

FINAL OFFICIAL STATEMENT DATED OCTOBER 26, 2021

NEW ISSUES

Not Bank Qualified

Moody's Rated "Aaa"  
See "RATING" herein

*In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code") under existing law interest on the 2021A Bonds and 2021B Notes is excludable from gross income and is not an item of tax preference for federal income tax purposes. See "TAX STATUS - The 2021A Bonds and 2021B Notes" herein for a more detailed discussion of some of the federal income tax consequences of owning the 2021A Bonds and 2021B Notes. The interest on the 2021A Bonds and 2021B Notes is not exempt from present Wisconsin income or franchise taxes. The 2021A Bonds and 2021B Notes will not be "Qualified Tax Exempt Obligations" for purposes of Section 265(b)(3) of the Code.*

*In the opinion of Quarles & Brady LLP, Bond Counsel, under existing law interest on the 2021C Bonds is included in gross income for federal income tax purposes. See "TAX STATUS - The 2021C Bonds" herein. The interest on the 2021C Bonds is not exempt from present Wisconsin income or franchise taxes.*

CITY OF WAUWATOSA  
MILWAUKEE COUNTY, WISCONSIN

Dated: December 1, 2021

Due: As shown herein

**\$8,300,000 General Obligation Corporate Purpose Bonds, Series 2021A**

The General Obligation Corporate Purpose Bonds, Series 2021A (the "2021A Bonds") will be dated December 1, 2021, and will be in the denomination of \$5,000 each or any multiple thereof. The 2021A Bonds mature serially on December 1 of the years 2022 through 2041. Interest on the 2021A Bonds shall be payable commencing on June 1, 2022 and semi-annually thereafter on December 1 and June 1 of each year.

The 2021A Bonds are being issued pursuant to Chapter 67 of the Wisconsin Statutes. The 2021A Bonds will be general obligations of the City for which its full faith and credit and taxing powers are pledged which taxes may, under current law, be levied without limitation as to rate or amount. The 2021A Bonds will be issued for the public purposes of paying the cost of street improvement projects, parking lot projects, parks and public grounds projects, construction of police facilities and water system improvement projects (collectively, the "2021A Projects").

The 2021A Bonds maturing on December 1, 2029 and thereafter are subject to call and prior redemption, at the option of the City, on December 1, 2028 or any date thereafter, in whole or in part, and if in part, from maturities selected by the City and by lot within each maturity at a price of par plus accrued interest to the date of redemption. (See "REDEMPTION PROVISIONS" herein.)

**\$2,970,000 General Obligation Promissory Notes, Series 2021B**

The General Obligation Promissory Notes, Series 2021B (the "2021B Notes") will be dated December 1, 2021, and will be in the denomination of \$5,000 each or any multiple thereof. The 2021B Notes mature serially on December 1 of the years 2022 through 2029, and term bonds will mature on December 1, 2031 (the "Term Bonds"). Interest on the 2021B Notes shall be payable commencing on June 1, 2022 and semi-annually thereafter on December 1 and June 1 of each year. Associated Trust Company, National Association, Green Bay, Wisconsin will serve as redemption agent for the Term Bonds.

The 2021B Notes are being issued pursuant to Section 67.12(12) of the Wisconsin Statutes. The 2021B Notes will be general obligations of the City for which its full faith and credit and taxing powers are pledged which taxes may, under current law, be levied without limitation as to rate or amount. The 2021B Notes will be issued for public purposes, including paying the cost of storm sewer improvements, acquisition of equipment for the fire department and other capital improvement projects (collectively, the "2021B Projects").

The 2021B Notes maturing on December 1, 2029 and thereafter are subject to call and prior redemption, at the option of the City, on December 1, 2028 or any date thereafter, in whole or in part, and if in part, from maturities selected by the City and by lot within each maturity at a price of par plus accrued interest to the date of redemption. The Term Bonds are also subject to mandatory redemption as described herein. (See "REDEMPTION PROVISIONS" herein.)

**\$12,235,000 Taxable General Obligation Refunding Bonds, Series 2021C**

The Taxable General Obligation Refunding Bonds, Series 2021C (the "2021C Bonds") will be dated December 1, 2021, and will be in the denomination of \$5,000 each or any multiple thereof. The 2021C Bonds mature serially on November 1 of the years 2022 through 2034. Interest on the 2021C Bonds shall be payable commencing on May 1, 2022 and semi-annually thereafter on November 1 and May 1 of each year. Associated Trust Company, National Association, Green Bay, Wisconsin will serve as escrow agent for the advance refunded obligations.

The 2021C Bonds are being issued pursuant to Chapter 67 of the Wisconsin Statutes. The 2021C Bonds will be general obligations of the City for which its full faith and credit and taxing powers are pledged which taxes may, under current law, be levied without limitation as to rate or amount. The 2021C Bonds will be issued for the public purposes of paying the cost of current and advance refunding certain outstanding obligations of the City.

The 2021C Bonds maturing on November 1, 2029 and thereafter are subject to call and prior redemption, at the option of the City, on November 1, 2028 or any date thereafter, in whole or in part, and if in part, from maturities selected by the City and by lot within each maturity at a price of par plus accrued interest to the date of redemption. (See "REDEMPTION PROVISIONS" herein.)

The Financial Advisor to the City is:



The 2021A Bonds, 2021B Notes and the 2021C Bonds (collectively, the "Securities") will be issued only as fully registered obligations in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository of the Securities. Individual purchases may be made in book entry form only in denominations of \$5,000 principal amount or any integral multiple thereof. Purchasers will not receive certificates representing their interest in the Securities purchased. (See "BOOK-ENTRY-ONLY SYSTEM" herein.)

***The Securities are offered when, as and if issued, subject to the receipt of the approving opinions of Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel. Quarles & Brady LLP will also serve as Disclosure Counsel to the City. The anticipated settlement date for the Securities is on or about December 1, 2021.***

**Piper Sandler & Co.**  
2021A Bonds and 2021C Bonds

**Northland Securities, Inc.**  
2021B Notes

## MATURITY SCHEDULES

### \$8,300,000 General Obligation Corporate Purpose Bonds, Series 2021A

Dated: December 1, 2021      Due: As shown below      Callable: December 1, 2028

<u>(December 1)</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP No.</u> <u>943505<sup>(1)</sup></u>	<u>(December 1)</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP No.</u> <u>943505<sup>(1)</sup></u>
2022	\$780,000	5.000%	0.250%	CT2	2032	\$535,000	1.875%	1.910%	DD6
2023	415,000	5.000	0.350	CU9	2033	555,000	1.875	1.980	DE4
2024	425,000	5.000	0.450	CV7	2034	565,000	2.000	2.050	DF1
2025	435,000	5.000	0.600	CW5	2035	580,000	2.000	2.120	DG9
2026	445,000	4.000	0.800	CX3	2036	590,000	2.125	2.170	DH7
2027	460,000	2.000	0.968	CY1	2037	105,000	2.125	2.220	DJ3
2028	465,000	2.000	1.150	CZ8	2038	105,000	2.250	2.260	DK0
2029	485,000	2.000	1.300	DA2	2039	110,000	2.250	2.300	DL8
2030	500,000	2.000	1.500	DB0	2040	110,000	2.250	2.340	DM6
2031	520,000	1.750	1.830	DC8	2041	115,000	2.250	2.370	DN4

### \$2,970,000 General Obligation Promissory Notes, Series 2021B

Dated: December 1, 2021      Due: As shown below      Callable: December 1, 2028

<u>(December 1)</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP No.</u> <u>943505<sup>(1)</sup></u>	<u>(December 1)</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP No.</u> <u>943505<sup>(1)</sup></u>
2022	\$265,000	2.000%	0.260%	DP9	2026	\$290,000	2.000%	0.860%	DT1
2023	275,000	2.000	0.360	DQ7	2027	300,000	2.000	1.070	DU8
2024	280,000	2.000	0.480	DR5	2028	305,000	2.000	1.240	DV6
2025	285,000	2.000	0.670	DS3	2029	315,000	2.000	1.400	DW4

\$655,000 Term Bonds due December 1, 2031      Rate: 2.000%      Yield: 1.600%      CUSIP 943505 DY0

### \$12,235,000 Taxable General Obligation Refunding Bonds, Series 2021C

Dated: December 1, 2021      Due: As shown below      Callable: November 1, 2028

<u>(November 1)</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP No.</u> <u>943505<sup>(1)</sup></u>	<u>(November 1)</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP No.</u> <u>943505<sup>(1)</sup></u>
2022	\$ 880,000	0.250%	0.250%	DZ7	2029	\$ 935,000	1.700%	1.700%	EG8
2023	870,000	0.550	0.550	EA1	2030	1,010,000	1.800	1.800	EH6
2024	1,500,000	0.850	0.850	EB9	2031	1,010,000	1.900	1.900	EJ2
2025	905,000	1.100	1.100	EC7	2032	1,040,000	2.000	2.000	EK9
2026	920,000	1.350	1.350	ED5	2033	1,015,000	2.100	2.100	EL7
2027	900,000	1.500	1.500	EE3	2034	320,000	2.200	2.200	EM5
2028	930,000	1.600	1.600	EF0					

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**CITY OF WAUWATOSA  
(Milwaukee County, Wisconsin)**

**MAYOR**

Dennis McBride

**COMMON COUNCIL**

Kathleen Causier, President  
Allison L. Bryne, Alderperson  
John J. Dubinski, Alderperson  
Ernst Franzen, Alderperson  
Rob Gustafson, Alderperson  
Tim J. Hanson, Alderperson  
Jason Kofroth, Alderperson  
James Moldenhauer, Alderperson  
Mike Morgan, Alderperson  
Meagan O'Reilly, Alderperson  
Matt Stippich, Alderperson  
Joel Tilleson, Alderperson  
Michael G. Walsh, Alderperson  
Nancy Welch, Alderperson  
Jason G. Wilke, Alderperson  
Craig Wilson, Alderperson

**ADMINISTRATIVE STAFF**

James Archambo, City Administrator  
John Ruggini, Finance Director  
Steven Braatz, City Clerk  
Alan R. Kesner, City Attorney

**PROFESSIONAL SERVICES**

Financial Advisor:	Robert W. Baird & Co. Incorporated, Milwaukee, Wisconsin
Bond Counsel:	Quarles & Brady LLP, Milwaukee, Wisconsin
Disclosure Counsel:	Quarles & Brady LLP, Milwaukee, Wisconsin
Paying Agent:	Officers of the City *
Escrow Agent for 2021C Bonds and Redemption Agent for 2021B Notes:	Associated Trust Company, National Association, Green Bay, Wisconsin
Mathematical Verification:	Causey Demgen & Moore P.C., Denver, Colorado

\* The contact person for fiscal agent matters is John Ruggini, Finance Director.

## REGARDING USE OF THIS OFFICIAL STATEMENT

This Official Statement is being distributed in connection with the sale of the Securities referred to in this Official Statement and may not be used, in whole or in part, for any other purpose. No dealer, broker, salesman or other person is authorized to make any representations concerning the Securities other than those contained in this Official Statement, and if given or made, such other information or representations may not be relied upon as statements of the City of Wauwatosa, Wisconsin (the "City"). This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Securities by any person in any jurisdiction in which it is unlawful to make such an offer, solicitation or sale.

Unless otherwise indicated, the City is the source of the information contained in this Official Statement. Certain information in this Official Statement has been obtained by the City or on its behalf from The Depository Trust Company and other non-City sources that the City believes to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information. Nothing contained in this Official Statement is a promise of or representation by Robert W. Baird & Co. Incorporated (the "Financial Advisor"). The Financial Advisor has provided the following sentence for inclusion in this Official Statement. The Financial Advisor and the Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor and the Underwriters do not guarantee the accuracy or completeness of such information. The information and opinions expressed in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale made under this Official Statement shall, under any circumstances, create any implication that there has been no change in the financial condition or operations of the City or other information in this Official Statement, since the date of this Official Statement.

This Official Statement contains statements that are "forward-looking statements" as that term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. When used in this Official Statement, the words "estimate," "intend," "project" or "projection," "expect" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are subject to risks and uncertainties, some of which are discussed herein, that could cause actual results to differ materially from those contemplated in such forward-looking statements. Investors and prospective investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this Official Statement.

This Official Statement should be considered in its entirety. No one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, ordinances, reports or other documents are referred to in this Official Statement, reference should be made to those documents for more complete information regarding their subject matter.

The Securities will not be registered under the Securities Act of 1933, as amended, or the securities laws of any state of the United States, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity shall have passed upon the accuracy or adequacy of this Official Statement.

IN CONNECTION WITH THE OFFERING OF THE SECURITIES, THE UNDERWRITERS MAY OR MAY NOT OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SECURITIES AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT NOTICE. THE PRICES AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF THE SECURITIES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS AFTER THE SECURITIES ARE RELEASED FOR SALE AND THE SECURITIES MAY BE OFFERED AND SOLD AT PRICES OTHER THAN THE INITIAL OFFERING PRICES, INCLUDING SALES TO DEALERS WHO MAY SELL THE SECURITIES INTO INVESTMENT ACCOUNTS.

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### SUMMARY - 2021A BONDS

<b>Issuer:</b>	City of Wauwatosa, Milwaukee County, Wisconsin.
<b>Issue:</b>	\$8,300,000 General Obligation Corporate Purpose Bonds, Series 2021A
<b>Dated Date:</b>	December 1, 2021
<b>Interest Due:</b>	Commencing June 1, 2022 and on each December 1 and June 1 thereafter. Interest on the 2021A Bonds shall be computed on the basis of a 30-day month and a 360-day year.
<b>Principal Due:</b>	December 1, 2022 through 2041.
<b>Redemption Provision:</b>	The 2021A Bonds maturing on and after December 1, 2029 shall be subject to call and prior payment, at the option of the City, on December 1, 2028 or on any date thereafter at a price of par plus accrued interest. The amounts and maturities of the 2021A Bonds to be redeemed shall be selected by the City. If less than the entire principal amount of any maturity is to be redeemed, the 2021A Bonds of that maturity which are to be redeemed shall be selected by lot. Notice of such call shall be given by sending a notice thereof by registered or certified mail, facsimile or electronic transmission, overnight express delivery, or in any other manner required by DTC not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books. (See "REDEMPTION PROVISIONS" herein.)
<b>Security:</b>	The full faith, credit and resources of the City are pledged to the payment of the principal of and the interest on the 2021A Bonds as the same become due and, for said purposes, there are levied on all the taxable property in the City, direct, annual irrevocable taxes in each year and in such amounts which will be sufficient to meet such principal and interest payments when due. Under current law, such taxes may be levied without limitation as to rate or amount.
<b>Purpose:</b>	The 2021A Bonds will be issued for the public purposes of paying the cost of street improvement projects, parking lot projects, parks and public grounds projects, construction of police facilities and water system improvement projects (collectively, the "2021A Projects").
<b>Tax Exemption:</b>	Interest on the 2021A Bonds is excludable from gross income for present Federal income tax purposes. (See "TAX STATUS" herein.)
<b>Not Bank Qualified:</b>	The 2021A Bonds shall <u>not</u> be "qualified tax-exempt obligations".
<b>Credit Rating:</b>	The 2021A Bonds have been assigned a "Aaa" rating by Moody's Investors Service, Inc. (See "RATINGS" herein.)
<b>Bond Years:</b>	73,140.00 years.
<b>Average Life:</b>	8.812 years.
<b>Record Date:</b>	The 15 <sup>th</sup> day of the calendar month next preceding each interest payment date.

*Information set forth on this page is qualified by the entire Official Statement. A full review of the entire Official Statement should be made by potential investors.*

### SUMMARY - 2021B NOTES

<b>Issuer:</b>	City of Wauwatosa, Milwaukee County, Wisconsin.
<b>Issue:</b>	\$2,970,000 General Obligation Promissory Notes, Series 2021B
<b>Dated Date:</b>	December 1, 2021
<b>Interest Due:</b>	Commencing June 1, 2022 and on each December 1 and June 1 thereafter. Interest on the 2021B Notes shall be computed upon the basis of a 360-day year of twelve 30-day months.
<b>Principal Due:</b>	December 1, 2022 through 2029. Term Bonds due December 1, 2031.
<b>Redemption Provision:</b>	The 2021B Notes maturing on and after December 1, 2029 shall be subject to call and prior payment, at the option of the City, on December 1, 2028 or on any date thereafter at a price of par plus accrued interest. The amounts and maturities of the 2021B Notes to be redeemed shall be selected by the City. If less than the entire principal amount of any maturity is to be redeemed, the 2021B Notes of that maturity which are to be redeemed shall be selected by lot. Notice of such call shall be given by sending a notice thereof by registered or certified mail, facsimile or electronic transmission, overnight express delivery, or in any other manner required by DTC not less than thirty (30) days nor more than sixty (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. The Term Bonds are also subject to mandatory redemption as described herein. (See "REDEMPTION PROVISIONS" herein.)
<b>Security:</b>	The full faith, credit and resources of the City are pledged to the payment of the principal of and the interest on the 2021B Notes as the same become due and, for said purposes, there are levied on all the taxable property in the City, direct, annual irrepealable taxes in each year and in such amounts which will be sufficient to meet such principal and interest payments when due. Under current law, such taxes may be levied without limitation as to rate or amount.
<b>Purpose:</b>	The 2021B Notes will be issued for public purposes, including paying the cost of storm sewer improvements, acquisition of equipment for the fire department and other capital improvement projects (collectively, the "2021B Projects").
<b>Tax Exemption:</b>	Interest on the 2021B Notes is excludable from gross income for present Federal income tax purposes. (See "TAX STATUS" herein.)
<b>Not Bank Qualified:</b>	The 2021B Notes shall <u>not</u> be "qualified tax-exempt obligations".
<b>Credit Rating:</b>	The 2021B Notes have been assigned a "Aaa" rating by Moody's Investors Service, Inc. (See "RATINGS" herein.)
<b>Bond Years:</b>	16,925.00 years.
<b>Average Life:</b>	5.699 years.
<b>Record Date:</b>	The 15 <sup>th</sup> day of the calendar month next preceding each interest payment date.

*Information set forth on this page is qualified by the entire Official Statement. A full review of the entire Official Statement should be made by potential investors.*

### SUMMARY - 2021C BONDS

<b>Issuer:</b>	City of Wauwatosa, Milwaukee County, Wisconsin.
<b>Issue:</b>	\$12,235,000 Taxable General Obligation Refunding Bonds, Series 2021C
<b>Dated Date:</b>	December 1, 2021
<b>Interest Due:</b>	Commencing May 1, 2022 and on each November 1 and May 1 thereafter. Interest on the 2021C Bonds shall be computed on the basis of a 30-day month and a 360-day year.
<b>Principal Due:</b>	November 1, 2022 through 2034.
<b>Redemption Provision:</b>	The 2021C Bonds maturing on and after November 1, 2029 shall be subject to call and prior payment, at the option of the City, on November 1, 2028 or on any date thereafter at a price of par plus accrued interest. The amounts and maturities of the 2021C Bonds to be redeemed shall be selected by the City. If less than the entire principal amount of any maturity is to be redeemed, the 2021C Bonds of that maturity which are to be redeemed shall be selected by lot. Notice of such call shall be given by sending a notice thereof by registered or certified mail, facsimile or electronic transmission, overnight express delivery, or in any other manner required by DTC not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books. (See "REDEMPTION PROVISIONS" herein.)
<b>Security:</b>	The full faith, credit and resources of the City are pledged to the payment of the principal of and the interest on the 2021C Bonds as the same become due and, for said purposes, there are levied on all the taxable property in the City, direct, annual irrevocable taxes in each year and in such amounts which will be sufficient to meet such principal and interest payments when due. Under current law, such taxes may be levied without limitation as to rate or amount.
<b>Purpose:</b>	The 2021C Bonds will be issued for the public purposes of paying the cost of current and advance refunding certain outstanding obligations of the City. (See "THE FINANCING PLAN" herein.)
<b>Tax Status:</b>	Interest on the 2021C Bonds is included in gross income for present Federal income tax purposes. (See "TAX STATUS" herein.)
<b>Credit Rating:</b>	The 2021C Bonds have been assigned a "Aaa" rating by Moody's Investors Service, Inc. (See "RATINGS" herein.)
<b>Bond Years:</b>	80,680.42 years.
<b>Average Life:</b>	6.594 years.
<b>Record Date:</b>	The 15 <sup>th</sup> day of the calendar month next preceding each interest payment date.

*Information set forth on this page is qualified by the entire Official Statement. A full review of the entire Official Statement should be made by potential investors.*

## INTRODUCTORY STATEMENT

This Official Statement presents certain information relating to the City of Wauwatosa, Wisconsin (the "City" and the "State," respectively) in connection with the sale of the City's \$8,300,000 General Obligation Corporate Purpose Bonds, Series 2021A (the "2021A Bonds"), \$2,970,000 General Obligation Promissory Notes, Series 2021B (the "2021B Notes") and \$12,235,000 Taxable General Obligation Refunding Bonds, Series 2021C (the "2021C Bonds" and collectively with the 2021A Bonds and 2021B Notes, the "Securities"). The Securities are issued pursuant to the Constitution and laws of the State and the resolutions (the "Resolutions") adopted by the Common Council and other proceedings and determinations related thereto.

All summaries of statutes, documents and resolutions contained in this Official Statement are subject to all the provisions of, and are qualified in their entirety by reference to such statutes, documents and resolutions, and references herein to the Securities are qualified in their entirety by reference to the form thereof included in the Parameters Resolutions (defined herein). Copies of the Resolutions may be obtained from the Financial Advisor (defined herein) upon request.

## THE FINANCING PLAN

### **The 2021A Bonds**

The 2021A Bonds will be issued for the public purposes of paying the cost of street improvement projects, parking lot projects, parks and public grounds projects, construction of police facilities and water system improvement projects (collectively, the "2021A Projects").

### **The 2021B Notes**

The 2021B Notes will be issued for public purposes, including paying the cost of storm sewer improvements, acquisition of equipment for the fire department and other capital improvement projects (collectively, the "2021B Projects").

### **The 2021C Bonds**

A portion of the 2021C Bonds will be issued for the public purpose of current refunding the following issue:

<u>Issue</u>	<u>Original Amount</u>	<u>Call Price</u>	<u>Call Date</u>	<u>Maturities to be Refunded</u>	<u>Amount of Principal Refunded</u>	<u>Balance after Refunding (12/02/2021)</u>
Taxable General Obligation Refunding Bonds, Series 2010A	\$8,450,000	100%	12/02/2021	2022-2024	\$2,270,000	\$0

Dated: August 3, 2010  
(the "2010A Bonds")

Principal of the 2010A Bonds due March 1, 2022 and 2024 and interest on the 2010A Bonds which has accrued through December 2, 2021 will be paid with proceeds of the 2021C Bonds.

The remaining portion of the 2021C Bonds will be issued for the public purpose of advance refunding portions of the following issues:

Issue: General Obligation Sewerage Bonds, Series 2013 (the "2013 Sewerage Bonds")  
 Original Amount: \$9,475,000  
 Dated Date: November 19, 2013  
 Redemption Date: November 1, 2023

<u>(November 1)</u>	<u>Principal Amount/Bonds To Be Refunded</u>	<u>Principal Amount/Bonds Not Refunded</u>	<u>Interest Rate</u>
2022	-0-	\$ 375,000	3.00%
2023	-0-	350,000	3.00
2024	\$625,000	-0-	3.00
2025	625,000	-0-	3.25
2026	675,000	-0-	4.00
2027	675,000	-0-	4.00
2028	700,000	-0-	4.00
2029	725,000	-0-	4.00
2030	725,000	-0-	4.00
2031	725,000	-0-	4.00
2032	750,000	-0-	4.25
2033	750,000	-0-	4.25
<b>TOTAL</b>	<u><u>\$6,975,000</u></u>	<u><u>\$725,000</u></u>	

The 2013 Sewerage Bonds maturing on November 1 as shown above will be refunded to their optional redemption date of November 1, 2023 at par. A portion of the proceeds of the 2021C Bonds will be irrevocably deposited in an escrow account, invested in U.S. Government Securities and used to advance refund the above portion of the 2013 Sewerage Bonds. See "MATHEMATICAL VERIFICATION" herein.

Issue: Waterworks System Revenue Bonds, Series 2013 (the "2013 Waterworks Bonds")  
 Original Amount: \$4,575,000  
 Dated Date: November 19, 2013  
 Redemption Date: January 1, 2024

<u>(January 1)</u>	<u>Principal Amount/Bonds To Be Refunded</u>	<u>Principal Amount/Bonds Not Refunded</u>	<u>Interest Rate</u>
2022	-0-	\$200,000	3.000%
2023	-0-	200,000	3.000
2024	-0-	200,000	3.000
2025	\$200,000	-0-	3.000
2026	175,000	-0-	3.250
2027	175,000	-0-	3.375
2028	200,000	-0-	3.500
2029	200,000	-0-	4.000
2030	300,000	-0-	4.000
2032 <sup>(1)</sup>	675,000	-0-	4.000
2033	350,000	-0-	4.050
2034	375,000	-0-	4.125
<b>TOTAL</b>	<u><u>\$2,650,000</u></u>	<u><u>\$600,000</u></u>	

<sup>(1)</sup> Term bond maturing January 1, 2032.

The 2013 Waterworks Bonds, (collectively with the 2010A Bonds and 2013 Sewerage Bonds, the "Refunded Obligations") maturing on January 1 as shown above will be refunded to their optional redemption date of January 1, 2024 at par. A portion of the proceeds of the 2021C Bonds will be irrevocably deposited in an escrow account, invested in U.S. Government Securities and used to advance refund the above portion of the 2013 Waterworks Bonds. See "MATHEMATICAL VERIFICATION" herein.

## REDEMPTION PROVISIONS

### **Optional Redemption - 2021A Bonds**

At the option of the City, the 2021A Bonds maturing on December 1, 2029 and thereafter shall be subject to redemption prior to maturity on December 1, 2028 or on any date thereafter. Said 2021A Bonds shall be redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity, by lot, at the principal amount thereof, plus accrued interest to the date of redemption. If less than all of the 2021A Bonds of a maturity are to be redeemed, selection of the 2021A Bonds to be so redeemed shall be by lot conducted by DTC in accordance with its rules and practices (see "BOOK-ENTRY-ONLY SYSTEM" herein).

### **Optional Redemption - 2021B Notes**

At the option of the City, the 2021B Notes maturing on December 1, 2029 and thereafter shall be subject to redemption prior to maturity on December 1, 2028 or on any date thereafter. Said 2021B Notes shall be redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity, by lot, at the principal amount thereof, plus accrued interest to the date of redemption. If less than all of the 2021B Notes of a maturity are to be redeemed, selection of the 2021B Notes to be so redeemed shall be by lot conducted by DTC in accordance with its rules and practices (see "BOOK-ENTRY-ONLY SYSTEM" herein).

### **Mandatory Redemption - 2021B Notes**

The 2021B Notes maturing December 1, 2031 (the "Term Bonds") are also subject to mandatory sinking fund redemption on December 1 of each of the years and in the amounts set forth below at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date. As and for a sinking fund for the redemption of the Term Bonds, the City shall cause to be deposited in the Debt Service Fund Account a sum which is sufficient to redeem the following principal amounts of such Term Bonds plus accrued interest to the redemption date:

#### 2031 Term Bonds

<u>Year</u>	<u>Amount</u>
2030	\$ 325,000
2031 (maturity)	330,000

The City will call the Term Bonds for redemption on the dates and in the amounts set forth above and directs its officers and agents to take the necessary steps to select the Term Bonds to be redeemed on the dates and amounts set forth above and give appropriate notice of said redemption to the registered holders of the Term Bonds so redeemed. Upon the optional redemption of any of the Term Bonds, the principal amount of such Term Bonds so redeemed shall be credited against the mandatory redemption payments shown above for such Term Bonds in such manner as the City shall direct.

Associated Trust Company, National Association, Green Bay, Wisconsin will serve as redemption agent for the Term Bonds.

### **Optional Redemption - 2021C Bonds**

At the option of the City, the 2021C Bonds maturing on November 1, 2029 and thereafter shall be subject to redemption prior to maturity on November 1, 2028 or on any date thereafter. Said 2021C Bonds shall be redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity, by lot, at the principal amount thereof, plus accrued interest to the date of redemption. If less than all of the 2021C Bonds of a maturity are to be redeemed, selection of the 2021C Bonds to be so redeemed shall be by lot conducted by DTC in accordance with its rules and practices (see "BOOK-ENTRY-ONLY SYSTEM" herein).

## ESTIMATED SOURCES AND USES

### The 2021A Bonds

#### **Sources of Funds**

Par Amount of 2021A Bonds	\$8,300,000.00
Net Reoffering Premium	338,620.75
Total Sources of Funds:	<u>\$8,638,620.75</u>

#### **Uses of Funds**

Deposit to 2021A Project Fund	\$8,300,000.00
Underwriter's Discount	28,067.50
Bid Premium for Deposit to Debt Service Fund (Capitalized Interest)	310,553.25
Total Uses of Funds:	<u>\$8,638,620.75</u>

### The 2021B Notes

#### **Sources of Funds**

Par Amount of 2021B Notes	\$2,970,000.00
Reoffering Premium	118,818.20
Total Sources of Funds:	<u>\$3,088,818.20</u>

#### **Uses of Funds**

Deposit to 2021B Project Fund	\$2,970,000
Bid Premium for Deposit to Debt Service Fund (Capitalized Interest)	92,501.05
Underwriter's Discount	26,317.15
Total Uses of Funds:	<u>\$3,088,818.20</u>

### The 2021C Bonds

#### **Sources of Funds**

Par Amount of 2021C Bonds	\$12,235,000.00
Reduction in Debt Service Reserve Fund Requirement	369,629.03
City Funds Applied	50,618.75
Total Sources of Funds:	<u>\$12,655,247.78</u>

#### **Uses of Funds**

Deposit to Escrow Account	10,321,768.25
Deposit to Debt Service Fund (for Current Refunding)	2,298,144.28
Underwriter's Discount	34,925.38
Deposit to Debt Service Fund (Rounding)	409.87
Total Uses of Funds:	<u>\$12,655,247.78</u>

## CONSTITUTIONAL AND STATUTORY CONSIDERATIONS AND LIMITATIONS CONCERNING THE CITY'S POWER TO INCUR INDEBTEDNESS

The Constitution and laws of the State limit the power of the City (and other municipalities of the State) to issue obligations and to contract indebtedness. Such constitutional and legislative limitations include the following, in summary form and as generally applicable to the City.

### Purpose

The City may not borrow money or issue notes or bonds therefore for any purpose except those specified by statute, which include among others the purposes for which the Securities are being issued.

### General Obligation Bonds

The principal amount of every sum borrowed by the City and secured by an issue of bonds may be payable at one time in a single payment or at several times in two or more installments; however, no installment may be made payable later than the termination of twenty years immediately following the date of the bonds. The Common Council of the City is required to levy a direct, annual, irrevocable tax sufficient in amount to pay the interest on such bonds

as it falls due and also to pay and discharge the principal thereof at maturity. Bonds issued by the City to refinance or refund outstanding notes or bonds issued by the City may be payable no later than twenty years following the original date of such notes or bonds.

**Refunding Bonds**

In addition to being authorized to issue bonds, the City is authorized to borrow money using refunding bonds for refunding existing debt. To evidence such indebtedness, the City must issue its refunding bonds (with interest) payable within a period not exceeding twenty years following the initial date of the debt to be refunded. Such refunding bonds constitute a general obligation of the City. Refunding bonds are not subject to referendum.

**Bond or Note Anticipation Notes**

In anticipation of issuing general obligation bonds or notes, the City is authorized to borrow money using bond or note anticipation notes. The bond or note anticipation notes shall in no event be general obligations of the City, and do not constitute an indebtedness of the City, nor a charge against its general credit or taxing power. The bond or note anticipation notes are payable only from (a) proceeds of the bond or note anticipation notes set aside for payment of interest on the bond or note anticipation notes as they become due, and, (b) proceeds to be derived from the issuance and sale of general obligation bonds or notes which proceeds are pledged for the payment of the principal of and interest on the bond or note anticipation notes. The maximum term of any bond or note anticipation notes (including any refunding) is five years.

**Promissory Notes**

In addition to being authorized to issue bonds, the City is authorized to borrow money using notes for any public purpose. To evidence such indebtedness, the City must issue to the lender its promissory notes (with interest) payable within a period not exceeding ten years following the date of said notes. Such notes constitute a general obligation of the City. Notes may be issued to refinance or refund outstanding notes. However, such notes may be payable not later than twenty years following the original date of such notes.

**Debt Limit**

The City has the power to contract indebtedness for purposes specified by statute so long as the principal amount thereof does not exceed five percent of the equalized value of taxable property within the City. For information with respect to the City's percent of legal debt incurred, see the caption "Debt Limit," herein.

**THE RESOLUTIONS**

The following is a summary of the Resolutions adopted by the Common Council pursuant to the procedures prescribed by Wisconsin Statutes. Reference is made to the Resolutions for a complete recital of their terms.

