,169,322
-	-	-	-	-	-	-	2,895,858
-	-	81,482	64,966	271,436	-	-	795,184
876	362	93,377	-	2,097	854,240	-	2,661,228
691,063	565,000	244,588	34,569	50,000	-	-	3,116,496
148,171	57,774	71,234	1,092	168,051	28,201	-	596,235
<u>841,631</u>	<u>626,849</u>	<u>492,511</u>	<u>102,457</u>	<u>494,478</u>	<u>884,271</u>	<u>-</u>	<u>11,271,108</u>
(153,345)	7,514	700,767	1,805	(158,090)	(525,409)	-	1,271,950
-	-	-	-	-	-	-	3,328
-	-	-	-	-	-	-	8,882
-	-	-	-	21,409	28,201	-	2,741,681
-	-	(249,546)	-	-	-	(3,599)	(4,860,397)
-	-	(249,546)	-	21,409	28,201	(3,599)	(2,106,506)
(153,345)	7,514	451,221	1,805	(136,681)	(497,208)	(3,599)	(834,556)
(188,695)	32,263	(2,022,055)	93,871	657,665	477,590	46,599	1,965,444
<u>\$ (342,040)</u>	<u>\$ 39,777</u>	<u>\$ (1,570,834)</u>	<u>\$ 95,676</u>	<u>\$ 520,984</u>	<u>\$ (19,618)</u>	<u>\$ 43,000</u>	<u>\$ 1,130,888</u>

City of West Bend

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Taxi Transit System Fund
Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 906,823	\$ 906,823	\$ 813,254	\$ (93,569)
Public charges for services	330,000	330,000	352,031	22,031
Miscellaneous	-	17,455	17,455	-
	<u>1,236,823</u>	<u>1,254,278</u>	<u>1,182,740</u>	<u>(71,538)</u>
Expenditures				
Current:				
Public works	<u>1,236,823</u>	<u>1,293,223</u>	<u>1,168,392</u>	<u>124,831</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(38,945)</u>	<u>14,348</u>	<u>53,293</u>
Other Financing Sources				
Sale of property	<u>-</u>	<u>8,882</u>	<u>8,882</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>8,882</u>	<u>8,882</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>(30,063)</u>	<u>23,230</u>	<u>53,293</u>
Fund Balance, Beginning	<u>20,281</u>	<u>20,281</u>	<u>20,281</u>	<u>-</u>
Fund Balance (Deficit), Ending	<u>\$ 20,281</u>	<u>\$ (9,782)</u>	<u>\$ 43,511</u>	<u>\$ 53,293</u>

City of West Bend

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Public Library Fund

Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 811,015	\$ 811,015	\$ 811,015	\$ -
Intergovernmental	636,017	636,017	704,115	68,098
Public charges for services	52,315	52,315	60,896	8,581
Intergovernmental charges for service	52,047	52,047	57,201	5,154
Investment income	1,000	1,000	18,891	17,891
Miscellaneous	1,750	2,287	2,873	586
Total revenues	<u>1,554,144</u>	<u>1,554,681</u>	<u>1,654,991</u>	<u>100,310</u>
Expenditures				
Current:				
Leisure activities	1,554,144	1,592,181	1,645,582	53,401
Debt service:				
Principal retirement	-	-	4,371	4,371
Interest and fiscal charges	-	-	23	23
Total expenditures	<u>1,554,144</u>	<u>1,592,181</u>	<u>1,649,976</u>	<u>(57,795)</u>
Excess of revenues over expenditures	<u>-</u>	<u>(37,500)</u>	<u>5,015</u>	<u>42,515</u>
Other Financing Sources (Uses)				
Transfers in	-	37,500	284,521	247,021
Transfers out	-	-	(247,021)	(247,021)
Total other financing sources (uses)	<u>-</u>	<u>37,500</u>	<u>37,500</u>	<u>-</u>
Net change in fund balance	-	-	42,515	42,515
Fund Balance, Beginning	<u>619,608</u>	<u>619,608</u>	<u>619,608</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 619,608</u>	<u>\$ 619,608</u>	<u>\$ 662,123</u>	<u>\$ 42,515</u>

City of West Bend

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Room Tax Fund

Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 436,010	\$ 436,010	\$ 562,685	\$ 126,675
Investment income	-	-	3,256	3,256
Miscellaneous	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	<u>-</u>
Total revenues	<u>443,510</u>	<u>443,510</u>	<u>573,441</u>	<u>129,931</u>
Expenditures				
Current:				
Leisure activities	<u>443,510</u>	<u>539,285</u>	<u>503,853</u>	<u>35,432</u>
Net change in fund balance	-	(95,775)	69,588	165,363
Fund Balance, Beginning	<u>252,732</u>	<u>252,732</u>	<u>252,732</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 252,732</u>	<u>\$ 156,957</u>	<u>\$ 322,320</u>	<u>\$ 165,363</u>

City of West Bend

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Communications Fund

Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 79,566	\$ 84,566	\$ 84,566	\$ -
Licenses and permits	275,525	275,525	311,619	36,094
Public charges for services	185,000	185,000	175,499	(9,501)
Investment income	9,750	9,750	19,760	10,010
	<u>549,841</u>	<u>554,841</u>	<u>591,444</u>	<u>36,603</u>
Total revenues				
Expenditures				
Current:				
Leisure activities	530,581	535,581	493,773	41,808
Capital outlay	19,260	19,260	22,547	(3,287)
Debt service:				
Principal retirement	-	-	8,225	(8,225)
Interest and fiscal charges	-	-	43	(43)
	<u>549,841</u>	<u>554,841</u>	<u>524,588</u>	<u>30,253</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>66,856</u>	<u>66,856</u>
Other Financing Sources				
Financed purchase issued	<u>-</u>	<u>-</u>	<u>3,328</u>	<u>3,328</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>3,328</u>	<u>3,328</u>
Net change in fund balance	-	-	70,184	70,184
Fund Balance, Beginning	<u>1,444,162</u>	<u>1,444,162</u>	<u>1,444,162</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 1,444,162</u>	<u>\$ 1,444,162</u>	<u>\$ 1,514,346</u>	<u>\$ 70,184</u>

City of West Bend

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Economic Development Fund

Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income	\$ 13,025	\$ 13,025	\$ 25,574	\$ 12,549
Expenditures				
Current:				
Conservation and development	4,000	4,000	2,692	1,308
Debt service:				
Interest and fiscal charges	8,212	8,212	8,212	-
Total expenditures	12,212	12,212	10,904	1,308
Net change in fund balance	813	813	14,670	13,857
Fund Balance, Beginning	149,704	149,704	149,704	-
Fund Balance, Ending	\$ 150,517	\$ 150,517	\$ 164,374	\$ 13,857

City of West Bend

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Recreation Fund

Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Public charges for services	\$ 284,999	\$ 284,999	\$ 219,958	\$ (65,041)
Investment income	<u>1,500</u>	<u>1,500</u>	<u>1,645</u>	<u>145</u>
Total revenues	<u>286,499</u>	<u>286,499</u>	<u>221,603</u>	<u>(64,896)</u>
Expenditures				
Current:				
Leisure activities	<u>286,499</u>	<u>286,499</u>	<u>190,735</u>	<u>95,764</u>
Net change in fund balance	-	-	30,868	30,868
Fund Balance, Beginning	<u>69,745</u>	<u>69,745</u>	<u>69,745</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 69,745</u>	<u>\$ 69,745</u>	<u>\$ 100,613</u>	<u>\$ 30,868</u>

City of West Bend

Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit)

Budget and Actual - TIF District No. 3 Fund

Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 542,143	\$ 542,143	\$ 542,143	\$ -
Intergovernmental	33,210	33,210	33,210	-
Investment income	-	-	5,640	5,640
	<u>575,353</u>	<u>575,353</u>	<u>580,993</u>	<u>5,640</u>
Total revenues				
Expenditures				
Current:				
General government	1,830	2,527	4,687	(2,160)
Conservation and development	376,980	376,283	374,608	1,675
Capital outlay	150	150	150	-
Debt service:				
Principal retirement	10,813	10,813	10,813	-
Interest and fiscal charges	451	451	26,921	(26,470)
	<u>390,224</u>	<u>390,224</u>	<u>417,179</u>	<u>(26,955)</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>185,129</u>	<u>185,129</u>	<u>163,814</u>	<u>(21,315)</u>
Other Financing Uses				
Transfers out	<u>(185,129)</u>	<u>(185,129)</u>	<u>(185,129)</u>	<u>-</u>
Total other financing uses	<u>(185,129)</u>	<u>(185,129)</u>	<u>(185,129)</u>	<u>-</u>
Net change in fund balance	-	-	(21,315)	(21,315)
Fund Balance (Deficit), Beginning	<u>(1,497,481)</u>	<u>(1,497,481)</u>	<u>(1,497,481)</u>	<u>-</u>
Fund Balance (Deficit), Ending	<u><u>\$ (1,497,481)</u></u>	<u><u>\$ (1,497,481)</u></u>	<u><u>\$ (1,518,796)</u></u>	<u><u>\$ (21,315)</u></u>

City of West Bend

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - TIF District No. 4 Fund

Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 1,415,146	\$ 1,415,146	\$ 1,415,146	\$ -
Intergovernmental	30,505	30,505	30,505	-
Investment income	-	-	222	222
	<u>1,445,651</u>	<u>1,445,651</u>	<u>1,445,873</u>	<u>222</u>
Total revenues				
	<u>1,445,651</u>	<u>1,445,651</u>	<u>1,445,873</u>	<u>222</u>
Expenditures				
Current:				
General government	1,830	1,830	4,687	(2,857)
Capital outlay	150	150	150	-
	<u>1,980</u>	<u>1,980</u>	<u>4,837</u>	<u>(2,857)</u>
Total expenditures				
	<u>1,980</u>	<u>1,980</u>	<u>4,837</u>	<u>(2,857)</u>
Excess of revenues over expenditures	<u>1,443,671</u>	<u>1,443,671</u>	<u>1,441,036</u>	<u>(2,635)</u>
Other Financing Uses				
Transfers out	<u>(1,443,671)</u>	<u>(1,443,671)</u>	<u>(1,443,671)</u>	<u>-</u>
Net change in fund balance	-	-	(2,635)	(2,635)
Fund Balance, Beginning	<u>16,807</u>	<u>16,807</u>	<u>16,807</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 16,807</u>	<u>\$ 16,807</u>	<u>\$ 14,172</u>	<u>\$ (2,635)</u>