**Initial Resolutions**

By way of the initial resolutions adopted on September 21, 2021 (the "2021A Initial Resolutions"), the Common Council authorized the issuance of general obligation bonds for the following public purposes and in the following not to exceed amounts:

- \$4,150,000 for street improvement projects;
- \$ 420,000 for parking lot projects;
- \$ 190,000 for parks and public grounds projects;
- \$1,730,000 for construction of police facilities; and
- \$1,810,000 for water system improvement projects.

The 2021A Initial Resolutions are subject to referendum if within 30 days after the adoption of the 2021A Initial Resolutions, a sufficient petition requesting a referendum is filed by the electors of the City. The petition period expired on October 21, 2021 without the filing of a sufficient petition for a referendum.

### **Parameters Resolutions**

By way of a resolution adopted on September 21, 2021 (the "Parameters Resolution for the 2021A Bonds"), the Common Council delegated authority to its Finance Director, Chairperson of the Financial Affairs Committee and City Attorney (collectively, the "Authorized Officers") to accept the bid for the 2021A Bonds that results in the lowest true interest cost for the 2021A Bonds (the "2021A Bonds Proposal"), provided the 2021A Bonds Proposal met the parameters set forth in the Parameters Resolution for the 2021A Bonds, by executing a Certificate Approving the Preliminary Official Statement and Details of General Obligation Corporate Purpose Bonds, Series 2021A (the "Approving Certificate for the 2021A Bonds"). The Common Council pledged the full faith, credit and resources of the City to the payment of the principal of and interest on the 2021A Bonds pursuant to the Parameters Resolution for the 2021A Bonds. Pursuant to the Parameters Resolution for the 2021A Bonds, a direct annual irrevocable tax has been levied for collection in the years 2022 through 2041 in the amount which will be sufficient to meet the principal and interest payments on the 2021A Bonds when due (or monies to pay such debt service will otherwise be appropriated). The Parameters Resolution for the 2021A Bonds establishes separate and distinct from all other funds of the City a separate debt service fund with respect to payment of principal and interest on the 2021A Bonds.

By way of a resolution adopted on September 21, 2021 (the "Parameters Resolution for the 2021B Notes"), the Common Council delegated authority to its Finance Director, Chairperson of the Financial Affairs Committee and City Attorney (collectively, the "Authorized Officers") to accept the bid for the 2021B Notes that results in the lowest true interest cost for the 2021B Notes (the "2021B Notes Proposal"), provided the 2021B Notes Proposal met the parameters set forth in the Parameters Resolution for the 2021B Notes, by executing a Certificate Approving the Preliminary Official Statement and Details of General Obligation Promissory Notes, Series 2021B (the "Approving Certificate for the 2021B Notes"). The Common Council pledged the full faith, credit and resources of the City to the payment of the principal of and interest on the 2021B Notes pursuant to the Parameters Resolution for the 2021B Notes. Pursuant to the Parameters Resolution for the 2021B Notes, a direct annual irrevocable tax has been levied for collection in the years 2022 through 2031 in the amount which will be sufficient to meet the principal and interest payments on the 2021B Notes when due (or monies to pay such debt service will otherwise be appropriated). The Parameters Resolution for the 2021B Notes establishes separate and distinct from all other funds of the City a separate debt service fund with respect to payment of principal and interest on the 2021B Notes.

By way of a resolution adopted on September 21, 2021 (the "Parameters Resolution for the 2021C Bonds" and collectively with the Parameters Resolution for the 2021A Bonds and the Parameters Resolution for the 2021B Notes, the "Parameters Resolutions"), the Common Council delegated authority to its Finance Director, Chairperson of the Financial Affairs Committee and City Attorney (collectively, the "Authorized Officers") to accept the bid for the 2021C Bonds that results in the lowest true interest cost for the 2021C Bonds (the "2021C Bonds Proposal"), provided the 2021C Bonds Proposal met the parameters set forth in the Parameters Resolution for the 2021C Bonds, by executing a Certificate Approving the Preliminary Official Statement and Details of Taxable General Obligation Refunding Bonds, Series 2021C (the "Approving Certificate for the 2021C Bonds"). The Common Council pledged the full faith, credit and resources of the City to the payment of the principal of and interest on the 2021C Bonds pursuant to the Parameters Resolution for the 2021C Bonds. Pursuant to the Parameters Resolution for the 2021C Bonds, a direct annual irrevocable tax has been levied for collection in the years 2022 through 2034 in the amount which will be sufficient to meet the principal and interest payments on the 2021C Bonds when due (or monies to pay such debt service will otherwise be appropriated). The Parameters Resolution for the 2021C Bonds establishes separate and distinct from all other funds of the City a separate debt service fund with respect to payment of principal and interest on the 2021C Bonds.

### **Approving Certificates**

On October 26, 2021, the Authorized Officers executed the Approving Certificate for the 2021A Bonds, approving the Preliminary Official Statement, accepting the 2021A Bonds Proposal, setting forth the details of the 2021A Bonds, and specifying the amount of the direct annual irrevocable tax levied to pay the principal of and interest on the 2021A Bonds.

On October 26, 2021, the Authorized Officers executed the Approving Certificate for the 2021B Notes, approving the Preliminary Official Statement, accepting the 2021B Notes Proposal, setting forth the details of the 2021B Notes, and specifying the amount of the direct annual irrevocable tax levied to pay the principal of and interest on the 2021B Notes.

On October 26, 2021, the Authorized Officers executed the Approving Certificate for the 2021C Bonds, approving the Preliminary Official Statement, accepting the 2021C Bonds Proposal, setting forth the details of the 2021C Bonds, and specifying the amount of the direct annual irrevocable tax levied to pay the principal of and interest on the 2021C Bonds.

## THE CITY

### **The Common Council**

The City has a mayor/alderman form of government with the 16 members of the Common Council elected to serve alternating four-year terms. The Council President is elected to that position by the Council members. The Mayor is also elected for a four-year term and is responsible for conducting the Council meetings.

Dennis McBride, Mayor  
(Term Expires April 2024)

<u>Name</u>	<u>Aldermanic District</u>	<u>Term Expiration</u>
James Moldenhauer	1	April, 2024
Matt Stippich	1	April, 2022
Kathleen Causier (President)	2	April, 2022
John J. Dubinski	2	April, 2024
Tim J. Hanson	3	April, 2022
Nancy Welch	3	April, 2024
Ernst Franzen	4	April, 2024
Michael G. Walsh	4	April, 2022
Rob Gustafson	5	April, 2022
Joel Tilleson	5	April, 2024
Allison L. Bryne	6	April, 2022
Meagan O'Reilly	6	April, 2024
Mike Morgan	7	April, 2024
Jason Kofroth	7	April, 2022
Jason G. Wilke	8	April, 2024
Craig Wilson	8	April, 2022

Source: *The City.*

### **Board of Public Debt Commissioners**

The City created a Board of Public Debt Commissioners (the "Board") in May 1938. The Board consists of three resident citizens, the City Finance Director and Assistant Finance Director, three of whom shall constitute a quorum. The Mayor appoints, subject to the approval of a majority of the Common Council, three members for rotating three-year terms. The members receive no compensation and the Board maintains its own records of proceedings, makes its own rules and provides for its own meetings, except when ordered by the Mayor. The Board oversees the issuance and retirement of municipal bonds issued by the City.

The current Board members are:

John Ruggini, Finance Director  
Derik Summerfield, Assistant Finance Director  
Laura Hyland  
Steve Kreklow  
John Major

Source: *The City.*

### **Administration**

The City Administrator has the responsibility of administering the day-to-day operations of the City and executing the policy decisions of the Common Council. The Finance Director is responsible for the financial operations of the City and has responsibility for the formulation and enforcement of the budget for all departments. The present members of the administration and their years of service are listed below.

<u>Name</u>	<u>Position</u>	<u>Years of Service</u>
James Archambo	City Administrator	15
John Ruggini	Finance Director	10
Steven Braatz	City Clerk	1*
Alan R. Kesner	City Attorney	20

\* Prior to joining the City, Mr. Braatz served several Wisconsin municipalities as Clerk, including the Village of Mukwonago, the City of West Allis, and the City of Delafield.

Source: *The City.*

**Employment Relations**

<u>Department</u>	<u>Number of Employees*</u>
Administrative Services	12.66
Assessor	6.00
City Clerk/Elections	5.00
Development	35.74
Finance	9.57
Fire	102.56
Fleet Maintenance	10.00
Health	12.80
Information Systems	7.00
Library	26.58
Mayor	1.00
Municipal Complex	4.00
Municipal Court	1.89
Police	128.33
Public Works	62.23
Traffic Electrical Maintenance	6.28
Tourism	1.00
Water	<u>19.38</u>
Total	<u>452.02</u>

\*Full-time equivalent ("FTE"). The City had a limited number of furloughs for its Library Department employees due to the COVID-19 pandemic, but such employees have now returned.

Source: *The City*.

The following two bargaining units represent the respective number of City employees:

<u>Union/Association</u>	<u>Contract Term</u>	<u>Number of Members</u>
Wauwatosa Professional Firefighter's Association	1/1/17 – 12/31/20*	90
Wauwatosa Peace Officers Association	1/1/19 – 12/31/21	78

\*A new contract is currently being negotiated.

Source: *The City*.

According to the City, relations between the City and the bargaining units are termed satisfactory.

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, after significant changes were made to the law in 2011, very limited rights to collectively bargain with municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32.

As a result of the 2011 amendments to MERA, the City is prohibited from bargaining collectively with municipal employees, other than public safety employees 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 the 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, other than public safety employees and transit employees, including binding interest arbitration. Strikes by any municipal employee or labor organization are expressly prohibited. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is total base wages, all bargaining over items such as just cause, benefits, and terms of conditions of employment are prohibited and cannot be included in a collective bargaining agreement. Impasse resolution for public safety employees and transit employees is subject to final and binding arbitration procedures, which do not include a right to strike. Interest arbitration is available for transit employees if certain conditions are met.

## **Pension Plan**

All eligible employees in the City are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes. 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 ("Chapter 40"). 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 may not pay the employees' required contribution. During the fiscal year ended December 31, 2018 ("Fiscal Year 2018"), the fiscal year ended December 31, 2019 ("Fiscal Year 2019"), and the fiscal year ended December 31, 2020 ("Fiscal Year 2020"), the City's portion of contributions to WRS (not including any employee contributions) totaled \$3,146,087, \$3,057,444 and \$3,125,502, respectively.

The City implemented Governmental Accounting Standards Board Statement No. 68 ("GASB 68") for fiscal year ended December 31, 2015.

GASB 68 requires calculation of a net pension liability for the pension plan. The net pension liability is calculated as the difference between the pension plan's total pension liability and the pension plan's fiduciary net position. The pension plan's total pension liability is the present value of the amounts needed to pay pension benefits earned by each participant in the pension plan based on the service provided as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date. The pension plan's fiduciary net position is the market value of plan assets formally set aside in a trust and restricted to paying pension plan benefits. If the pension plan's total pension liability exceeds the pension plan's fiduciary net position, then a net pension liability results. If the pension plan's fiduciary net position exceeds the pension plan's total pension liability, then a net pension asset results.

As of December 31, 2019, the total pension liability of the WRS was calculated as \$108.87 billion and the fiduciary net position of the WRS was calculated as \$112.09 billion, resulting in a net pension asset of \$3.22 billion. The spread of COVID-19 has significantly impacted investment markets, which may impact the funded status of the WRS and future contribution requirements as a result (see "GLOBAL HEALTH EMERGENCY RISK" herein).

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2020, the City reported an asset of \$9,591,551 for its proportionate share of the net pension asset of the WRS. The net pension asset was measured as of December 31, 2019 based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. The City's proportion was 0.29746258% of the aggregate WRS net pension liability as of December 31, 2019.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the net pension liability of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see Note 5. A. of the City's Financial Statements for the Year Ended December 31, 2020.

## **Other Post-Employment Benefits**

The City provides "other post-employment benefits" ("OPEB") (i.e., post-employment benefits, other than pension benefits, owed to its employees and former employees) to employees who have terminated their employment with the City and have satisfied specified eligibility standards through a single-employer defined benefit plan. Membership of the plan consisted of 110 retirees receiving benefits and 311 active eligible plan members as of December 31, 2020, the date of the latest actuarial valuation. Such benefits are no longer offered to employees hired on or after January 1, 2015, other than public safety employees. Under the latest police union contract, new employees will receive a defined contribution benefit instead of the defined benefit OPEB.

OPEB calculations are required to be updated every two years and be prepared in accordance with Statements No. 74 and 75 of the Governmental Accounting Standards Board ("GASB 74/75"). An actuarial study for the plan was most recently completed pursuant to GASB 74/75 by Milliman, Inc. in May 2021 with an actuarial valuation date of December 31, 2020.

For Fiscal Year 2020, benefit payments to the plan totaled \$3,383,691. The City's current funding practice is to make annual contributions to the plan in the amounts at least equal to the benefits paid to retirees in a particular year on a "pay-as-you-go" basis.

Under GASB 74/75, a net OPEB liability (or asset) is calculated as the difference between the plan's total OPEB liability and the plan's fiduciary net position, which terms have similar meanings as under GASB 68 and GASB 73 for pension plans.

As of December 31, 2020, the total OPEB liability was \$35,529,511 and the plan fiduciary net position was \$0, resulting in a net OPEB liability of \$35,529,511.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. For more detailed information regarding such actuarial assumptions, see Note 5.C. in "Appendix A - Basic Financial Statements and Related Notes for the year ended December 31, 2020" attached hereto.

## **GENERAL INFORMATION**

### **Location**

The City is adjacent to the City of Milwaukee in Milwaukee County (the "County"). The City has been a municipal corporation since 1897. It encompasses 13.07 square miles and has a 2021 population estimate of 48,604.

### **Transportation**

The City is located along two interstate highways, three U.S. highways, and several state highways. The City is also served by passenger and freight railroads and Milwaukee Mitchell International Airport in the City of Milwaukee.

### **Services**

The City provides the full range of municipal services, including police and fire protection, parks, public works operations, parking, water and sewer utilities, community development, health services and general administrative services. The City's health department services have been focused primarily on the City's COVID-19 response, so certain other services historically provided by the health department, such as public health clinics, public health education services, smoking cessation services, radon and lead inspection and restaurant inspections, have been reduced or temporarily suspended.

### **Public Safety**

The City has a police force of 128.33 FTE positions providing public safety and protection for the City's residents and a fire department of 102.56 FTEs providing fire protection and ambulance service.

### **Education**

The Wauwatosa School District serves the City and offers a comprehensive program for students in prekindergarten through the twelfth grade. The District currently has eleven elementary schools (including one STEM school and one Montessori school), two middle schools and two high schools. The District serves approximately 7,010 students and the District has 841.27 FTE employees.

Opportunities for post-secondary education may be obtained at the University of Wisconsin – Milwaukee, and various other colleges located within the Milwaukee metropolitan area. Milwaukee Area Technical College District, a two-year technical college and many others are within commuting distance, including Marquette University, Concordia University Wisconsin, Mount Mary University, Alverno College, Cardinal Stritch University and Carroll University.

## DEMOGRAPHIC AND ECONOMIC INFORMATION

### Population

	<u>Milwaukee County</u>	<u>City of Wauwatosa</u>
Estimate, 2021	947,241	48,604
Estimate, 2020	944,099	48,478
Estimate, 2019	946,296	48,314
Estimate, 2018	950,381	47,781
Census, 2010	947,735	46,396

Source: Wisconsin Department of Administration, Demographic Services Center

### Per Return Adjusted Gross Income

<u>Year</u>	<u>State of Wisconsin</u>	<u>Milwaukee County</u>	<u>City of Wauwatosa</u>
2020	\$61,518	\$52,751	\$87,379
2019	61,003	54,920	87,132
2018	59,423	53,380	85,410
2017	56,698	50,516	81,811
2016	55,267	49,692	81,077

Source: Wisconsin Department of Revenue, Division of Research & Policy

### Unemployment Rate

	<u>State of Wisconsin</u>	<u>Milwaukee County</u>	<u>City of Wauwatosa</u>
August, 2021*	4.0%	6.1%**	3.7%**
August, 2020*	5.8	8.6	5.9
Average, 2020	6.3%**	8.2%	5.8%
Average, 2019	3.3	3.9	2.7
Average, 2018	3.0	3.7	2.7
Average, 2017	3.3	4.0	2.9
Average, 2016	3.9	4.9	3.3

\* Figures reflect employment impact as a result of COVID-19 (see "GLOBAL HEALTH EMERGENCY RISK" herein).

\*\* Preliminary.

Source: Wisconsin Department of Workforce Development.

### Building Permits

<u>Year</u>	<u>Construction Value of Building Permits</u>
2021 <sup>(1)</sup>	\$79,691,284
2020	158,138,733
2019	164,487,307
2018	117,682,712
2017	122,487,507
2016	202,971,842

<sup>(1)</sup> Through July 31, 2021.

Source: City

**Largest Employers**

Listed below are the largest employers in the City.

<u>Employer</u>	<u>Product/Business</u>	<u>Approximate Employment</u>
Milwaukee Regional Medical Center	Medical facilities	17,000
Briggs & Stratton Corporation	Small engine manufacturer	1,200
Wauwatosa School District	Education	841.27 <sup>(1)</sup>
Harley-Davidson Inc.	Motorcycle manufacturer	650 <sup>(2)</sup>
GE Healthcare Global Parts Co., Inc.	Medical equipment and supplies	552
Lutheran Home	Nursing home; assisted living	475
The City	Municipal government	452.02 <sup>(1)</sup>
UnitedHealth Care	Insurance	365
St. Camillus Health System	Nursing homes, assisted living	363
Zyware	Custom software programming	300

<sup>(1)</sup> FTE.

<sup>(2)</sup> Harley-Davidson Inc. local employee count is 2,284 at its Milwaukee-area locations.

Source: D&B Credit, Industry Select-MNI, Milwaukee Business Journal "Largest Milwaukee-Area Public Sector Employers" (August 13, 2021), and employer websites, September, 2021. *Numbers may not reflect any impact from COVID-19. See "GLOBAL HEALTH EMERGENCY RISK" herein.*

**Largest Taxpayers**

Listed below are the largest taxpayers in the City:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2020 Assessed Valuation</u>	<u>2020 Equalized Valuation</u>
Mayfair Mall LLC <sup>(1)</sup>	Shopping center & office tower	\$ 436,686,200	\$ 448,481,257
Irgens Development Partners	Office buildings	142,253,600	146,095,923
Burleigh Mayfair LLC	Shopping center	104,286,200	107,103,009
H S I	Apartment Complex	80,760,100	82,941,460
Bel Marquette I LLC (GE)	Healthcare headquarters	59,538,500	61,146,657
Gateway Tosa HC LLC	Medical office building	53,805,000	55,258,293
Froedtert Health	Medical office buildings & clinics	48,736,700	50,053,096
H-D Capital Drive LLC (Harley Davidson)	Motorcycle manufacturer	46,165,900	47,412,858
Aurora Health	Medical office buildings & clinics	39,468,000	40,534,045
Mayfair Property Partners LLC	Apartment complex	<u>36,500,000</u>	<u>37,485,879</u>
		\$1,048,200,200	\$1,076,512,478

The above taxpayers represent 15.68% of the City's 2020 Equalized Value (TID IN) (\$6,863,838,600). The City's 2021 Equalized Value (TID IN) is \$7,545,981,900.

<sup>(1)</sup>Assessment under appeal by taxpayer. The City is involved in litigation with General Growth Properties, the owner of Mayfair Mall, involving a dispute over the taxable value of Mayfair Mall of approximately \$100,000,000 over several years. See "LITIGATION" herein.

Source: City of Wauwatosa. Information for 2021 not yet available.

## TAX LEVIES AND COLLECTIONS

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. Real property taxes may be paid in full by January 31 or in two equal installments payable by January 31 and July 31. Municipalities also have the option of adopting payment plans which allow taxpayers to pay their real property taxes and special assessments in three or more 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. Any amounts paid after July 31 are paid to the county treasurer. For municipalities which have not adopted an installment payment plan, the town, city or village treasurer settles with other taxing jurisdictions for collections through the preceding month on January 15 and February 20. For municipalities which have adopted an installment payment plan, the town, city or village treasurer settles with other taxing jurisdictions for collections through the preceding month on January 15, February 15 and the 15th day of each month following a month in which an installment payment is due. 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. The 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 role are collected from each taxing entity in the year following the levy year. Since, in practice, all delinquent real property taxes are withheld from the county's share of taxes, the City receives 100 percent of the real property taxes it levies for real property taxes. See "Levy Limits" herein for information on additional limitations on City tax levies. The spread of COVID-19 and responses taken by the United States government, state governments, local governments and private industries have caused significant disruptions to the national and State economy. See "GLOBAL HEALTH EMERGENCY RISK" herein. On April 15, 2020, Governor Tony Evers signed into law 2019 Wisconsin Act 185, which provides that for property taxes payable in 2020, a taxation district may, after making a general or case-by-case finding of hardship, choose to waive interest or penalties on property tax installment payments paid after April 1, 2020 but on or before October 1, 2020. In order to take such action, the county board of supervisors was first required to adopt a resolution authorizing such waiver and determining criteria for determining hardship and then the taxation district was required to subsequently adopt a similar resolution. In the case of a county adopting such a resolution, the county proportionally settled with the taxation districts any taxes, interest and penalties collected on or before July 31, 2020 on August 20, 2020, and settled the remaining unpaid taxes, interest, and penalties on September 20, 2020. The County settled with the City for the remaining collected property taxes on August 20, 2020 and for the uncollected property taxes on September 21, 2020.

Set forth below are tax levies for City purposes and the tax rate per \$1,000 assessed valuation on all taxable property in the City for collection years 2017-2021:

<u>Levy/Collection Year</u>	<u>City Tax Rate</u>	<u>City Levy</u>	<u>Uncollected Personal Property Taxes as of May 31* of Each Year</u>	<u>Percent of Levy Collected</u>
2020/2021	\$7.17	\$45,461,749	\$84,388	99.81%
2019/2020	7.05	44,137,620	111,773**	99.75
2018/2019	7.97	42,852,058	131,771***	99.69
2017/2018	7.77	41,946,785	94,132	99.78
2016/2017	7.68	41,106,546	43,921	99.89

\* Due to accounting changes, beginning in 2020/2021, the uncollected personal property taxes are shown as of May 31 of the collection year and are not updated in subsequent years despite collections being on-going. As of May 31, 2021, \$111,915 in prior year delinquent property taxes remained uncollected and not written off.

\*\* Due to COVID-19 pandemic extra collection efforts such as denying business licenses for unpaid taxes were suspended.

\*\*\*The amount is higher than prior years due to the bankruptcy of a large department store.

Source: The City.

## ASSESSED TAX RATES

The following are the mill rates per \$1,000 of assessed value for the City for the last five collection years.

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
State	\$ 0.00 <sup>(1)</sup>	\$ 0.00 <sup>(1)</sup>	\$ 0.00 <sup>(1)</sup>	\$ 0.00 <sup>(1)</sup>	\$ 0.17
County	5.77	5.82	6.68	6.77	6.43
Sewer District	1.63	1.62	1.89	1.88	1.81
Technical College District	1.18	1.17	1.37	1.37	1.30
School District	8.69	9.20	8.62	8.59	8.90
City	7.17	7.05	7.97	7.77	7.68
School and County Tax Credits	<u>(2.43)</u>	<u>(2.45)</u>	<u>(2.76)</u>	<u>(2.82)</u>	<u>(2.59)</u>
Net Tax Rate	\$22.01	\$22.41	\$23.77	\$23.56	\$23.70
Ratio of Assessed to Equalized Value	97.37%	101.54%	89.33%	91.83%	96.97%

<sup>(1)</sup> State property taxes were eliminated in the State's 2017-19 budget act.

Source: The City.

## 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 the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed or zero percent). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. In 2018, and in each year thereafter, the base amount is the actual levy for the immediately preceding year plus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes (an amount equal to the property taxes formerly levied on certain items of personal property), and the levy limit is the base amount multiplied by the valuation factor, minus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

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

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

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other adjustments to and exclusions from the tax levy limit. Among the exclusions, Section 66.0602(3)(e)5. of the Wisconsin Statutes provides that the levy limit does not apply to "the amount that a political subdivision levies in that year to make up any revenue shortfall for the debt service on a revenue bond issued under Section 66.0621 by that political subdivision. Recent positions taken by Wisconsin Department of Revenue ("DOR") staff call into question the availability of this exception, including by

limiting its availability depending on the circumstances surrounding the pertinent revenue shortfall. To date, such DOR positions have not been expressed formally in a declaratory ruling under Section 227.41(5)(a) of the Wisconsin Statutes, nor have they been the subject of any court challenge or resulting court ruling.

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

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

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

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

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

### ASSESSED AND EQUALIZED VALUATIONS

All equalized valuations of property in the State of Wisconsin are determined by the State of Wisconsin, Department of Revenue, Supervisor of Assessments Office. Equalized valuations are the State's estimate of full market value. The State determines assessed valuations of all manufacturing property in the State. Assessed valuations of residential and commercial property are determined by local assessors.

Set forth in the table below are the assessed and equalized valuations of property located within the City for the years 2017 through 2021. The City's equalized valuation (TID IN) has increased by 22.59 percent since 2017 with an average annual increase of 5.22 percent. The economic impact of COVID-19 may impact equalized valuations of property in the state, including the City. The City cannot predict the extent of any such changes, but a material decrease in the equalized valuations of property in the City may materially adversely affect the financial condition of the City (see "GLOBAL HEALTH EMERGENCY RISK" herein).

Year	Assessed Valuation	Equalized Valuation (TID IN)	Equalized Valuation (TID OUT)
2021	\$7,354,644,800	\$7,545,981,900	\$7,139,586,600
2020	6,674,200,700	6,863,838,600	6,520,258,300
2019	6,643,656,600	6,543,192,600	6,166,167,500
2018	5,674,110,200	6,342,128,700	6,007,585,200
2017	5,655,505,200	6,155,392,800	5,873,146,600

Source: Wisconsin Department of Revenue.

The equalized valuation by class in the City for 2021 (TID IN) is as follows:

	2021 Equalized Value	Percent of Total
Real Estate		
Residential	\$4,243,247,700	56.23%
Commercial	2,958,014,300	39.20
Manufacturing	142,005,800	1.88
Total Real Estate	<u>\$7,343,267,800</u>	<u>97.31%</u>
Total Personal Property	<u>202,714,100</u>	<u>2.69%</u>
Total	<u><u>\$7,545,981,900</u></u>	<u><u>100.00%</u></u>

Source: Wisconsin Department of Revenue.

**Tax Incremental Districts**

The City has Tax Incremental Districts ("TIDs") created under Wisconsin Statutes Section 66.1105. TID valuations totaling \$406,395,300 have been excluded from the City's tax base for 2021.

<u>TID #</u>	<u>TID Creation Date</u>	<u>Base Value</u>	<u>2021 Current Value</u>	<u>Increment</u>
006	2010	\$26,768,400	\$144,763,400	\$117,995,000
007	2013	20,815,000	167,278,500	146,463,500
008	2014	21,723,600	57,315,500	35,591,900
009	2015	5,128,200	17,528,100	12,399,900
010	2015	3,970,400	39,071,500	35,101,100
011	2015	11,163,400	45,997,800	34,834,400
012	2018	35,541,200	59,382,600	23,841,400
013	2020	3,129,400	3,297,500	168,100
			Total	<u>\$406,395,300</u>

Source: Wisconsin Department of Revenue.

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**CITY DEBT STRUCTURE**

**Total Outstanding General Obligation Debt Summary (As of December 1, 2021)**

<u>Type of Obligation</u>	<u>Date of Issue</u>	<u>Original Amount Issued</u>	<u>Final Maturity Dates</u>	<u>Current Amount Outstanding</u>
Taxable General Obligation Refunding Bonds, Series 2010A	8/03/10	\$ 8,450,000	3/01/24	\$ 2,270,000 <sup>1</sup>
General Obligation Promissory Notes, Series 2012	8/21/12	12,400,000	6/01/22	1,475,000
General Obligation Promissory Notes, Series 2013	8/20/13	6,250,000	6/01/23	1,050,000
General Obligation Sewerage Bonds, Series 2013	11/19/13	9,475,000	11/01/33	7,700,000 <sup>1</sup>
General Obligation Promissory Notes, Series 2014A	12/02/14	16,370,000	12/01/24	7,025,000
Taxable General Obligation Promissory Notes, Series 2014B	12/02/14	5,240,000	12/01/24	2,250,000
General Obligation Community Development Bonds, Series 2015A	4/01/15	6,200,000	4/01/35	5,275,000
General Obligation Corporate Purpose Bonds, Series 2015B	12/01/15	26,375,000	12/01/30	15,200,000
Taxable General Obligation Community Development Bonds, Series 2015C	12/01/15	7,400,000	12/01/30	4,400,000
General Obligation Corporate Purpose Bonds, Series 2016B	12/20/16	15,190,000	12/01/36	11,620,000
General Obligation Corporate Purpose Bonds, Series 2017A	11/03/17	14,280,000	11/01/32	10,565,000
Taxable General Obligation Community Development Bonds, Series 2018A	11/20/18	3,690,000	11/01/34	3,160,000
General Obligation Corporate Purpose Bonds, Series 2018B	11/20/18	10,020,000	11/01/33	7,620,000
General Obligation Promissory Notes, Series 2018C	11/20/18	6,350,000	11/01/28	5,025,000
General Obligation Corporate Purpose Bonds, Series 2019A	12/02/19	12,765,000	12/01/39	11,270,000
Taxable General Obligation Community Development Bonds, Series 2019B	12/02/19	1,260,000	12/01/34	1,120,000
General Obligation Corporate Purpose Bonds, Series 2020A	12/01/20	8,600,000	12/01/40	7,945,000
General Obligation Promissory Notes, Series 2020B	12/01/20	5,335,000	12/01/30	4,510,000
General Obligation Corporate Purpose Bonds, Series 2021A	12/01/21	8,300,000	12/01/41	8,300,000 <sup>2</sup>
General Obligation Promissory Notes, Series 2021B	12/01/21	2,970,000	12/01/31	2,970,000 <sup>2</sup>
Taxable General Obligation Refunding Bonds, Series 2021C	12/01/21	12,235,000	11/01/34	<u>12,235,000</u> <sup>2</sup>
Total General Obligation Debt				\$132,985,000
Less Remaining 2021 Principal Payments				( 0)
Less Portions of 2010A Bonds and 2013 Sewerage Bonds to be Refunded				<u>( 9,245,000)</u>
Net General Obligation Debt				<u>\$123,740,000</u>

<sup>1</sup> Portions of the 2010A Bonds (\$2,270,000) and 2013 Sewerage Bonds (\$6,975,000) will be refunded with proceeds of the 2021C Bonds.

<sup>2</sup> New issues.

**Direct Indebtedness**

Set forth below is the direct general obligation indebtedness of the City, including principal and interest payments due on existing debt, excluding portions of the 2010A Bonds and 2013 Sewerage Bonds to be refunded, as well as debt service on the Securities. Interest on the 2021A Bonds has been calculated using an average rate of 2.26 percent. The bond years for the 2021A Bonds are 73,140.00 and the average life is 8.812 years. Interest on the 2021B Notes has been calculated using an average rate of 2.00 percent. The bond years for the 2021B Notes are 16,925.00 and the average life is 5.699 years. Interest on the 2021C Bonds has been calculated using an average rate of 1.71 percent. The bond years for the 2021C Bonds are 80,680.42, and the average life is 6.594 years.

Year	Outstanding Bonds & Notes		The 2021A Bonds		The 2021B Notes		The 2021C Bonds		Total	Less: Projected Offsetting Revenues*			Total Projected Net Debt Service Requirements
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		Enterprise	TID	MADACC	
2021	\$ 14,850,000	\$ 3,698,561							\$18,548,561	(\$ 7,966,308)	(\$ 3,120,938)	(\$ 105,531)	\$ 7,355,784
2022	12,925,000	2,928,593	\$ 780,000	\$235,856	\$ 265,000	\$ 59,400	\$ 880,000	\$ 158,501	18,232,350	(7,289,571)	(3,150,464)	(203,531)	7,588,784
2023	13,150,000	2,561,921	415,000	196,856	275,000	54,100	870,000	170,710	17,693,588	(6,843,726)	(3,086,064)	(199,031)	7,564,766
2024	12,155,000	2,193,634	425,000	176,106	280,000	48,600	1,500,000	165,925	16,944,265	(6,342,101)	(3,789,714)	(194,531)	6,617,919
2025	10,265,000	1,831,171	435,000	154,856	285,000	43,000	905,000	153,175	14,072,203	(5,037,089)	(2,489,851)	(215,031)	6,330,231
2026	8,800,000	1,509,896	445,000	133,106	290,000	37,300	920,000	143,220	12,278,523	(4,989,896)	(1,880,589)	(208,031)	5,200,006
2027	7,435,000	1,248,046	460,000	115,306	300,000	31,500	900,000	130,800	10,620,653	(4,546,926)	(1,975,939)	(202,781)	3,895,006
2028	6,900,000	1,006,796	465,000	106,106	305,000	25,500	930,000	117,300	9,855,703	(3,830,726)	(1,929,714)	(197,531)	3,897,731
2029	6,095,000	812,019	485,000	96,806	315,000	19,400	935,000	102,420	8,860,645	(2,963,509)	(1,917,349)	(192,281)	3,787,506
2030	5,555,000	641,325	500,000	87,106	325,000	13,100	1,010,000	86,525	8,218,056	(2,258,751)	(1,929,849)	(186,813)	3,842,644
2031	3,525,000	494,210	520,000	77,106	330,000	6,600	1,010,000	68,345	6,031,261	(1,851,495)	(1,039,629)	(181,125)	2,959,013
2032	3,630,000	390,360	535,000	68,006			1,040,000	49,155	5,712,521	(1,787,574)	(1,170,816)		2,754,131
2033	3,325,000	281,793	555,000	57,975			1,015,000	28,355	5,263,123	(1,737,886)	(1,331,074)		2,194,163
2034	2,455,000	178,582	565,000	47,569			320,000	7,040	3,573,191	(1,016,890)	(1,309,107)		1,247,194
2035	1,725,000	105,131	580,000	36,269					2,446,400	(714,825)	(895,375)		836,200
2036	920,000	62,963	590,000	24,669					1,597,631	(708,156)	(389,063)		500,413
2037	380,000	33,738	105,000	12,131					530,869	(530,869)			
2038	380,000	24,425	105,000	9,900					519,325	(519,325)			
2039	390,000	15,113	110,000	7,538					522,650	(522,650)			
2040	225,000	5,063	110,000	5,063					345,125	(345,125)			
2041			115,000	2,588					117,588	(117,588)			
	<u>115,085,000</u>	<u>20,023,338</u>	<u>8,300,000</u>	<u>1,650,919</u>	<u>2,970,000</u>	<u>338,500</u>	<u>12,235,000</u>	<u>1,381,471</u>	<u>161,984,228</u>	<u>(61,920,986)</u>	<u>(31,405,533)</u>	<u>(2,086,219)</u>	<u>66,571,490</u>
Less 2021 Sinking Funds	<u>(14,850,000)</u>	<u>(3,698,561)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(18,548,561)</u>	<u>7,966,308</u>	<u>3,120,938</u>	<u>105,531</u>	<u>(7,355,784)</u>
<b>TOTAL</b>	<b><u>\$100,235,000</u></b>	<b><u>\$16,324,777</u></b>	<b><u>\$8,300,000</u></b>	<b><u>\$1,650,919</u></b>	<b><u>\$2,970,000</u></b>	<b><u>\$338,500</u></b>	<b><u>\$12,235,000</u></b>	<b><u>\$1,381,471</u></b>	<b><u>\$143,435,666</u></b>	<b><u>(\$53,954,678)</u></b>	<b><u>(\$28,284,594)</u></b>	<b><u>(\$1,980,688)</u></b>	<b><u>\$59,215,706</u></b>

\* Offsetting revenues includes water, storm sewer, sanitary sewer and TID revenues and payments received from the Milwaukee Area Domestic Animal Control Commission ("MADACC"). The actual amount of these offsetting revenues is not guaranteed. Under State law, the City is required to levy an amount sufficient to meet the debt service on its outstanding general obligation debt, but such levy may be abated by the use of such offsetting revenues, if and to the extent available.

**Total Outstanding Revenue Debt Summary (as of December 1, 2021)**

**Waterworks System**

<u>Type of Obligation</u>	<u>Date of Issue</u>	<u>Original Amount</u>	<u>Final Maturity Dates</u>	<u>Current Amount Outstanding</u>
Refunding Revenue Bonds, Series 2011	11/29/11	\$ 2,400,000	1/01/22	\$ 300,000
Revenue Bonds, Series 2013	11/19/13	4,575,000	1/01/34	3,250,000 <sup>1</sup>
Revenue Bonds, Series 2016A	6/21/16	4,225,000	1/01/36	3,300,000
Revenue Bonds, Series 2017B	11/03/17	3,000,000	1/01/37	2,700,000
Revenue Bonds, Series 2018D	11/20/18	3,620,000	1/01/38	<u>3,155,000</u>
Total Waterworks System Revenue Debt				\$ 12,705,000
Less Remaining 2021 Principal Payments				( 0)
Less Portions of 2013 Waterworks Bonds to be Refunded				<u>( 2,650,000)</u>
Net Waterworks System Revenue Debt				<u>\$ 10,055,000</u>

<sup>1</sup> A portion of the 2013 Waterworks Bonds (\$2,650,000) will be refunded with proceeds of the 2021C Bonds.

**No Default on City Indebtedness**

The City has no record of default on any prior debt repayment obligations.

**Future Financings**

The City borrows annually for its capital projects. The City may also do a 30-60 day short-term borrowing in late 2021 or early 2022 to avoid a negative levy limit consequence and increase cash financing in lieu of debt financing. (See "LEVY LIMITS" above.) The City may also issue general obligation debt in the first quarter of 2022 for approximately \$12 million to finance a parking deck. Other than the preceding, the City currently anticipates issuing no additional debt in the next 12 months.

**Debt Ratios**

Outstanding general obligation direct debt as a percentage of equalized value and on a per capita basis for the current year as of December 1, 2021, and for the past five years ended December 31 follows:

**Ratios of General Obligation Debt to  
Equalized Valuation and Population**

<u>Year</u>	<u>Outstanding General Obligation Debt</u>	<u>Equalized Valuation</u>	<u>Percent of Equalized Value</u>	<u>Population <sup>(1)</sup></u>	<u>Per Capita</u>
2021	\$ 123,740,000 <sup>(2)</sup>	\$ 7,545,981,900	1.64%	48,604	\$2,545.88
2020	124,330,000	6,863,838,600	1.81	48,478	2,564.67
2019	123,624,544	6,543,192,600	1.89	48,314	2,558.77
2018	121,874,985	6,342,128,700	1.92	47,781	2,550.70
2017	113,269,987	6,155,392,800	1.84	47,389	2,390.22
2016	109,709,985	5,699,272,300	1.92	47,160	2,326.34

<sup>1</sup> Estimated by the Wisconsin Department of Administration.

<sup>2</sup> Unaudited (Includes the Securities, less 2021 payments and portions of the 2010A Bonds and 2013 Sewerage Bonds to be refunded).

### **Overlapping Indebtedness**

Set forth below is information relating to the outstanding overlapping and underlying indebtedness of the City.

<u>Name of Entity</u>	<u>Amount of Debt (Net of 2021 Principal Payments)</u>	<u>Percent Chargeable to City</u>	<u>Outstanding Debt Chargeable to City</u>
Wauwatosa School District	\$ 108,450,000	100.00%	\$108,450,000
Milwaukee County	458,247,270	9.76	44,724,934
Milwaukee Metropolitan Sewerage District	716,803,335	9.94	71,250,251
Milwaukee Area Technical College <sup>(1)</sup>	95,375,000	7.88	7,515,550
TOTAL	<u>\$1,378,875,605</u>		<u>\$231,940,735</u>

<sup>1</sup>The Milwaukee Area Technical College District anticipates the issuance of \$39 million of general obligation debt within the next twelve months.

NOTE: This summary may not reflect all of the City's outstanding overlapping and underlying indebtedness.

Source: Wisconsin Department of Revenue. Information provided by each municipal entity through publicly available disclosure documents available on [EMMA.msrb.org](http://EMMA.msrb.org) and direct inquiries.

### **Statistical Summary**

The table below reflects direct, overlapping and underlying bonded indebtedness net of all 2021 principal payments and the Refunded Obligations.

Equalized Valuation (2021) as certified by Wisconsin Department of Revenue	\$7,545,981,900
Direct Bonded Indebtedness Including the Securities	\$123,740,000
Direct, Overlapping and Underlying Bonded Indebtedness Including the Securities	\$355,680,735
Direct Bonded Indebtedness as a Percentage of Equalized Valuation	1.64%
Direct, Overlapping and Underlying Bonded Indebtedness as a Percentage of Equalized Valuation	4.71%
Population of City (2021 Estimate)*	48,604
Direct Bonded Indebtedness Per Capita	\$2,545.88
Direct, Overlapping and Underlying Bonded Indebtedness Per Capita	\$7,317.93

\*Source: Wisconsin Department of Administration, Demographic Services Center

**Debt Limit**

As described under the caption "CONSTITUTIONAL AND STATUTORY CONSIDERATIONS AND LIMITATIONS CONCERNING THE CITY'S POWER TO INCUR INDEBTEDNESS—*Debt Limit*," the total indebtedness of the City may not exceed five percent of the equalized value of property in the City. Set forth in the table below is a comparison of the outstanding indebtedness of the City, as of the closing of the Securities and excluding the Refunded Obligations, as a percentage of the applicable debt limit.

Equalized Valuation (2021) as certified by Wisconsin Department of Revenue	\$7,545,981,900
Legal Debt Percentage Allowed <sup>(1)</sup>	<u>5.00%</u>
Legal Debt Limit	\$377,299,095
General Obligation Debt Outstanding Including the Securities	<u>123,740,000</u>
Unused Margin of Indebtedness	253,559,095
Percent of Legal Debt Incurred	32.80%
Percentage of Legal Debt Available	67.20%

<sup>(1)</sup> The City has established a Debt Management Policy that sets a guideline of limiting general obligation debt to no more than 4% of the equalized valuation of property in the City.

**FINANCIAL INFORMATION**

The financial operations of the City are accounted for primarily through its general fund. Most taxes and non-tax revenues (such as license fees, fines and costs and user's fees) are paid into the general fund and current operating expenditures are made from the general fund pursuant to appropriations made by the Common Council.

**Budgeting Process**

The City is required by State law to annually formulate a budget and to hold public hearings thereon prior to the determination of the amounts to be financed, in whole or in part, by general property taxes, funds on hand or estimated revenues from other sources. The budget must list all existing indebtedness of the City and include anticipated revenues from all sources during the ensuing year, and must list all proposed appropriations for each department, activity and reserve account during the ensuing year. The budget must show actual revenues and expenditures for the preceding year, actual revenues and expenditures for not less than the first six months of the current year and estimated revenues and expenditures for the balance of the current year.

As part of the budgeting process, public hearings are held on the proposed budget, at which time any resident or taxpayer in the City may be heard. At an annual budget meeting in November or December of each year the Common Council adopts the final budget for the succeeding year and levies taxes based on assessed valuations of property less any increment attributable to Tax Increment Districts. The amounts of taxes so levied and the amounts of the various appropriations in the final budget (after any alterations made pursuant to public hearings) may not be changed unless authorized by a vote of two-thirds of the entire membership of the Common Council. Failure to publish notice of any such alteration within ten days thereafter shall preclude any change in the budget.

**GENERAL FUND SUMMARY  
FOR THE YEARS ENDED DECEMBER 31**

	2021 Adopted Budget <sup>(1)</sup>	2020 Actual	2019 Actual	2018 Actual	2017 Actual
<b>Revenues:</b>					
Taxes	\$47,303,749	\$45,699,617	\$45,079,599	\$44,119,064	\$43,015,401
Intergovernmental revenues	7,058,172	6,891,759	5,746,537	5,730,536	5,237,279
Licenses and permits	1,507,209	1,611,120	2,034,338	1,579,421	1,923,852
Penalties and forfeitures	1,152,500	838,535	1,185,793	1,194,649	1,064,340
Public improvement revenues	-	12,694	17,398	2,010	10,369
Public charges for services	3,035,898	2,710,614	3,188,453	3,162,824	3,021,454
Intergovernmental charges for services	1,801,221	1,749,411	1,677,556	1,663,509	1,595,442
Commercial revenues	<u>1,366,624</u>	<u>2,237,889</u>	<u>2,515,593</u>	<u>1,201,052</u>	<u>875,001</u>
<b>Total Revenues</b>	<b>63,225,373</b>	<b>61,751,639</b>	<b>61,445,267</b>	<b>58,653,065</b>	<b>56,743,138</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	5,323,183	6,335,581	6,054,720	6,353,838	6,700,779
Protection of persons and property <i>(Public Safety)</i>	34,235,755	33,801,282	33,048,909	32,136,484	30,957,890
Health and sanitation <i>(Health and Human Services)</i>	2,477,787	4,475,507	3,706,173	3,689,989	3,599,464
Highway and transportation <i>(Public Works)</i>	7,384,844	5,008,029	4,941,416	4,414,178	4,285,759
Education and recreation	0	0	0	0	432,569
Conservation and development	2,278,754	1,828,476	1,731,787	1,534,098	1,467,358
Unclassified	96,500	333,949	71,408	148,437	185,860
Capital outlay	<u>0</u>	<u>518</u>	<u>152,618</u>	<u>353,092</u>	<u>266,014</u>
<b>Total Expenditures</b>	<b><u>51,796,823</u></b>	<b><u>51,783,342</u></b>	<b><u>49,707,031</u></b>	<b><u>48,630,116</u></b>	<b><u>47,895,693</u></b>
Excess of Revenues Over (Under) Expenditures	<u>11,428,550</u>	<u>9,968,297</u>	<u>11,738,236</u>	<u>10,022,949</u>	<u>8,847,445</u>
<b>Other Financing Sources (Uses)</b>					
Proceeds from sale of land	0	5,000	1,980	0	0
Operating transfers in	1,860,800	1,104,917	1,155,806	1,009,633	1,012,599
Operating transfers out	<i>( 13,289,350)</i>	<i>( 10,988,863)</i>	<i>( 11,261,324)</i>	<i>( 10,477,748)</i>	<i>( 9,534,949)</i>
Net change in fund balances	0	89,351	1,634,698	554,834	325,095
Fund Balances – Beginning of Year	<u>25,039,430</u>	<u>24,950,079</u>	<u>23,315,381</u>	<u>22,760,547</u>	<u>22,435,452</u>
Fund Balances - End of Year	<u>\$25,039,430</u>	<u>\$25,039,430</u>	<u>\$24,950,079</u>	<u>\$23,315,381</u>	<u>\$22,760,547</u>

<sup>(1)</sup> Expenditure categories for 2021 have been reclassified (shown in parentheses and italics) but prior years have not been restated.

The amounts shown for the years ended December 31, 2017 through 2020 are excerpts from the audit reports which have been examined by CliftonLarsonAllen LLP, Certified Public Accountants, Milwaukee, Wisconsin (the "Auditor"). The amounts shown for the year ended December 31, 2021 are shown on a budgetary basis as provided by the City. The comparative statement of revenues and expenditures should be read in conjunction with other financial statements and notes thereto appearing in Appendix A to this Official Statement.

## **Financial Information**

A copy of the City's Basic Financial Statements and Related Notes for the fiscal year ended December 31, 2020, including the accompanying independent auditor's report, is included as Appendix A to this Official Statement. Potential purchasers should read such 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, assessment, procedures or evaluation with respect to such financial statements since the date thereof, or relating 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 Securities, the City represents that there has 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.

## **UNDERWRITING**

The 2021A Bonds and 2021C Bonds have been purchased at public sales by a group of Underwriters for whom Piper Sandler & Co., Minneapolis, Minnesota is acting as Managing Underwriter (the "2021A and 2021C Underwriter"). The 2021B Notes have been purchased at a public sale by a group of Underwriters for whom Northland Securities, Inc., Minneapolis, Minnesota is acting as Managing Underwriter (the "2021B Underwriter" and collectively with the 2021A and 2021C Underwriter, the "Underwriters"). The Underwriters intend to offer the Securities to the public initially at the prices which produce the yields set forth on the inside cover of this Official Statement plus accrued interest from December 1, 2021, if any, which prices may subsequently change without any requirement of prior notice. The Underwriters reserve the right to join with dealers and other underwriters in offering the Securities to the public. The Underwriters may offer and sell the Securities to certain dealers (including dealers depositing the Securities into investment trusts) at prices lower than the public offering prices. In connection with this offering, the Underwriters may over allocate or effect transactions which stabilize or maintain the market price of the Securities at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The reoffering yields shown on the inside cover page of the Official Statement have been provided by the Underwriters and not by the City.

## **RATING**

The Securities have been assigned a "Aaa" rating by Moody's Investors Service, Inc. ("Moody's"). Such rating reflects only the view of Moody's, and an explanation of the significance of such rating may be obtained therefrom. 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 the rating will remain in effect for any given period of time or that it will not be revised, either upward or downward, or withdrawn entirely, by Moody's if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Securities.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Securities, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Undertakings described under the heading "CONTINUING DISCLOSURE" neither the City nor the Underwriter(s) undertake responsibility to bring to the attention of the owners of the Securities any proposed change in or withdrawal of such rating or to oppose any such revision or withdrawal.

## **TAX STATUS**

### **The 2021A Bonds and 2021B Notes**

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 2021A Bonds and 2021B Notes under existing law substantially in the following form:

"The interest on the 2021A Bonds and 2021B Notes is excludable for federal income tax purposes from the gross income of the owners of the 2021A Bonds and 2021B Notes. The interest on the 2021A Bonds and 2021B Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals. The Code contains requirements that must be satisfied subsequent to the issuance of the 2021A Bonds and 2021B Notes in order for interest on the 2021A Bonds and 2021B 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 2021A Bonds and 2021B Notes to be included in gross income retroactively to the date of issuance of the 2021A Bonds and 2021B 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 2021A Bonds and 2021B Notes."

The interest on the 2021A Bonds and 2021B Notes is not exempt from present Wisconsin income or franchise taxes.

Prospective purchasers of the 2021A Bonds and 2021B Notes should be aware that ownership of the 2021A Bonds and 2021B 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 2021A Bonds and 2021B 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 2021A Bonds and 2021B 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 2021A Bonds and 2021B Notes may be enacted. Prospective purchasers of the 2021A Bonds and 2021B 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.

See Appendix B "Forms of Legal Opinions for the Securities".

### **Original Issue Discount**

To the extent that the initial public offering price of certain of the 2021A Bonds is less than the principal amount payable at maturity, such 2021A Bonds ("Discounted Bonds") will be considered to be issued with original issue discount. The original issue discount is the excess of the stated redemption price at maturity of a Discounted Bond over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discounted Bonds were sold (issue price). With respect to a taxpayer who purchases a Discounted Bond in the initial public offering at the issue price and who holds such Discounted Bond to maturity, the full amount of original issue discount will constitute interest that is not includible in the gross income of the owner of such Discounted Bond for federal income tax purposes and such owner will not, subject to the caveats and provisions herein described, realize taxable capital gain upon payment of such Discounted Bond upon maturity.

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

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

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

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

### **Bond Premium**

To the extent that the initial offering price of certain of the 2021A Bonds and 2021B Notes is more than the principal amount payable at maturity, such 2021A Bonds and 2021B 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.

### **Not Qualified Tax-Exempt Obligations**

The 2021A Bonds and 2021B Notes will not be "qualified tax-exempt obligations" for purposes of Section 265 of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

### **The 2021C Bonds**

Interest on the 2021C Bonds is included in gross income for present Federal income tax purposes.

Interest on the 2021C Bonds is not exempt from present Wisconsin income or franchise taxes.

## **CONTINUING DISCLOSURE**

In order to assist the Underwriter(s), which will reoffer the Securities, in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934 (the "Rule"), the City shall covenant pursuant to the Parameters Resolutions adopted by the Common Council to enter into undertakings (the "Undertakings") for the benefit of holders including beneficial holders of the Securities to provide certain financial information and operating data relating to the City annually to the Municipal Securities Rulemaking Board (the "MSRB"), and to provide notices of the occurrence of certain events enumerated in the Rule electronically or in the manner otherwise prescribed by the MSRB to the MSRB. **The Undertakings provide that the annual report will be filed not later than 270 days after the end of each fiscal year. The City's fiscal year ends December 31<sup>st</sup>.** The details and terms of the Undertakings, as well as the information to be contained in the annual report or the

notices of material events, are set forth in the Continuing Disclosure Certificates to be executed and delivered by the City at the time the Securities are delivered. Such Certificates will be in substantially the forms attached hereto as Appendix C. A failure by the City to comply with the Undertakings will not constitute an event of default on the Securities (although holders will have the right to obtain specific performance of the obligations under the Undertakings). Nevertheless, such a 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 Securities in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Securities and their market price.

The City's audited financial statements and operating data for the year ended December 31, 2019 were timely filed but were inadvertently not associated with the CUSIP numbers of bonds issued in 2019 that had new base CUSIP numbers. The City has since made corrective filings. Except to the extent the preceding is deemed to be material, in the previous five years the City has not failed to comply in all material respects with any previous undertakings under the Rule.

The City will file its continuing disclosure information using the Electronic Municipal Market Access ("EMMA") system. Investors will be able to access continuing disclosure information filed with the MSRB at [www.emma.msrb.org](http://www.emma.msrb.org).

### **BOOK-ENTRY-ONLY SYSTEM**

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for 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 maturity of the Securities, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

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.

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.

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 the notices be provided directly to them.

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.

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 the 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).

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.

A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to 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 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 Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Registrar. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

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.

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 City takes no responsibility for the accuracy thereof.

## **LITIGATION**

There is no controversy or litigation of any nature now pending or, to the knowledge of the City, threatened, restraining or enjoining the issuance, sale, execution or delivery of the Securities, or in any way contesting or affecting the validity of the Securities or any proceedings of the City taken with respect to the issuance or sale thereof.

The City is in the midst of property tax litigation with the owner of Mayfair Mall. The matter is titled as Mayfair Mall LLC v. City of Wauwatosa. The case involves a dispute in the taxable value of the City's largest taxpayer, Mayfair Mall, and involves a difference of opinion approximating \$100,000,000 per year over several years. The trial for the years 2013 to 2015 concluded with a finding in favor of the City, but the Court of Appeals remanded the matter to the trial court for a clarification of the trial court's decision before rendering a final decision on the matter. While the City believes there is a likelihood of success at the appellate level, the outcome of the matter cannot be predicted. Similar disputes regarding the taxable value of Mayfair Mall for the years 2016, 2017, 2018 and 2019 have been stayed pending the outcome of the appeal.

Significant property value for certain medical campus taxpayers became taxable upon the sale of land from Milwaukee County to the individual taxpayers in April, 2020. It is anticipated that these taxpayers may dispute the taxability of all, or significant portions, of the taxable value in the future, but such disputes have not yet become ripe for litigation purposes. The City has begun planning for the contingencies of negative outcomes in such tax exemption challenges, in a manner which should alleviate significant negative fiscal impacts in the future.

Wauwatosa police officer Joseph Mensah fatally shot three people in 2015, 2016 and 2020, respectively, during active duty. Officer Mensah was not charged in connection with any of these shootings. The City experienced civil unrest and protests periodically after July 2020, including an emergency period following the October 7, 2020 announcement of the prosecutor's declining to bring charges. The City believes it is facing civil litigation from the prior shootings as well as litigation resulting from the City's response to the civil unrest, but such defense and liability costs will largely be insured. Officer Mensah no longer works for the City. In addition, the City is currently subject to litigation related to the 2018 handcuffing of a wrongly accused suspect. The City expects that its insurance coverage will apply in all such matters to significantly reduce its risk, but the City cannot predict the outcome of any such matters.

## **GLOBAL HEALTH EMERGENCY RISK**

### **Impact of the Spread of COVID-19**

In late 2019, a novel strain of coronavirus (COVID-19) emerged in Wuhan, Hubei Province, China. COVID-19 has spread throughout the world, including to the United States, resulting in the World Health Organization proclaiming COVID-19 to be a pandemic and former President Trump declaring a national emergency. In response to the spread of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19.

On March 25, 2020, Wisconsin's "safer-at-home" order (the "Order") went into effect, which orders the closure of all non-essential business and operations until April 24, 2020 and was subsequently extended until May 26, 2020 (with certain exceptions as provided in the Order). In addition, the deadline for payment of State income taxes was extended to match the federal deadline of July 15, 2020.

On April 21, 2020, Republican legislators in the State filed a lawsuit challenging the legality of the Order. On May 13, 2020, the Wisconsin Supreme Court ruled that the Order is unlawful, invalid and unenforceable because the emergency rulemaking procedures under Section 227.24 of the Wisconsin Statutes and procedures established by the Wisconsin Legislature for rulemaking if criminal penalties were to follow were not followed in connection with the Order. The Supreme Court's decision does not invalidate any local health officials' orders or prevent future local health officials' orders related to the COVID-19 pandemic. In addition, the ruling did not change the mandated closure of school buildings through June 30, 2020. On October 6, 2020, Emergency Order #3 was issued, which limited public gatherings to no more than 25% of the total occupancy limits for the room or building (or no more than 10 people for indoor spaces without an occupancy limit), with certain exceptions. Emergency Order #3 expired November 6, 2020.

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provides for federal payments from the Coronavirus Relief Fund to the State for the discrete purpose of covering expenses directly incurred as a result of COVID-19 between March 1 and December 30, 2020. On May 27, 2020, Governor Tony Evers announced a program titled, "Routes to Recovery: Local Government Aid Grants," which will distribute \$190 million of the State's Coronavirus Relief Fund monies to all counties, cities, villages and towns across Wisconsin for unbudgeted eligible expenditures incurred due to COVID-19 between March 1 and October 31, 2020. The State allocated funds based on population with a guaranteed minimum allocation of \$5,000. The City's allocation was \$785,467. These funds were disbursed up to the amount of the allocation after eligible expenditures were reported through the State's cost tracker application. On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 ("ARPA"), which provides local governments an additional \$130.2 billion, including \$45.6 billion for cities, through the

Coronavirus Local Fiscal Recovery Fund. These funds can be used to mitigate increased expenditures, lost revenue, and economic hardship related to the COVID-19 pandemic, with half received in 2021 and half to be received in 2022. The City's allocation is \$24,663,875, and the City has received certain other funding from the State under ARPA for City health services.

The effects of the spread of COVID-19 and the government and private responses to the spread continue to evolve. COVID-19 has caused significant disruptions to the global, national and State economy. The extent to which the coronavirus continues to impact the City and its financial condition will depend on future developments, which are uncertain and cannot be predicted by the City, including the duration of the outbreak and future measures taken to address the outbreak.

## **LEGAL MATTERS**

Legal matters incident to the authorization and issuance of the Securities are subject to the unqualified approving legal opinions of Quarles & Brady LLP, Bond Counsel. Such opinions will be issued on the basis of the law existing at the time of the issuance of the Securities. A copy of such opinions will be available at the time of the delivery of the Securities.

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

Quarles & Brady LLP from time to time serves as counsel to the Financial Advisor with respect to issuers other than the City and transactions other than the issuance of the Securities.

## **MATHEMATICAL VERIFICATION**

Causey Demgen & Moore P.C., Denver, Colorado, a firm of independent certified public accountants, upon delivery of the 2021C Bonds, will deliver to the City its verification report indicating that it has verified, in accordance with standards established by the American Institute of Certified Public Accountants, the mathematical accuracy of computations prepared by Robert W. Baird & Co. Incorporated relating to the sufficiency of the anticipated receipts from the U.S. Treasury Obligations, together with the initial cash deposit, if any, to pay, when due, the principal, interest and early redemption premium requirements, if any, of the advance refunded obligations.

The report of Causey Demgen & Moore P.C. will include the statement that the scope of their engagement was limited to verifying the mathematical accuracy of the computations contained in such schedules provided to them and that they have no obligation to update their report because of events occurring, or data or information coming to their attention, subsequent to the date of their report.

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

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 Securities would not occur.

### **FINANCIAL ADVISOR**

Robert W. Baird & Co. Incorporated, Milwaukee, Wisconsin, has been retained as financial advisor (the “Financial Advisor” or “Baird”) in connection with the issuance of the Securities. To the best of the Financial Advisor’s knowledge, the information contained in this Official Statement is true and accurate. However, the Financial Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information.

The Financial Advisor’s duties, responsibilities, and fees in connection with this issuance arise solely from the services for which it is engaged to perform as financial advisor on the Securities. Baird’s compensation for serving as financial advisor on the Securities is conditional on the successful closing of the Securities.

### **MISCELLANEOUS**

Any statement made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement by its Clerk has been duly authorized by the City.

### **AUTHORIZATION**

This Official Statement has been approved for distribution to prospective purchasers and the Underwriters of the Securities. The City, acting through its City Clerk will provide to the Underwriters of the Securities at the time of delivery of the Securities, certificates confirming that, to the best of its knowledge and belief, the Official Statement with respect to the Securities, together with any supplements thereto, at the time of execution of the Approving Certificates and at the time of delivery of the Securities, was true and correct in all material respect and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated, where necessary to make the statements in light of the circumstances under which they were made, not misleading.

### **CITY OF WAUWATOSA**

By /s/ Steven Braatz  
City Clerk

## **APPENDIX A**

### **BASIC FINANCIAL STATEMENTS AND RELATED NOTES FOR THE YEAR ENDED DECEMBER 31, 2020**

**CITY OF WAUWATOSA  
MILWAUKEE COUNTY, WISCONSIN**

**CLIFTONLARSONALLEN LLP  
MILWAUKEE, WISCONSIN**

A copy of the City's Basic Financial Statements and Related Notes for the fiscal year ended December 31, 2020, including the accompanying independent auditor's report, is included as Appendix A to this Official Statement. Potential purchasers should read such 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, assessment, procedures or evaluation with respect to such financial statements since the date thereof, or relating 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 Securities, the City represents that there has 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.

**CITY OF WAUWATOSA, WISCONSIN**

**ANNUAL FINANCIAL REPORT**

**YEAR ENDED DECEMBER 31, 2020**

**PREPARED BY:  
CITY OF WAUWATOSA, WISCONSIN  
FINANCE DEPARTMENT  
JOHN RUGGINI, FINANCE DIRECTOR**



**WEALTH ADVISORY | OUTSOURCING  
AUDIT, TAX, AND CONSULTING**

**[CLAconnect.com](http://CLAconnect.com)**

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## INDEPENDENT AUDITORS' REPORT

Common Council  
City of Wauwatosa, Wisconsin  
Milwaukee County, Wisconsin

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wauwatosa, Wisconsin, as of and for the year ended December 31, 2020, and the respective budgetary comparison for the General Fund and Tax Incremental District Fund for the year then ended, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***Opinions***

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

***Other Matters***

***Required Supplementary Information***

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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, and historical context. Our opinions on the basic financial statements are not affected by this information.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wauwatosa, Wisconsin's basic financial statements. The combining and individual fund financial statements and schedules, the introductory section, and the statistical tables listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 2, 2021, on our consideration of the City of Wauwatosa, Wisconsin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City of Wauwatosa, Wisconsin's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Wauwatosa, Wisconsin's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Milwaukee, Wisconsin  
August 2, 2021

## **BASIC FINANCIAL STATEMENTS**

**CITY OF WAUWATOSA, WISCONSIN  
STATEMENT OF NET POSITION  
DECEMBER 31, 2020**

	Governmental Activities	Business- Type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 78,668,094	\$ 19,813,370	\$ 98,481,464
Receivables (Net of Allowance for Uncollectible Accounts)	38,361,059	7,252,534	45,613,593
Internal Balances	1,857,278	(1,857,278)	-
Prepaid Items	1,334,869	95,017	1,429,886
Deposit in Cities and Villages Mutual Insurance Company	1,184,453	-	1,184,453
Restricted Assets:			
Cash and Investments	-	2,433,464	2,433,464
Designated Assets - Cash and Cash Equivalents	-	3,588,966	3,588,966
Unamortized Maintenance Costs	-	385,196	385,196
Net Pension Asset	9,342,193	249,358	9,591,551
Nonutility Property	-	2,684	2,684
Capital Assets, not Being Depreciated	28,247,456	4,235,985	32,483,441
Capital Assets, Being Depreciated, Net of Accumulated Depreciation	<u>108,692,356</u>	<u>163,074,974</u>	<u>271,767,330</u>
Total Assets	<u>267,687,758</u>	<u>199,274,270</u>	<u>466,962,028</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts Related to the Pension	21,939,546	585,596	22,525,142
Deferred Amounts Related to the OPEB	<u>7,125,713</u>	<u>-</u>	<u>7,125,713</u>
Total Deferred Outflows of Resources	<u>29,065,259</u>	<u>585,596</u>	<u>29,650,855</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	9,666,663	4,036,300	13,702,963
Accrued Interest Payable	1,112,101	392,999	1,505,100
Deposits and Unearned Revenue	99,501	-	99,501
Due to Other Governments	43,090	-	43,090
Liabilities Payable from Restricted Assets	-	1,125,000	1,125,000
Noncurrent Liabilities:			
Due Within One Year	14,709,894	6,559,152	21,269,046
Due in More than One Year	103,344,415	55,717,853	159,062,268
OPEB Liability	<u>31,826,205</u>	<u>-</u>	<u>31,826,205</u>
Total Liabilities	<u>160,801,869</u>	<u>67,831,304</u>	<u>228,633,173</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts Related to the Pension	28,014,456	747,749	28,762,205
Deferred Amounts Related to the OPEB	1,053,588	-	1,053,588
Subsequent Year Tax Levy	<u>54,113,842</u>	<u>-</u>	<u>54,113,842</u>
Total Deferred Inflows of Resources	<u>83,181,886</u>	<u>747,749</u>	<u>83,929,635</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	80,430,351	107,678,583	188,108,934
Restricted for Debt Service	2,774,989	2,433,464	5,208,453
Restricted for Pension Obligations	9,342,193	249,358	9,591,551
Restricted for Other	1,290,585	-	1,290,585
Unrestricted (Deficit)	<u>(41,068,856)</u>	<u>20,919,408</u>	<u>(20,149,448)</u>
<b>TOTAL NET POSITION</b>	<u>\$ 52,769,262</u>	<u>\$ 131,280,813</u>	<u>\$ 184,050,075</u>

See accompanying Notes to Financial Statements.