City of West Bend

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - TIF District No. 5 Fund

Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 265,719	\$ 265,719	\$ 265,755	\$ 36
Intergovernmental	3,077	3,077	3,077	-
Investment income	-	-	4,517	4,517
	<u>268,796</u>	<u>268,796</u>	<u>273,349</u>	<u>4,553</u>
Total revenues				
Expenditures				
Current:				
General government	1,830	1,830	1,830	-
Capital outlay	197	197	197	-
Debt service:				
Principal retirement	577,566	577,566	577,566	-
Interest and fiscal charges	22,231	22,231	22,231	-
	<u>601,824</u>	<u>601,824</u>	<u>601,824</u>	<u>-</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>(333,028)</u>	<u>(333,028)</u>	<u>(328,475)</u>	<u>4,553</u>
Other Financing Sources (Uses)				
Transfers in	674,168	674,168	674,168	-
Transfers out	(341,140)	(341,140)	(341,140)	-
	<u>333,028</u>	<u>333,028</u>	<u>333,028</u>	<u>-</u>
Total other financing sources (uses)				
Net change in fund balance	-	-	4,553	4,553
Fund Balance, Beginning	<u>281,873</u>	<u>281,873</u>	<u>281,873</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 281,873</u>	<u>\$ 281,873</u>	<u>\$ 286,426</u>	<u>\$ 4,553</u>

City of West Bend

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - TIF District No. 6 Fund

Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 1,092,429	\$ 1,092,429	\$ 1,092,429	\$ -
Intergovernmental	7,151	7,151	7,151	-
Investment income	-	-	426	426
	<u>1,099,580</u>	<u>1,099,580</u>	<u>1,100,006</u>	<u>426</u>
Total revenues				
Expenditures				
Current:				
General government	1,830	1,830	4,687	(2,857)
Capital outlay	150	13,248	15,170	(1,922)
	<u>1,980</u>	<u>15,078</u>	<u>19,857</u>	<u>(4,779)</u>
Total expenditures				
Excess of revenues over expenditures	<u>1,097,600</u>	<u>1,084,502</u>	<u>1,080,149</u>	<u>(4,353)</u>
Other Financing Uses				
Transfers out	<u>(1,097,600)</u>	<u>(1,097,600)</u>	<u>(1,097,600)</u>	<u>-</u>
Total other financing uses	<u>(1,097,600)</u>	<u>(1,097,600)</u>	<u>(1,097,600)</u>	<u>-</u>
Net change in fund balance	-	(13,098)	(17,451)	(4,353)
Fund Balance, Beginning	<u>40,225</u>	<u>40,225</u>	<u>40,225</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 40,225</u>	<u>\$ 27,127</u>	<u>\$ 22,774</u>	<u>\$ (4,353)</u>

City of West Bend

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - TIF District No. 7 Fund

Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 192,518	\$ 192,518	\$ 192,518	\$ -
Intergovernmental	22,073	22,073	22,073	-
Investment income	-	-	489	489
	<u>214,591</u>	<u>214,591</u>	<u>215,080</u>	<u>489</u>
Total revenues				
Expenditures				
Current:				
General government	1,830	1,830	1,830	-
Capital outlay	7,181	7,181	191	6,990
Debt service:				
Principal retirement	61,243	61,243	61,243	-
Interest and fiscal charges	2,307	2,307	2,307	-
	<u>72,561</u>	<u>72,561</u>	<u>65,571</u>	<u>6,990</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>142,030</u>	<u>142,030</u>	<u>149,509</u>	<u>7,479</u>
Other Financing Sources (Uses)				
Transfers out	<u>(142,030)</u>	<u>(142,030)</u>	<u>(142,030)</u>	<u>-</u>
Total other financing sources (uses)	<u>(142,030)</u>	<u>(142,030)</u>	<u>(142,030)</u>	<u>-</u>
Net change in fund balance	-	-	7,479	7,479
Fund Balance, Beginning	<u>24,066</u>	<u>24,066</u>	<u>24,066</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 24,066</u>	<u>\$ 24,066</u>	<u>\$ 31,545</u>	<u>\$ 7,479</u>

City of West Bend

Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit)

Budget and Actual - TIF District No. 8 Fund

Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 23,534	\$ 23,534	\$ 23,534	\$ -
Investment income	-	-	174	174
Total revenues	<u>23,534</u>	<u>23,534</u>	<u>23,708</u>	<u>174</u>
Expenditures				
Current:				
General government	1,830	3,613	3,616	(3)
Capital outlay	<u>9,044</u>	<u>7,261</u>	<u>150</u>	<u>7,111</u>
Total expenditures	<u>10,874</u>	<u>10,874</u>	<u>3,766</u>	<u>7,108</u>
Net change in fund balance	12,660	12,660	19,942	7,282
Fund Balance (Deficit), Beginning	<u>(10,398)</u>	<u>(10,398)</u>	<u>(10,398)</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 2,262</u>	<u>\$ 2,262</u>	<u>\$ 9,544</u>	<u>\$ 7,282</u>

City of West Bend

Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit)

Budget and Actual - TIF District No. 9 Fund

Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 91,171	\$ 91,171	\$ 241,080	\$ 149,909
Intergovernmental	1,017	530,865	530,865	-
Investment income	-	-	10,063	10,063
	<u>92,188</u>	<u>622,036</u>	<u>782,008</u>	<u>159,972</u>
Total revenues				
	<u>92,188</u>	<u>622,036</u>	<u>782,008</u>	<u>159,972</u>
Expenditures				
Current:				
General government	1,830	1,830	1,830	-
Capital outlay	1,129,378	1,659,226	1,668,086	(8,860)
Debt service:				
Principal retirement	869,058	869,058	869,058	-
Interest and fiscal charges	61,975	61,975	61,975	-
	<u>2,062,241</u>	<u>2,592,089</u>	<u>2,600,949</u>	<u>(8,860)</u>
Total expenditures				
	<u>2,062,241</u>	<u>2,592,089</u>	<u>2,600,949</u>	<u>(8,860)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,970,053)</u>	<u>(1,970,053)</u>	<u>(1,818,941)</u>	<u>151,112</u>
Other Financing Sources (Uses)				
Transfers in	1,729,783	1,729,783	1,729,783	-
Transfers out	(888,661)	(888,661)	(888,661)	-
	<u>841,122</u>	<u>841,122</u>	<u>841,122</u>	<u>-</u>
Total other financing sources (uses)				
	<u>841,122</u>	<u>841,122</u>	<u>841,122</u>	<u>-</u>
Net change in fund balance	(1,128,931)	(1,128,931)	(977,819)	151,112
Fund Balance, Beginning	<u>999,844</u>	<u>999,844</u>	<u>999,844</u>	<u>-</u>
Fund Balance (Deficit), Ending	<u>\$ (129,087)</u>	<u>\$ (129,087)</u>	<u>\$ 22,025</u>	<u>\$ 151,112</u>

City of West Bend

Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit)

Budget and Actual - TIF District No. 10 Fund

Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 684,798	\$ 684,798	\$ 684,798	\$ -
Intergovernmental	135	135	135	-
Investment income	-	-	3,353	3,353
	<u>684,933</u>	<u>684,933</u>	<u>688,286</u>	<u>3,353</u>
Total revenues				
	<u>684,933</u>	<u>684,933</u>	<u>688,286</u>	<u>3,353</u>
Expenditures				
Current:				
General government	1,830	1,830	1,521	309
Capital outlay	567	567	876	(309)
Debt service:				
Principal retirement	691,063	691,063	691,063	-
Interest and fiscal charges	140,653	140,653	148,171	(7,518)
	<u>834,113</u>	<u>834,113</u>	<u>841,631</u>	<u>(7,518)</u>
Total expenditures				
	<u>834,113</u>	<u>834,113</u>	<u>841,631</u>	<u>(7,518)</u>
Net change in fund balance	(149,180)	(149,180)	(153,345)	(4,165)
Fund Balance (Deficit), Beginning	<u>(188,695)</u>	<u>(188,695)</u>	<u>(188,695)</u>	<u>-</u>
Fund Balance (Deficit), Ending	<u>\$ (337,875)</u>	<u>\$ (337,875)</u>	<u>\$ (342,040)</u>	<u>\$ (4,165)</u>

City of West Bend

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - TIF District No. 11 Fund

Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 606,845	\$ 606,845	\$ 606,845	\$ -
Intergovernmental	26,620	26,620	26,620	-
Investment income	-	-	898	898
	<u>633,465</u>	<u>633,465</u>	<u>634,363</u>	<u>898</u>
Total revenues				
	<u>633,465</u>	<u>633,465</u>	<u>634,363</u>	<u>898</u>
Expenditures				
Current:				
General government	10,329	10,329	3,713	6,616
Capital outlay	362	362	362	-
Debt service:				
Principal retirement	565,000	565,000	565,000	-
Interest and fiscal charges	<u>57,774</u>	<u>57,774</u>	<u>57,774</u>	<u>-</u>
	<u>633,465</u>	<u>633,465</u>	<u>626,849</u>	<u>6,616</u>
Total expenditures				
	<u>633,465</u>	<u>633,465</u>	<u>626,849</u>	<u>6,616</u>
Net change in fund balance	-	-	7,514	7,514
Fund Balance, Beginning	<u>32,263</u>	<u>32,263</u>	<u>32,263</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 32,263</u>	<u>\$ 32,263</u>	<u>\$ 39,777</u>	<u>\$ 7,514</u>