**CITY OF WAUWATOSA, WISCONSIN  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2020**

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating	Capital	Governmental Activities	Business-type Activities	Totals
			Grants and Contributions	Grants and Contributions			
<b>Governmental Activities:</b>							
General Government	\$ 7,164,893	\$ 1,300,498	\$ 39,014	\$ -	\$ (5,825,381)	\$ -	\$ (5,825,381)
Protection of Persons and Property	35,427,795	6,276,285	266,751	-	(28,884,759)	-	(28,884,759)
Health and Sanitation	4,450,891	140,173	1,166,654	-	(3,144,064)	-	(3,144,064)
Highway and Transportation	8,946,980	565,168	4,040,224	-	(4,341,588)	-	(4,341,588)
Education and Recreation	5,483,835	444,993	(152,755)	-	(5,191,597)	-	(5,191,597)
Conservation and Development	6,901,640	1,800	984,816	-	(5,915,024)	-	(5,915,024)
Interest and Fiscal Charges	2,881,250	-	-	-	(2,881,250)	-	(2,881,250)
Loss on Sale of Capital Assets	-	-	-	-	-	-	-
Total Governmental Activities	<u>71,257,284</u>	<u>8,728,917</u>	<u>6,344,704</u>	<u>-</u>	<u>(56,183,663)</u>	<u>-</u>	<u>(56,183,663)</u>
<b>Business-Type Activities:</b>							
Water Utility	7,491,489	9,184,878	-	-	-	1,693,389	1,693,389
Sanitary Sewer	7,573,712	9,573,553	499,787	-	-	2,499,628	2,499,628
Storm Water Management	2,738,888	5,674,462	-	87,880	-	3,023,454	3,023,454
Total Business-Type Activities	<u>17,804,089</u>	<u>24,432,893</u>	<u>499,787</u>	<u>87,880</u>	<u>-</u>	<u>7,216,471</u>	<u>7,216,471</u>
Total	<u>\$ 89,061,373</u>	<u>\$ 33,161,810</u>	<u>\$ 6,844,491</u>	<u>\$ 87,880</u>	<u>(56,183,663)</u>	<u>7,216,471</u>	<u>(48,967,192)</u>
<b>General Revenues:</b>							
<b>Taxes:</b>							
Property Taxes, Levied for General Purposes and Debt Service					44,547,725	-	44,547,725
Property Taxes, Levied for TIF					9,091,431	-	9,091,431
Other Taxes					1,151,892	-	1,151,892
Intergovernmental Revenues not Restricted to Specific Programs					2,950,584	-	2,950,584
Investment Income					2,197,727	145,188	2,342,915
Total General Revenues					<u>59,939,359</u>	<u>145,188</u>	<u>60,084,547</u>
Transfers					1,082,417	(1,082,417)	-
Change in Net Position					<u>4,838,113</u>	<u>6,279,242</u>	<u>11,117,355</u>
<b>NET POSITION - BEGINNING OF YEAR</b>					<u>47,931,149</u>	<u>125,001,571</u>	<u>172,932,720</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ 52,769,262</u>	<u>\$ 131,280,813</u>	<u>\$ 184,050,075</u>

See accompanying Notes to Financial Statements.

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

			<u>Capital Projects</u>			
	General Fund	Special Revenue Fund Tax Incremental District Fund	Debt Service Fund	General Obligation Debt Issue Fund		
<b>ASSETS</b>						
Cash and Investments	\$ 43,830,642	\$ 7,711,556	\$ 55,293	\$ 8,169,453	\$ 5,097,912	\$ 64,864,856
Taxes Receivable	27,085,660	4,552,791	-	-	128,041	31,766,492
Delinquent Personal Property Taxes	168,288	-	-	-	-	168,288
Special Assessments Receivable:						
Due in Installments	365	-	-	-	515,848	516,213
Accounts Receivable, Net	1,287,873	300,000	1,725,000	1,574,144	-	4,887,017
Accrued Investment Income Receivable	178,865	-	-	-	-	178,865
Notes Receivable	115,000	-	-	-	-	115,000
Other Accrued Receivables	311,360	-	-	-	235,026	546,386
Due from Other Funds	1,251,364	-	-	-	-	1,251,364
Prepayments	2,018	8,350	-	1,117,450	-	1,127,818
Advance to Other Funds	1,473,759	-	-	-	300,000	1,773,759
	<u>\$ 75,705,194</u>	<u>\$ 12,572,697</u>	<u>\$ 1,780,293</u>	<u>\$ 10,861,047</u>	<u>\$ 6,276,827</u>	<u>\$ 107,196,058</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ 2,332,925	\$ 571,282	\$ -	\$ 1,714,714	\$ 948,905	\$ 5,567,826
Accrued Payroll	1,888,181	-	-	-	-	1,888,181
Unearned Revenues	-	-	-	-	99,501	99,501
Due to Other Governments	43,090	-	-	-	-	43,090
Due to Other Funds	910,592	-	-	-	168,947	1,079,539
Advance from Other Funds	-	1,773,759	-	-	-	1,773,759
Total Liabilities	<u>5,174,788</u>	<u>2,345,041</u>	<u>-</u>	<u>1,714,714</u>	<u>1,217,353</u>	<u>10,451,896</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Subsequent Year Tax Levy	45,490,976	8,120,859	-	502,007	-	54,113,842
Special Assessments	-	-	-	-	515,848	515,848
Other Accounts Receivable	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>45,490,976</u>	<u>8,120,859</u>	<u>-</u>	<u>502,007</u>	<u>515,848</u>	<u>54,629,690</u>
<b>FUND BALANCES</b>						
Nonspendable	1,759,065	8,350	-	1,117,450	-	2,884,865
Restricted	-	2,098,447	1,780,293	4,775,833	1,290,585	9,945,158
Assigned	1,221,928	-	-	2,751,043	3,360,769	7,333,740
Unassigned	22,058,437	-	-	-	(107,728)	21,950,709
Total Fund Balances	<u>25,039,430</u>	<u>2,106,797</u>	<u>1,780,293</u>	<u>8,644,326</u>	<u>4,543,626</u>	<u>42,114,472</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 75,705,194</u>	<u>\$ 12,572,697</u>	<u>\$ 1,780,293</u>	<u>\$ 10,861,047</u>	<u>\$ 6,276,827</u>	

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

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.	129,585,817
Long-term pension related liability, deferred outflows and deferred inflows are not related to the current period and, therefore, are not reported in the funds.	3,267,283
Internal service funds net position	(7,395,539)
Other long-term assets that are not available to pay for current-period expenditures and therefore are deferred in the funds.	
Special assessments	515,848
Other accounts receivable	-
Some liabilities, including long-term debt, are not due and payable in the current period and therefore are not reported in the funds.	(115,318,619)
	<u>\$ 52,769,262</u>

See accompanying Notes to Financial Statements.

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

	General Fund	Special Revenue Fund Tax Incremental District Fund	Debt Service Fund	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
				General Obligation Debt Issue Fund		
<b>REVENUES</b>						
Taxes	\$ 45,699,617	\$ 9,091,431	\$ -	\$ -	\$ -	\$ 54,791,048
Intergovernmental Revenues	6,891,759	22,495	-	1,579,989	918,266	9,412,509
Licenses and Permits	1,611,120	-	-	-	-	1,611,120
Penalties and Forfeitures	838,535	-	-	-	-	838,535
Public Improvement Revenues	12,694	-	-	-	647,796	660,490
Public Charges for Services	2,710,614	-	-	-	889,324	3,599,938
Intergovernmental Charges for Services	1,749,411	-	-	-	-	1,749,411
Commercial Revenues	2,237,889	59,542	58,410	191,116	72,585	2,619,542
<b>Total Revenues</b>	<b>61,751,639</b>	<b>9,173,468</b>	<b>58,410</b>	<b>1,771,105</b>	<b>2,527,971</b>	<b>75,282,593</b>
<b>EXPENDITURES</b>						
Current:						
General Government	6,335,581	-	-	2,355	-	6,337,936
Protection of Persons and Property	33,801,282	-	-	-	468,973	34,270,255
Health and Sanitation	4,475,507	-	-	-	-	4,475,507
Highway and Transportation	5,008,029	-	-	-	-	5,008,029
Education and Recreation	-	-	-	-	4,782,962	4,782,962
Conservation and Development	1,828,476	3,558,649	-	10,808	1,499,179	6,897,112
Unclassified	333,949	-	-	-	-	333,949
Debt Service:						
Principal	-	3,710,457	7,868,811	-	-	11,579,268
Interest and Other Fiscal Charges	-	83,924	2,423,520	-	-	2,507,444
Capital Outlay	518	334,726	-	9,886,789	2,190,706	12,412,739
<b>Total Expenditures</b>	<b>51,783,342</b>	<b>7,687,756</b>	<b>10,292,331</b>	<b>9,899,952</b>	<b>8,941,820</b>	<b>88,605,201</b>
Excess of Revenues Over (Under) Expenditures	9,968,297	1,485,712	(10,233,921)	(8,128,847)	(6,413,849)	(13,322,608)
<b>OTHER FINANCING SOURCES (USES)</b>						
Long-Term Debt Issued	-	1,646,814	-	6,295,000	-	7,941,814
Premium on Long-Term Debt	-	-	276,570	-	-	276,570
Proceeds from the Sale of Land	5,000	-	-	-	-	5,000
Transfers In	1,104,917	88,510	9,784,867	1,443,215	5,329,422	17,750,931
Transfers Out	(10,988,863)	(3,117,850)	-	(288,511)	(1,426,441)	(15,821,665)
<b>Net Change in Fund Balances</b>	<b>89,351</b>	<b>103,186</b>	<b>(172,484)</b>	<b>(679,143)</b>	<b>(2,510,868)</b>	<b>(3,169,958)</b>
Fund Balances - Beginning of Year	24,950,079	2,003,611	1,952,777	9,323,469	7,054,494	45,284,430
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 25,039,430</b>	<b>\$ 2,106,797</b>	<b>\$ 1,780,293</b>	<b>\$ 8,644,326</b>	<b>\$ 4,543,626</b>	<b>\$ 42,114,472</b>

See accompanying Notes to Financial Statements.

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

Net Change in Fund Balances - Total Governmental Funds	\$ (3,169,958)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>Governmental funds report capital outlays as expenditures. However in the statement of net position, the cost of these assets are capitalized and they are depreciated over their useful lives and reported estimated useful lives and reported as depreciation expense in the statement of activities.</p>	
Capital outlay is reported as capital outlay expenditure in the fund financial statements, but is capitalized in the government-wide financial statements.	12,412,739
Some items reported as capital outlay were not capitalized.	377,709
Capital assets purchased in the current year by the governmental funds on behalf of the internal service funds are reported as capital outlay on the fund financial statements and capital contributions on the internal service fund statements, but are eliminated on the government-wide statements	(1,668,326)
Depreciation is reported in the government-wide financial statements	(6,117,702)
Debt proceeds provide 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. This is the amount by which proceeds (\$7,941,814) were less than the repayments (\$11,579,268).	3,637,454
<p>Governmental funds report debt premiums, discounts, as other financing sources (uses) or expenditures. However, in the statement of net position, these are deferred and reported as other assets or adjustments to long-term debt. They are amortized over the period the debt is outstanding in the statement of activities and are reported as interest expense.</p>	
Premium on debt issued	(276,570)
Amortization of debt premium	203,610
Revenues in the statement of activities are recognized when earned, whereas revenues that do not provide current financial resources are not reported as revenues in the funds.	(267,995)
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. This amount represents the increase in accrued interest payable (\$577,416), the decrease in accrued vacation payable (\$801,256), and an increase in expenses related to pension activity (\$93,075).	(1,471,747)
Some expenses in the governmental funds are recorded as a reduction in long-term liabilities in the statement of net position. This amount represents payments on landfill closure obligation.	7,650
The net revenue (expense) of internal service funds is reported with governmental activities.	1,171,248
Change in Net Position of Governmental Activities	\$ 4,838,112

See accompanying Notes to Financial Statements.

**CITY OF WAUWATOSA, WISCONSIN  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND  
YEAR ENDED DECEMBER 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 46,275,520	\$ 45,784,540	\$ 45,699,617	\$ (84,923)
Intergovernmental Revenues	5,953,221	6,940,620	6,891,759	(48,861)
Licenses and Permits	1,515,339	1,746,559	1,611,120	(135,439)
Fines, Penalties and Forfeitures	1,235,000	835,000	838,535	3,535
Public Improvement Revenues	7,000	15,847	12,694	(3,153)
Public Charges for Services	3,079,963	2,862,688	2,710,614	(152,074)
Intergovernmental Charges for Services	1,711,309	1,732,782	1,749,411	16,629
Commercial Revenues	<u>2,270,516</u>	<u>3,182,023</u>	<u>2,237,889</u>	<u>(944,134)</u>
Total Revenues	<u>62,047,868</u>	<u>63,100,059</u>	<u>61,751,639</u>	<u>(1,348,420)</u>
<b>EXPENDITURES</b>				
General Government	6,147,698	6,708,097	6,335,581	372,516
Protection of Persons and Property	33,742,573	34,387,599	33,801,282	586,317
Health and Sanitation	4,154,588	4,344,170	4,475,507	(131,337)
Highway and Transportation	4,862,080	5,133,230	5,008,029	125,201
Conservation and Development	1,770,933	1,878,313	1,828,476	49,837
Unclassified	339,542	365,499	333,949	31,550
Capital Outlay	<u>7,000</u>	<u>101,690</u>	<u>518</u>	<u>101,172</u>
Total Expenditures	<u>51,024,414</u>	<u>52,918,598</u>	<u>51,783,342</u>	<u>1,135,256</u>
Excess of Revenues Over (Under) Expenditures	11,023,454	10,181,461	9,968,297	(213,164)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from the Sale of Land	-	5,000	5,000	-
Transfers in	1,162,933	1,162,933	1,104,917	(58,016)
Transfers out	<u>(12,187,387)</u>	<u>(11,337,283)</u>	<u>(10,988,863)</u>	<u>348,420</u>
Net Change in Fund Balances	<u>\$ (1,000)</u>	<u>\$ 12,111</u>	89,351	<u>\$ 77,240</u>
Fund Balances - Beginning of Year			<u>24,950,079</u>	
<b>FUND BALANCES - END OF YEAR</b>			<u>\$ 25,039,430</u>	

See accompanying Notes to Financial Statements.

**CITY OF WAUWATOSA, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –**  
**BUDGET AND ACTUAL – SPECIAL REVENUE FUND TAX INCREMENTAL DISTRICT FUND**  
**YEAR ENDED DECEMBER 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 8,547,971	\$ 8,547,971	\$ 9,091,431	\$ 543,460
Intergovernmental Revenues	101,930	101,930	22,495	(79,435)
Commercial Revenues	217,662	217,662	59,542	(158,120)
Total Revenues	<u>8,867,563</u>	<u>8,867,563</u>	<u>9,173,468</u>	<u>305,905</u>
<b>EXPENDITURES</b>				
Conservation and Development	4,859,181	5,159,181	3,558,649	1,600,532
Principal	2,909,000	2,909,000	3,710,457	(801,457)
Interest and Other Fiscal Charges	-	-	83,924	(83,924)
Capital Outlay	154,000	154,000	334,726	(180,726)
Total Expenditures	<u>7,922,181</u>	<u>8,222,181</u>	<u>7,687,756</u>	<u>715,151</u>
Excess of Revenues Over (Under) Expenditures	945,382	645,382	1,485,712	840,330
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-Term Debt Issued	2,500,000	2,500,000	1,646,814	(853,186)
Transfers In	-	-	88,510	88,510
Transfers Out	<u>(3,267,803)</u>	<u>(3,267,803)</u>	<u>(3,117,850)</u>	<u>149,953</u>
Net Change in Fund Balance	<u>\$ 177,579</u>	<u>\$ (122,421)</u>	103,186	<u>\$ 225,607</u>
Fund Balance - Beginning of Year			<u>2,003,611</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u><u>\$ 2,106,797</u></u>	

See accompanying Notes to Financial Statements.

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

	Business-Type Activities Enterprise Funds			Total Enterprise Funds	Governmental Activities
	Water	Sanitary Sewer	Storm Water Management		Internal Service Funds
<b>ASSETS</b>					
Current Assets:					
Cash, Cash Equivalents, and Temporary Investments	\$ 5,143,468	\$ 12,908,857	\$ 1,761,045	\$ 19,813,370	\$ 13,803,238
Receivables, Net	2,366,221	3,453,679	1,432,634	7,252,534	182,798
Due from Other Funds	364,925	356,066	189,601	910,592	-
Restricted Assets - Special Redemption Fund - Bond Principal and Interest Fund	1,093,735	-	-	1,093,735	-
Prepayments	95,017	-	-	95,017	207,051
<b>Total Current Assets</b>	<b>9,063,366</b>	<b>16,718,602</b>	<b>3,383,280</b>	<b>29,165,248</b>	<b>14,193,087</b>
Noncurrent Assets:					
Restricted Assets:					
Special Redemption Fund - Reserve Fund	1,339,729	-	-	1,339,729	-
Designated Cash - System Improvement	3,588,966	-	-	3,588,966	-
Unamortized Maintenance Costs	385,196	-	-	385,196	-
Nonutility Property	2,684	-	-	2,684	-
Net Pension Asset	154,387	35,439	59,532	249,358	-
Deposit in Cities and Villages Mutual Insurance Company	-	-	-	-	1,184,453
Capital Assets:					
Land	81,404	-	-	81,404	22,617
Buildings	1,297,465	96,527	161,181	1,555,173	3,644,299
Improvements Other than Buildings	68,754,280	80,938,082	67,798,701	217,491,063	-
Machinery and Equipment	2,865,661	1,380,636	-	4,246,297	16,286,272
Construction in Progress	351,380	1,466,786	2,336,415	4,154,581	306,513
Less: Accumulated Depreciation	(19,414,613)	(26,911,798)	(13,891,148)	(60,217,559)	(12,905,706)
Total Capital Assets, Net	<u>53,935,577</u>	<u>56,970,233</u>	<u>56,405,149</u>	<u>167,310,959</u>	<u>7,353,995</u>
<b>Total Noncurrent Assets</b>	<b>59,406,539</b>	<b>57,005,672</b>	<b>56,464,681</b>	<b>172,876,892</b>	<b>8,538,448</b>
<b>Total Assets</b>	<b>68,469,905</b>	<b>73,724,274</b>	<b>59,847,961</b>	<b>202,042,140</b>	<b>22,731,535</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Amounts Related to the Pension	362,570	83,229	139,797	585,596	-
Deferred Amounts Related to Other Postemployment Benefits Obligation	-	-	-	-	7,125,713
<b>Total Deferred Outflows of Resources</b>	<b>362,570</b>	<b>83,229</b>	<b>139,797</b>	<b>585,596</b>	<b>7,125,713</b>

See accompanying Notes to Financial Statements.

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

	Enterprise Funds			Total Enterprise Funds	Activities
	Water	Sanitary Sewer	Storm Water Management		Internal Service Funds
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	\$ 1,565,884	\$ 1,865,862	\$ 457,016	\$ 3,888,762	\$ 2,210,656
Accrued Payroll	147,038	-	-	147,038	-
Due to Other Funds	1,082,417	-	-	1,082,417	-
Deposits	500	-	-	500	-
Current Portion of Long-Term Debt	474,213	2,582,978	3,501,961	6,559,152	-
Current Portion of Capital Lease	-	-	-	-	13,508
Current Portion of OPEB Obligation	-	-	-	-	3,703,306
Accrued Interest Payable	252,927	79,557	60,515	392,999	-
Other Accrued Liabilities	-	-	-	-	117,469
Liabilities Payable from Restricted Assets:					
Accounts Payable - Construction Account	-	-	-	-	-
Current Portion of Long-Term Debt	1,125,000	-	-	1,125,000	-
Accrued Interest Payable	-	-	-	-	-
Total Current Liabilities	<u>4,647,979</u>	<u>4,528,397</u>	<u>4,019,492</u>	<u>13,195,868</u>	<u>6,044,939</u>
Noncurrent Liabilities:					
Long-Term Debt	23,672,909	16,667,279	15,377,665	55,717,853	-
Capital Lease	-	-	-	-	13,508
Net OPEB Obligation	-	-	-	-	31,826,205
Total Noncurrent Liabilities	<u>23,672,909</u>	<u>16,667,279</u>	<u>15,377,665</u>	<u>55,717,853</u>	<u>31,839,713</u>
Total Liabilities	28,320,888	21,195,676	19,397,157	68,913,721	37,884,652
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Amounts Related to the Pension	462,960	106,270	178,519	747,749	-
Deferred Amounts Related to Other Postemployment Benefits Obligation	-	-	-	-	1,053,588
Total Deferred Inflows of Resources	<u>462,960</u>	<u>106,270</u>	<u>178,519</u>	<u>747,749</u>	<u>1,053,588</u>
<b>NET POSITION</b>					
Net Investment in Capital Assets	32,378,440	37,740,753	37,559,390	107,678,583	7,353,995
Restricted for Debt Service	2,433,464	-	-	2,433,464	-
Unrestricted	5,236,723	14,764,804	2,852,692	22,854,219	(16,434,987)
Total Net Position	<u>\$ 40,048,627</u>	<u>\$ 52,505,557</u>	<u>\$ 40,412,082</u>	132,966,266	<u>\$ (9,080,992)</u>

Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities.

Net Position of Business-Type Activities (1,685,453)  
\$ 131,280,813

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

	Business-Type Activities Enterprise Funds			Total Enterprise Funds	Governmental Activities
	Water	Sanitary Sewer	Storm Water Management		Internal Service Funds
<b>OPERATING REVENUES</b>					
Charges for Services and Sales	\$ 8,767,601	\$ 9,573,553	\$ 5,674,462	\$ 24,015,616	\$ 6,896,617
Intergovernmental Revenues	-	-	-	-	65,325
Other Operating Revenues	417,277	-	-	417,277	11,809,071
Total Operating Revenues	<u>9,184,878</u>	<u>9,573,553</u>	<u>5,674,462</u>	<u>24,432,893</u>	<u>18,771,013</u>
<b>OPERATING EXPENSES</b>					
Operation and Maintenance	5,595,994	5,979,705	1,375,833	12,951,532	17,044,987
Depreciation	1,151,051	1,125,494	883,450	3,159,995	1,220,513
Taxes	114,342	-	-	114,342	-
Total Operating Expenses	<u>6,861,387</u>	<u>7,105,199</u>	<u>2,259,283</u>	<u>16,225,869</u>	<u>18,265,500</u>
Operating Income	2,323,491	2,468,354	3,415,179	8,207,024	505,513
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Dividend Income	-	-	-	-	33,400
Investment Income	61,784	63,897	19,507	145,188	-
Intergovernmental Income	-	499,787	87,880	587,667	-
Gain (Loss) on Sale or Trade of Assets	-	-	-	-	(10,500)
Interest on Long-Term Debt	(710,746)	(560,668)	(500,807)	(1,772,221)	-
Other Nonoperating income	-	-	-	-	15,359
Total Nonoperating Revenues (Expenses)	<u>(648,962)</u>	<u>3,016</u>	<u>(393,420)</u>	<u>(1,039,366)</u>	<u>38,259</u>
Income Before Capital Contributions and Transfers	1,674,529	2,471,370	3,021,759	7,167,658	543,772
<b>CAPITAL CONTRIBUTIONS</b>	-	-	-	-	1,668,326
<b>TRANSFERS IN</b>	36,783	-	-	36,783	255,000
<b>TRANSFERS OUT</b>	<u>(1,082,417)</u>	<u>-</u>	<u>(36,783)</u>	<u>(1,119,200)</u>	<u>(1,101,849)</u>
<b>CHANGE IN NET POSITION</b>	628,895	2,471,370	2,984,976	6,085,241	1,365,249
Net Position - Beginning of Year	<u>39,419,732</u>	<u>50,034,187</u>	<u>37,427,106</u>		<u>(10,446,241)</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 40,048,627</u>	<u>\$ 52,505,557</u>	<u>\$ 40,412,082</u>		<u>\$ (9,080,992)</u>
Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities.				194,001	
Change in Net Position of Business-Type Activities				<u>\$ 6,279,242</u>	

See accompanying Notes to Financial Statements.

**CITY OF WAUWATOSA, WISCONSIN**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2020**

	Business-Type Activities Enterprise Funds			Total Enterprise Funds	Governmental Activities
	Water	Sanitary Sewer	Storm Water Management		Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from Customers and Users	\$ 8,982,463	\$ 9,230,408	\$ 5,594,777	\$ 23,807,648	\$ 11,874,396
Payments from Other Funds	-	-	-	-	6,910,508
Payments to Suppliers	(3,293,113)	(4,929,777)	(562,531)	(8,785,421)	(17,236,434)
Payments to Employees	(1,557,951)	(294,709)	(362,269)	(2,214,929)	214,256
Net Cash Provided by Operating Activities	4,131,399	4,005,922	4,669,977	12,807,298	1,762,726
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Principal Paid on Noncapital Debt	(197,720)	(4,570)	(7,450)	(209,740)	-
Interest Paid on Noncapital Debt	-	(1,112)	(1,813)	(2,925)	-
Payments from Other Funds	91,284	-	-	91,284	255,000
Payments from (to) Other Funds	(856,511)	80,174	(5,788)	(782,125)	(1,101,849)
Net Cash (Provided) Used by Noncapital Financing Activities	(962,947)	74,492	(15,051)	(903,506)	(846,849)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from Long-Term Debt	3,710,000	1,180,000	2,750,000	7,640,000	-
Premium from Issuance of Long-Term Debt	128,842	32,523	118,439	279,804	-
Acquisition and Construction of Capital Assets	(4,752,185)	(2,273,009)	(4,523,628)	(11,548,822)	(193,364)
Proceeds from the Sale of Property, Plant, and Equipment	-	-	-	-	44,695
Grant Funds Received	-	499,787	87,880	587,667	-
Principal Paid on Capital Debt	(1,125,000)	(1,969,600)	(3,181,799)	(6,276,399)	(13,508)
Interest Paid on Capital Debt	(920,610)	(608,212)	(562,045)	(2,090,867)	-
Net Cash Used by Capital and Related Financing Activities	(2,958,953)	(3,138,511)	(5,311,153)	(11,408,617)	(162,177)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest and Dividends Received	61,784	63,897	19,507	145,188	33,400
Other	-	-	-	-	15,359
Net Cash Provided by Investing Activities	61,784	63,897	19,507	145,188	48,759
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	271,283	1,005,800	(636,720)	640,363	802,459
Cash and Cash Equivalents - Beginning of Year	10,894,615	11,903,057	2,397,765	25,195,437	13,000,779
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 11,165,898</u>	<u>\$ 12,908,857</u>	<u>\$ 1,761,045</u>	<u>\$ 25,835,800</u>	<u>\$ 13,803,238</u>

See accompanying Notes to Financial Statements.

**CITY OF WAUWATOSA, WISCONSIN**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2020**

	Business-Type Activities Enterprise Funds			Total Enterprise Funds	Governmental Activities
	Water	Sanitary Sewer	Storm Water Management		Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>					
Operating Income	\$ 2,323,491	\$ 2,468,354	\$ 3,415,179	\$ 8,207,024	\$ 505,513
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation Expense	1,151,051	1,125,495	883,448	3,159,994	1,220,514
Depreciation Charged to Other Accounts	11,316	-	-	11,316	-
Amortization of Maintenance Costs	96,299	-	-	96,299	-
(Increase) Decrease:					
Accounts Receivable	(202,415)	(343,145)	(79,685)	(625,245)	13,891
Unamortized Costs	(481,495)	-	-	-	-
Other Assets	154,655	-	-	154,655	(31,943)
Prepaid Items	(78,949)	-	-	(78,949)	-
Net Pension Liability	(401,739)	(56,312)	(104,410)	(562,461)	-
Deferred Outflows	308,819	(26,610)	(17,875)	-	(2,405,061)
Increase (Decrease):					
Accounts Payable	1,168,479	760,727	456,840	2,386,046	543,488
Accrued Payroll	58,999	-	-	58,999	-
Customer Deposits	-	-	-	-	-
Other Accrued Liabilities	(98,127)	-	-	(98,127)	6,080
Due to Other Funds	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Net OPEB Liability	-	-	-	-	2,128,831
Deferred Inflows Related to the Pension	121,015	77,413	116,480	314,908	(218,587)
Total Adjustments	1,807,908	1,537,568	1,254,798	4,817,435	1,257,213
Net Cash Provided by Operating Activities	<u>\$ 4,131,399</u>	<u>\$ 4,005,922</u>	<u>\$ 4,669,977</u>	<u>\$ 12,807,298</u>	<u>\$ 1,762,726</u>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>					
Capital Additions Contributed:					
Developers	\$ -	\$ -	\$ -	\$ -	\$ -
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,668,326</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS - PROPRIETARY FUNDS</b>					
Unrestricted Cash and Cash Equivalents	\$ 5,143,468	\$ 12,908,857	\$ 1,761,045	\$ 19,813,370	\$ 13,803,238
Restricted Cash and Cash Equivalents					
Special Redemption Funds:					
Bond Reserve Fund	1,339,729	-	-	1,339,729	-
Bond Principal and Interest Fund	1,093,735	-	-	1,093,735	-
Designated Cash - System Improvement	3,588,966	-	-	3,588,966	-
Cash and Cash Equivalents - End of Year	<u>\$ 11,165,898</u>	<u>\$ 12,908,857</u>	<u>\$ 1,761,045</u>	<u>\$ 25,835,800</u>	<u>\$ 13,803,238</u>

See accompanying Notes to Financial Statements.

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

	Private Purpose Trust Funds <u>Total</u>	Custodial Funds <u>Total</u>
<b>ASSETS</b>		
Cash and Investments	\$ 562,115	\$ 43,022,506
Taxes Receivable	-	59,935,270
Total Assets	\$ 562,115	\$ 102,957,776
<b>LIABILITIES</b>		
Special Deposits	\$ 4,948	\$ -
Due to Other Taxing Units	-	59,935,270
Total Liabilities	4,948	59,935,270
<b>DEFERRED INFLOWS</b>		
Tax Levy	-	43,022,506
<b>NET POSITION - RESTRICTED</b>	\$ 557,167	\$ -

See accompanying Notes to Financial Statements.

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

	Private Purpose Trust Funds	Custodial Funds
<b>ADDITIONS</b>		
Contributions	\$ 307,521	\$ -
Investment Income	138	-
Deposit receipts	-	-
Tax collections	-	71,284,257
Total Additions	307,659	71,284,257
<b>DEDUCTIONS</b>	53,623	71,284,257
<b>CHANGES IN NET ASSETS</b>	254,036	-
Net Position - Beginning of Year	303,131	210,767
<b>NET POSITION - END OF YEAR</b>	\$ 557,167	\$ 210,767

See accompanying Notes to Financial Statements.

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the City of Wauwatosa, Wisconsin (the City) conform to generally accepted accounting principles as applicable to governmental units.

**A. Reporting Entity**

This report includes all of the funds of the City of Wauwatosa, Wisconsin. The reporting entity for the City consists of a) the primary government, b) organizations for which the primary government is financially, accountable and c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and 1) it is able to impose its will on that organization or 2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity 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 is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; 3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. The Community Development Authority (the Authority) is reported as a blended component unit. The Authority serves the City and is governed by a seven member board appointed by the Mayor and approved by the Common Council, and provides services almost entirely to the primary government by managing certain Tax Incremental District (TID) development projects for the benefit of the City. The Authority does not issue separate financial statements.

**B. Government-Wide and Fund Financial Statements**

**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.

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

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

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

Government-Wide Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 reporting entity are organized into funds, each of which are considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows, liabilities, deferred inflows, net position/fund balance, revenues, and expenditure/expenses.

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

A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets and deferred outflows, liabilities and deferred inflows, 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 (that is; total governmental funds or total enterprise funds), 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.

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

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

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

Fund Financial Statements (Continued)

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.

*Special Revenue Fund Tax Incremental District Fund* – accounts for the City’s eight Tax Incremental Districts.

*Debt Service Fund* – used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

*Capital Projects Fund General Obligation Debt Issue Fund* – accounts for proceeds from long-term borrowing and other resources to be used for capital improvement projects.

The City reports the following major enterprise funds:

*Water Utility* – accounts for operations of the water system.

*Sanitary Sewer* – accounts for operations of the sewer system.

*Storm Water Management* – accounts for operations of the storm water management system.

The City reports the following nonmajor governmental:

*Nonmajor Governmental Funds*

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

- Special Assessments*
- Community Development Block Grant*
- Public Library*
- Parks*
- Redevelopment Reserve Fund*
- Community Development Fund*
- Hospital Policing Fund*
- Tourism Commission Fund*

Capital Projects Funds – used to account for resources to be used for capital improvement projects.