City of West Bend

Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit)

Budget and Actual - TIF District No. 12 Fund

Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 551,038	\$ 575,606	\$ 575,606	\$ -
Intergovernmental	96,391	596,390	598,222	1,832
Investment income	-	-	7,450	7,450
Miscellaneous	-	-	12,000	12,000
	<u>647,429</u>	<u>1,171,996</u>	<u>1,193,278</u>	<u>21,282</u>
Total revenues				
Expenditures				
Current:				
General government	1,830	1,830	1,830	-
Conservation and development	-	81,482	81,482	-
Capital outlay	536	443,621	93,377	350,244
Debt service:				
Principal retirement	244,588	244,588	244,588	-
Interest and fiscal charges	71,234	71,234	71,234	-
	<u>318,188</u>	<u>842,755</u>	<u>492,511</u>	<u>350,244</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>329,241</u>	<u>329,241</u>	<u>700,767</u>	<u>371,526</u>
Other Financing Uses				
Transfers out	<u>(249,546)</u>	<u>(249,546)</u>	<u>(249,546)</u>	<u>-</u>
Total other financing uses	<u>(249,546)</u>	<u>(249,546)</u>	<u>(249,546)</u>	<u>-</u>
Net change in fund balance	79,695	79,695	451,221	371,526
Fund Balance (Deficit), Beginning	<u>(2,022,055)</u>	<u>(2,022,055)</u>	<u>(2,022,055)</u>	<u>-</u>
Fund Balance (Deficit), Ending	<u>\$ (1,942,360)</u>	<u>\$ (1,942,360)</u>	<u>\$ (1,570,834)</u>	<u>\$ 371,526</u>

City of West Bend

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - TIF District No. 13 Fund

Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 102,596	\$ 102,596	\$ 102,596	\$ -
Intergovernmental	48	48	48	-
Investment income	-	-	1,618	1,618
	<u>102,644</u>	<u>102,644</u>	<u>104,262</u>	<u>1,618</u>
Total revenues				
	<u>102,644</u>	<u>102,644</u>	<u>104,262</u>	<u>1,618</u>
Expenditures				
Current:				
General government	1,830	1,830	1,830	-
Conservation and development	65,153	65,153	64,966	187
Debt service:				
Principal retirement	34,569	34,569	34,569	-
Interest and fiscal charges	1,092	1,092	1,092	-
	<u>102,644</u>	<u>102,644</u>	<u>102,457</u>	<u>187</u>
Total expenditures				
	<u>102,644</u>	<u>102,644</u>	<u>102,457</u>	<u>187</u>
Net change in fund balance	-	-	1,805	1,805
Fund Balance, Beginning	<u>93,871</u>	<u>93,871</u>	<u>93,871</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 93,871</u>	<u>\$ 93,871</u>	<u>\$ 95,676</u>	<u>\$ 1,805</u>

City of West Bend

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - TIF District No. 14 Fund

Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 63,150	\$ 63,150	\$ 63,150	\$ -
Intergovernmental	-	250,000	250,000	-
Investment income	-	-	9,488	9,488
Miscellaneous	-	-	13,750	13,750
	<u>63,150</u>	<u>313,150</u>	<u>336,388</u>	<u>23,238</u>
Total revenues				
	<u>63,150</u>	<u>313,150</u>	<u>336,388</u>	<u>23,238</u>
Expenditures				
Current:				
General government	1,830	10,330	2,894	7,436
Conservation and development	325,000	433,009	271,436	161,573
Capital outlay	75,178	75,178	2,097	73,081
Debt service:				
Principal retirement	9,739	50,000	50,000	-
Interest and fiscal charges	74,820	168,050	168,051	(1)
	<u>486,567</u>	<u>736,567</u>	<u>494,478</u>	<u>242,089</u>
Total expenditures				
	<u>486,567</u>	<u>736,567</u>	<u>494,478</u>	<u>242,089</u>
Excess (deficiency) of revenues over expenditures	<u>(423,417)</u>	<u>(423,417)</u>	<u>(158,090)</u>	<u>265,327</u>
Other Financing Sources				
Transfers in	<u>21,409</u>	<u>21,409</u>	<u>21,409</u>	<u>-</u>
Total other financing sources	<u>21,409</u>	<u>21,409</u>	<u>21,409</u>	<u>-</u>
Net change in fund balance	(402,008)	(402,008)	(136,681)	265,327
Fund Balance, Beginning	<u>657,665</u>	<u>657,665</u>	<u>657,665</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 255,657</u>	<u>\$ 255,657</u>	<u>\$ 520,984</u>	<u>\$ 265,327</u>

City of West Bend

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - TIF District No. 15 Fund

Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ -	\$ 355,383	\$ 355,383	\$ -
Investment income	-	-	3,479	3,479
Total revenues	-	355,383	358,862	3,479
Expenditures				
Current:				
General government	1,830	1,830	1,830	-
Capital outlay	477,502	832,885	854,240	(21,355)
Debt service:				
Interest and fiscal charges	28,201	28,201	28,201	-
Total expenditures	507,533	862,916	884,271	(21,355)
Excess (deficiency) of revenues over expenditures	(507,533)	(507,533)	(525,409)	(17,876)
Other Financing Sources				
Transfers in	28,201	28,201	28,201	-
Total other financing sources	28,201	28,201	28,201	-
Net change in fund balance	(479,332)	(479,332)	(497,208)	(17,876)
Fund Balance, Beginning	<u>477,590</u>	<u>477,590</u>	<u>477,590</u>	<u>-</u>
Fund Balance (Deficit), Ending	<u>\$ (1,742)</u>	<u>\$ (1,742)</u>	<u>\$ (19,618)</u>	<u>\$ (17,876)</u>

CITY OF WEST BEND
INTRODUCTION TO THE STATISTICAL SECTION
December 31, 2022

STATISTICAL SECTION

This part of the City’s Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, notes to financial statements, and required supplementary information indicate about the City’s overall financial health.

<u>CONTENTS</u>	<u>Page</u>
<u>Financial Trends</u> – Schedules 1 - 4 These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	111 - 115
<u>Revenue Capacity</u> – Schedules 5 - 8 These schedules contain information to help the reader assess the factors affecting the City’s most significant revenue source, property taxes.	116 - 119
<u>Debt Capacity</u> – Schedules 9 - 13 These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	120 - 124
<u>Demographic and Economic Information</u> – Schedules 14 - 15 These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place and to help make comparisons over time and with other governments.	125 - 126
<u>Operating Information</u> – Schedules 16 - 17 These schedules contain information about the City’s operations and infrastructure data to help the reader understand how the City’s financial information relates to the services the City provides and the activities it performs.	127 - 128

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.

Schedule 1
City of West Bend
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<u>Governmental Activities</u>										
Net investment in capital assets	\$ 110,641,042	\$ 107,062,906	\$ 106,737,618	\$ 109,112,415	\$ 105,895,084	\$ 101,944,883	\$ 99,393,906	\$ 95,819,111	\$ 85,393,669	\$ 91,034,382
Restricted	14,496,820	11,860,484	6,298,244	2,385,896	5,775,048	2,141,418	2,189,500	4,974,965	3,334,477	3,607,106
Unrestricted (deficit)	(12,693,038)	(12,872,646)	(11,353,738)	(10,735,866)	(13,130,721)	(4,428,888)	(2,376,635)	(4,466,775)	(4,596,980)	(12,099,346)
Total governmental activities net position	\$ 112,444,824	\$ 106,050,744	\$ 101,682,124	\$ 100,762,445	\$ 98,539,411	\$ 99,657,413	\$ 99,206,771	\$ 96,327,301	\$ 84,131,166	\$ 82,542,142
<u>Business-Type Activities</u>										
Net investment in capital assets	\$ 48,108,886	\$ 46,786,130	\$ 46,658,474	\$ 46,689,492	\$ 46,834,880	\$ 47,492,331	\$ 47,672,108	\$ 48,458,824	\$ 48,480,803	\$ 49,534,396
Restricted	1,070,814	1,120,403	660,526	718,575	1,474,296	1,217,465	919,046	997,956	744,835	991,906
Unrestricted (deficit)	25,522,017	24,011,393	22,783,292	22,619,691	21,397,374	20,475,762	19,354,143	17,192,216	16,404,781	15,087,379
Total business-type activities net position	\$ 74,701,717	\$ 71,917,926	\$ 70,102,292	\$ 70,027,758	\$ 69,706,550	\$ 69,185,558	\$ 67,945,297	\$ 66,648,996	\$ 65,630,419	\$ 65,613,681
<u>Primary Government</u>										
Net investment in capital assets	\$ 158,252,691	\$ 153,224,394	\$ 152,639,083	\$ 154,852,838	\$ 151,604,157	\$ 148,238,795	\$ 145,792,548	\$ 142,948,419	\$ 132,482,613	\$ 138,400,260
Restricted	15,567,634	12,980,887	6,958,770	3,104,471	7,249,344	3,358,883	3,108,546	5,972,921	4,079,312	4,599,012
Unrestricted (deficit)	13,326,216	11,763,389	12,186,563	12,832,894	9,392,460	17,245,293	18,250,974	14,054,957	13,199,660	5,156,551
Total primary government activities net position	\$ 187,146,541	\$ 177,968,670	\$ 171,784,416	\$ 170,790,203	\$ 168,245,961	\$ 168,842,971	\$ 167,152,068	\$ 162,976,297	\$ 149,761,585	\$ 148,155,823

Note: The Net Investment in Capital Assets and Unrestricted Net Position are adjusted to reflect capital assets owned by the business-type activities but financed by the governmental activities. A footnote reconciliation detailing the adjustment can be found in Note 1 of the Financial Statements.