- Fleet Equipment*
- Information Systems Equipment*
- Municipal Complex*
- Public Works Building Improvement Reserve Fund*

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

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

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

Fund Financial Statements (Continued)

In addition, the City reports the following fund types:

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis. Funds included are *Fleet Maintenance, Public Works Building, General Liability, Workers Compensation Insurance, Employee Dental Insurance, Employee Health Insurance, Information Systems, and Municipal Building Complex*.

Private-purpose trust funds are used to report any trust arrangement not properly reported in a pension trust fund under which principal and income benefit individuals, private organizations, or other governments. Funds included are the *Firemen's Special Endowment, Bachman Flag Account, Land Conservation Account, Hart Park Senior Center, Automated License Plate Reader Association Fund, and Cemetery Perpetual Care Fund*.

Custodial funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. Funds included are *Special Deposits* and the *Subsequent Year's Tax Roll Collections*.

**C. 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, deferred outflows, liabilities, and deferred inflows 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 deferred inflows. 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.

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

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

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(Continued)**

Government-Wide Financial Statements (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water, sewer, and storm water 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.

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, other postemployment benefits 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 to the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and deferred inflows. Amounts received prior to the entitlement period are recorded as unearned revenues.

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 deferred inflows.

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

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

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

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(Continued)**

Fund Financial Statements (Continued)

The City reports deferred inflows on its governmental funds balance sheet. Deferred inflows arise from taxes levied in the current year which are for subsequent year's operations. Deferred inflows also arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues are recognized when resources are received before the City has a legal claim to them, as when grant monies are received prior to meeting all eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability or deferred inflow is removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund 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 proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Nonoperating revenues are reported for grants and contributions that are received and intended for general operational purposes. Grants received that are restricted to capital purchases are reported as capital contributions.

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, liabilities, deferred inflows 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.

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

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

**D. Assets, Liabilities, and Net Position or Equity**

**1. 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:

1. Time deposits in any credit union, bank, savings bank, trust company, or savings and loan association authorized to transact business in the state.
2. 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 by the Wisconsin Aerospace Authority.
3. Bonds or securities issued or guaranteed by the federal government.
4. The local government investment pool.
5. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
6. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
7. Repurchase agreements with public depositories, with certain conditions.

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

Investments, other than the Local Government Investment Pool, 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 quoted market prices. 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 to the General Fund and the TIF Fund based on average fund balance. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2020, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

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

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

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**2. 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 state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units in the accompanying custodial fund statement of net position.

Property tax calendar - 2020 tax roll:

Lien date and levy date	December 2020
Tax bills mailed	December 2020
Payment in full, or	January 31, 2020
First installment due	January 31, 2020
Second installment due	March 31, 2020
Third installment due	May 31, 2020
Personal property taxes in full	January 31, 2020
Tax deed - 2020 delinquent real estate taxes	October 2023

Accounts receivable have been shown net of an allowance for doubtful 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 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."

In the general fund, advances to other funds are classified as nonspendable fund balance to demonstrate that a portion of fund balance is not available for appropriation.

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

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

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**3. Prepaid Items**

Governmental fund prepaid supplies are charged to expenditure accounts when purchased. Year-end balances were not significant. Proprietary fund prepaid supplies are generally used for construction and for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, 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. Prepaid items are reported on the purchases method in the governmental funds.

**4. 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. Restricted net position represents cash and investments restricted for debt service and amount restricted for Pension obligations.

**5. Capital Assets**

**Government-Wide Statements**

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 \$10,000 for infrastructure assets, and an estimated useful life in excess of two years. Capital assets are valued at historical cost, less accumulated depreciation. Donated capital assets, donated works of art and similar items are reported at acquisition value. The costs of maintenance and repairs are charged to operations as incurred.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead. The cost of renewals and betterments relating to retirement units is added to capital assets. Donated capital assets, donated works of art and similar items and capital assets received in a service concession arrangement are valued at their acquisition value. The cost of property replaced, retired or otherwise disposed of, is deducted from capital assets and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

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

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

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

5. Capital Assets (Continued)

Government-Wide Statements (Continued)

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	20 to 40 Years
Land Improvements Other than Buildings	20 to 30 Years
Machinery and Equipment	2 to 23 Years
Utility System (Improvements Other than Buildings)	18 to 77 Years
Infrastructure	15 to 40 Years

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 way as in the government-wide statements.

6. Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the 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.

7. Other Postemployment Benefits (OPEB) Retiree Health Insurance

The City will pay a portion of health insurance premiums for employees retiring under certain conditions until the employee reaches age 65. Eligibility and benefit provisions are based on contractual agreements with employee union contracts or employee benefit policies.

The City funds these benefits on a pay-as-you-go basis and funding is expected to come primarily from the City's General Fund. The City has obtained an actuarial evaluation to determine the cost of these benefits. The net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense are reported on the government-wide financial statements as a governmental activities liability and on the fund-financial statements as an internal service fund liability.

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

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

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**8. Compensated Absences**

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only vacation benefits considered to be vested are disclosed in these statements. All vested vacation pay is accrued when incurred in the government-wide and proprietary 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, or are payable with expendable available resources. Payments for vacation will be made at rates in effect when the benefits are used. Historically, the balance of the compensated absences has been used in the subsequent year through use by active employees. As such, the ending balance has been classified as due within one year.

Accumulated vacation liabilities at December 31, 2020 are determined on the basis of current salary rates and include salary related payments. Employees, except police and fire employees, hired after January 1, 2008 but prior to January 1, 2015, that meet certain length of service or age requirements upon retirement, will receive their accumulated sick days, update to a maximum 156 days, paid into a retiree health savings plan at the rate of pay in effect upon retirement. Police and fire employees, hired after January 1, 2008, that meet certain length of service or age requirements upon retirement, will receive their accumulated sick days paid into a retiree health savings plan at the rate of pay in effect upon retirement. The liability for the accrued sick leave is recorded in the government-wide and proprietary financial statements to the extent that it is probable that the City will compensate the employees for the benefits through cash payments at the time of the employees' retirement rather than be taken as absences. The City has not estimated the probability of cash payments on accumulated sick leave, as the total accumulated sick leave earned by employees hired after January 1, 2008 is immaterial to the financial statements. Based on historical trends all compensated absences accrued at the end of the year are anticipated to be used within the next fiscal year. As such all absences are reported as current liabilities.

**9. 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, and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts is reported as other financing sources and payments of principal, interest and debt issuance costs are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

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

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

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**9. Long-Term Obligations/Conduit Debt (Continued)**

The City has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the City. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately \$5.0 million, made up of one issue.

**10. Claims and Judgments**

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year-end.

**11. Net Position and Fund Balance Classifications**

**Government-Wide Statements**

Net position is classified in three components:

- a. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability or deferred inflow relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or deferred inflows or if the liability will be liquidated with the restricted assets reported.
- c. The unrestricted component of net position is the amount of the assets and deferred outflows, net of the liabilities and deferred inflows that are not included in the determination of net investment in capital assets or the restricted components of net position.

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.

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

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

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**11. Net Position and Fund Balance Classifications (Continued)**

**Fund Statements**

In the governmental fund financial statements, governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either:

- a. not in spendable form; or
- b. legally or contractually required to be maintained intact.

Restricted fund balance is reported when constraints placed on the use of resources are either:

- a. externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
- b. imposed by law through constitutional provisions or enabling legislation.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by adopted resolution of the Common Council.

Assigned fund balance is reported for amounts that are constrained by the City management's intent to be used for specific purposes, but is neither restricted nor committed. Assignments are made by the City's Finance Director.

Unassigned fund balance is the residual classification for the General Fund or deficit balances in other funds.

When restricted, committed, assigned and unassigned resources are available for use for the same purposes it is the City's policy to use the restricted resources first, then committed, assigned, and unassigned resources as they are needed.

**E. Other Policies – Tax Incremental Districts**

1. In 2010, the City adopted the Resolution #10-73 creating "City of Wauwatosa Tax Incremental District No. 6" to encourage development of the city tax base, efficient use of land, buildings and public improvements and private investment. The Tax Incremental District has been created in compliance with the Wisconsin Statutes. Project costs are estimated at \$12 million. The costs are to be paid by future debt issues and other available funds. Property taxes to be generated in future years, measured by the increment in value of the property in the District over the base year, are to be used to retire the interest and principal of the debt issue. City has amended Tax Incremental District No. 6 through adoption of Resolution #R-15-198 and #13-32.

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

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

**E. Other Policies – Tax Incremental Districts (Continued)**

2. In 2012, the City adopted the Resolution #12-211 creating “City of Wauwatosa Tax Incremental District No. 7” to encourage development of the city tax base, efficient use of land, buildings and public improvements and private investment. The Tax Incremental District has been created in compliance with the Wisconsin Statutes. Project costs are estimated at \$10.8 million. The costs are to be paid by future debt issues and other available funds. Property taxes to be generated in future years, measured by the increment in value of the property in the District over the base year, are to be used to retire the interest and principal of the debt issue. City has amended Tax Incremental District No. 7 through adoption of Resolution #R16-21.
3. In 2014, the City adopted the Resolution #14-63 creating “City of Wauwatosa Tax Incremental District #8” to encourage development of the city tax base, efficient use of land, buildings and public improvements and private investment. The Tax Incremental District has been created in compliance with the Wisconsin Statutes. Project costs are estimated at \$13.1 million. The costs are to be paid by futures debt issues and other available funds. Property taxes generated in future years, measured by the increment in value of the property in the District over the base year, are to be used to retire the interest and principal of the debt issue.
4. In 2015, the City adopted the Resolution #15-84 creating “City of Wauwatosa Tax Incremental District #9” to promote development and redevelopment within the City. The Tax Incremental District has been created in compliance with the Wisconsin Statutes. Project costs are estimated at \$2.87 million. The costs are to be paid by the developer. Property taxes to be generated in future years, measured by the increment in value of the property in the District over the base year, are to reimburse the developer for the costs incurred in accordance with the project plan.
5. In 2015, the City adopted the Resolution #15-145 creating “City of Wauwatosa Tax Incremental District #10” to promote development and redevelopment within the City. The Tax Incremental District has been created in compliance with the Wisconsin Statutes. Project costs are estimated at \$4.9 million. The costs are to be paid by the developer. Property taxes to be generated in future years, measured by the increment in value of the property in the District over the base year, are to reimburse the developer for the costs incurred in accordance with the project plan.

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

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

**E. Other Policies – Tax Incremental Districts (Continued)**

6. In 2015, the City adopted the Resolution #15-217 creating “City of Wauwatosa Tax Incremental District #11” to promote development and redevelopment within the City. The Tax Incremental District has been created in compliance with the Wisconsin Statutes. Project costs are estimated at \$14.79 million. The costs are to be paid by future debt issues and other available funds. Property taxes generated in future years, measured by the increment in value of the property in the District over the base year, are to be used to retire the interest and principal of the debt issue.
7. In 2018, the City adopted the Resolution #18-15 creating “City of Wauwatosa Tax Incremental District #12” to promote development and redevelopment within the City. The Tax Incremental District has been created in compliance with Wisconsin Statutes. Project costs are estimated at \$19.6 million. The costs are to be paid by the future debt issues and other available funds. Property taxes generated in future years, measured by the increment in value of the property in the District over the base year, are to be used to retire interest and principal of the debt issue.

**F. Other Policies – New Accounting Pronouncements**

The GASB has adopted the following standards to be adopted in future financial statements of the City:

1. Statement No. 87 – *Leases* – will be adopted as part of the City’s financial statements as of December 31, 2021.
2. Statement No. 91 – *Conduit Debt Obligations* – will be adopted as part of the City’s financial statements as of December 31, 2022.
3. Statement No. 92 – *Omnibus 2020* – will be adopted as part of the City’s financial statements as of December 31, 2022.
4. Statement No. 93 – *Replacement of Interbank Offered Rates* – will be adopted as part of the City’s financial statements as of December 31, 2022.

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

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

**F. Other Policies – New Accounting Pronouncements (Continued)**

5. Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* – will be adopted as part of the City’s financial statements as of December 31, 2023.
6. Statement No. 96 – *Subscription-Based Information Technology Arrangements* – will be adopted as part of the City’s financial statements as of December 31, 2023.
7. Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans- an amendment of GASB Statements No. 14 and No. 84 , and a supersession of GASB Statement No. 32-* will be adopted as part of the City’s financial statements as of December 31, 2023.

**NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Statement of Net Position**

Long-term liabilities applicable to the City’s governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position.

Bonds and Notes Payable	\$ 109,335,524
Bond Premium	2,176,082
Compensated Absences	2,577,112
Accrued Interest Payable	1,112,101
Landfill Postclosure Liability	117,800
Combined Adjustment for Long-Term Liabilities	<u><u>\$ 115,318,619</u></u>

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

**NOTE 3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**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. A budget has been adopted for the General Fund and all Special Revenue Funds, except the Redevelopment Reserve Fund and the Community Development Fund, as well as the Debt Service Fund and all Capital Project Funds in accordance with Wisconsin Statute Section 65.90. The capital projects fund adopts a five-year capital improvement plan annually rather than an annual budget. No annual appropriated budget is adopted for the major capital project fund, General Obligation Debt Issue Fund.

The budgeted amounts presented include any amendments made. Management may authorize transfers of budgeted amounts within departments. Certain transfers between departments and changes to the overall budget must be approved by a two-thirds council action. Supplemental appropriations during the year were approximately \$1,699,715. Appropriations lapse at year-end unless specifically carried over. Carryovers to the following year were \$1,056,920. Expenditures are monitored by management at the department level for all funds.

**Deficit Fund Equity**

As of December 31, 2020 the following individual funds had deficit fund equity:

Nonmajor Governmental Funds:

Special Revenue Funds:

Community Development Block Grant	\$ 107,728
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Internal Service Funds:

Employee Health Insurance Fund	\$ 22,936,949
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The governmental fund deficits are anticipated to be funded with charges for services, future contributions, general tax revenue or long-term borrowing.

The Employee Health Insurance Fund deficit is the result of the long-term OPEB liability as described in Notes 5.B and 5.C. The City pays the related health and dental claims of retirees in the year they are billed. The City plans to continue pursuing efforts to manage this liability, including active management of the plan, continued negotiations through the collective bargaining process and other cost management strategies.

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

**NOTE 4 DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

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

	Carrying Value	Bank Balance
Petty Cash	\$ 25,515	\$ -
Deposits:		
Demand Deposits	60,102,241	60,504,377
Certificates of Deposit	25,186,202	25,204,746
Total Deposits	85,288,443	85,709,123
Investments:		
U.S. Agency Securities	11,702,734	11,702,734
Municipal Securities	17,902,798	17,902,798
Commercial Paper	1,000,750	1,000,750
Bankers Acceptances	-	-
Mutual Bond Fund	2,675,179	2,675,179
Investment Pools:		
WISC - Investment Class Fund	653,090	653,090
Local Government Investment Pool (LGIP)	28,840,006	28,840,006
Total Investments	62,774,557	62,774,557
Total Cash and Investments	\$ 148,088,515	\$ 148,483,680
Reconciliation to the Statement of Net Position:		
Unrestricted Cash and Investments	\$ 98,481,464	
Restricted Cash and Investments	2,433,464	
Designated Cash and Investments	3,588,966	
Fiduciary Funds:		
Private Purpose Trust Funds	562,115	
Agency Funds	43,022,506	
Total Cash and Investments	\$ 148,088,515	

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

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

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

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

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). Wells Fargo, Bank of Oklahoma, and BMO Harris Bank's SIPC membership provides account protection up to a maximum of \$500,000 per customer, of which \$250,000 may be in cash. Additionally, Wells Fargo, through Lexington Insurance Company, has additional securities coverage of \$1 billion per customer, subject to a \$1 billion aggregate limit and \$1.9 million limit on cash.

The City also maintains collateral agreements with certain depository banks to cover uninsured balances.

**Custodial Credit Risk**

*Deposits* – Custodial risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to the City. The City's investment policy does not address custodial credit risk for deposits.

As of December 31, 2020, \$10,727,477 of the City's bank balance of \$78,414,012 was exposed to custodial credit risk as uninsured and uncollateralized.

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

As of December 31, 2020, \$42,202,365 of the City's investment balance of \$76,767,251 was exposed to custodial credit risk as uninsured and uncollateralized.

**Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's investment policy does not address credit risk for investments.

Wisconsin Statutes limit investments in commercial paper and corporate bonds to securities which bear a rating in the top two rating categories issued by recognized statistical rating organizations. As of December 31, 2020 the City is exposed to credit risk with investments in the following:

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

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

<u>Investment Type</u>	<u>Fair Value</u>	<u>Moody's Rating</u>
Local Government Investment Pool	\$ 28,840,006	Unrated
WISC - Investment Class Fund	653,090	Unrated
U.S. Agency Securities	11,702,734	AAA
Municipal Securities	3,196,312	AAA
Municipal Securities	13,125,342	AA
Municipal Securities	1,080,959	A
Municipal Securities	500,185	Unrated
Commercial Paper	1,000,750	A-2
Mutual Bond Fund	2,675,179	Unrated
Total Fair Value of Investments Subject to Credit Risk	<u>\$ 62,774,557</u>	

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy does not address interest rate risk. As of December 31, 2020 the City's investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Months)</u>
U.S. Agency Securities	\$ 11,702,734	29.9
Municipal Securities	17,902,798	35.5
WISC - Investment Class Fund	653,090	0.0
Local Government Investment Pool	28,840,006	0.8
Commercial Paper	1,000,750	12.0
Mutual Bond Fund	2,675,179	0.7
Total Fair Value of Investments Subject to Credit Risk	<u>\$ 62,774,557</u>	

**Concentration of Credit Risk**

As of December 31, 2020, the City's investment portfolio did not hold investments from individual issuers which comprised over 5% of their investment balances.

**Fair Value Measurement**

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

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

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

Fair Value Measurement (Continued)

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

Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

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

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

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

The City has the following assets that are subject to fair value measurements as of:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Agency Securities	\$ 11,702,734	\$ -	\$ 11,702,734	\$ -
Municipal Securities	17,902,798	-	17,902,798	-
WISC - Investment Class Fund	653,090	-	653,090	-
Commercial Paper	1,000,750	-	1,000,750	-
Mutual Bond Fund	2,675,179	-	2,675,179	-
Total Fair Value of Investments	<u>\$ 33,934,551</u>	<u>\$ -</u>	<u>\$ 33,934,551</u>	<u>\$ -</u>

**B. Receivables**

Receivables as of year-end for the government’s individual major funds and nonmajor and fiduciary funds detailed according to source are displayed on the face of the fund financial statements. As of December 31, 2020, an allowance for uncollectible accounts has been established for ambulance billings of \$645,486.

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

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Receivables (Continued)**

On December 20, 2016, the City entered into a promissory note agreement with the Milwaukee Area Domestic Animal Control Commission (MADACC) to refinance \$575,000 of the promissory note executed July 1, 2015. The note has stated annual interest rate of 2.75%. Principal and interest payments are to be repaid through November 30, 2021. As of December 31, 2020, the outstanding principal on the note is \$115,000.

On December 20, 2016, the City entered into a promissory note agreement with the Milwaukee Area Domestic Animal Control Commission (MADACC) to refinance \$1,925,000 of the promissory note executed July 1, 2015. The note has stated annual interest rate ranging from 3.0 – 4.0%. Principal and interest are to be repaid through December 1, 2031. As of December 31, 2020, the outstanding principal on the note is \$1,725,000.

**C. Deferred Inflows**

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes receivable for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also report unearned 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 deferred inflows reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Tax Levy</u>	<u>Total</u>
Property Taxes Receivable	\$ -	\$ 54,113,842	\$ 54,113,842
Special Assessments	515,848	-	515,848
Total	<u>\$ 515,848</u>	<u>\$ 54,113,842</u>	<u>\$ 54,629,690</u>

**D. Restricted Assets**

Following is a list of restricted assets at December 31, 2020:

Business-Type Activities:

Cash and Investments:

Special Redemption Funds:

Bond Reserve Fund	\$ 1,339,729
Bond Principal and Interest Fund	1,093,735
Total Business-Type Activities	<u>\$ 2,433,464</u>

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

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Capital Assets**

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Land	\$ 24,590,639	\$ -	\$ -	\$ 24,590,639
Construction in Progress	661,843	3,576,785	581,811	3,656,817
Total Capital Assets not Being Depreciated	25,252,482	3,576,785	581,811	28,247,456
Capital Assets Being Depreciated:				
Buildings	28,336,709	248,652	-	28,585,361
Improvements	10,863,614	2,777,735	-	13,641,349
Machinery and Equipment	24,054,973	2,143,364	226,696	25,971,641
Infrastructure	119,631,801	4,842,884	1,655,095	122,819,590
Total Capital Assets Being Depreciated	182,887,097	10,012,635	1,881,791	191,017,941
Less: Accumulated Depreciation for:				
Buildings	14,016,653	679,040	-	14,695,693
Improvements	3,908,150	634,872	-	4,543,022
Machinery and Equipment	15,731,841	1,731,883	171,502	17,292,222
Infrastructure	43,133,525	4,292,420	1,631,297	45,794,648
Total Accumulated Depreciation	76,790,169	7,338,215	1,802,799	82,325,585
Capital Assets Being Depreciated, Net of Depreciation	106,096,928	2,674,420	78,992	108,692,356
Total Capital Assets, Net of Depreciation	<u>\$ 131,349,410</u>	<u>\$ 6,251,205</u>	<u>\$ 660,803</u>	<u>\$ 136,939,812</u>

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General Government	\$ 85,243
Protection of Persons and Property	964,006
Health and Sanitation	547
Highway and Transportation, which Includes the Depreciation of Infrastructure	4,300,351
Education and Recreation	767,555
Depreciation Expense-Allocated with Internal Service Fund	1,220,513
Total Governmental Activities Depreciation Expense	<u>\$ 7,338,215</u>

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

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Capital Assets (Continued)**

	Beginning Balance	Additions	Deletions	Ending Balance
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Business-Type Activities:				
Capital Assets not Being Depreciated:				
Land	\$ 81,405	\$ -	\$ -	\$ 81,405
Construction in Progress	1,720,329	4,508,192	2,073,940	4,154,581
Total Capital Assets not Being Depreciated	<u>1,801,734</u>	<u>4,508,192</u>	<u>2,073,940</u>	<u>4,235,986</u>
Capital Assets Being Depreciated:				
Buildings	1,314,886	296,514	56,228	1,555,172
Machinery and Equipment	3,240,576	1,176,009	170,288	4,246,297
Improvements Other Than Buildings	210,562,552	7,405,587	477,076	217,491,063
Total Capital Assets Being Depreciated	<u>215,118,014</u>	<u>8,878,110</u>	<u>703,592</u>	<u>223,292,532</u>
Less: Accumulated Depreciation for:				
Buildings	670,138	29,087	56,228	642,997
Machinery and Equipment	2,823,775	98,024	170,288	2,751,511
Improvements Other Than Buildings	54,255,917	3,044,210	477,076	56,823,051
Total Accumulated Depreciation	<u>57,749,830</u>	<u>3,171,321</u>	<u>703,592</u>	<u>60,217,559</u>
Capital Assets Being Depreciated, Net of Depreciation	<u>157,368,184</u>	<u>5,706,789</u>	<u>-</u>	<u>163,074,973</u>
Total Capital Assets, Net of Depreciation	<u>\$ 159,169,918</u>	<u>\$ 10,214,981</u>	<u>\$ 2,073,940</u>	<u>\$ 167,310,959</u>

Depreciation expense was charged to functions as follows:

Business-Type Activities:

Water Utility:

Depreciation	\$ 1,151,051
Depreciation Charged to Water Utility Operation and Maintenance Expenses	11,326
Depreciation Charged to Sanitary Sewer Expenses	<u>-</u>
	1,162,377

Sanitary Sewer

Storm Water Management

Total Business-Type Activities Depreciation Expense	<u>1,125,494</u>
	<u>883,450</u>
	<u>\$ 3,171,321</u>

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

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Interfund Receivables/Payables and Transfers**

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>
Governmental Funds:		
General Fund	Water Utility	\$ 1,082,417
General Fund	Nonmajor governmental funds	168,947
		<u>1,251,364</u>
Proprietary Funds:		
Sanitary Sewer	General Fund	356,066
Storm Water Management	General Fund	189,601
Water Utility	General Fund	364,925
		<u>910,592</u>
Total Interfund Receivables		<u><u>\$ 2,161,956</u></u>

The principal purpose of these interfund balances result 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.

The General Fund advanced \$2,000,000 to the Special Revenue Fund – Tax Incremental District No. 7 in 2015. This advance earns interest at 5.25%. The advance was issued to provide long-term financing. The remaining outstanding balance as of December 31, 2020 was \$1,473,759.

The Redevelopment Reserve Fund advance \$300,000 to the Special Revenue Fund – Tax Incremental District No. 7 in 2020. The advance was issued to provide long-term financing. The remaining outstanding balance as of December 31, 2020 was \$300,000.

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

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Interfund Receivables/Payables and Transfers (Continued)**

The following is a schedule of interfund transfers:

<u>Transferred To</u>	<u>Transferred From</u>	<u>Amount</u>
General Fund	Water Utility	\$ 1,082,417
	Sanitary Sewer	-
	Tax Increment Districts	22,500
		<u>1,104,917</u>
Debt Service Fund	General Fund	6,360,871
	Tax Increment Districts	3,095,351
	Nonmajor Governmental	328,645
		<u>9,784,867</u>
Capital Projects Fund - General Obligation Debt Issued	Tax Increment Districts	-
	General Fund	795,419
	Nonmajor Governmental	647,796
		<u>1,443,215</u>
Nonmajor Governmental Funds	General Fund	4,227,573
	Internal Service Funds	1,101,849
		<u>5,329,422</u>
		<u>\$ 17,662,421</u>
Reconciliation of Transfers In (Out):		
Governmental Funds Transfers In		\$ 17,662,421
Governmental Funds Transfers Out		(15,478,155)
Internal Service Funds Transfers Out		(1,101,849)
Governmental Activities Transfers In (Out) from Business-Type Activities		<u>\$ 1,082,417</u>

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

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Interfund Receivables/Payables and Transfers (Continued)**

Generally, transfers are used to (1) move revenue from the funds that collect 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 revenue collected in the General Fund to finance various program accounted for in other funds in accordance with budgetary authorizations (4) transfer assets purchased in one fund that relate to other funds.

**G. Long-Term Obligations**

Long-term obligations activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
General Obligation Debt:					
Promissory Notes and Bonds	\$ 77,460,345	\$ 6,295,000	\$ 7,868,811	\$ 75,886,534	\$ 8,290,849
Bond Premium	2,103,122	276,570	203,610	2,176,082	-
Total General Obligation Debt	<u>79,563,467</u>	<u>6,571,570</u>	<u>8,072,421</u>	<u>78,062,616</u>	<u>8,290,849</u>
Municipal Revenue Obligation	<u>35,512,633</u>	<u>1,646,814</u>	<u>3,710,457</u>	<u>33,448,990</u>	<u>-</u>
Total Bonds and Notes Payable	<u>115,076,100</u>	<u>8,218,384</u>	<u>11,782,878</u>	<u>111,511,606</u>	<u>8,290,849</u>
Other Liabilities:					
Capital Lease Obligations	40,524	-	13,508	27,016	13,508
Accrued Unused Vacation	1,887,246	2,834,585	2,027,250	2,694,581	2,694,581
Landfill Postclosure Liability	<u>125,450</u>	<u>-</u>	<u>7,650</u>	<u>117,800</u>	<u>7,650</u>
Total Other Liabilities	<u>2,053,220</u>	<u>2,834,585</u>	<u>2,048,408</u>	<u>2,839,397</u>	<u>2,715,739</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 117,129,320</u>	<u>\$ 11,052,969</u>	<u>\$ 13,831,286</u>	<u>\$ 114,351,003</u>	<u>\$ 11,006,588</u>
Business-Type Activities:					
Bonds and Notes Payable:					
General Obligation Debt	\$ 46,164,209	\$ 7,640,000	\$ 5,361,138	\$ 48,443,071	\$ 6,559,152
Revenue Bonds	14,705,000	-	1,125,000	13,580,000	1,125,000
Unamortized Bond Premium	<u>1,300,441</u>	<u>279,803</u>	<u>201,310</u>	<u>1,378,934</u>	<u>-</u>
Total Business-Type Activities					
Long-Term Liabilities	<u>\$ 62,169,650</u>	<u>\$ 7,919,803</u>	<u>\$ 6,687,448</u>	<u>\$ 63,402,005</u>	<u>\$ 7,684,152</u>

The City does not have any outstanding notes from direct borrowings and direct placements related to governmental or business-type activities.

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

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

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

Governmental Activities Debt

General Obligation Debt

General obligation debt of the governmental activities is shown below.

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Balance 12/31/20</u>
Promissory Notes	11/29/11	11/01/21	2.000 - 2.500	\$ 1,772,190	\$ 297,900
	08/21/12	06/01/22	0.350 - 2.250	6,675,000	1,550,000
	08/20/13	06/01/23	2.000 - 3.000	3,440,000	600,000
	12/02/14	12/01/24	1.000 - 3.000	7,430,000	4,240,000
	12/02/14	12/01/24	2.000 - 3.000	5,240,000	2,725,000
	04/01/15	10/01/35	3.000 - 5.000	6,200,000	5,475,000
	12/01/15	12/01/30	2.000 - 4.000	20,525,000	12,875,000
	12/01/15	12/01/30	2.250 - 3.650	7,400,000	5,050,000
	12/01/16	12/01/36	3.000 - 4.000	7,495,000	5,945,000
	12/06/16	12/01/31	3.000 - 4.000	1,925,000	1,725,000
	11/03/17	11/01/32	2.000 - 3.000	10,180,000	8,315,000
	11/20/18	11/01/34	3.750 - 4.500	3,690,000	3,340,000
	11/20/18	11/01/33	3.000 - 4.000	10,020,000	8,520,000
	11/20/18	11/01/28	3.000 - 4.000	6,500,000	1,010,000
	12/02/18	12/01/39	2.375 - 4.000	4,540,000	3,960,000
	12/02/18	12/01/39	2.500 - 3.000	1,260,000	1,190,000
	12/01/20	12/01/30	0.050 - 4.000	6,295,000	6,295,000
					<u>73,112,900</u>
Refunding Bonds	08/03/10	03/01/24	3.000 - 4.000	7,933,387	<u>2,773,634</u>
Total General Obligation Debt					<u><u>\$ 75,886,534</u></u>

Municipal Revenue Obligation

On July 30, 2015, the City entered into a developer agreement including a municipal revenue obligation payable to the Developer to reimburse actual costs expended by the Developer relating to approved TIF No. 6 project costs, as described in the project plan. The Developer completed eligible costs in 2015 of \$4,500,000 and became eligible for repayment beginning in 2016. The municipal revenue obligation is not a general obligation of the City, and is payable solely from the revenues and income derived by the tax increment of TIF No. 6. The outstanding balance as of December 31, 2020 was \$2,787,078.

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

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

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

Governmental Activities Debt (Continued)

*Municipal Revenue Obligation (Continued)*

On December 15, 2015, the City entered into a developer agreement including a municipal revenue obligation payable to the Developer to reimburse actual costs expended by the Developer relating to approved TIF No. 8 project costs, as described in the project plan. The Developer completed eligible costs in 2015 of \$1,500,000 and became eligible for repayment beginning in 2016. The municipal revenue obligation is not a general obligation of the City, and is payable solely from the revenues and income derived by the tax increment of TIF No. 8. The outstanding balance as of December 31, 2020 was \$186,122.

On December 15, 2015, the City entered into a developer agreement including a municipal revenue obligation payable to the Developer to reimburse actual costs expended by the Developer relating to approved TIF No. 9 project costs, as described in the project plan. The Developer completed eligible costs in 2015 of \$1,994,000 and became eligible for repayment beginning in 2017. The municipal revenue obligation is not a general obligation of the City, and is payable solely from the revenues and income derived by the tax increment of TIF No. 9. The outstanding balance as of December 31, 2020 was \$1,621,154.

On January 20, 2015, the City entered into a developer agreement including a municipal revenue obligation payable to the Developer to reimburse actual costs expended by the Developer relating to approved TIF No. 10 project costs, as described in the project plan. The Developer completed eligible costs in 2015 of \$4,500,000 and became eligible for repayment beginning in 2017. The municipal revenue obligation is not a general obligation of the City, and is payable solely from the revenues and income derived by the tax increment of TIF No. 10. The outstanding balance as of December 31, 2020 was \$2,702,917.

On December 18, 2015, the City entered into a developer agreement including a municipal revenue obligation payable to the Developer to reimburse actual costs expended by the Developer relating to approved TIF No. 11 project costs, as described in the project plan. The Developer completed eligible costs in 2015 of \$3,926,500 and became eligible for repayment beginning in 2017. The municipal revenue obligation is not a general obligation of the City, and is payable solely from the revenues and income derived by the tax increment of TIF No. 11. The outstanding balance as of December 31, 2020 was \$3,211,797.

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

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

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

Governmental Activities Debt (Continued)

Municipal Revenue Obligation (Continued)

On September 27, 2016, the City entered into a developer agreement including a municipal revenue obligation payable to the Developer to reimburse actual costs expended by the Developer relating to approved TIF No. 11 project costs, as described in the project plan. The Developer completed eligible costs in 2016 of \$1,438,269 and will become eligible for repayment beginning in 2019. The municipal revenue obligation is not a general obligation of the City, and is payable solely from the revenues and income derived by the tax increment of TIF No. 11. The outstanding balance as of December 31, 2020 was \$1,269,590.

On September 27, 2016, the City entered into a developer agreement including a municipal revenue obligation payable to the Developer to reimburse actual costs expended by the Developer relating to approved TIF No. 11 project costs, as described in the project plan. The Developer has not yet completed eligible costs of \$924,327 and is not yet eligible for repayment. The municipal revenue obligation is not a general obligation of the City, and is payable solely from the revenues and income derived by the tax increment of TIF No. 11. In 2020, the City determined the developer was no longer eligible to receive payment.

On November 7, 2017, the City entered into a developer agreement including a municipal revenue obligation payable to the Developer to reimburse actual costs expended by the Developer relating to approved TIF No. 7 project costs, as described in the project plan. The Developer completed eligible costs in 2017 of \$6,979,218 and will become eligible for repayment beginning in 2019. The municipal revenue obligation is not a general obligation of the City, and is payable solely from the revenues and income derived by the tax increment of TIF No. 17. The outstanding balance as of December 31, 2020 was \$6,179,849.

On October 25, 2018, the City entered into a developer agreement including a municipal revenue obligation payable to the Developer to reimburse actual costs expended by the Developer relating to approved TIF No. 12 project costs, as described in the project plan. The Developer completed eligible costs in 2018 of \$13,843,674 and will become eligible for repayment beginning in 2021. The municipal revenue obligation is not a general obligation of the City, and is payable solely from the revenues and income derived by the tax increment of TIF No. 12. The outstanding balance as of December 31, 2020 was \$13,843,674.

During 2020, the City entered into a developer agreement including a municipal revenue obligation payable to the Developer to reimburse actual costs expended by the Developer relating to approved TIF No. 8 project costs, as described in the project plan. The Developer completed eligible costs in 2020 of \$1,646,814 and will become eligible for repayment beginning in 2021. The municipal revenue obligation is not a general obligation of the City, and is payable solely from the revenues and income derived by the tax increment of TIF No. 8. The outstanding balance as of December 31, 2020 was \$1,646,814.

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

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

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

Governmental Activities Debt (Continued)

Capital Lease Obligations

The City has entered into lease agreements as lessee for financing the acquisition of various pieces of equipment for use in the governmental funds. Equipment acquired through these lease agreements includes various phone system equipment and the related five-year term licensing.

These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the date of their inception. The assets acquired through capital leases are as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>
2021	\$ 13,508
2022	<u>13,508</u>
Present Value of Minimum Lease Payments	<u><u>\$ 27,016</u></u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2020 were as follows:

	<u>Governmental Activities</u>
Equipment	\$ 67,540
Less: Accumulated Depreciation	<u>(40,524)</u>
Total	<u><u>\$ 27,016</u></u>

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

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

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

**Business-Type Activities Debt**

Debt of the business-type activities is shown below.

Type	Date of Loan	Interest Rate	Principal Payable	Interest Payable	Original Amount	Balance 12/31/20
<b>WATER</b>						
Waterworks System						
Revenue Bonds:						
Series 2010	10/25/10	3.000 - 4.000%	1/1/11-29	1/1&7/1	\$ 7,750,000	\$ -
Series 2011	11/29/11	2.000 - 3.000	1/1/13-22	1/1&7/1	2,400,000	575,000
Series 2013	11/19/13	1.750 - 4.125	1/1/15-34	1/1&7/1	4,575,000	3,450,000
Series 2016	06/21/16	2.000 - 3.500	1/1/17-36	1/1&7/1	4,225,000	3,475,000
Series 2017	11/03/17	3.000	1/1/19-37	1/1&7/1	3,000,000	2,800,000
Series 2018	11/20/18	4.000 - 3.750	1/1/19 -38	1/1&7/1	3,620,000	3,280,000
						<u>13,580,000</u>
General Obligation						
Refunding Bonds	08/03/10	1.750 - 5.000	3/1/11-24	3/1&9/1	360,359	126,019
Corporate Purpose Bonds	12/02/19	2.500 - 4.000	12/1/20-39	6/1&12/1	7,225,000	7,055,000
Corporate Purpose Bonds	12/01/20	0.050 - 4.000	12/1/21-30	6/1&12/1	3,710,000	3,710,000
Total Water Utility						<u>24,471,019</u>
<b>SANITARY SEWER</b>						
Promissory Notes:						
Series 2011	11/29/11	2.000 - 2.500	11/1/12-21	5/1&11/1	3,560,487	598,162
Series 2012	08/21/12	0.350 - 2.250	6/1/13-22	6/1&12/1	1,825,000	500,000
Series 2013	08/20/13	2.000 - 3.000	6/1/14-23	6/1&12/1	2,250,000	750,000
Series 2013	11/19/13	2.500 - 4.250	11/1/14-33	5/1&11/1	7,700,000	6,850,000
Series 2014	12/02/14	1.000 - 3.000	12/1/15-24	6/1&12/1	2,750,000	1,875,000
Series 2015	12/01/15	2.000 - 4.000	12/1/16-30	6/1&12/1	4,075,000	2,125,000
Series 2016	12/01/16	3.000 - 4.000	12/1/17-35	6/1&12/1	1,770,000	1,400,000
Series 2017	11/03/17	2.000 - 3.000	11/1/17-32	5/1&11/1	2,990,000	2,325,000
Series 2018	11/20/18	3.000 - 4.000	11/1/19-28	5/1&11/1	1,590,000	1,400,000
Series 2020	12/01/20	0.050 - 4.000	12/1/21-30	6/1&12/1	1,180,000	1,180,000
						<u>19,003,162</u>
General Obligation						
Refunding Bonds	08/03/10	1.750 - 5.000	3/1/11-24	3/1&9/1	59,409	20,990
Total Sanitary Sewer						<u>19,024,152</u>

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

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

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

**Business-Type Activities Debt (Continued)**

Type	Date of Loan	Interest Rate	Principal Payable	Interest Payable	Original Amount	Balance 12/31/20
<b>STORM WATER</b>						
<b>MAINTENANCE</b>						
Promissory Notes:						
Series 2011	11/29/11	2.000 - 2.500%	11/1/12-21	5/1&11/1	\$ 7,167,323	\$ 1,204,110
Series 2012	08/21/12	0.350 - 2.250	6/1/13-22	6/1&12/1	3,900,000	1,100,000
Series 2013	08/20/13	2.000 - 3.000	6/1/14-23	6/1&12/1	560,000	200,000
Series 2013	11/19/13	2.500 - 4.250	11/1/14-33	5/1&11/1	1,775,000	1,175,000
Series 2014	12/02/14	1.000 - 3.000	12/1/15-24	6/1&12/1	6,190,000	2,835,000
Series 2015	12/01/15	2.000 - 4.000	12/1/16-30	6/1&12/1	1,775,000	1,475,000
Series 2016	12/01/16	3.000 - 4.000	12/1/17-35	6/1&12/1	4,000,000	3,225,000
Series 2017	11/03/17	2.000 - 3.000	11/1/17-32	5/1&11/1	1,110,000	650,000
Series 2018	11/20/18	3.000 - 4.000	11/1/19-28	5/1&11/1	3,545,000	3,140,000
Series 2019	12/02/19	2.500 - 4.000	12/1/20-39	6/1&12/1	1,000,000	740,000
Series 2020	12/01/20	0.050 - 4.000	12/1/21-30	6/1&12/1	2,750,000	2,750,000
						18,494,110
General Obligation						
Refunding Bonds	08/03/10	1.750 - 5.000	3/1/11-24	3/1&9/1	96,845	33,790
Total Storm Water Maintenance						18,527,900
Total Business-Type Activities Debt						\$ 62,023,071

The Water Utility has \$13,580,000 in Waterworks System Revenue Bonds related to Water Utility capital projects outstanding at December 31, 2020. The bonds are not general obligations of the City of Wauwatosa and are payable from income and revenues derived from the operations of the system in accordance with the resolution adopted in conjunction with the issuance of the debt. The resolution creates a statutory mortgage lien upon the system and its revenues in accordance with Section 66 of Wisconsin Statutes. The Utility has established certain funds, as described in the resolution, to account for the allocation of the Utility's gross revenue and has deposited funds in compliance with the bond covenants. The Water system and the earnings of the system remain subject to the lien until payment in full of the principal and interest on the bonds. The revenues subject to the lien were \$9,184,878. Net revenue available for debt service was \$3,650,668, which represents a coverage ratio of 1.95 of debt service for the year ended December 31, 2020.

There are a number of limitations and restrictions contained in the bond indentures. The City believes it is in compliance with all significant limitations and restrictions.

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

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

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

Annual Maturities of General Obligation Debt, Redevelopment Lease Revenue Bonds, and Water System Revenue Bonds

Debt service requirements to maturity (exclusive of the municipal revenue obligation) are as follows:

	Governmental Long-Term Debt		Business-Type Long-Term Debt	
	Principal	Interest	Principal	Interest
2021	\$ 8,290,849	\$ 2,291,404	\$ 6,559,152	\$ 1,407,157
2022	7,765,981	2,055,141	5,879,019	1,239,684
2023	8,318,841	1,809,123	5,586,159	1,083,235
2024	8,336,396	1,555,555	5,238,604	929,766
2025	6,990,000	1,307,908	3,900,000	776,326
2025-2029	23,635,000	3,952,739	14,650,000	2,155,094
2030-2034	12,175,000	1,004,876	4,710,000	633,575
2035-2039	374,467	14,063	1,920,137	127,238
Totals	<u>\$ 75,886,534</u>	<u>\$ 13,990,809</u>	<u>\$ 48,443,071</u>	<u>\$ 8,352,075</u>

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.

Margin of Indebtedness

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2020, was \$343,191,930. Total general obligation debt outstanding at year-end was \$124,330,000.

Landfill Postclosure Liability

State and federal laws and regulations require the City to place a final cover on its landfill site and to perform certain maintenance and monitoring functions at the site after closure. Future landfill maintenance and monitoring costs are estimated to be a total of \$117,800 over the next 20 years. The liability for landfill closure and postclosure care is an estimate subject to changes resulting from inflation, deflation, technology, or changes in applicable laws or regulations.

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

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. Net Position/Fund Balances**

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

**Governmental Activities**

Net Investment in Capital Assets:	
Nondepreciated	\$ 28,247,456
Depreciated	108,692,356
Less: Related Debt Excluding Unspent Bond Proceeds	<u>(56,509,461)</u>
Total Net Investment in Capital Assets	80,430,351
Restricted for Debt Service	2,774,989
Restricted for Pension	9,342,193
Restricted for Other	1,290,585
Unrestricted	<u>(44,065,010)</u>
Total Governmental Activities Net Position	<u><u>\$ 49,773,108</u></u>

**Business-Type Activities**

Net Investment in Capital Assets:	
Land	\$ 81,405
Construction in Progress	4,154,581
Other Capital Assets, Net of Accumulated Depreciation	163,074,973
Less: Related Long-Term Debt Outstanding (Net of Unspent Proceeds of Debt)	<u>(59,632,240)</u>
Total Net Investment in Capital Assets	107,678,719
Restricted for Debt Service	2,433,464
Restricted for Pension	249,358
Unrestricted	<u>20,212,256</u>
Total Business-Type Activities Net Position	<u><u>\$ 130,573,797</u></u>

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

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. Net Position/Fund Balances (Continued)**

Governmental Fund Balances

Governmental fund balances reported on the fund financial statements at December 31, 2020 include the following:

Nonspendable:

Major Funds:

General Fund:

Prepayments and Inventories	\$ 2,018
Noncurrent Receivables	1,757,047
Special Revenue Fund - Tax Incremental District	
Prepayments	8,350
Capital Projects Fund - General Obligation Debt Issue Fund	
Prepayments	1,117,450
Total Nonspendable	2,884,865

Restricted:

Major Funds:

Special Revenue Fund - Tax Incremental District -	
Debt Service	2,098,447
Debt Service Fund	1,780,293
Capital Projects Fund - General Obligation Debt Issue Fund	4,775,833
Nonmajor Funds:	
Tourism Commission Fund	266,254
Community Development Fund	1,024,331
Total Restricted Fund Balance	9,945,158

Assigned:

Major Funds:

General Fund:

Capital Improvements	1,218,486
Parks	3,442
Total General Fund	1,221,928
Capital Projects Fund - General Obligation Debt Issue Fund	2,751,043

Nonmajor Funds:

Special Revenue Fund - Parks Fund	630,835
Special Revenue Fund - Library Fund	251,155
Special Revenue Fund - Redevelopment Authority	
Reserve Fund	897,924
Special Revenue Fund - Community Development Fund	479,969
Special Revenue Fund - Hospital Policing Fund	9,732
Capital Projects Fund - Information Systems Equipment	741,722
Capital Projects Fund - Fleet Equipment	531,542
Capital Projects Fund - Public Works Building Improvement	
Reserve Fund	69,045
Total Assigned Fund Balance	7,584,895

Unassigned:

Major Funds - General Fund	22,058,437
Nonmajor Funds - Community Development Block Grant	(107,728)
Total Unassigned Fund Balance	21,950,709

Total Governmental Fund Balance	\$ 42,365,627
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**CITY OF WAUWATOSA, WISCONSIN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. Net Position/Fund Balances (Continued)**

The City also maintains an amortization fund balance governed by Section 3.04 of the Wauwatosa Municipal Code, which provides that the balance may be used to pay principal and interest on the outstanding debt upon the direction of the City's Common Council. The ordinance further provides that the Board of Public Debt Commissioners may, with the approval of the Common Council, apply all or any part of the fund for any purpose for which municipal bonds may be legally issued. This balance is a portion of the General Fund unassigned fund balance.

**NOTE 5 OTHER INFORMATION**

**A. Defined Benefit Pension Plan**

**General Information about the Plan**

**Plan description** – The Wisconsin Retirement System (WRS) a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible state of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. ETF is responsible for administration of the WRS and the State of Wisconsin Investment Board (SWIB) is responsible for managing WRS investments.

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

**Benefits provided** – Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings and creditable service.

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

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

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**A. Defined Benefit Pension Plan (Continued)**

General Information about the Plan (Continued)

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

The WRS also provides death and disability benefits for employees.

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2010	(1.3)	(22.0)
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	-	(10.0)

**Contributions** – Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. During the reporting period, the WRS recognized \$3,148,870 in contributions from the employer.

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

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**A. Defined Benefit Pension Plan (Continued)**

General Information about the Plan (Continued)

Contribution rates as of December 31, 2020 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Including Teachers)	6.55 %	6.55 %
Executives and Elected Officials	6.55 %	6.55 %
Protective With Social Security	6.55 %	10.55 %
Protective Without Social Security	6.55 %	14.95 %

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

At December 31, 2020, the City reported a liability (asset) of \$(9,591,551) for its proportional share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2018, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2018. 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 liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the City's proportion was .29746258%, which was an increase of .00410474% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the City recognized pension expense of \$3,645,843.

At December 31, 2020, 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>
Difference Between Expected and Actual Experience	\$ 18,206,956	\$ 9,111,363
Changes in Assumptions	747,436	-
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	19,608,540
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	17,349	42,302
Employer Contributions Subsequent to the Measurement Date	3,553,401	-
Total	<u>\$ 22,525,142</u>	<u>\$ 28,762,205</u>

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

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**A. Defined Benefit Pension Plan (Continued)**

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

\$3,553,401 reported as deferred outflows 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 in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as increases and decreases in pension expense, respectively, and are as follows:

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2021	\$ (2,906,577)
2022	(2,176,285)
2023	334,325
2024	(5,041,927)
2025	-

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

Actuarial Valuation Date:	December 31, 2018
Measurement Date of Net Pension Liability (Asset):	December 31, 2019
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.0 %
Discount Rate:	7.0 %
Salary Increases:	
Inflation	3.0 %
Seniority\Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Postretirement Adjustments:*	1.9 %

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

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, postretirement adjustment, wage inflation rate, mortality, and separation rates. The Total Pension Liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the December 31, 2018 actuarial valuation.

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

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**A. Defined Benefit Pension Plan (Continued)**

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

***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 arithmetic real rates of return for each major asset class are summarized in the following table:

	<u>Current Asset Allocation Percent</u>	<u>Long-Term Expected Nominal Rate of Return Percent</u>	<u>Long-Term Expected Real Rate of Return Percent</u>
<b>Core Fund Asset Class:</b>			
Global Equities	49.00 %	8.10 %	5.10 %
Fixed Income	24.50	4.90	2.10
Inflation Sensitive Assets	15.50	4.00	1.20
Real Estate	9.00	6.30	3.50
Private Equity/Debt	8.00	10.60	7.60
Multi-Asset	4.00	6.90	4.00
Total Core Fund	<u>110.00 %</u>	<u>7.50 %</u>	<u>4.60 %</u>
<b>Variable Fund Asset Class:</b>			
U.S. Equities	70.00 %	7.50 %	4.60 %
International Equities	30.00	8.20	5.30
Total Variable Fund	<u>100.00 %</u>	<u>7.80 %</u>	<u>4.90 %</u>

***Single discount rate*** – A single discount rate of 7.00% was used to measure the total pension liability (asset), as opposed to a discount rate of 7.20% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**A. Defined Benefit Pension Plan (Continued)**

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

***Sensitivity of the City's proportionate share of the net pension liability (asset) to changes in the discount rate*** – The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.0%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
The City's Proportionate Share of the Net Pension Liability (Asset)	\$ 24,699,959	\$ (9,591,551)	\$ (35,228,399)

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

**B. Risk Management**

The City is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors and omissions; natural disasters and worker's compensation. The City is self-insured for medical coverage for certain employees at December 31, 2020. The City purchases general and automobile liability insurance from the Cities and Villages Mutual Insurance Company. The City purchases commercial insurance for all other risks. 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 fiscal years.

**Self-Insured General and Auto Liability**

In 1988 the City invested \$1,184,453 for participation in the Wisconsin Municipal Insurance Commission (WMIC). The WMIC is an intergovernmental cooperative commission formed to facilitate the formation of the Cities and Villages Mutual Insurance Company (CVMIC). In 1987, the WMIC issued \$28.645 million of revenue bonds to provide for the capitalization of the CVMIC. The CVMIC is a separate and distinct entity independent of the WMIC and is owned by the participating cities and villages of the WMIC. The CVMIC was formed to provide liability insurance to Wisconsin municipalities as of January 1, 1988. The CVMIC has an A.M. Best rating of A-.

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

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**B. Risk Management (Continued)**

**Self-Insured General and Auto Liability (Continued)**

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

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

Complete financial statements for the CVMIC can be obtained from the CVMIC administrative office at 9898 W. Bluemound Road, Wauwatosa, WI 53226-4319.

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

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

At December 31, 2020, the Risk Management General Liability Fund had net position of \$3,518,159 which includes the City's deposit in CVMIC of \$1,184,453.

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

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**B. Risk Management (Continued)**

Self-Insured General and Auto Liability (Continued)

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

	2020	2019
Unpaid Claims - Beginning of Year	\$ 338,077	\$ 324,537
Current Year Claims and Changes in Estimates	819,549	178,769
Claim Payments Net of Recoveries	437,185	165,229
Unpaid Claims - End of Year	\$ 720,441	\$ 338,077

Self-Insured Medical Care Coverage Plan

The City maintains a self-insured medical care coverage, dental, and worker's compensation plan for its employees which are accounted for in an Internal Service Fund. The plan provides coverage up to a maximum of \$75,000 per contract and approximately \$7,900,000 for the aggregate of contracts. The City purchases commercial insurance for claims in excess of coverage provided by the fund. This fund also accounts for the City's other postemployment benefits.

All funds of the City participate in the plan. The City does not maintain a reserve for the coverage of catastrophic losses. The claims liability of \$1,228,289 reported in the employee insurance internal service funds at December 31, 2020, is based on the requirements of the Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. Changes in the claims liability amount for the years ended December 31, 2020 and 2019 were as follows:

	Beginning Balance	Current Year Claims and Changes in Estimates	Claim Payments	Ending Balance
2019	\$ 1,325,520	\$ 8,139,454	\$ 8,236,685	\$ 1,228,289
2020	1,228,289	6,867,451	6,605,525	1,490,215

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

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**B. Risk Management (Continued)**

Self-Insured Medical Care Coverage Plan (Continued)

The net position (deficit) of the Employee Health Insurance Fund is reported as unrestricted and is comprised of the following components:

Employee Health Insurance	\$ 4,413,261
Other Postemployment Obligation	(35,529,511)
Other Postemployment Net Deferred Inflows and Outflows	8,179,301
Total	<u><u>\$ (22,936,949)</u></u>

**C. Other Postemployment Benefits**

The City provides other postemployment benefits (OPEB) to its retirees for health insurance.

Plan Description

The City provides a single-employer defined benefit healthcare plan administered by United Health Care. The City provides medical and life insurance benefits for substantially all retirees in accordance with terms set forth in labor contracts. The State of Wisconsin Administrative Code grants the authority to establish and amend the benefit terms and financing requirements to the City Common Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement number 75.

Benefits Provided

The plan provides full health insurance coverage until age 65 to City employees hired prior to January 1, 2008 who reach normal retirement age as specified by the labor contracts. The plan provides up to 50% health coverage until age 65 to City employees hired after January 1, 2008, but before January 1, 2015 who reach normal retirement age and reach a specified number of years of service. Police and fire retirees hired after January 1, 2008 receive 50% of health coverage upon reaching age 50, and having 15 years of service. General and Department of Public Works employees receive health coverage based on their years of service such that retirees with 15, 20, 25, and 30 years of service receive annual health coverage premium contributions of 15, 30, 40, and 50%, respectively.

The plan does not issue stand-alone financial statements.

Employees Covered by Benefit Terms

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

Inactive Plan Members or Beneficiaries Currently	
Receiving Benefit Payments	110
Active Plan Members	<u>311</u>
Total	<u><u>421</u></u>

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

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**C. Other Postemployment Benefits (Continued)**

Total OPEB Liability

The City's total OPEB liability of \$35,529,511 was measured as of December 31, 2019, and was determined by an actuarial valuation as of December 31, 2020.

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:

Valuation Date:	December 31, 2020
Measurement Date:	December 31, 2019
Salary Increases:	3.5%
Inflation:	3.0%
Assumed Rate of Return on Plan Assets:	3.44%
Plan Participation of Future Retirees:	95.0%
Discount Rate:	2.74%
Healthcare Cost Trend Rates:	5.4% Decreasing to 3.6%

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

Mortality rates were based on the following criteria:

Pre-Retirement

This assumption applies to death while in service. Rates are based on the Wisconsin 2018 Mortality table (multiplied by 50% for males and females) as the base table and project future improvements with 2018 generational improvement scale (multiplied by 50%), as adopted by the Board in connection with the 2015-2017 Experience Study performed by the actuary for the Wisconsin Retirement System.

Postretirement

This assumption applies to death of participants after retirement. Rates are based on the Wisconsin 2018 Mortality table (multiplied by 50% for males and females) as the base table and project future improvements with 2018 generational improvement scale (multiplied by 50%), as adopted by the Board in connection with the 2015-2017 Experience Study performed by the actuary for the Wisconsin Retirement System.

Post-Disability

This assumption applies to death after disablement. Rates are based on the Wisconsin 2018 Mortality table (multiplied by 50% for males and females) as the base table and project future improvements with 2018 generational improvement scale (multiplied by 50%), as adopted by the Board in connection with the 2015-2017 Experience Study performed by the actuary for the Wisconsin Retirement System.

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

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**C. Other Postemployment Benefits (Continued)**

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period 2015 – 2017 for the Wisconsin Retirement System (WRS).

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at December 31, 2019	\$ 33,400,680
Changes for the Year:	
Service Cost	1,192,606
Interest on Total OPEB Liability	1,349,656
Effect of Plan Changes	17,448
Effect of Liability Gains or Losses	1,450,482
Effect of Assumptions Changes or Inputs	1,502,330
Benefit Payments	<u>(3,383,691)</u>
Net Changes	<u>2,128,831</u>
Balances at December 31, 2020	<u>\$ 35,529,511</u>

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (2.44%) or one percentage-point higher (4.44%) than the current discount rate:

	Discount Rate		
	1% Decrease (1.74%)	Current Discount Rate (2.74%)	1% Increase (3.74%)
Total OPEB Liability	\$ 35,693,263	\$ 35,529,511	\$ 31,296,487

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

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**C. Other Postemployment Benefits (Continued)**

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rate:

	Health Care Trend		
	1% Decrease (4.4% Decreasing to 2.6%)	Healthcare Cost Trend Rates (5.4% Decreasing to 3.6%)	1% Increase (6.4% decreasing to 4.6%)
<u>December 31, 2019</u>			
Total OPEB Liability	\$ 30,784,307	\$ 35,529,511	\$ 36,418,394

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

For the year ended December 31, 2020, the City recognized OPEB expense of \$2,442,262. At December 31, 2020, the City reported net deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 1,703,144	\$ -
Changes of Assumptions or Other Input	1,719,263	1,053,588
Contributions made Subsequent to the Measurement Date	3,703,306	-
Total	\$ 7,125,713	\$ 1,053,588

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

Year Ending December 31,	Deferred Outflows (Inflows) of Resources
2021	\$ 430,121
2022	430,121
2023	430,121
2024	409,424
2025	337,056
Thereafter	331,976

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

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**D. Antenna Lease Agreements**

The City has lease agreements with cellular phone companies to lease water towers as sites for cellular antennas. The initial term of the leases was five years with the right to extend the leases for four additional five-year terms. All agreements have been extended for five additional years. The City also has lease agreements with cellular phone companies to lease space from the parks building. Rental amounts are determined annually, and were approximately \$76,838 in 2020. Rental income from rental of the water towers reported in other water revenues amounted to \$281,411.

Future minimum rentals related to these leases and expected future extensions are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$ 371,826
2022	386,019
2023	411,665
2024	427,121
2025	443,256
Thereafter	<u>12,937,205</u>
Total	<u><u>\$ 14,977,092</u></u>

All leases have an automatic extension until at least the year 2040, with the longest term reaching through 2049.

**E. Commitments and Contingencies**

The City self-insures its general liability, medical, dental and worker's compensation insurance up to specified limits. City's management and legal counsel do not anticipate any material losses from known occurrences.

The City participates in a number of state and federally assisted grant programs. These programs are subject to program compliance audits by grantors or their representatives. The audits of these programs for or including the year ended December 31, 2020 have not been conducted. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

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

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**F. Tax Abatements**

The City enters into property tax abatement agreements with developers under the provisions of Wisconsin Statutes 66.1105(3)(e) "Tax Increment Act." Under the provision, localities may grant property tax abatements of up to 50% of a business' property tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the City.

In 2015, the City provided a developer a loan as part of the Tax Incremental District No. 7 Mayfair Collection project. The loan was made by the General Fund and so long as the developer meets certain performance measures, the Tax Increment Fund repays the loan on behalf of the developer using property tax increments generated by the development. The original loan was \$2,000,000. In 2020, \$116,176 was repaid on this borrowing. The remaining balance outstanding as of December 31, 2020 is \$1,473,759. This amount is included in the General Fund as an advance to other funds.

**G. Subsequent Events**

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

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

**NOTE 6 TAX INCREMENTAL DISTRICTS 5, 6, 7, 8, 9, 10, 11 AND 12**

**A. Plan Summaries**

The City has eight Tax Incremental Districts. Tax Incremental District No. 5 was created on April 3, 2007 and terminated March 6, 2018. Tax Incremental District No. 6 was created on October 4, 2010, was amended on August 4, 2015, and has a dissolution date of October 4, 2037. Tax Incremental District No. 7 was created on January 1, 2013, amended on January 2, 2016 and has a dissolution date of January 1, 2040. Tax Incremental District No. 8 was created on January 1, 2014 and has a dissolution date of January 1, 2041. Tax Incremental District No. 9 was created on April 4, 2015 and has a dissolution date of January 1, 2042. Tax Incremental District No. 10 was created on June 2, 2015 and has a dissolution date of January 1, 2042. Tax Incremental District No. 11 was created on September 1, 2015 and has a dissolution date of January 1, 2042. Tax Incremental District No. 12 was created on February 6, 2018 and has a dissolution date of January 1, 2045.

**B. Cash and Investments**

The Tax Incremental Districts invest funds in accordance with the provisions of the Wisconsin Statutes Section 66.0603 and 67.11(2). The Tax Incremental Districts maintain common cash and investment accounts with the City of Wauwatosa. Disclosures related to cash and investments can be found in Note 4 of the financial statements.

**C. Interfund Advances**

The General fund advanced \$2,000,000 to the Special Revenue Fund - Tax Incremental District No. 7 in 2015. This advance earns interest at 5.25%. The advance was issued to provide long-term financing. The remaining outstanding balance as of December 31, 2020 was \$1,473,759.

**D. Long-Term Debt**

Aggregate maturities of all long-term debt relating to Tax Incremental District No. 6 are as follows:

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 624,610	\$ 315,005	\$ 939,615
2022	650,841	298,627	949,468
2023	675,000	280,344	955,344
2024	675,000	258,794	933,794
2025	700,000	236,269	936,269
2025 - 2029	3,425,000	807,306	4,232,306
2030 - 2034	2,575,000	265,909	2,840,909
2035	500,000	7,813	507,813
Total	<u>\$ 9,825,451</u>	<u>\$ 2,470,067</u>	<u>\$ 12,295,518</u>

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

**NOTE 6 TAX INCREMENTAL DISTRICTS 5, 6, 7, 8, 9, 10, 11 AND 12 (CONTINUED)**

**D. Long-Term Debt (Continued)**

Aggregate maturities of all long-term debt relating to Tax Incremental District No. 7 are as follows:

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,495,000	\$ 469,969	\$ 1,964,969
2022	1,550,000	433,695	1,983,695
2023	1,610,000	395,345	2,005,345
2024	1,620,000	346,145	1,966,145
2025	2,345,000	300,095	2,645,095
2025 - 2029	4,400,000	849,410	5,249,410
2030 - 2034	2,420,000	237,946	2,657,946
Total	<u>\$ 15,440,000</u>	<u>\$ 3,032,605</u>	<u>\$ 18,472,605</u>

Aggregate maturities of all long-term debt relating to Tax Incremental District No. 9 are as follows:

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 50,000	\$ 9,063	\$ 59,063
2022	50,000	8,063	58,063
2023	50,000	7,063	57,063
2024	50,000	5,063	55,063
2025	75,000	3,938	78,938
2025	75,000	2,063	77,063
Total	<u>\$ 350,000</u>	<u>\$ 35,253</u>	<u>\$ 385,253</u>

Aggregate maturities of all long-term debt relating to Tax Incremental District No. 11 are as follows:

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 50,000	\$ 81,713	\$ 131,713
2022	50,000	79,713	129,713
2023	55,000	77,713	132,713
2024	55,000	76,063	131,063
2025	55,000	74,413	129,413
2025 - 2029	290,000	72,763	362,763
2030 - 2034	1,005,000	276,638	1,281,638
2035 - 2036	735,000	41,625	776,625
Total	<u>\$ 2,295,000</u>	<u>\$ 780,641</u>	<u>\$ 3,075,641</u>

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

**NOTE 6 TAX INCREMENTAL DISTRICTS 5, 6, 7, 8, 9, 10, 11 AND 12 (CONTINUED)**

**E. Supplemental Information**

The Historical Summary of Project Costs, Project Revenues, and Net Cost to be Recovered Through Tax Increments, and the Historical Summary of Sources, Uses, and Status of Funds are provided as supplementary schedules to these financial statements. Those schedules are prepared in accordance with accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Sections 66.1105. The summary statements were prepared from data recorded in the following funds of the City of Wauwatosa.

Tax Incremental Financing Special Revenue Fund  
Redevelopment Authority Lease Revenue Bond Capital Projects Fund  
Debt Service Fund  
Capital Projects Fund

Detailed descriptions of the purpose of these funds can be found in Note 1 of the financial statements. The data was consolidated for the purpose of these schedules. Therefore, the amounts shown in the schedules will not directly correlate with amounts shown in the basic financial statements of the City of Wauwatosa, Wisconsin.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF WAUWATOSA, WISCONSIN  
SCHEDULES OF CHANGES IN THE CITY'S TOTAL OTHER  
POSTEMPLOYMENT BENEFIT LIABILITY AND RELATED RATIOS  
LAST 10 FISCAL YEARS\***

Total OPEB Liability	2020
Service Cost	\$ 1,192,606
Interest on Total OPEB Liability	1,349,656
Effect of Plan Changes	17,448
Effect of Economic/Demographic (Gains) or Losses	1,450,482
Effect of Assumption Changes or Inputs	1,502,330
Benefit Payments	(3,383,691)
Net Change in Total OPEB Liability	2,128,831
Total OPEB Liability, Beginning	33,400,680
Total OPEB Liability, Ending	\$ 35,529,511
Covered - Employee Payroll*	\$ 32,373,184
City's total OPEB Liability as a Percentage of Covered Employee Payroll*	109.75%

\* Additional years' information will be displayed as it becomes available.