Schedule 2
City of West Bend
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

<u>PRIMARY GOVERNMENT</u>	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<u>EXPENSES</u>										
<u>Governmental activities</u>										
General government	\$ 5,049,093	\$ 4,980,348	\$ 5,214,375	\$ 4,839,019	\$ 4,799,184	\$ 4,644,495	\$ 4,574,441	\$ 5,138,982	\$ 4,309,948	\$ 4,264,520
Public safety	12,514,158	11,829,101	11,935,794	13,474,781	13,670,939	12,994,096	12,550,970	11,712,386	11,232,203	12,032,009
Public works	8,827,640	10,877,656	10,526,514	9,205,845	8,901,707	9,257,914	8,718,819	9,648,833	9,692,674	10,078,108
Leisure activities	2,905,228	3,911,497	4,717,386	4,899,901	4,961,761	4,721,860	3,718,113	4,584,932	4,984,803	4,039,921
Conservation and development	3,680,895	2,953,899	3,328,744	2,893,590	1,166,649	2,319,357	1,500,299	1,003,390	335,282	551,805
Interest and fiscal charges	1,650,669	1,360,450	1,614,343	1,222,489	1,469,728	1,558,210	1,914,244	2,051,479	2,532,321	3,653,553
Total governmental activities expenses	<u>34,627,683</u>	<u>35,912,951</u>	<u>37,337,156</u>	<u>36,535,625</u>	<u>34,969,968</u>	<u>35,495,932</u>	<u>32,976,886</u>	<u>34,140,002</u>	<u>33,087,231</u>	<u>34,619,916</u>
<u>Business-type activities</u>										
Water	3,473,894	3,770,215	4,557,229	3,836,001	3,963,876	3,742,254	3,414,123	3,978,363	3,670,703	3,396,658
Sewer	4,501,805	4,425,758	4,660,681	4,088,532	3,604,988	3,712,440	3,382,506	3,546,561	3,640,908	3,494,088
Parking Authority	-	-	-	-	-	-	-	-	-	54,981
Total business-type activities expenses	<u>7,975,699</u>	<u>8,195,973</u>	<u>9,217,910</u>	<u>7,924,533</u>	<u>7,568,864</u>	<u>7,454,694</u>	<u>6,796,629</u>	<u>7,524,924</u>	<u>7,311,611</u>	<u>6,945,727</u>
Total primary government expenses	<u>\$ 42,603,382</u>	<u>\$ 44,108,924</u>	<u>\$ 46,555,066</u>	<u>\$ 44,460,158</u>	<u>\$ 42,538,832</u>	<u>\$ 42,950,626</u>	<u>\$ 39,773,515</u>	<u>\$ 41,664,926</u>	<u>\$ 40,398,842</u>	<u>\$ 41,565,643</u>
<u>PROGRAM REVENUES</u>										
<u>Governmental activities</u>										
<u>Charges for services</u>										
General government	\$ 557,241	\$ 756,020	\$ 486,161	\$ 517,078	\$ 468,522	\$ 573,225	\$ 476,081	\$ 463,076	\$ 355,085	\$ 252,047
Public safety	2,931,365	2,569,472	2,334,844	2,477,944	2,427,136	2,416,754	2,210,067	2,355,629	2,282,217	2,201,695
Public works	1,027,813	991,971	793,399	894,637	858,391	906,232	866,148	853,318	795,550	1,038,934
Leisure activities	718,587	673,351	170,672	510,659	490,664	428,970	440,452	362,331	331,124	357,607
Conservation and development	470,489	458,837	479,930	554,378	613,405	624,608	607,622	560,848	527,361	580,506
Operating grants and contributions	3,737,745	3,471,679	3,769,125	3,036,879	3,175,036	3,120,340	3,188,661	3,117,376	2,228,156	2,467,140
Capital grants and contributions	1,881,860	1,084,581	2,006,768	2,246,455	2,062,708	1,289,042	1,911,908	6,544,988	394,099	944,450
Total governmental activities program revenues	<u>11,325,100</u>	<u>10,005,911</u>	<u>10,040,899</u>	<u>10,238,030</u>	<u>10,095,862</u>	<u>9,359,171</u>	<u>9,700,939</u>	<u>14,257,566</u>	<u>6,913,592</u>	<u>7,842,379</u>
<u>Business-type activities</u>										
<u>Charges for services</u>										
Water	5,402,996	5,329,677	4,896,326	4,823,275	4,860,605	4,878,067	4,882,741	4,876,578	4,780,032	4,928,810
Sewer	4,514,105	4,387,431	4,129,055	3,584,845	3,653,158	3,644,840	3,761,959	3,775,384	3,653,125	3,677,556
Parking Authority	-	-	-	-	-	-	-	-	-	20,865
Operating grants and contributions	-	-	-	-	-	-	3,807	13,544	13,849	14,510
Capital grants and contributions	-	-	84,123	-	-	743,465	-	9,075	13,598	86,299
Total business-type activities program revenues	<u>9,917,101</u>	<u>9,717,108</u>	<u>9,109,504</u>	<u>8,408,120</u>	<u>8,513,763</u>	<u>9,266,372</u>	<u>8,648,507</u>	<u>8,674,581</u>	<u>8,460,604</u>	<u>8,728,040</u>
Total primary government program revenues	<u>\$ 21,242,201</u>	<u>\$ 19,723,019</u>	<u>\$ 19,150,403</u>	<u>\$ 18,646,150</u>	<u>\$ 18,609,625</u>	<u>\$ 18,625,543</u>	<u>\$ 18,349,446</u>	<u>\$ 22,932,147</u>	<u>\$ 15,374,196</u>	<u>\$ 16,570,419</u>

Schedule 2
City of West Bend
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

<u>PRIMARY GOVERNMENT</u>	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<u>NET (EXPENSE)/REVENUE</u>										
Governmental activities	\$ (23,302,583)	\$ (25,907,040)	\$ (27,296,257)	\$ (26,297,595)	\$ (24,874,106)	\$ (26,136,761)	\$ (23,275,947)	\$ (19,882,436)	\$ (26,173,639)	\$ (26,777,537)
Business-type activities	1,941,402	1,521,135	(108,406)	483,587	944,899	1,811,678	1,851,878	1,149,657	1,148,993	1,782,313
Total primary government net (expense)/revenue	<u>(21,361,181)</u>	<u>(24,385,905)</u>	<u>(27,404,663)</u>	<u>(25,814,008)</u>	<u>(23,929,207)</u>	<u>(24,325,083)</u>	<u>(21,424,069)</u>	<u>(18,732,779)</u>	<u>(25,024,646)</u>	<u>(24,995,224)</u>
<u>GENERAL REVENUES</u>										
<u>Governmental activities</u>										
Taxes										
Property taxes, levied for general purposes	\$ 16,720,894	\$ 16,638,667	\$ 15,799,484	\$ 15,221,296	\$ 14,489,156	\$ 14,343,742	\$ 13,572,471	\$ 13,681,619	\$ 13,367,419	\$ 13,783,210
Property taxes, levied for special revenue funds	811,015	740,832	716,985	1,105,423	1,102,497	1,095,588	985,546	624,454	620,899	617,055
Property taxes, levied for debt service	3,306,925	3,479,735	3,442,319	3,118,210	2,971,253	3,017,168	2,939,595	3,053,568	3,443,807	3,137,142
Property taxes, levied for TIF districts	5,568,891	5,268,511	4,320,022	5,300,471	5,237,222	4,537,080	4,891,775	4,911,561	5,025,078	5,059,421
Other taxes	857,352	754,167	508,955	176,412	137,761	125,835	594,792	479,704	434,985	493,834
Intergovernmental revenues not restricted	2,361,077	2,354,186	2,332,085	2,066,911	2,137,070	2,010,865	2,023,133	2,046,326	3,068,832	2,838,542
Investment income	260,847	9,847	263,411	619,721	475,894	282,130	183,854	85,605	58,722	39,183
Gain on disposal of assets	-	-	-	-	-	-	-	-	66,958	40,638
Miscellaneous	336,892	1,256,089	715,130	272,904	1,074,815	450,192	283,330	177,560	149,284	152,061
Transfers, internal	(527,230)	(226,374)	117,545	639,281	554,304	724,803	680,921	843,140	1,526,679	3,748,960
Total governmental activities general revenues	<u>29,696,663</u>	<u>30,275,660</u>	<u>28,215,936</u>	<u>28,520,629</u>	<u>28,179,972</u>	<u>26,587,403</u>	<u>26,155,417</u>	<u>25,903,537</u>	<u>27,762,663</u>	<u>29,910,046</u>
<u>Business-type activities</u>										
Property taxes, levied for general purposes	-	-	-	-	-	-	-	-	-	69,171
Investment income	314,676	66,189	189,399	464,201	334,993	150,159	108,789	89,995	127,012	18,204
Gain on disposal of assets	-	-	-	-	-	-	-	-	-	14,152
Gain on asset impairment	-	-	-	-	-	-	-	-	246,231	421,734
Miscellaneous	483	1,936	111,086	12,701	9,362	3,227	16,555	-	21,181	1,293
Transfers, internal	527,230	226,374	(117,545)	(639,281)	(554,304)	(724,803)	(680,921)	(843,140)	(1,526,679)	(3,748,960)
Total business-type activities general revenues	<u>842,389</u>	<u>294,499</u>	<u>182,940</u>	<u>(162,379)</u>	<u>(209,949)</u>	<u>(571,417)</u>	<u>(555,577)</u>	<u>(753,145)</u>	<u>(1,132,255)</u>	<u>(3,224,406)</u>
Total primary government general revenue	<u>\$ 30,539,052</u>	<u>\$ 30,570,159</u>	<u>\$ 28,398,876</u>	<u>\$ 28,358,250</u>	<u>\$ 27,970,023</u>	<u>\$ 26,015,986</u>	<u>\$ 25,599,840</u>	<u>\$ 25,150,392</u>	<u>\$ 26,630,408</u>	<u>\$ 26,685,640</u>
<u>CHANGE IN NET POSITION</u>										
Governmental activities	\$ 6,394,080	\$ 4,368,620	\$ 919,679	\$ 2,223,034	\$ 3,305,866	\$ 450,642	\$ 2,879,470	\$ 6,021,101	\$ 1,589,024	\$ 3,132,509
Business-type activities	2,783,791	1,815,634	74,534	321,208	734,950	1,240,261	1,296,301	396,512	16,738	(1,442,093)
Total primary government change in net position	<u>\$ 9,177,871</u>	<u>\$ 6,184,254</u>	<u>\$ 994,213</u>	<u>\$ 2,544,242</u>	<u>\$ 4,040,816</u>	<u>\$ 1,690,903</u>	<u>\$ 4,175,771</u>	<u>\$ 6,417,613</u>	<u>\$ 1,605,762</u>	<u>\$ 1,690,416</u>

Schedule 3
City of West Bend
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<u>General Fund</u>										
Nonspendable	\$ 1,302,741	\$ 1,241,879	\$ 2,902,401	\$ 1,177,107	\$ 1,243,055	\$ 1,468,705	\$ 1,428,893	\$ 1,619,263	\$ 1,693,884	\$ 751,405
Restricted	216,882	321,240	339,192	335,115	295,964	255,244	288,529	221,023	246,992	33,225
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	710,232	791,288	559,657	349,953	590,212	765,307	482,927	602,573	309,307	1,160,398
Unassigned	9,085,612	8,105,021	6,111,129	6,518,409	6,663,913	5,733,776	5,238,255	4,078,084	3,558,917	3,092,494
Total general fund	11,315,467	10,459,428	9,912,379	8,380,584	8,793,144	8,223,032	7,438,604	6,520,943	5,809,100	5,037,522
<u>All Other Governmental Funds</u>										
Nonspendable	21,569	18,942	29,840	37,056	-	-	-	-	-	-
Restricted	7,160,623	8,667,412	6,352,601	3,615,308	3,320,811	3,546,367	3,805,037	5,400,277	7,703,730	5,150,544
Committed	1,601,200	1,495,369	1,406,179	1,711,810	1,753,801	1,628,736	1,635,326	1,450,711	1,295,023	1,407,609
Assigned	668,868	812,721	632,006	1,229,059	478,762	1,016,017	802,107	607,959	1,603,740	1,370,289
Unassigned (deficit)	(3,451,288)	(3,718,629)	(3,687,479)	(3,444,300)	(3,219,539)	(3,506,061)	(2,135,391)	(2,022,088)	(398,565)	(1,937,473)
Total all other governmental funds	\$ 6,000,972	\$ 7,275,815	\$ 4,733,147	\$ 3,148,933	\$ 2,333,835	\$ 2,685,059	\$ 4,107,079	\$ 5,436,859	\$ 10,203,928	\$ 5,990,969

Schedule 4
City of West Bend
Change in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues										
Taxes	\$ 27,265,913	\$ 26,881,912	\$ 24,789,023	\$ 24,921,812	\$ 23,952,946	\$ 23,119,415	\$ 22,984,180	\$ 22,750,907	\$ 22,892,190	\$ 22,869,591
Intergovernmental	6,982,860	5,781,024	6,740,957	6,484,146	5,401,465	4,991,479	5,522,612	5,493,738	5,082,106	5,739,544
Licenses and permits	1,318,827	1,357,221	1,149,465	1,254,336	1,155,430	1,315,514	1,284,209	1,134,872	1,072,395	1,255,251
Fines, forfeitures, and penalties	326,369	344,530	280,116	412,815	437,060	412,772	458,038	469,913	494,588	398,497
Public charges for services	3,636,445	2,941,225	2,192,344	2,732,546	2,694,936	2,649,941	2,309,997	2,260,554	2,024,960	2,028,400
Intergovernmental charges for services	523,117	663,779	542,151	536,147	577,611	578,438	578,249	577,809	587,959	576,215
Special assessments	20,389	131,630	95,625	17,102	36,711	39,695	17,525	113,061	53,693	58,892
Investment income	259,016	9,847	263,411	619,721	475,894	282,134	183,852	85,608	58,719	36,700
Miscellaneous	903,500	1,845,598	695,872	1,099,356	1,789,072	1,176,176	1,037,445	1,297,074	825,724	957,384
Total Revenues	41,236,436	39,956,766	36,748,964	38,077,981	36,521,125	34,565,564	34,376,107	34,183,536	33,092,334	33,920,474
Expenditures										
Current										
General government	4,759,102	4,551,625	4,633,670	4,666,687	4,409,775	4,476,591	4,228,918	4,667,544	4,110,870	3,807,061
Public safety	13,313,336	12,978,032	12,590,834	11,890,167	11,570,862	11,056,465	10,810,330	10,719,881	10,633,805	10,778,263
Public works	5,958,172	5,905,812	6,299,489	6,037,167	5,649,372	5,701,207	5,169,974	4,915,320	4,621,480	4,868,988
Leisure activities	4,356,983	3,916,547	4,041,075	3,935,262	3,912,953	3,738,258	4,223,584	3,526,730	3,676,215	3,526,524
Conservation and development	1,462,997	1,455,111	837,532	737,979	419,612	418,303	510,429	449,052	320,426	150,242
Capital outlay	7,584,857	9,211,713	9,253,201	4,140,679	4,184,838	3,911,785	3,307,461	3,511,622	4,876,887	11,088,288
Debt service										
Principal retirement	6,250,257	6,290,735	10,068,268	11,300,052	7,338,447	6,712,181	10,280,928	13,279,761	13,208,603	10,750,273
Interest and fiscal charges	1,272,357	1,666,849	1,473,139	1,418,909	1,489,633	1,515,465	1,806,619	1,984,796	2,188,417	2,314,285
Debt issuance costs	-	-	-	-	-	-	-	-	223,025	700,430
Total expenditures	44,958,061	45,976,424	49,197,208	44,126,902	38,975,492	37,530,255	40,338,243	43,054,706	43,859,728	47,984,354
Excess (deficiency) of revenues over expenditures	(3,721,625)	(6,019,658)	(12,448,244)	(6,048,921)	(2,454,367)	(2,964,691)	(5,962,136)	(8,871,170)	(10,767,394)	(14,063,880)
Other Financing Sources										
General obligation debt issued	3,455,000	8,205,000	9,420,000	3,540,000	2,030,000	1,530,000	1,515,000	-	4,285,000	6,095,000
Refunding bonds issued	-	-	3,750,000	1,975,000	-	-	4,370,000	3,730,000	10,125,000	9,765,000
Premium on debt issued	209,496	254,023	417,733	226,121	59,676	48,941	113,661	220,302	530,489	184,338
Finance purchase issued	64,915	-	1,410,205	29,660	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	(1,186,394)	-	-	(5,514,509)
Sale of property	100,640	350,965	448,770	41,397	29,275	23,355	56,829	35,984	63,146	23,701
Transfers in	4,630,377	3,710,990	3,438,983	1,912,465	1,745,214	1,535,982	1,182,032	1,359,513	1,511,631	4,149,011
Transfers out	(5,157,607)	(3,411,603)	(3,321,438)	(1,273,184)	(1,190,910)	(811,179)	(501,111)	(529,855)	(763,335)	(482,841)
Total other financing sources (uses)	3,302,821	9,109,375	15,564,253	6,451,459	2,673,255	2,327,099	5,550,017	4,815,944	15,751,931	14,219,700
Net change in fund balances	\$ (418,804)	\$ 3,089,717	\$ 3,116,009	\$ 402,538	\$ 218,888	\$ (637,592)	\$ (412,119)	\$ (4,055,226)	\$ 4,984,537	\$ 155,820
Ratio of total debt service expenditures to total noncapital expenditures	20.33%	20.75%	27.20%	31.12%	24.60%	23.35%	32.99%	36.40%	37.36%	32.73%

Schedule 5
City of West Bend
Assessed and Equalized Value of Taxable Property
Last Ten Fiscal Years

Levy Year	Fiscal Year	Real Property								Personal Property	Total Assessed Value (1)	Total Equalized Value (2)	Total Direct Tax Rate	Ratio of Assessed to Equalized
		Residential	Commercial	Manufacturing	Agricultural	Undeveloped	Forest	Other						
2022	2023	\$ 1,896,354,600	\$ 987,432,600	\$ 68,994,300	\$ 75,800	\$ 567,900	\$ 90,200	\$ 300,200	\$ 40,359,200	\$ 2,994,174,800	\$ 3,991,313,500	\$ 8.3437	75.02%	
2021	2022	1,880,021,500	943,774,000	66,766,900	80,600	572,100	90,200	300,200	44,002,100	2,935,607,600	3,483,278,500	7.8980	84.28%	
2020	2021	1,870,271,100	930,158,100	70,349,900	81,000	572,100	90,200	300,200	43,701,000	2,915,523,600	3,200,372,200	7.9298	91.10%	
2019	2020	1,857,702,600	825,103,700	71,228,400	82,900	278,200	90,200	300,200	43,801,850	2,798,588,050	2,956,923,800	7.8504	94.65%	
2018	2019	1,842,407,200	808,885,300	72,966,900	89,400	152,600	90,200	300,200	46,223,050	2,771,114,850	2,766,661,500	7.7943	100.16%	
2017	2018	1,621,930,300	720,336,900	65,605,400	83,400	152,600	90,200	300,200	56,041,300	2,464,540,300	2,680,139,500	8.5100	91.96%	
2016	2017	1,611,711,420	690,631,300	63,484,000	91,900	123,600	90,200	300,200	55,049,700	2,421,482,320	2,485,727,800	8.5083	97.42%	
2015	2016	1,606,305,800	687,420,300	63,865,800	91,900	123,600	90,200	300,200	53,140,250	2,411,338,050	2,418,080,000	8.5146	99.72%	
2014	2015	1,602,950,200	676,616,800	65,504,600	89,400	123,600	90,200	300,200	57,133,300	2,402,808,300	2,388,773,200	8.5121	100.59%	
2013	2014	1,600,997,600	678,101,600	63,494,600	91,900	123,800	90,200	300,200	62,023,150	2,405,223,050	2,378,068,900	8.5143	101.14%	

Source: Statement of Assessment for the City of West Bend

- 1 - Total assessed values do not include exempt properties. The City of West Bend Assessor's Office does not assess property classified as exempt. Assessed values are established by City Assessor on all property except manufacturing property as of January 1 of each year. The Wisconsin Department of Revenue determines manufacturing property assessed values as of January 1 of each year. A revaluation of all property was completed in 2018.
- 2 - Equalized values are determined by the Wisconsin Department of Revenue.