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY (ASSET)  
Wisconsin Retirement System  
Last 10 Measurement Periods\***

	Year Ended December 31,					
	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability (Asset)	0.29746258%	0.29335784%	0.28785707%	0.28100006%	0.28040302%	0.28327583%
City's Proportionate Share of the Net Pension Liability (Asset)	\$ (9,591,551)	\$ 10,436,752	\$ (8,546,816)	\$ 2,316,111	\$ 4,556,496	\$ (6,958,029)
City's Covered Payroll	\$ 31,471,798	\$ 30,496,633	\$ 29,777,290	\$ 29,711,934	\$ 29,108,607	\$ 28,350,192
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	96.45 %	96.45 %	102.93 %	99.12 %	98.20 %	102.74 %

\* Additional years' information will be displayed as it becomes available.

**SCHEDULE OF THE CITY'S PENSION CONTRIBUTIONS  
Wisconsin Retirement System  
Last 10 Fiscal Years\***

	2020	2019	2018	2017	2016	2015
Contractually Required Contributions	\$ 3,125,502	\$ 3,057,444	\$ 3,146,087	\$ 3,004,354	\$ 2,721,212	\$ 2,708,618
Contributions in Relation to the Contractually Required Contributions	\$ 3,125,502	\$ 3,057,444	\$ 3,146,087	\$ 3,004,354	\$ 2,721,212	\$ 2,708,618
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 34,378,930	\$ 31,471,798	\$ 30,496,633	\$ 29,777,290	\$ 29,711,934	\$ 29,108,607
Contributions as a Percentage of Covered Payroll	9.09 %	9.71 %	10.32 %	10.09 %	9.16 %	9.31 %

\* Additional years' information will be displayed as it becomes available.

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

**WISCONSIN RETIREMENT SYSTEM**

**Changes of Benefit Terms** – There were no changes of benefit terms for any participating employer in WRS.

**Changes of Assumptions** – There were no changes in the assumptions.

**OTHER SUPPLEMENTARY INFORMATION**

**CITY OF WAUWATOSA, WISCONSIN  
SCHEDULE OF REVENUES – ACTUAL AND BUDGET – GENERAL FUND  
YEAR ENDED DECEMBER 31, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>TAXES</b>				
General Property Taxes	\$ 44,137,620	\$ 44,137,620	\$ 44,137,620	\$ -
Prior Year's Omitted Taxes	-	-	(49,309)	(49,309)
Hotel/Motel Room Tax	1,550,000	720,000	687,080	(32,920)
Payments in Lieu of Taxes	512,900	512,900	464,812	(48,088)
Interest on Taxes	75,000	125,000	125,486	486
Property Tax Chargebacks	-	289,020	333,928	44,908
Total Taxes	<u>46,275,520</u>	<u>45,784,540</u>	<u>45,699,617</u>	<u>(84,923)</u>
<b>INTERGOVERNMENTAL</b>				
State Shared Taxes	5,579,377	5,579,377	5,599,897	20,520
Federal Grants	5,640	85,640	39,542	(46,098)
State Grants	368,204	1,275,603	1,252,320	(23,283)
Total Intergovernmental	<u>5,953,221</u>	<u>6,940,620</u>	<u>6,891,759</u>	<u>(48,861)</u>
<b>LICENSES AND PERMITS</b>				
Licenses	303,604	283,404	238,014	(45,390)
Permits	1,211,735	1,463,155	1,373,106	(90,049)
Total Licenses and Permits	<u>1,515,339</u>	<u>1,746,559</u>	<u>1,611,120</u>	<u>(135,439)</u>
<b>FINES, PENALTIES, AND FORFEITURES</b>				
Court Penalties and Costs	510,000	350,000	348,028	(1,972)
Parking Violations	615,000	375,000	385,164	10,164
Other Penalties and Fees	110,000	110,000	105,343	(4,657)
Total Fines, Penalties, and Forfeitures	<u>1,235,000</u>	<u>835,000</u>	<u>838,535</u>	<u>3,535</u>
<b>PUBLIC IMPROVEMENT REVENUES</b>				
Special Assessments	7,000	15,847	12,694	(3,153)
<b>PUBLIC CHARGES FOR SERVICES</b>				
General Government	547,240	550,990	559,693	8,703
Public Safety	2,369,193	2,051,445	1,917,738	(133,707)
Health and Social Services	19,730	19,730	12,176	(7,554)
Streets and Related Facilities	31,000	62,848	42,960	(19,888)
Sanitation	112,800	177,675	178,047	372
Total Public Charges for Services	<u>3,079,963</u>	<u>2,862,688</u>	<u>2,710,614</u>	<u>(152,074)</u>
<b>INTERGOVERNMENTAL CHARGES FOR SERVICES</b>				
County:				
Paramedics	97,850	97,850	117,756	19,906
Fire Protection Service	1,463,843	1,485,316	1,485,316	-
Local Departments	149,616	149,616	146,339	(3,277)
Total Intergovernmental Charges for Services	<u>1,711,309</u>	<u>1,732,782</u>	<u>1,749,411</u>	<u>16,629</u>
<b>COMMERCIAL REVENUES</b>				
Interest	1,817,000	1,817,398	2,057,427	240,029
Rentals	42,274	56,124	50,722	(5,402)
Other Miscellaneous Revenue	411,242	1,308,501	129,740	(1,178,761)
Total Commercial Revenues	<u>2,270,516</u>	<u>3,182,023</u>	<u>2,237,889</u>	<u>(944,134)</u>
Total Revenues	<u>\$ 62,047,868</u>	<u>\$ 63,100,059</u>	<u>\$ 61,751,639</u>	<u>\$ (1,348,420)</u>

**CITY OF WAUWATOSA, WISCONSIN  
SCHEDULE OF EXPENDITURES – ACTUAL AND BUDGET – GENERAL FUND  
YEAR ENDED DECEMBER 31, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>GENERAL GOVERNMENT</b>				
Common Council	\$ 145,449	\$ 160,937	153,828	\$ 7,109
Youth Commission	2,700	3,950	2,606	1,344
Historic Preservation Commission	12,500	22,671	43,445	(20,774)
Senior Commission	3,205	3,205	316	2,889
Municipal Court	323,360	323,375	250,791	72,584
Mayor	153,201	161,874	139,927	21,947
Administrator	655,484	555,256	578,935	(23,679)
Clerk	416,147	432,714	439,969	(7,255)
Elections	299,239	530,576	479,979	50,597
Human Resources	679,308	713,045	648,302	64,743
Assessor	785,995	795,978	704,295	91,683
Finance	1,171,342	1,161,634	1,108,995	52,639
Attorney	1,076,514	884,719	857,858	26,861
City Planning	423,254	431,721	399,418	32,303
Write-Off of Uncollectible Receivables	-	-	-	-
Return of Property Taxes	-	526,442	526,917	(475)
Total General Government	6,147,698	6,708,097	6,335,581	372,516
<b>PROTECTION OF PERSONS AND PROPERTY</b>				
Police Department	17,168,988	17,381,956	17,285,435	96,521
Police Station	276,946	319,931	240,669	79,262
Police Reserves	9,862	9,862	3,343	6,519
Crossing Guards	249,900	149,900	141,493	8,407
Fire Department	14,498,253	14,956,368	14,637,088	319,280
Fire Equipment Reserve	-	-	-	-
Milwaukee Area Domestic Animal Control Commission	-	-	-	-
Safety and Building	976,116	994,647	970,731	23,916
Sealer of Weights and Measures	-	-	-	-
Traffic Control and Regulation	562,508	574,935	522,523	52,412
Property Maintenance Program	-	-	-	-
Total Protection of Persons and Property	33,742,573	34,387,599	33,801,282	586,317
<b>HEALTH AND SANITATION</b>				
Solid Waste Management	2,649,636	2,678,528	2,815,827	(137,299)
Health Care Services	1,504,952	1,665,642	1,659,680	5,962
Total Health and Sanitation	4,154,588	4,344,170	4,475,507	(131,337)

**CITY OF WAUWATOSA, WISCONSIN**  
**SCHEDULE OF EXPENDITURES – ACTUAL AND BUDGET – GENERAL FUND (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>HIGHWAY AND TRANSPORTATION</b>				
Engineering	\$ 1,052,103	\$ 1,256,627	1,231,610	\$ 25,017
Public Works Operations Management	233,197	247,142	232,944	14,198
Roadway Maintenance	2,543,048	2,617,423	2,634,794	(17,371)
Electrical Services	1,033,732	1,012,038	908,681	103,357
Public Works Facilities Outside	-	-	-	-
Total Highway and Transportation	<u>4,862,080</u>	<u>5,133,230</u>	<u>5,008,029</u>	<u>125,201</u>
<b>CONSERVATION AND DEVELOPMENT</b>				
Forestry	1,513,026	1,530,406	1,561,727	(31,321)
Economic Development	257,907	347,907	266,749	81,158
Total Conservation and Development	<u>1,770,933</u>	<u>1,878,313</u>	<u>1,828,476</u>	<u>49,837</u>
<b>UNCLASSIFIED</b>				
Unclassified Payroll	-	-	-	-
Other	339,542	365,499	333,949	31,550
Total Unclassified	<u>339,542</u>	<u>365,499</u>	<u>333,949</u>	<u>31,550</u>
<b>CAPITAL OUTLAY</b>				
	<u>7,000</u>	<u>101,690</u>	<u>518</u>	<u>101,172</u>
Total Expenditures	<u>\$ 51,024,414</u>	<u>\$ 52,918,598</u>	<u>\$ 51,783,342</u>	<u>\$ 1,135,256</u>

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

Special Revenue Funds								
	Special Assessments	Community Development Block Grant	Parks	Public Library	Redevelopment Reserve Fund	Community Development Fund	Hospital Policing Fund	Tourism Commission Fund
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ -	\$ -	\$ 652,471	\$ 28,650	\$ 597,924	\$ 1,503,300	\$ -	\$ 599,554
Taxes Receivable	128,041	-	-	-	-	-	-	-
Special Assessments Receivable:								
Due in Installments	515,848	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-
Other Accrued Receivables	-	-	-	-	-	86,950	146,818	-
Advance to Special Revenue Fund	-	-	-	-	300,000	-	-	-
<b>Total Assets</b>	<b>\$ 643,889</b>	<b>\$ -</b>	<b>\$ 652,471</b>	<b>\$ 28,650</b>	<b>\$ 897,924</b>	<b>\$ 1,590,250</b>	<b>\$ 146,818</b>	<b>\$ 599,554</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>								
<b>LIABILITIES</b>								
Accounts Payable	\$ 82,172	\$ 93,935	\$ 17,528	\$ 28,650	\$ -	\$ -	\$ 14,250	\$ 333,300
Due to Other Funds	45,869	242	-	-	-	-	122,836	-
Customer Deposits	-	-	4,108	-	-	-	-	-
Unearned Revenue	-	13,551	-	-	-	85,950	-	-
<b>Total Liabilities</b>	<b>128,041</b>	<b>107,728</b>	<b>21,636</b>	<b>28,650</b>	<b>-</b>	<b>85,950</b>	<b>137,086</b>	<b>333,300</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Special Assessments	515,848	-	-	-	-	-	-	-
<b>Total Deferred Inflows</b>	<b>515,848</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>								
Restricted	-	-	-	-	-	1,024,331	-	266,254
Assigned	-	-	630,835	-	897,924	479,969	9,732	-
Unassigned	-	(107,728)	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>(107,728)</b>	<b>630,835</b>	<b>-</b>	<b>897,924</b>	<b>1,504,300</b>	<b>9,732</b>	<b>266,254</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 643,889</b>	<b>\$ -</b>	<b>\$ 652,471</b>	<b>\$ 28,650</b>	<b>\$ 897,924</b>	<b>\$ 1,590,250</b>	<b>\$ 146,818</b>	<b>\$ 599,554</b>

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

	Capital Projects			Public Works	
	Information	Fleet	Municipal	Building	
	Systems			Improvement	
	Equipment	Equipment	Complex	Reserve Fund	Total
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 741,722	\$ 903,335	\$ 1,911	\$ 69,045	\$ 5,097,912
Taxes Receivable	-	-	-	-	128,041
Special Assessments Receivable:					
Due in Installments	-	-	-	-	515,848
Due from Other Funds	-	-	-	-	-
Other Accrued Receivables	-	1,258	-	-	235,026
Advance to Special Revenue Fund	-	-	-	-	300,000
<b>Total Assets</b>	<b><u>\$ 741,722</u></b>	<b><u>\$ 904,593</u></b>	<b><u>\$ 1,911</u></b>	<b><u>\$ 69,045</u></b>	<b><u>\$ 6,276,827</u></b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ 373,051	\$ 1,911	\$ -	\$ 944,797
Due to Other Funds	-	-	-	-	168,947
Customer Deposits	-	-	-	-	4,108
Unearned Revenue	-	-	-	-	99,501
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>373,051</u></b>	<b><u>1,911</u></b>	<b><u>-</u></b>	<b><u>1,217,353</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Special Assessments	-	-	-	-	515,848
<b>Total Deferred Inflows</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>515,848</u></b>
<b>FUND BALANCES</b>					
Restricted	-	-	-	-	1,290,585
Assigned	741,722	531,542	-	69,045	3,360,769
Unassigned	-	-	-	-	(107,728)
<b>Total Fund Balances</b>	<b><u>741,722</u></b>	<b><u>531,542</u></b>	<b><u>-</u></b>	<b><u>69,045</u></b>	<b><u>4,543,626</u></b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b><u>\$ 741,722</u></b>	<b><u>\$ 904,593</u></b>	<b><u>\$ 1,911</u></b>	<b><u>\$ 69,045</u></b>	<b><u>\$ 6,276,827</u></b>

**CITY OF WAUWATOSA, WISCONSIN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2020**

	Special Revenue Funds							
		Community				Community	Hospital	Tourism
	Special Assessments	Development Block Grant	Parks	Public Library	Redevelopment Reserve Fund	Development Fund	Policing Fund	Commission Fund
<b>REVENUES</b>								
Intergovernmental Revenues	\$ -	\$ 821,507	\$ 2,261	\$ 10,947	\$ -	\$ -	\$ -	\$ 78,051
Public Improvement Revenues	647,796	-	-	-	-	-	-	-
Public Charges for Services	-	-	106,864	280,005	-	-	502,455	-
Commercial Revenues	-	-	53,361	-	-	5,033	-	400
<b>Total Revenues</b>	<b>647,796</b>	<b>821,507</b>	<b>162,486</b>	<b>290,952</b>	<b>-</b>	<b>5,033</b>	<b>502,455</b>	<b>78,451</b>
<b>EXPENDITURES</b>								
Current:								
Protection of Persons and Property	-	-	-	-	-	-	468,973	-
Education and Recreation	-	-	828,540	3,216,219	-	-	-	738,203
Conservation and Development	-	913,922	-	-	4,960	580,297	-	-
Capital Outlay	-	-	622,419	-	-	-	23,750	-
<b>Total Expenditures</b>	<b>-</b>	<b>913,922</b>	<b>1,450,959</b>	<b>3,216,219</b>	<b>4,960</b>	<b>580,297</b>	<b>492,723</b>	<b>738,203</b>
Excess of Revenues Over (Under)								
Expenditures	647,796	(92,415)	(1,288,473)	(2,925,267)	(4,960)	(575,264)	9,732	(659,752)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In	-	-	981,009	2,728,984	-	450,000	-	67,580
Transfers Out	(647,796)	-	(249,707)	-	(450,000)	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>(92,415)</b>	<b>(557,171)</b>	<b>(196,283)</b>	<b>(454,960)</b>	<b>(125,264)</b>	<b>9,732</b>	<b>(592,172)</b>
Fund Balances - Beginning of Year	-	(15,313)	1,188,006	196,283	1,352,884	1,629,564	-	858,426
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ -</b>	<b>\$ (107,728)</b>	<b>\$ 630,835</b>	<b>\$ -</b>	<b>\$ 897,924</b>	<b>\$ 1,504,300</b>	<b>\$ 9,732</b>	<b>\$ 266,254</b>

**CITY OF WAUWATOSA, WISCONSIN  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 YEAR ENDED DECEMBER 31, 2020**

	Capital Projects				Public Works Building Improvement Reserve Fund	Totals
	Information Systems Equipment	Fleet Equipment	Municipal Complex			
<b>REVENUES</b>						
Intergovernmental Revenues	\$ 5,500	\$ -	\$ -	\$ -	\$ 918,266	
Public Improvement Revenues	-	-	-	-	647,796	
Public Charges for Services	-	-	-	-	889,324	
Commercial Revenues	-	13,791	-	-	72,585	
Total Revenues	5,500	13,791	-	-	2,527,971	
<b>EXPENDITURES</b>						
Current:						
Protection of Persons and Property	-	-	-	-	468,973	
Education and Recreation	-	-	-	-	4,782,962	
Conservation and Development	-	-	-	-	1,499,179	
Capital Outlay	-	1,544,537	-	-	2,190,706	
Total Expenditures	-	1,544,537	-	-	8,941,820	
Excess of Revenues Over (Under)						
Expenditures	5,500	(1,530,746)	-	-	(6,413,849)	
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	166,341	878,049	-	57,459	5,329,422	
Transfers Out	-	(78,938)	-	-	(1,426,441)	
<b>NET CHANGE IN FUND BALANCES</b>	171,841	(731,635)	-	57,459	(2,510,868)	
Fund Balances - Beginning of Year	569,881	1,263,177	-	11,586	7,054,494	
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 741,722</b>	<b>\$ 531,542</b>	<b>\$ -</b>	<b>\$ 69,045</b>	<b>\$ 4,543,626</b>	

**CITY OF WAUWATOSA, WISCONSIN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL – SPECIAL REVENUE FUND SPECIAL ASSESSMENT FUND  
YEAR ENDED DECEMBER 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Public Improvement Revenues	\$ 740,000	\$ 740,000	\$ 647,796	\$ (92,204)
Total Revenues	740,000	740,000	647,796	(92,204)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(600,000)	(600,000)	(647,796)	(47,796)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 140,000</u>	<u>\$ 140,000</u>	-	<u>\$ (140,000)</u>
Fund Balance - Beginning of Year			-	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ -</u>	

**CITY OF WAUWATOSA, WISCONSIN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES – BUDGET AND ACTUAL – SPECIAL REVENUE  
FUND COMMUNITY DEVELOPMENT BLOCK GRANT FUND  
YEAR ENDED DECEMBER 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental Revenues	\$ 977,000	\$ 977,000	\$ 821,507	\$ (155,493)
Commercial Revenues	-	-	-	-
Total Revenues	<u>977,000</u>	<u>977,000</u>	<u>821,507</u>	<u>(155,493)</u>
<b>EXPENDITURES</b>				
Conservation and Development	977,000	977,000	913,922	63,078
Capital Outlay	-	-	-	-
Total Expenditures	<u>977,000</u>	<u>977,000</u>	<u>913,922</u>	<u>63,078</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	(92,415)	<u>\$ (92,415)</u>
Fund Balance - Beginning of Year			<u>(15,313)</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ (107,728)</u>	

**CITY OF WAUWATOSA, WISCONSIN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL – SPECIAL REVENUE FUND PARKS FUND  
YEAR ENDED DECEMBER 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental Revenues	\$ -	\$ -	\$ 2,261	\$ 2,261
Public Charges for Services	300,700	255,700	106,864	(148,836)
Commercial Revenues	43,361	53,361	53,361	-
<b>Total Revenues</b>	<u>344,061</u>	<u>309,061</u>	<u>162,486</u>	<u>(146,575)</u>
<b>EXPENDITURES</b>				
Education and Recreation	1,096,175	1,098,657	828,540	270,117
Capital Outlay	550,000	656,500	622,419	34,081
<b>Total Expenditures</b>	<u>1,646,175</u>	<u>1,755,157</u>	<u>1,450,959</u>	<u>304,198</u>
Excess of Revenues Over (Under) Expenditures	(1,302,114)	(1,446,096)	(1,288,473)	157,623
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	981,009	981,009	981,009	-
Transfers Out	(248,842)	(248,842)	(249,707)	(865)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (569,947)</u>	<u>\$ (713,929)</u>	(557,171)	<u>\$ 156,758</u>
Fund Balance - Beginning of Year			<u>1,188,006</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 630,835</u>	

**CITY OF WAUWATOSA, WISCONSIN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL – SPECIAL REVENUE FUND PUBLIC LIBRARY FUND  
YEAR ENDED DECEMBER 31, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental Revenues	\$ -	\$ 1,576	\$ 10,947	\$ 9,371
Public Charges for Services	311,700	315,029	280,005	(35,024)
Commercial Revenues	-	-	-	-
Total Revenues	<u>311,700</u>	<u>316,605</u>	<u>290,952</u>	<u>(25,653)</u>
<b>EXPENDITURES</b>				
Education and Recreation	3,040,684	3,045,589	3,216,219	(170,630)
Total Expenditures	<u>3,040,684</u>	<u>3,045,589</u>	<u>3,216,219</u>	<u>(170,630)</u>
Excess of Revenues Over (Under) Expenditures	(2,728,984)	(2,728,984)	(2,925,267)	(196,283)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	<u>2,728,984</u>	<u>2,728,984</u>	<u>2,728,984</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>(196,283)</u>	<u><u>\$ (196,283)</u></u>
Fund Balance - Beginning of Year			<u>196,283</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u><u>\$ -</u></u>	

**CITY OF WAUWATOSA, WISCONSIN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL – SPECIAL REVENUE FUND TOURISM COMMISSION FUND  
YEAR ENDED DECEMBER 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental Revenues	\$ -	\$ -	\$ 78,051	
Commercial Revenues	22,000	22,000	400	(21,600)
Total Revenues	<u>22,000</u>	<u>22,000</u>	<u>78,451</u>	<u>(21,600)</u>
<b>EXPENDITURES</b>				
Education and Recreation	977,423	1,003,173	738,203	264,970
Total Expenditures	<u>977,423</u>	<u>1,003,173</u>	<u>738,203</u>	<u>264,970</u>
Excess of Revenues Over (Under) Expenditures	(955,423)	(981,173)	(737,803)	243,370
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	<u>930,500</u>	<u>930,500</u>	<u>67,580</u>	<u>(862,920)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ (24,923)</u></u>	<u><u>\$ (50,673)</u></u>	<u>(592,172)</u>	<u><u>\$ (541,499)</u></u>
Fund Balance - Beginning of Year			<u>858,426</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u><u>\$ 266,254</u></u>	

**CITY OF WAUWATOSA, WISCONSIN  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
 BUDGET AND ACTUAL – CAPITAL PROJECTS FUND INFORMATION SYSTEMS EQUIPMENT  
 YEAR ENDED DECEMBER 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental Revenue	\$ 5,501	\$ 5,501	\$ 5,500	\$ (1)
Total Revenues	<u>5,501</u>	<u>5,501</u>	<u>5,500</u>	<u>(1)</u>
<b>EXPENDITURES</b>				
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	5,501	5,501	5,500	(1)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	<u>146,027</u>	<u>146,027</u>	<u>166,341</u>	<u>20,314</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ 151,528</u></u>	<u><u>\$ 151,528</u></u>	171,841	<u><u>\$ 20,313</u></u>
Fund Balance - Beginning of Year			<u>569,881</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u><u>\$ 741,722</u></u>	

**CITY OF WAUWATOSA, WISCONSIN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL – CAPITAL PROJECTS FUND FLEET EQUIPMENT  
YEAR ENDED DECEMBER 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Commercial Revenues	\$ -	\$ -	\$ 13,791	\$ 13,791
Total Revenues	<u>-</u>	<u>-</u>	<u>13,791</u>	<u>13,791</u>
<b>EXPENDITURES</b>				
Capital Outlay	1,790,500	1,840,230	1,544,537	295,693
Total Expenditures	<u>1,790,500</u>	<u>1,840,230</u>	<u>1,544,537</u>	<u>295,693</u>
Excess of Revenues Over (Under) Expenditures	(1,790,500)	(1,840,230)	(1,530,746)	309,484
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	877,996	877,996	878,049	53
Transfers Out	<u>(78,938)</u>	<u>(78,938)</u>	<u>(78,938)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (991,442)</u>	<u>\$ (1,041,172)</u>	<u>(731,635)</u>	<u>\$ 309,537</u>
Fund Balance - Beginning of Year			<u>1,263,177</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 531,542</u>	

**CITY OF WAUWATOSA, WISCONSIN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL – CAPITAL PROJECTS FUND PUBLIC WORKS BUILDING  
IMPROVEMENT RESERVE FUND  
YEAR ENDED DECEMBER 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
Capital Outlay	\$ -	\$ -	\$ -	\$ -
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	<u>83,500</u>	<u>83,500</u>	<u>57,459</u>	<u>(26,041)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 83,500</u>	<u>\$ 83,500</u>	<u>57,459</u>	<u>\$ (26,041)</u>
Fund Balance - Beginning of Year			<u>11,586</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 69,045</u>	

**CITY OF WAUWATOSA, WISCONSIN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES – BUDGET AND ACTUAL – DEBT SERVICE FUND  
YEAR ENDED DECEMBER 31, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Commercial Revenues	\$ 57,531	\$ 57,531	\$ 57,532	\$ 1
Interest Income	-	-	878	878
Total Revenues	57,531	57,531	58,410	879
<b>EXPENDITURES</b>				
Debt Service				
Principal	7,701,011	7,701,011	7,868,811	(167,800)
Interest and Other Fiscal Charges	2,555,575	2,555,575	2,423,520	132,055
Total Expenditures	10,256,586	10,256,586	10,292,331	(35,745)
Excess of Revenues Over Expenditures	(10,199,055)	(10,199,055)	(10,233,921)	(34,866)
<b>OTHER FINANCING SOURCES (USES)</b>				
Premium on Long-Term Debt	-	-	276,570	276,570
Transfers In	10,209,055	10,209,055	9,784,867	(424,188)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	(172,484)	<b>\$ (182,484)</b>
Fund Balance - Beginning of Year			1,952,777	
<b>FUND BALANCE - END OF YEAR</b>			<b>\$ 1,780,293</b>	

**CITY OF WAUWATOSA, WISCONSIN  
COMBINING SCHEDULE OF TAX INCREMENTAL DISTRICTS SUMMARY OF  
PROJECT COSTS, PROJECT REVENUES, AND NET COST TO BE RECOVERED  
THROUGH TAX INCREMENTS FOR THE YEAR ENDED DECEMBER 31, 2020**

	TID NO. 6	TID NO. 7	TID NO. 8	TID NO. 9	TID NO. 10	TID NO. 11	TID NO. 12	TID NO. 13	Total
<b>PROJECT COSTS</b>									
Capital Expenditures	\$ 90,036	\$ 48,418	\$ 57,323	\$ -	\$ -	\$ 50,439	\$ -	\$ -	\$ 246,216
Administration	7,620	28,301	18,458	1,000	1,000	5,000	9,250	-	70,629
Interest and Fiscal Charges	314,995	553,893	-	9,063	-	81,713	-	-	959,664
Professional Services	19,952	3,500	4,250	-	-	-	850	15,000	43,552
Debt Issuance Costs	-	-	-	-	-	-	-	-	-
Housing and Community Development	-	-	-	-	-	-	-	-	-
Developers Grants/Incentive	-	2,444,481	1,646,814	-	-	(924,327)	300,000	-	3,466,968
Distribution to Other Taxing Jurisdictions	-	-	-	-	-	-	-	-	-
Total Project Costs	432,603	3,078,593	1,726,845	10,063	1,000	(787,175)	310,100	15,000	4,787,029
<b>PROJECT REVENUES</b>									
Tax Increments	2,517,221	3,584,913	705,918	276,257	1,359,966	634,865	12,291	-	9,091,431
Investment Income	15,885	24,917	9,634	829	6,885	1,392	-	-	59,542
Premium on Long-Term Debt	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-
Exempt Computer Aid	4,097	14,461	1,305	249	-	2,383	-	-	22,495
Personal Property Aid	-	-	-	-	-	-	-	-	-
Developer Fees	-	-	-	-	-	-	-	-	-
Sale of Land	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue	-	-	-	-	-	-	-	-	-
Total Project Revenues	2,537,203	3,624,291	716,857	277,335	1,366,851	638,640	12,291	-	9,173,468
<b>NET COST RECOVERABLE THROUGH TIF INCREMENTS - DECEMBER 31, 2020</b>									
	\$ 2,104,600	\$ 545,698	\$ (1,009,988)	\$ 267,272	\$ 1,365,851	\$ 1,425,815	\$ (297,809)	\$ (15,000)	\$ 4,386,439

This schedule was prepared from data recorded in the following funds of the City:

- Tax Incremental District Special Revenue Fund
- Redevelopment Authority Lease Revenue Bond Capital Projects Fund
- Debt Service Fund
- General Obligation Debt Issue Capital Projects Fund

The data was consolidated for purposes of this schedule and, therefore, amounts shown will not directly correlate with the amounts shown in the financial statements.

**CITY OF WAUWATOSA, WISCONSIN**  
**COMBINING SCHEDULE OF TAX INCREMENTAL DISTRICTS HISTORICAL SUMMARY OF**  
**PROJECT COSTS, PROJECT REVENUES, AND NET COST TO BE RECOVERED THROUGH**  
**TAX INCREMENTS FROM DATE OF CREATION THROUGH DECEMBER 31, 2020**

	TID NO. 6	TID NO. 7	TID NO. 8	TID NO. 9	TID NO. 10	TID NO. 11	TID NO. 12	TID NO. 13	Total
<b>PROJECT COSTS</b>									
Capital Expenditures	\$ 20,332,950	\$ 16,714,590	\$ 2,188,443	\$ 415,759	\$ 88,196	\$ 2,765,768	\$ -	\$ -	\$ 42,505,706
Administration	179,689	122,216	42,187	22,027	27,982	102,462	32,675	-	529,238
Interest and Fiscal Charges	2,332,182	2,631,906	-	50,813	-	322,538	-	-	5,337,439
Housing and Community Development	-	-	-	-	-	-	-	-	-
Professional Services	72,395	25,722	19,029	6,981	6,279	16,582	36,727	15,000	198,715
Debt Issuance Costs	-	73,836	-	-	-	-	-	-	73,836
Developers Grants/Incentive	4,500,000	15,596,137	3,146,814	1,994,000	4,500,000	5,364,769	14,239,846	-	49,341,566
Distribution to Other Taxing Jurisdictions	-	-	-	-	-	-	-	-	-
<b>Total Project Costs</b>	<b>27,417,216</b>	<b>35,164,407</b>	<b>5,396,473</b>	<b>2,489,580</b>	<b>4,622,457</b>	<b>8,572,119</b>	<b>14,309,248</b>	<b>15,000</b>	<b>97,986,500</b>
<b>PROJECT REVENUES</b>									
Tax Increments	11,084,695	12,953,801	2,276,792	550,746	2,592,072	1,479,762	12,291	-	30,950,159
Investment Income	164,276	249,268	114,037	3,259	19,928	8,413	-	-	559,181
Premium on Long-Term Debt	263,126	244,216	-	10,147	-	68,532	-	-	586,021
Grants	5,408,646	395,169	-	-	-	-	-	-	5,803,815
Exempt Computer Aid	21,492	67,780	6,608	981	-	9,386	-	-	106,247
Personal Property Aid	14,233	13,567	3,379	-	2,770	1,749	-	-	35,698
Developer Fees	68,903	27,880	28,845	10,621	20,318	20,000	10,000	-	186,567
Sale of Land	-	-	-	-	-	-	-	-	-
Distribution from Terminated TID	-	-	2,725,777	-	-	-	-	-	2,725,777
Miscellaneous Revenue	-	-	-	-	-	-	-	-	-
<b>Total Project Revenues</b>	<b>17,025,371</b>	<b>13,951,681</b>	<b>5,155,438</b>	<b>575,754</b>	<b>2,635,088</b>	<b>1,587,842</b>	<b>22,291</b>	<b>-</b>	<b>40,953,465</b>
<b>NET COST RECOVERABLE THROUGH TIF</b>									
<b>INCREMENTS - DECEMBER 31, 2020</b>	<b>\$ (10,391,845)</b>	<b>\$ (21,212,726)</b>	<b>\$ (241,035)</b>	<b>\$ (1,913,826)</b>	<b>\$ (1,987,369)</b>	<b>\$ (6,984,277)</b>	<b>\$ (14,286,957)</b>	<b>\$ (15,000)</b>	<b>\$ (57,033,035)</b>

This schedule was prepared from data recorded in the following funds of the City:

- Tax Incremental District Special Revenue Fund
- Redevelopment Authority Lease Revenue Bond Capital Projects Fund
- Debt Service Fund
- General Obligation Debt Issue Capital Projects Fund

The data was consolidated for purposes of this schedule and, therefore, amounts shown will not directly correlate with the amounts shown in the financial statements.