Schedule 6
City of West Bend
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)

Levy Year	Budget Year	City Direct Rates					Overlapping Rates					Net Tax Rate
		General Fund	Debt Service Fund	Non-Major Fund	TID Apportionment	Total Direct	West Bend School District	Washington County	Moraine Park Technical College	State of Wisconsin (1)	State School Credit	
2022	2023	\$ 5.9921	\$ 1.2276	\$ 0.3057	\$ 0.8183	\$ 8.3437	\$ 8.4882	\$ 2.3884	\$ 0.6352	\$ -	\$ (1.3824)	\$ 18.4731
2021	2022	5.6947	1.2384	0.2763	0.6886	7.8980	9.4571	2.4426	0.6373	-	(1.3390)	19.0959
2020	2021	5.7058	1.2787	0.2541	0.6913	7.9298	8.7516	2.4564	0.6644	-	(1.3190)	18.4831
2019	2020	5.6443	1.3899	0.2562	0.5600	7.8504	8.4246	2.4228	0.6518	-	(1.3649)	17.9847
2018	2019	5.4860	1.3508	0.2587	0.6987	7.7943	7.9585	2.3892	0.6347	-	(1.3860)	17.3906
2017	2018	5.8777	1.6619	0.2895	0.6810	8.5100	8.8643	2.7080	0.7061	-	(1.5577)	19.2308
2016	2017	5.9222	1.7211	0.2932	0.5719	8.5083	8.8802	2.6460	0.6732	0.1742	(1.4659)	19.4161
2015	2016	5.6273	1.9433	0.4087	0.5353	8.5146	8.7881	2.6092	0.6737	0.1702	(1.4831)	19.2726
2014	2015	5.6927	2.0299	0.2599	0.5296	8.5121	8.5631	2.6762	0.6707	0.1687	(1.3211)	19.2698
2013	2014	5.5563	2.1890	0.2582	0.5109	8.5143	9.0638	2.8309	1.5513	0.1678	(1.3093)	20.8188

Source: Annual City of West Bend Adopted Operating Budget

1 - Effective with December 2017 property tax bills, state property tax for forestry purposes was eliminated.

Schedule 7
City of West Bend
Principal Property Taxpayers
2022 and Nine Years Ago

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
West Bend Mutual Insurance	\$ 66,636,100	1	2.23%	\$ 63,553,200	1	2.64%
Froedtert Health, Inc.	44,913,300	2	1.50%	15,318,050	3	0.64%
Mills Fleet Farm	32,049,100	3	1.07%			
Meijer Stores	27,109,800	4	0.91%			
River Shores-Cast Iron Condo	27,016,100	5	0.90%			
Kwik Trip Inc.	21,955,000	6	0.73%			
Ireit West Bend Main (Pick N Save-S)	18,507,500	7	0.62%	15,157,000	4	0.63%
Manitou Equipment (GEHL Co.)	17,462,500	8	0.58%	19,358,100	2	0.80%
Realty Income Properties (Wal-Mart Stores)	16,981,500	9	0.57%	13,736,350	5	0.57%
Exchangeright Net (Pick N Save-N)	16,487,700	10	0.55%			
Paradise Pavilion (Kohl's)				13,204,500	6	0.55%
Boston Store/Pier 1				11,613,700	7	0.48%
Health Care Reit, Inc.				11,518,900	8	0.48%
Menard				10,482,500	9	0.44%
3700 River Road, LLC				8,127,150	10	0.34%
Total	\$ 289,118,600		9.66%	\$ 182,069,450		7.57%

Source: City of West Bend Assessor's Office

Note: Assessed values include real and personal property.

Schedule 8
City of West Bend
Property Tax Levies and Collections
Last Ten Fiscal Years

Levy Year	Budget Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections of the Levy in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2022	2023	\$ 59,977,037	\$ 21,896,909	36.51%	\$ -	\$ 21,896,909	36.51%
2021	2022	60,433,151	21,367,822	35.36%	25,005,138	46,372,960	76.73%
2020	2021	58,148,434	24,073,431	41.40%	20,420,546	44,493,977	76.52%
2019	2020	54,643,919	28,446,851	52.06%	13,214,989	41,661,840	76.24%
2018	2019	52,563,416	24,079,306	45.81%	15,975,391	40,054,697	76.20%
2017	2018	51,827,357	26,359,548	50.86%	13,488,001	39,847,549	76.89%
2016	2017	51,046,940	25,483,797	49.92%	13,532,507	39,016,304	76.43%
2015	2016	50,504,267	24,101,878	47.72%	14,052,797	38,154,675	75.55%
2014	2015	50,049,421	24,868,426	49.69%	20,093,111	44,961,537	89.83%
2013	2014	53,879,167	24,856,013	46.13%	23,724,396	48,580,409	90.17%

Source: City Finance Department records and Tax Settlements

Note: The City of West Bend used a new tax software for the 2015 levy year, which implemented a two installment plan for tax collection. For levy years 2013 and 2014, the City of West Bend collected tax payments until July 31st using a four installment payment plan. In addition to property taxes for the City of West Bend, the City collects and remits taxes for Washington County, the West Bend School District, and Moraine Park Technical College. Tax settlements to the other entities are made in January, for taxes collected through December 31st, and in February, for taxes collected as of January 31st. All unpaid real estate taxes are forwarded to Washington County for further collection. Washington County makes a final tax settlement in August to the various taxing entities for the balance of their respective tax levies.

Schedule 9
City of West Bend
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds/Notes (1)	Other Notes and Loans	Financed Purchase/Leases	General Obligation Bonds/Notes (1)	City of West Bend Water Revenue Bonds	Financed Purchase/Leases			
2022	\$ 46,501,314	\$ -	\$ 1,242,448	\$ 2,842,759	\$ -	\$ 106,675	\$ 50,693,196	2.26%	\$ 1,581
2021	49,015,350	-	1,281,979	3,340,609	-	-	53,637,938	2.51%	1,662
2020	46,817,482	-	1,420,239	3,853,695	-	-	52,091,416	2.60%	1,625
2019	43,380,438	-	19,360	4,145,747	-	-	47,545,545	2.47%	1,480
2018	49,260,212	-	-	3,377,552	1,095,000	-	53,732,764	2.88%	1,685
2017	54,613,681	60,000	-	3,228,871	1,410,000	-	59,312,552	3.43%	1,880
2016	59,845,884	115,000	-	2,892,493	1,725,000	-	64,578,377	3.92%	2,039
2015	65,296,953	170,000	-	2,385,211	2,030,000	-	69,882,164	4.33%	2,212
2014	74,671,016	225,000	-	2,685,442	2,325,000	-	79,906,458	5.12%	2,534
2013	73,032,000	275,000	-	2,077,141	3,825,000	-	79,209,141	5.23%	2,521

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

1 - Presented net of premiums on long-term debt.

Schedule 10
City of West Bend
Ratios of Outstanding Debt To Equalized Value
Last Ten Fiscal Years

Fiscal Year	General Outstanding Debt (1)	Restricted Debt Service (2)	Net General Obligation Debt	Equalized Valuation	Percent of Net Debt to Equalization	Estimated Population	Debt Per Capita
2022	\$ 49,344,073	\$ 666,010	\$ 48,678,063	\$ 3,991,313,500	1.22%	32,067	\$ 1,539
2021	52,355,959	724,898	51,631,061	3,483,278,500	1.48%	32,269	1,622
2020	50,671,177	700,147	49,971,030	3,200,372,200	1.56%	32,058	1,581
2019	47,526,185	146,286	47,379,899	2,956,923,800	1.60%	32,122	1,480
2018	52,637,764	140,866	52,496,898	2,766,661,500	1.90%	31,881	1,651
2017	57,842,552	137,043	57,705,509	2,680,139,500	2.15%	31,546	1,834
2016	62,738,377	66,540	62,671,837	2,485,727,800	2.52%	31,676	1,981
2015	67,682,164	52,530	67,629,634	2,418,080,000	2.80%	31,599	2,142
2014	77,356,458	1,404,634	75,951,824	2,388,773,200	3.18%	31,531	2,453
2013	75,109,141	8,586	75,100,555	2,378,068,900	3.16%	31,425	2,390

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

1 - Presented net of premiums on long-term debt.

2 - Restricted fund balance for Debt Service - see governmental funds balance sheet

Schedule 11
City of West Bend
Computation of Direct and Overlapping Debt
December 31, 2022

Jurisdiction	Governmental General Obligation Debt Outstanding	Percent Applicable to City of West Bend	Amount Applicable to City of West Bend
Direct Debt			
City of West Bend	\$ 47,743,762	100%	\$ 47,743,762
Overlapping Debt			
Washington County	19,395,000	19.20%	3,723,374
West Bend School District	11,080,000	54.80%	6,071,894
Moraine Park Technical College	<u>32,755,000</u>	10.82%	<u>3,543,275</u>
Total Overlapping Debt	<u>63,230,000</u>		<u>13,338,542</u>
Total Direct and Overlapping Debt	<u><u>\$ 110,973,762</u></u>		<u><u>\$ 61,082,304</u></u>

The percent applicable to the City is calculated by dividing the City's equalized value by the total equalized value of the indirect debt entity.

Schedule 12
City of West Bend
Computation of Legal Debt Margin
Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Equalized Value (1)	\$ 3,991,313,500	\$ 3,483,278,500	\$ 3,200,372,200	\$ 2,956,923,800	\$ 2,766,661,500	\$ 2,680,139,500	\$ 2,485,727,800	\$ 2,418,080,000	\$ 2,388,773,200	\$ 2,378,068,900
Debt Limit (2)	199,565,675	174,163,925	160,018,610	147,846,190	138,333,075	134,006,975	124,286,390	120,904,000	119,438,660	118,903,445
Total General Obligation Debt	48,330,000	51,398,900	49,831,375	47,002,455	52,077,207	57,180,654	61,982,835	66,928,764	76,713,525	74,887,128
Amount of Debt Applicable to Debt Limitation										
Total Debt Applicable to Debt Limit	48,330,000	51,398,900	49,831,375	47,002,455	52,077,207	57,180,654	61,982,835	66,928,764	76,713,525	74,887,128
Less: Assets in Debt Service Fund Available for Payment of Principal (3)	666,010	724,898	700,147	146,286	140,866	137,043	66,540	52,530	1,404,634	8,586
Net Debt Applicable to Debt Limit	47,663,990	50,674,002	49,131,228	46,856,169	51,936,341	57,043,611	61,916,295	66,876,234	75,308,891	74,878,542
Remaining Legal Debt Margin	151,901,685	123,489,923	110,887,382	100,990,021	86,396,734	76,963,364	62,370,095	54,027,766	44,129,769	44,024,903
Total Debt Applicable to the Limit as a Percentage of Debt Limit	23.88%	29.10%	30.70%	31.69%	37.54%	42.57%	49.82%	55.31%	63.05%	62.97%

1 - Source - Department of Revenue

2 - In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed five percent of the equalized value of the taxable property within the City's jurisdiction.

3 - Amount is equal to the Restricted Fund Balance in the Debt Service Fund.

Schedule 13
City of West Bend
City of West Bend Water Utility Revenue Bond Coverage
Last Ten Fiscal Years

Fiscal Year	Direct Operating Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage (3)
2022	\$ 5,468,862	\$ 2,418,812	\$ 3,050,050	\$ -	\$ -	\$ -	-
2021	5,329,126	2,593,628	2,735,498	-	-	-	-
2020	4,924,368	3,478,748	1,445,620	-	-	-	-
2019	4,944,231	2,734,578	2,209,653	-	-	-	-
2018	4,940,302	2,879,846	2,060,456	345,000	39,073	384,073	5.36
2017	4,910,092	2,600,919	2,309,173	345,000	39,073	384,073	6.01
2016	4,902,563	2,386,048	2,516,515	345,000	39,073	384,073	6.55
2015	4,898,018	2,897,098	2,000,920	345,000	39,073	384,073	5.21
2014	4,827,770	2,544,925	2,282,845	345,000	39,073	384,073	5.94
2013	4,945,220	2,185,072	2,760,148	445,000	130,059	575,059	4.80

- 1 - Total operating revenues plus investment income and interest subsidy.
- 2 - Operating expenses do not include depreciation.
- 3 - The Water Utility Revenue Bonds were refinanced in 2019 as a General Obligation Debt.

Schedule 14
City of West Bend
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population (1)	Personal Income (2)	Per Capita Personal Income (3)		Unemployment Rates (4)		
			Washington County	State of Wisconsin	City of West Bend	Washington County	State of Wisconsin
2022	32,067	\$ 2,241,707,769	\$ 69,907	\$ 61,210	2.80%	2.50%	2.90%
2021	32,269	2,133,077,707	66,103	58,564	3.30%	3.00%	3.80%
2020	32,058	2,003,817,348	62,506	55,487	6.30%	5.90%	6.30%
2019	32,122	1,926,645,438	59,979	53,583	2.90%	2.70%	3.40%
2018	31,881	1,868,258,481	58,601	50,756	2.70%	2.50%	3.00%
2017	31,546	1,727,458,960	54,760	48,941	3.00%	2.80%	3.30%
2016	31,676	1,648,767,476	52,051	47,275	3.70%	3.50%	4.20%
2015	31,599	1,615,024,890	51,110	45,942	4.10%	3.80%	4.60%
2014	31,531	1,559,617,853	49,463	44,414	4.90%	4.60%	5.40%
2013	31,425	1,514,747,850	48,202	42,728	7.80%	5.70%	6.70%

1 - Source: Department of Administration, State of Wisconsin

2 - Personal Income is calculated by using City population multiplied by Per Capita Income - Washington County.

3 - Source: Bureau of Economic Analysis (2022 Washington County is an estimate)

4 - Source: Bureau of Labor Statistics - Average of Local Area Unemployment Statistics

Schedule 15
City of West Bend
Principal Employers
2022 and Nine Years Ago

Taxpayer	2022			2013		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
West Bend Mutual Insurance	855	1	5.29%	1,052	1	6.63%
West Bend Joint School District No. 1	706	2	4.36%	1,040	2	6.55%
Washington County	607	3	3.75%	827	3	5.21%
Wal-Mart	600	4	3.71%	370	6	2.33%
Serigraph Inc.	592	5	3.66%	409	5	2.58%
Cedar Community	500	6	3.09%			
St. Joseph's Hospital	479	7	2.96%			
West Bend Clinic	400	8	2.47%	707	4	4.45%
YMCA Kettle Moraine	333	9	2.06%	350	8	2.20%
City of West Bend	316	10	1.95%	350	7	2.20%
Regal Ware, Inc.				243	9	1.53%
Roundy's (Pick 'N Save)				241	10	1.52%
Total	<u>5,388</u>		<u>33.30%</u>	<u>5,589</u>		<u>32.15%</u>

Source: City of West Bend's Official Statement for respective year's borrowing

Schedule 16
City of West Bend
Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Function/ Program	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<u>General Government</u>										
Council (8 Council Members)	-	-	-	-	-	-	-	-	-	-
Mayor	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.00	1.00
Attorney	-	-	-	-	-	-	-	-	-	0.05
Administration	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	3.00
Clerk	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Human Resources	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.25
Elections	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies
Finance	7.30	7.30	7.30	7.30	7.00	8.00	8.00	8.00	8.00	8.00
Assessor	3.25	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00
Municipal Building Maintenance	4.75	4.75	4.75	4.75	5.75	5.35	5.35	4.84	4.00	6.10
Information Systems	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00
GIS	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00
Emergency Government	-	-	-	-	-	-	-	-	-	0.35
<u>Public Safety</u>										
Police	77.00	77.00	77.00	77.00	75.00	75.00	75.00	75.00	75.00	76.00
Fire	40.70	40.70	40.70	40.70	40.70	40.70	40.70	40.70	40.70	40.50
Building Inspection	2.25	2.25	2.25	2.25	2.00	2.00	3.00	2.70	3.50	4.02
<u>Public Works</u>										
Public Works	14.95	14.95	14.95	14.95	14.95	14.60	15.60	16.60	15.98	15.73
Engineering	4.00	3.00	3.00	3.00	3.00	4.00	4.00	3.00	3.00	14.75
Vehicle Maintenance	4.95	4.95	4.95	4.95	4.95	4.95	3.95	3.95	4.60	4.60
Airport	0.68	0.68	0.65	0.37	0.58	1.50	1.50	1.50	0.58	0.58
<u>Leisure Activities</u>										
Parks	17.95	17.95	19.65	20.65	20.65	19.65	19.65	19.65	20.71	30.00
Tourism	-	-	-	-	-	-	1.06	1.06	-	-
<u>Conservation and Development</u>										
Economic Development	1.00	1.00	1.50	1.50	1.50	-	-	-	-	-
Department of Development	3.50	3.50	3.50	3.50	3.50	4.00	4.00	4.00	5.00	6.00
<u>Enterprise Funds</u>										
Sewer Utility	8.50	8.50	8.50	8.50	8.50	8.50	8.00	8.00	8.00	8.00
Water Utility	16.90	16.90	16.90	16.90	16.90	16.90	16.90	16.90	18.35	17.98
<u>Other Non-Major Special Revenue Funds</u>										
Taxi	1.10	1.10	1.10	1.10	1.10	1.10	1.10	0.48	-	-
Library	19.94	19.06	19.16	19.23	18.83	19.05	19.05	19.43	20.88	19.25
Communications	4.31	3.25	3.25	3.25	3.25	2.50	2.50	2.75	2.75	2.25
Recreation	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	-
Room Tax	-	1.06	1.06	1.06	1.06	1.06	-	-	-	-
Total	250.5	248.4	251.2	252.0	250.2	249.9	250.4	251.6	253.8	272.4