**CITY OF WAUWATOSA, WISCONSIN**  
**COMBINING SCHEDULE OF TAX INCREMENTAL DISTRICTS SUMMARY OF SOURCES, USES AND STATUS OF FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	TID NO. 6	TID NO. 7	TID NO. 8	TID NO. 9	TID NO. 10	TID NO. 11	TID NO. 12	TID NO. 13	Total
<b>SOURCES OF FUNDS</b>									
Tax Increments	\$ 2,517,221	\$ 3,584,913	\$ 705,918	\$ 276,257	\$ 1,359,966	\$ 634,865	\$ 12,291	\$ -	\$ 9,091,431
Investment Income	15,885	24,917	9,634	829	6,885	1,392	-	-	59,542
Long-Term Debt Issued	-	-	-	-	-	-	-	-	-
Premium on Long-Term Debt	-	-	-	-	-	-	-	-	-
Municipal Revenue Obligations	-	-	1,646,814	-	-	-	-	-	1,646,814
Grants	-	-	-	-	-	-	-	-	-
Exempt Computer Aid	4,097	14,461	1,305	249	-	2,383	-	-	22,495
Personal Property Aid	-	-	-	-	-	-	-	-	-
Developer Fees	-	-	-	-	-	-	-	-	-
Sale of Land	-	-	-	-	-	-	-	-	-
Distribution from Terminated TID	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	-	-
<b>Total Sources of Funds</b>	<b>2,537,203</b>	<b>3,624,291</b>	<b>2,363,671</b>	<b>277,335</b>	<b>1,366,851</b>	<b>638,640</b>	<b>12,291</b>	<b>-</b>	<b>10,820,282</b>
<b>USES OF FUNDS</b>									
Capital Expenditures	90,036	48,418	57,323	-	-	50,439	-	-	246,216
Administration	7,620	28,301	18,458	1,000	1,000	5,000	9,250	-	70,629
Interest on Long-Term Debt	314,995	553,893	-	9,063	-	81,713	-	-	959,664
Principal on Long-Term Debt	624,610	1,495,000	-	50,000	-	50,000	-	-	2,219,610
Principal on Municipal Revenue Obligation	498,234	545,324	344,791	191,650	800,305	1,330,153	-	-	3,710,457
Housing and Community Development	-	-	-	-	-	-	-	-	-
Developers Grants/Incentive	-	2,444,481	1,646,814	-	-	(924,327)	300,000	-	3,466,968
Professional Services	19,952	3,500	4,250	-	-	-	850	15,000	43,552
Debt Issuance Costs	-	-	-	-	-	-	-	-	-
Distribution to Other Taxing Jurisdictions	-	-	-	-	-	-	-	-	-
<b>Total Uses of Funds</b>	<b>1,555,447</b>	<b>5,118,917</b>	<b>2,071,636</b>	<b>251,713</b>	<b>801,305</b>	<b>592,978</b>	<b>310,100</b>	<b>15,000</b>	<b>10,717,096</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>981,756</b>	<b>(1,494,626)</b>	<b>292,035</b>	<b>25,622</b>	<b>565,546</b>	<b>45,662</b>	<b>(297,809)</b>	<b>(15,000)</b>	<b>103,186</b>
Beginning Fund Balance	614,318	406,746	1,299,866	(18,294)	150,001	(303,552)	(145,474)	-	2,003,611
<b>ENDING FUND BALANCE</b>	<b>\$ 1,596,074</b>	<b>\$ (1,087,880)</b>	<b>\$ 1,591,901</b>	<b>\$ 7,328</b>	<b>\$ 715,547</b>	<b>\$ (257,890)</b>	<b>\$ (443,283)</b>	<b>\$ (15,000)</b>	<b>\$ 2,106,797</b>

This schedule was prepared from data recorded in the following funds of the City:

- Tax Incremental District Special Revenue Fund
- Redevelopment Authority Lease Revenue Bond Capital Projects Fund
- Debt Service Fund
- General Obligation Debt Issue Capital Projects Fund

**CITY OF WAUWATOSA, WISCONSIN**  
**COMBINING SCHEDULE OF TAX INCREMENTAL DISTRICTS HISTORICAL SUMMARY OF SOURCES, USES AND STATUS OF FUNDS FROM DATE OF CREATION THROUGH THE YEAR ENDED DECEMBER 31, 2020**

	TID NO. 6	TID NO. 7	TID NO. 8	TID NO. 9	TID NO. 10	TID NO. 11	TID NO. 12	TID NO. 13	Total
<b>SOURCES OF FUNDS</b>									
Tax Increments	\$ 11,084,695	\$ 12,953,801	\$ 2,276,792	\$ 550,746	\$ 2,592,072	\$ 1,479,762	\$ 12,291	\$ -	\$ 30,950,159
Investment Income	164,276	249,268	114,037	3,259	19,928	8,413	-	-	559,181
Long-Term Debt Issued	12,003,815	19,630,000	-	425,000	-	2,295,000	-	-	34,353,815
Municipal Revenue Obligations Issued	4,500,000	6,979,218	3,146,814	1,994,000	4,500,000	6,289,096	13,843,674	-	41,252,802
Premium on Long-Term Debt	263,126	244,216	-	10,147	-	68,532	-	-	586,021
Grants	5,408,646	395,169	-	-	-	-	-	-	5,803,815
Exempt Computer Aid	21,492	67,780	6,608	981	-	9,386	-	-	106,247
Personal Property Aid	14,233	13,567	3,379	-	2,770	1,749	-	-	35,698
Developer Fees	68,903	27,880	28,845	10,621	20,318	20,000	10,000	-	186,567
Sale of Land	-	-	-	-	-	-	-	-	-
Distribution from Terminated TID	-	-	2,725,777	-	-	-	-	-	2,725,777
Miscellaneous Revenues	-	-	-	-	-	-	-	-	-
Total Sources of Funds	<u>33,529,186</u>	<u>40,560,899</u>	<u>8,302,252</u>	<u>2,994,754</u>	<u>7,135,088</u>	<u>10,171,938</u>	<u>13,865,965</u>	<u>-</u>	<u>116,560,082</u>
<b>USES OF FUNDS</b>									
Capital Expenditures	20,332,950	16,714,590	2,188,443	415,759	88,196	2,765,768	-	-	42,505,706
Administration	179,689	122,216	42,187	22,027	27,982	102,462	32,675	-	529,238
Interest on Long-Term Debt	2,332,182	2,631,906	-	50,813	-	322,538	-	-	5,337,439
Principal on Long-Term Debt	2,802,973	5,685,000	-	125,000	-	50,000	-	-	8,662,973
Principal on Municipal Revenue Obligation	1,712,923	799,372	1,313,878	372,846	1,797,084	1,807,709	-	-	7,803,812
Housing and Community Development	-	-	-	-	-	-	-	-	-
Developers Grants/Incentive	4,500,000	15,596,137	3,146,814	1,994,000	4,500,000	5,364,769	14,239,846	-	49,341,566
Professional Services	72,395	25,722	19,029	6,981	6,279	16,582	36,727	15,000	198,715
Debt Issuance Costs	-	73,836	-	-	-	-	-	-	73,836
Distribution to Other Taxing Jurisdictions	-	-	-	-	-	-	-	-	-
Total Uses of Funds	<u>31,933,112</u>	<u>41,648,779</u>	<u>6,710,351</u>	<u>2,987,426</u>	<u>6,419,541</u>	<u>10,429,828</u>	<u>14,309,248</u>	<u>15,000</u>	<u>114,453,285</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>1,596,074</u>	<u>(1,087,880)</u>	<u>1,591,901</u>	<u>7,328</u>	<u>715,547</u>	<u>(257,890)</u>	<u>(443,283)</u>	<u>(15,000)</u>	<u>2,106,797</u>
Beginning Fund Balance	-	-	-	-	-	-	-	-	-
<b>ENDING FUND BALANCE</b>	<u>\$ 1,596,074</u>	<u>\$ (1,087,880)</u>	<u>\$ 1,591,901</u>	<u>\$ 7,328</u>	<u>\$ 715,547</u>	<u>\$ (257,890)</u>	<u>\$ (443,283)</u>	<u>\$ (15,000)</u>	<u>\$ 2,106,797</u>
<b>RECONCILIATION OF RECOVERABLE COSTS</b>									
Fund Balance	\$ 1,596,074	\$ (1,087,880)	\$ 1,591,901	\$ 7,328	\$ 715,547	\$ (257,890)	\$ (443,283)	\$ (15,000)	\$ 2,106,797
Principal Balance of Outstanding Long-Term Debt	(9,200,842)	(13,945,000)	-	(300,000)	-	(2,245,000)	-	-	(25,690,842)
Principal Balance of Municipal Revenue Obligation	(2,787,077)	(6,179,846)	(1,832,936)	(1,621,154)	(2,702,916)	(4,481,387)	(13,843,674)	-	(33,448,990)
<b>NET COST RECOVERABLE THROUGH TIF INCREMENTS - DECEMBER 31, 2020</b>	<u>#####</u>	<u>#####</u>	<u>\$ (241,035)</u>	<u>\$ (1,913,826)</u>	<u>\$ (1,987,369)</u>	<u>\$ (6,984,277)</u>	<u>\$ (14,286,957)</u>	<u>\$ (15,000)</u>	<u>\$ (57,033,035)</u>

This schedule was prepared from data recorded in the following funds of the City:  
 Tax Incremental District Special Revenue Fund  
 Redevelopment Authority Lease Revenue Bond Capital Projects Fund  
 Debt Service Fund  
 General Obligation Debt Issue Capital Projects Fund

The data was consolidated for purposes of this schedule and, therefore, amounts shown will not directly correlate with the amounts shown in the financial statements.

**CITY OF WAUWATOSA, WISCONSIN  
COMBINING STATEMENT OF NET POSITION  
PROPRIETARY FUND – INTERNAL SERVICE FUNDS**

	Fleet Maintenance	Public Works Building	Risk Management				Information Systems	Municipal Building Complex	Total Internal Service Funds
			General Liability	Workers Compensation Insurance	Employee Dental Insurance	Employee Health Insurance			
<b>CURRENT ASSETS</b>									
Cash and Cash Equivalents	\$ 535,103	\$ 179,014	\$ 3,054,147	\$ 1,220,398	\$ 213,709	\$ 7,037,741	\$ 776,109	\$ 787,017	\$ 13,803,238
Receivables, Net	18,422	23,597	-	40,000	-	100,779	-	-	182,798
Prepays and Other Current Assets	207,051	-	-	-	-	-	-	-	207,051
Total Current Assets	<u>760,576</u>	<u>202,611</u>	<u>3,054,147</u>	<u>1,260,398</u>	<u>213,709</u>	<u>7,138,520</u>	<u>776,109</u>	<u>787,017</u>	<u>14,193,087</u>
<b>NONCURRENT ASSETS</b>									
Deposit in Cities and Villages									
Mutual Insurance Company	-	-	1,184,453	-	-	-	-	-	1,184,453
Capital Assets:									
Land	-	22,617	-	-	-	-	-	-	22,617
Buildings	-	3,644,299	-	-	-	-	-	-	3,644,299
Machinery and Equipment	14,569,971	18,507	-	-	-	-	1,697,794	-	16,286,272
Construction in Progress	306,513	-	-	-	-	-	-	-	306,513
Less: Accumulated Depreciation	(10,775,987)	(1,431,861)	-	-	-	-	(697,858)	-	(12,905,706)
Total Capital Assets, Net	<u>4,100,497</u>	<u>2,253,562</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>999,936</u>	<u>-</u>	<u>7,353,995</u>
Total Assets	4,861,073	2,456,173	4,238,600	1,260,398	213,709	7,138,520	1,776,045	787,017	22,731,535
<b>DEFERRED OUTFLOWS OF RESOURCES</b>									
Deferred Amounts Related to Other Postemployment Benefits Obligation	-	-	-	-	-	7,125,713	-	-	7,125,713
<b>CURRENT LIABILITIES</b>									
Accounts Payable	11,360	10,957	720,441	708,844	2,173	618,083	84,350	54,448	2,210,656
Accrued Liabilities	66,346	-	-	-	-	-	31,754	19,369	117,469
Current Portion of Capital Lease	-	-	-	-	-	-	13,508	-	13,508
Current Portion of OPEB Obligation	-	-	-	-	-	3,703,306	-	-	3,703,306
Total Current Liabilities	<u>77,706</u>	<u>10,957</u>	<u>720,441</u>	<u>708,844</u>	<u>2,173</u>	<u>4,321,389</u>	<u>129,612</u>	<u>73,817</u>	<u>6,044,939</u>
<b>NONCURRENT LIABILITIES</b>									
Net OPEB Obligation	-	-	-	-	-	31,826,205	-	-	31,826,205
Capital Lease	-	-	-	-	-	-	13,508	-	13,508
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,826,205</u>	<u>13,508</u>	<u>-</u>	<u>31,839,713</u>
Total Liabilities	<u>77,706</u>	<u>10,957</u>	<u>720,441</u>	<u>708,844</u>	<u>2,173</u>	<u>36,147,594</u>	<u>143,120</u>	<u>73,817</u>	<u>37,884,652</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Deferred Amounts Related to Other Postemployment Benefits Obligation	-	-	-	-	-	1,053,588	-	-	1,053,588
<b>NET POSITION</b>									
Net Investment in Capital Assets	4,100,497	2,253,562	-	-	-	-	999,936	-	7,353,995
Unrestricted	682,870	191,654	3,518,159	551,554	211,536	(22,936,949)	632,989	713,200	(16,434,987)
Total Net Position	<u>\$ 4,783,367</u>	<u>\$ 2,445,216</u>	<u>\$ 3,518,159</u>	<u>\$ 551,554</u>	<u>\$ 211,536</u>	<u>\$ (22,936,949)</u>	<u>\$ 1,632,925</u>	<u>\$ 713,200</u>	<u>\$ (9,080,992)</u>

**CITY OF WAUWATOSA, WISCONSIN**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND**  
**NET POSITION – PROPRIETARY FUND – INTERNAL SERVICE FUNDS**  
**YEAR ENDED DECEMBER 31, 2020**

	Fleet Maintenance	Public Works Building	Risk Management				Information Systems	Municipal Building Complex	Total Internal Service Funds
			General Liability	Workers Compensation Insurance	Employee Dental Insurance	Employee Health Insurance			
<b>OPERATING REVENUES</b>									
Charges for Services and Sales	\$ 3,338,553	\$ 461,923	\$ -	\$ -	\$ -	\$ -	\$ 2,181,529	\$ 914,612	\$ 6,896,617
Intergovernmental Revenues	15,125	5,821	-	-	-	-	32,871	11,508	65,325
Other Miscellaneous Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenues	-	-	316,242	808,338	397,887	10,280,758	5,846	-	11,809,071
Total Operating Revenues	<u>3,353,678</u>	<u>467,744</u>	<u>316,242</u>	<u>808,338</u>	<u>397,887</u>	<u>10,280,758</u>	<u>2,220,246</u>	<u>926,120</u>	<u>18,771,013</u>
<b>OPERATING EXPENSES</b>									
Operation and Maintenance	2,349,240	331,672	688,131	950,425	375,441	8,890,728	2,022,038	1,437,312	17,044,987
Depreciation	902,186	97,489	-	-	-	-	220,838	-	1,220,513
Total Operating Expenses	<u>3,251,426</u>	<u>429,161</u>	<u>688,131</u>	<u>950,425</u>	<u>375,441</u>	<u>8,890,728</u>	<u>2,242,876</u>	<u>1,437,312</u>	<u>18,265,500</u>
Operating Income (Loss)	102,252	38,583	(371,889)	(142,087)	22,446	1,390,030	(22,630)	(511,192)	505,513
<b>NONOPERATING REVENUES EXPENSES</b>									
Dividend Income	-	-	33,400	-	-	-	-	-	33,400
Investment Income	-	-	-	-	-	-	-	-	-
Gain (Loss) on Sale or Trade of Assets	(10,500)	-	-	-	-	-	-	-	(10,500)
Other Nonoperating Income	10,000	-	-	-	-	-	-	5,359	15,359
Total Nonoperating Revenues (Expenses)	<u>(500)</u>	<u>-</u>	<u>33,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,359</u>	<u>38,259</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>101,752</u>	<u>38,583</u>	<u>(338,489)</u>	<u>(142,087)</u>	<u>22,446</u>	<u>1,390,030</u>	<u>(22,630)</u>	<u>(505,833)</u>	<u>543,772</u>
<b>CAPITAL CONTRIBUTIONS</b>	1,668,326	-	-	-	-	-	-	-	1,668,326
<b>TRANSFERS IN</b>	-	-	55,000	-	-	-	200,000	-	255,000
<b>TRANSFERS OUT</b>	<u>(878,049)</u>	<u>(57,459)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(166,341)</u>	<u>-</u>	<u>(1,101,849)</u>
<b>CHANGES IN NET POSITION</b>	<u>892,029</u>	<u>(18,876)</u>	<u>(283,489)</u>	<u>(142,087)</u>	<u>22,446</u>	<u>1,390,030</u>	<u>11,029</u>	<u>(505,833)</u>	<u>1,365,249</u>
Net Position - Beginning of Year	<u>3,891,338</u>	<u>2,464,092</u>	<u>3,801,648</u>	<u>693,641</u>	<u>189,090</u>	<u>(24,326,979)</u>	<u>1,621,896</u>	<u>1,219,033</u>	<u>(10,446,241)</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 4,783,367</u>	<u>\$ 2,445,216</u>	<u>\$ 3,518,159</u>	<u>\$ 551,554</u>	<u>\$ 211,536</u>	<u>\$ (22,936,949)</u>	<u>\$ 1,632,925</u>	<u>\$ 713,200</u>	<u>\$ (9,080,992)</u>

**CITY OF WAUWATOSA, WISCONSIN**  
**COMBINING STATEMENT OF CASH FLOWS – PROPRIETARY FUND – INTERNAL SERVICE FUNDS**  
**YEAR ENDED DECEMBER 31, 2020**

	Fleet Maintenance	Public Works Building	Risk Management				Information Systems	Municipal Building Complex	Total Internal Service Funds
			General Liability	Workers Compensation Insurance	Employee Dental Insurance	Employee Health Insurance			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>									
Receipts from Customers and Users	\$ 15,125	\$ 5,821	\$ 316,242	\$ 808,338	\$ 397,887	\$ 10,280,758	\$ 38,717	\$ 11,508	\$ 11,874,396
Receipts from Other Funds	3,328,522	443,697	-	-	331	41,817	2,181,529	914,612	6,910,508
Payments to Suppliers	(3,333,527)	(486,504)	(340,159)	(712,322)	(373,268)	(9,412,915)	(1,360,267)	#####	(17,236,434)
Payments to Employees	963,817	132,479	34,392	51,729	-	(163,824)	(638,927)	(165,410)	214,256
Net Cash Provided (Used) by Operating Activities	973,937	95,493	10,475	147,745	24,950	745,836	221,052	(456,762)	1,762,726
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>									
Transfers from Other Funds	-	-	55,000	-	-	-	200,000	-	255,000
Transfers to Other Funds	(878,049)	(57,459)	-	-	-	-	(166,341)	-	(1,101,849)
Net Cash Provided (Used) by Noncapital Financing Activities	(878,049)	(57,459)	55,000	-	-	-	33,659	-	(846,849)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>									
Acquisition and Construction of Capital Assets	(89,013)	(15,637)	-	-	-	-	(88,714)	-	(193,364)
Proceeds from Sale of Property, Plant, and Equipment	44,695	-	-	-	-	-	-	-	44,695
Principal Paid on Capital Debt	-	-	-	-	-	-	(13,508)	-	(13,508)
Net Cash Provided (Used) by Capital and Related Financing Activities	(44,318)	(15,637)	-	-	-	-	(102,222)	-	(162,177)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
Interest and Dividends Received	-	-	33,400	-	-	-	-	-	33,400
Other	10,000	-	-	-	-	-	-	5,359	15,359
Net Cash Provided (Used) by Investing Activities	10,000	-	33,400	-	-	-	-	5,359	48,759
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	61,570	22,397	98,875	147,745	24,950	745,836	152,489	(451,403)	802,459
Cash and Cash Equivalents - Beginning of Year	473,533	156,617	2,955,272	1,072,653	188,759	6,291,905	623,620	1,238,420	13,000,779
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 535,103</u>	<u>\$ 179,014</u>	<u>\$ 3,054,147</u>	<u>\$ 1,220,398</u>	<u>\$ 213,709</u>	<u>\$ 7,037,741</u>	<u>\$ 776,109</u>	<u>\$ 787,017</u>	<u>\$ 13,803,238</u>

**CITY OF WAUWATOSA, WISCONSIN**  
**COMBINING STATEMENT OF CASH FLOWS – PROPRIETARY FUND – INTERNAL SERVICE FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2020**

	Fleet Maintenance	Public Works Building	Risk Management				Information Systems	Municipal Building Complex	Total Internal Service Funds
			General Liability	Workers Compensation Insurance	Employee Dental Insurance	Employee Health Insurance			
<b>RECONCILIATION OF OPERATING INCOME</b>									
<b>(LOSS) TO NET CASH PROVIDED (USED) BY</b>									
<b>OPERATING ACTIVITIES</b>									
Operating Income (Loss)	\$ 102,252	\$ 38,583	\$ (371,889)	\$ (142,087)	\$ 22,446	\$ 1,390,030	\$ (22,630)	\$ (511,192)	\$ 505,513
Adjustments to Reconcile Operating Income									
(Loss) to Net Cash Provided (Used) by									
Operating Activities:									
Depreciation Expense	902,186	97,490	-	-	-	-	220,838	-	1,220,514
(Increase) Decrease:									
Accounts Receivable - Other	(10,031)	(18,226)	-	-	331	41,817	-	-	13,891
Inventories	(31,943)	-	-	-	-	-	-	-	(31,943)
Accounts Payable	(2,704)	(22,354)	382,364	289,832	2,173	(191,194)	32,042	53,329	543,488
Accrued Liabilities	14,177	-	-	-	-	-	(9,198)	1,101	6,080
Net OPEB Liability	-	-	-	-	-	2,128,831	-	-	2,128,831
Deferred Outflows Related to OPEB	-	-	-	-	-	(2,405,061)	-	-	(2,405,061)
Deferred Inflows Related to OPEB	-	-	-	-	-	(218,587)	-	-	(218,587)
Due to Other Funds	-	-	-	-	-	-	-	-	-
Total Adjustments	871,685	56,910	382,364	289,832	2,504	(644,194)	243,682	54,430	1,257,213
Net Cash Provided (Used) by									
Operating Activities	\$ 973,937	\$ 95,493	\$ 10,475	\$ 147,745	\$ 24,950	\$ 745,836	\$ 221,052	\$ (456,762)	\$ 1,762,726
<b>NONCASH CAPITAL AND RELATED FINANCING</b>									
<b>ACTIVITIES</b>									
Capital Assets Contributed by City of Wauwatosa	\$ 1,668,326	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,668,326

**CITY OF WAUWATOSA, WISCONSIN  
COMBINING SCHEDULE OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS  
DECEMBER 31, 2020**

	Private Purpose Trust Funds							Custodial Funds			
	Firemen's Special Endowment Fund	Hart Park Senior Center	Bachman Flag Account	Land Conservation Account	Automated License Plate Reader	Cemetery Perpetual Care Trust Account	Library Trust	Total	Special Deposits	Subsequent Year's Tax Roll Collections	Total
<b>ASSETS</b>											
Cash and Investments	\$ 10,860	\$ 44,634	\$ 642	\$ 187,796	\$ 15,599	\$ 36,289	\$ 266,295	\$ 562,115	\$ -	\$ 43,022,506	\$ 43,022,506
Taxes Receivable	-	-	-	-	-	-	-	-	-	59,935,270	59,935,270
<b>Total Assets</b>	<b>10,860</b>	<b>44,634</b>	<b>642</b>	<b>187,796</b>	<b>15,599</b>	<b>36,289</b>	<b>266,295</b>	<b>562,115</b>	<b>-</b>	<b>102,957,776</b>	<b>102,957,776</b>
<b>LIABILITIES</b>											
Special Deposits	-	-	-	-	-	-	4,948	4,948	-	-	-
Due to Other Taxing Units	-	-	-	-	-	-	-	-	-	59,935,270	59,935,270
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,948</b>	<b>4,948</b>	<b>-</b>	<b>59,935,270</b>	<b>59,935,270</b>
<b>DEFERRED INFLOWS</b>											
Tax Levy	-	-	-	-	-	-	-	-	-	43,022,506	43,022,506
<b>NET POSITION - RESTRICTED</b>	<b>\$ 10,860</b>	<b>\$ 44,634</b>	<b>\$ 642</b>	<b>\$ 187,796</b>	<b>\$ 15,599</b>	<b>\$ 36,289</b>	<b>\$ 261,347</b>	<b>\$ 557,167</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**CITY OF WAUWATOSA, WISCONSIN  
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS  
YEAR ENDED DECEMBER 31, 2020**

	Private Purpose Trust Funds							Custodial Funds		
	Firemen's Special Endowment Fund	Hart Park Senior Center	Bachman Flag Account	Land Conservation Account	Automated License Plate Reader	Cemetery Perpetual Care Trust Account	Library Trust	Total	Special Deposits	Subsequent Year's Tax Roll Collections
<b>ADDITIONS</b>										
Contributions	\$ -	\$ -	\$ 850	\$ -	\$ 4,100	\$ 7,425	\$ 295,146	\$ 307,521	\$ -	\$ -
Deposit receipts	-	-	-	-	-	-	-	-	-	-
Investment Income	24	-	-	-	-	-	114	138	-	-
Tax Collections	-	-	-	-	-	-	-	-	-	71,284,257
Total Additions	24	-	850	-	4,100	7,425	295,260	307,659	-	71,284,257
<b>DEDUCTIONS</b>										
Endowment Payments	-	17,532	2,178	-	-	-	33,913	53,623	-	-
Deposit returns	-	-	-	-	-	-	-	-	210,767	-
Payments to Other Governments	-	-	-	-	-	-	-	-	-	71,284,257
	-	17,532	2,178	-	-	-	33,913	53,623	210,767	71,284,257
<b>CHANGES IN NET POSITION</b>	24	(17,532)	(1,328)	-	4,100	7,425	261,347	254,036	(210,767)	-
Net Position - Beginning of Year	10,836	62,166	1,970	187,796	11,499	28,864	-	303,131	210,767	-
<b>NET POSITION - END OF YEAR</b>	\$ 10,860	\$ 44,634	\$ 642	\$ 187,796	\$ 15,599	\$ 36,289	\$ 261,347	\$ 557,167	\$ -	\$ -

**APPENDIX B**

**FORMS OF LEGAL OPINIONS  
FOR THE SECURITIES**

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

December 1, 2021

Re: City of Wauwatosa, Wisconsin ("Issuer")  
\$8,300,000 General Obligation Corporate Purpose Bonds, Series 2021A,  
dated December 1, 2021 ("Bonds")

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

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

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

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2022	\$780,000	5.00 %
2023	415,000	5.00
2024	425,000	5.00
2025	435,000	5.00
2026	445,000	4.00
2027	460,000	2.00
2028	465,000	2.00
2029	485,000	2.00
2030	500,000	2.00
2031	520,000	1.75
2032	535,000	1.875
2033	555,000	1.875
2034	565,000	2.00
2035	580,000	2.00
2036	590,000	2.125
2037	105,000	2.125
2038	105,000	2.25
2039	110,000	2.25
2040	110,000	2.25
2041	115,000	2.25

Interest is payable semi-annually on June 1 and December 1 of each year commencing on June 1, 2022.

The Bonds maturing on December 1, 2029 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on December 1, 2028 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

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

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

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

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

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

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

QUARLES & BRADY LLP

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

December 1, 2021

Re: City of Wauwatosa, Wisconsin ("Issuer")  
\$2,970,000 General Obligation Promissory Notes, Series 2021B,  
dated December 1, 2021 ("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 December 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2022	\$265,000	2.00%
2023	275,000	2.00
2024	280,000	2.00
2025	285,000	2.00
2026	290,000	2.00
2027	300,000	2.00
2028	305,000	2.00
2029	315,000	2.00
2031	655,000	2.00

Interest is payable semi-annually on June 1 and December 1 of each year commencing on June 1, 2022.

The Notes maturing on December 1, 2029 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on December 1, 2028 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 year 2031 are subject to mandatory redemption by lot as provided in the Notes, at the redemption price of par plus accrued interest to the date of redemption and without premium.

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

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

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

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

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

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

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

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

QUARLES & BRADY LLP

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

December 1, 2021

Re: City of Wauwatosa, Wisconsin ("Issuer")  
\$12,235,000 Taxable General Obligation Refunding Bonds, Series 2021C,  
dated December 1, 2021 ("Bonds")

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

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

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

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2022	\$ 880,000	0.25%
2023	870,000	0.55
2024	1,500,000	0.85
2025	905,000	1.10
2026	920,000	1.35
2027	900,000	1.50
2028	930,000	1.60
2029	935,000	1.70
2030	1,010,000	1.80
2031	1,010,000	1.90
2032	1,040,000	2.00
2033	1,015,000	2.10
2034	320,000	2.20

Interest is payable semi-annually on May 1 and November 1 of each year commencing on May 1, 2022.

The Bonds maturing on November 1, 2029 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on November 1, 2028 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

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

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

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

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

3. The interest on the Bonds is included for federal income tax purposes in the gross income of the owners of the Bonds.

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

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

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

QUARLES & BRADY LLP

**APPENDIX C**

**FORMS OF  
CONTINUING DISCLOSURE CERTIFICATES  
FOR THE SECURITIES**

## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Wauwatosa, Milwaukee County, Wisconsin (the "Issuer") in connection with the issuance of \$8,300,000 General Obligation Corporate Purpose Bonds, Series 2021A, dated December 1, 2021 (the "Securities"). The Securities are being issued pursuant to resolutions adopted on September 21, 2021, as supplemented by a Certificate Approving the Preliminary Official Statement and Details of General Obligation Corporate Purpose Bonds, Series 2021A, dated October 26, 2021 (collectively, the "Resolution") and delivered to Piper Sandler & Co. (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

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

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

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

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

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

"Final Official Statement" means the Final Official Statement dated October 26, 2021 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 Wauwatosa, Milwaukee County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Finance Director of the Issuer who can be contacted at 7725 West North Avenue, Wauwatosa, Wisconsin 53213, phone (414) 479-8917, fax (414) 479-8989.

"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 270 days after the end of the Fiscal Year, commencing with the year ending December 31, 2021, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 270 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, adopted annual budget and/or current general fund budget summary 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. TAX LEVIES, RATES AND COLLECTIONS
2. ASSESSED AND EQUALIZED VALUATIONS
3. CITY DEBT STRUCTURE - Direct Indebtedness

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

Section 5. Reporting of Listed Events.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 1st day of December, 2021.

(SEAL)

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Dennis McBride  
Mayor

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Steven Braatz  
City Clerk

## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Wauwatosa, Milwaukee County, Wisconsin (the "Issuer") in connection with the issuance of \$2,970,000 General Obligation Promissory Notes, Series 2021B, dated December 1, 2021 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on September 21, 2021, as supplemented by a Certificate Approving the Preliminary Official Statement and Details of General Obligation Promissory Notes, Series 2021B, dated October 26, 2021 (the "Resolution") and delivered to Northland Securities, Inc. (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

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

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

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

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

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

"Final Official Statement" means the Final Official Statement dated October 26, 2021 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 Wauwatosa, Milwaukee County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Finance Director of the Issuer who can be contacted at 7725 West North Avenue, Wauwatosa, Wisconsin 53213, phone (414) 479-8917, fax (414) 479-8989.

"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 270 days after the end of the Fiscal Year, commencing with the year ending December 31, 2021, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 270 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, adopted annual budget and/or current general fund budget summary 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. TAX LEVIES, RATES AND COLLECTIONS
2. ASSESSED AND EQUALIZED VALUATIONS
3. CITY DEBT STRUCTURE - Direct Indebtedness

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

Section 5. Reporting of Listed Events.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 1st day of December, 2021.

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Dennis McBride  
Mayor

(SEAL)

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Steven Braatz  
City Clerk

## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Wauwatosa, Milwaukee County, Wisconsin (the "Issuer") in connection with the issuance of \$12,235,000 Taxable General Obligation Refunding Bonds, Series 2021C, dated December 1, 2021 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on September 21, 2021, as supplemented by a Certificate Approving the Preliminary Official Statement and Details of Taxable General Obligation Refunding Bonds, Series 2021C, dated October 26, 2021 (the "Resolution") and delivered to Piper Sandler & Co. (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

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

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

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

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

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

"Final Official Statement" means the Final Official Statement dated October 26, 2021 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 Wauwatosa, Milwaukee County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Finance Director of the Issuer who can be contacted at 7725 West North Avenue, Wauwatosa, Wisconsin 53213, phone (414) 479-8917, fax (414) 479-8989.

"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 270 days after the end of the Fiscal Year, commencing with the year ending December 31, 2021, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 270 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, adopted annual budget and/or current general fund budget summary 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. TAX LEVIES, RATES AND COLLECTIONS
2. ASSESSED AND EQUALIZED VALUATIONS
3. CITY DEBT STRUCTURE - Direct Indebtedness

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

Section 5. Reporting of Listed Events.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to

include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

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

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

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

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 1st day of December, 2021.

(SEAL)

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Dennis McBride  
Mayor

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Steven Braatz  
City Clerk