Source: City of West Bend's Annual Operating Budgets

Schedule 17
City of West Bend
Operating Indicators and Information about Capital Assets by Function/Department
Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Public Safety										
Police										
Calls for Service	13,922	15,198	13,426	14,258	14,391	14,877	14,599	15,339	14,873	13,390
Other Police Activities	50,483	51,507	44,121	53,452	55,692	58,452	58,479	57,020	56,031	51,340
Arrests (1)	1,318	981	1,050	1,115	1,187	2,309	2,511	2,925	3,206	2,513
Citations	3,110	3,323	2,918	4,183	5,087	4,318	5,366	5,643	6,030	5,573
Patrol Vehicles	13	13	13	13	13	13	13	13	13	13
Fire Department										
Fire Calls	521	477	454	464	463	400	441	400	472	443
Fire Stations	3	3	3	3	3	3	3	3	3	3
Fire Appartus	18	18	18	18	18	18	18	18	18	18
Ambulances	4	4	4	4	4	4	4	4	4	4
EMS Responses	4,545	4,282	3,912	3,809	3,789	3,682	3,452	3,465	3,381	3,167
Public Works										
Refuse/ Recycling										
Units Collected	10,105	10,054	9,991	9,944	9,913	9,861	9,803	9,787	9,757	9,729
Recycle Cost per Unit	\$ 3.41	\$ 3.20	\$ 3.12	\$ 3.05	\$ 2.98	\$ 2.91	\$ 2.84	\$ 2.78	\$ 2.72	\$ 2.66
Recycling Tonnage	2,492.29	2,113.93	2,439.11	2,535.60	2,767.13	2,786.09	2,643.57	2,680.07	2,808.16	2,864.49
Refuse Tonnage	7,927.51	8,011.61	8,036.33	7,155.08	7,382.39	7,374.68	7,007.28	7,021.97	6,961.27	6,879.86
Streets (lane miles)	535	535	535	535	525	525	525	525	525	525
Street Lights (City owned)	282	282	282	282	276	276	276	276	276	276
Street Signs	7,007	7,007	7,007	7,007	7,237	7,237	7,237	7,237	7,237	7,237
Parks and Recreation										
Number of Parks	37	37	37	37	37	37	37	36	36	36
Acreage of Park Land	1,425	1,425	1,425	1,425	1,425	1,425	1,425	1,285	1,285	1,285
Recreation Programs	32	34	27	40	39	36	39	40	41	35
Lac Lawrann Programs	13	14	7	8	14	15	14	11	12	8
Beach Attendance	-	10,353	-	17,973	18,102	19,264	20,545	21,478	17,894	16,725
Special Events	57	61	14	60	59	55	52	51	47	40
Shelter Reservations	425	408	288	479	503	459	448	415	385	333
Library										
Circulation	404,265	405,682	343,135	459,608	498,524	501,628	494,226	502,327	543,221	558,919
User Visits	177,086	149,673	121,762	208,619	216,713	220,513	226,648	227,682	246,901	252,954
Registered Borrowers	22,684	33,879	40,111	41,560	41,255	46,947	45,201	62,530	61,496	60,257
Water Utility										
Number of Customers	12,208	12,169	12,096	12,049	12,003	11,845	11,797	11,861	11,835	11,734
Gallons Sold	831,775,306	844,450,000	811,170,000	802,834,938	830,235,000	833,025,000	844,547,000	863,002,000	835,029,000	879,530,000
Hydrants Flushed	565	784	598	610	625	570	448	660	528	431
Number of Hydrants	1,448	1,446	1,436	1,436	1,441	1,435	1,427	1,425	1,422	1,418
Miles of Water Main	145.55	145.55	145.17	145	145	145	144.5	144.5	144.5	144
Sewer Utility										
Number of Customers	11,734	11,735	11,728	11,703	11,703	11,553	11,538	11,348	11,522	11,398
Gal Treated (Avg Millions Gal/Day)	4.10	4.11	5.37	4.82	4.25	4.33	4.35	3.84	4.87	5.40
Miles of Sanitary Sewer	137	137	137	137	137	137	137	137	137	137

Source: City of West Bend respective department and annual budget

1 - Previous to 2018, arrest totals included total number of felony and misdemeanor charges. In 2018, total only includes persons arrested.

FORM OF LEGAL OPINION

(See following pages)

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

June 5, 2024

Re: City of West Bend, Wisconsin ("Issuer")
\$4,560,000 General Obligation Promissory Notes, Series 2024A,
dated June 5, 2024 ("Notes")

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

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

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

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2025	\$100,000	___%
2026	250,000	___
2027	345,000	___
2028	345,000	___
2029	350,000	___
2030	355,000	___
2031	405,000	___
2032	510,000	___
2033	615,000	___
2034	630,000	___
2035	120,000	___
2036	125,000	___
2037	130,000	___
2038	135,000	___
2039	145,000	___

Interest is payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2025.

The Notes maturing on April 1, 2033 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on April 1, 2032 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

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

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

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

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

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

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

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

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

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

BOOK-ENTRY-ONLY SYSTEM

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

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

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of West Bend, Washington County, Wisconsin (the "Issuer") in connection with the issuance of \$4,560,000 General Obligation Promissory Notes, Series 2024A, dated June 5, 2024 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on April 15, 2024, as supplemented by an Approving Certificate, dated _____, 2024 (collectively, the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

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

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

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

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

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

"Final Official Statement" means the Final Official Statement dated May 16, 2024 delivered in connection with the Securities, which is available from the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the Common Council of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means the City of West Bend, Washington County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the City Clerk of the Issuer who can be contacted at 1115 South Main Street, West Bend, Wisconsin 53095, phone (262) 335-5100, fax (262) 335-5164.

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

"SEC" means the Securities and Exchange Commission.

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

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year ending December 31, 20__, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

1. DEBT - Direct Debt
2. DEBT - Debt Limit
3. VALUATIONS - Current Property Valuations
4. TAX LEVIES AND COLLECTIONS - Tax Levies and Collections

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

Section 5. Reporting of Listed Events.

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

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

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

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

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

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

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

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist

it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 5th day of June, 2024.

(SEAL)

Joel Ongert
Mayor

Jilline Dobratz
City Clerk

NOTICE OF SALE

**\$4,560,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2024A
CITY OF WEST BEND, WISCONSIN**

Bids for the purchase of \$4,560,000* General Obligation Promissory Notes, Series 2024A (the "Notes") of the City of West Bend, Wisconsin (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the City, until 10:30 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via bondsale@ehlers-inc.com or **PARITY**, in the manner described below, until 10:30 A.M. Central Time, on May 16, 2024, at which time they will be opened, read and tabulated. **The Common Council adopted a resolution on April 15, 2024 (the "Parameters Resolution"), which authorized the City Administrator or the Finance Director to accept a bid for the Notes if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on May 16, 2024, neither the City Administrator nor the Finance Director will have the authority to accept a bid for the Notes, and all bids for the Notes will be rejected.**

AUTHORITY; PURPOSE; SECURITY

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the City, for public purposes, including paying the cost of projects and equipment included in the City's 2024 capital projects budget and TID No. 16 projects (the "Project"). The Notes are general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount.

DATES AND MATURITIES

The Notes will be dated June 5, 2024, will be issued as fully registered Notes in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on April 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2025	\$100,000	2030	\$355,000	2035	\$120,000
2026	250,000	2031	405,000	2036	125,000
2027	345,000	2032	510,000	2037	130,000
2028	345,000	2033	615,000	2038	135,000
2029	350,000	2034	630,000	2039	145,000

ADJUSTMENT OPTION

The City reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of \$5,000 each, up to a maximum of \$100,000 per maturity. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BOND OPTION

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

INTEREST PAYMENT DATES AND RATES

Interest will be payable on April 1 and October 1 of each year, commencing April 1, 2025, to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. All Notes of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

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

PAYING AGENT

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

OPTIONAL REDEMPTION

At the option of the City, the Notes maturing on or after April 1, 2033 shall be subject to optional redemption prior to maturity on April 1, 2032 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

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

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

DELIVERY

On or about June 5, 2024, the Notes will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Notes is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Notes must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL OPINION

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

STATEMENT REGARDING COUNSEL PARTICIPATION

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

SUBMISSION OF BIDS

Bids must not be for less than \$4,507,560, nor more than \$4,970,400, plus accrued interest on the principal sum of \$4,560,000 from date of original issue of the Notes to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

- 1) Electronically to bondsale@ehlers-inc.com; or
- 2) Electronically via **PARITY** in accordance with this Notice of Sale until 10:30 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 \$91,200 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

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

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

AWARD

The Notes will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Notes will be awarded by lot. The City reserves the right to reject any and all bids and to waive any informality in any bid. **The Notes will not be awarded if the TIC (taking the purchaser's compensation into account) exceeds 5.00% or if the other conditions set forth in the Parameters Resolution are not satisfied.**

BOND INSURANCE

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

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

CUSIP NUMBERS

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Notes shall be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CONTINUING DISCLOSURE

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

NEW ISSUE PRICING

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

(a) The winning bidder shall assist the City in establishing the issue price of the Notes and shall execute and deliver to the City at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Notes, together with the supporting pricing wires or equivalent communications. All actions to be taken by the City under this Notice of Sale

to establish the issue price of the Notes may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PRELIMINARY OFFICIAL STATEMENT

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

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

By Order of the Common Council

Jilline Dobratz, City Clerk
City of West Bend, Wisconsin

BID FORM

The Common Council
City of West Bend, Wisconsin (the "City")

May 16, 2024

RE: \$4,560,000* General Obligation Promissory Notes, Series 2024A (the "Notes")
DATED: June 5, 2024

For all or none of the above Notes, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$_____ (not less than \$4,507,560, nor more than \$4,970,400) plus accrued interest to date of delivery for fully registered Notes bearing interest rates and maturing in the stated years as follows:

_____ % due 2025	_____ % due 2030	_____ % due 2035
_____ % due 2026	_____ % due 2031	_____ % due 2036
_____ % due 2027	_____ % due 2032	_____ % due 2037
_____ % due 2028	_____ % due 2033	_____ % due 2038
_____ % due 2029	_____ % due 2034	_____ % due 2039

The City reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of \$5,000 each, up to a maximum of \$100,000 per maturity. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

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

A good faith deposit ("Deposit") in the amount of \$91,200 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Notes to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about June 5, 2024.

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

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

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

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

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

Account Manager: _____ By: _____
Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from June 5, 2024 of the above bid is \$_____ and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted by and on behalf of the City of West Bend, Wisconsin, on May 16, 2024.

By: _____
Title: _____