

FINAL OFFICIAL STATEMENT DATED OCTOBER 25, 2022

NEW ISSUES

Bank Qualified (2022B Bonds and 2022C Notes)

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 2022B Bonds and 2022C Notes is excludable from gross income and is not an item of tax preference for federal income tax purposes; however, interest on the 2022B Bonds and 2022C Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code) for taxable years beginning after December 31, 2022. See "TAX STATUS - The 2022B Bonds and 2022C Notes" herein for a more detailed discussion of some of the federal income tax consequences of owning the 2022B Bonds and 2022C Notes. The interest on the 2022B Bonds and 2022C Notes is not exempt from present Wisconsin income or franchise taxes. The 2022B Bonds and 2022C Notes shall be designated as "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 2022D Bonds is included in gross income for federal income tax purposes. See "TAX STATUS - The 2022D Bonds" herein. The interest on the 2022D Bonds is not exempt from present Wisconsin income or franchise taxes.

**CITY OF WAUWATOSA
MILWAUKEE COUNTY, WISCONSIN**

Dated: December 1, 2022

Due: As shown herein

\$3,660,000 General Obligation Corporate Purpose Bonds, Series 2022B

The General Obligation Corporate Purpose Bonds, Series 2022B (the "2022B Bonds") will be dated December 1, 2022, and will be in the denomination of \$5,000 each or any multiple thereof. The 2022B Bonds mature serially on December 1 of the years 2023 through 2035, and term bonds will mature on December 1, 2037 (the "Term Bonds"). Interest on the 2022B Bonds shall be payable commencing on June 1, 2023 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 2022B Bonds are being issued pursuant to Chapter 67 of the Wisconsin Statutes. The 2022B 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 2022B Bonds will be issued for the public purposes of paying the cost of street improvement projects, parks and public grounds projects, equipment for the fire department, construction of police facilities and water system projects (collectively, the "2022B Projects").

The 2022B Bonds maturing on December 1, 2030 and thereafter are subject to call and prior redemption, at the option of the City, on December 1, 2029 or on 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.)

\$4,270,000 General Obligation Promissory Notes, Series 2022C

The General Obligation Promissory Notes, Series 2022C (the "2022C Notes") will be dated December 1, 2022, and will be in the denomination of \$5,000 each or any multiple thereof. The 2022C Notes mature serially on December 1 of the years 2023 through 2032. Interest on the 2022C Notes shall be payable commencing on June 1, 2023 and semi-annually thereafter on December 1 and June 1 of each year.

The 2022C Notes are being issued pursuant to Section 67.12(12) of the Wisconsin Statutes. The 2022C 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 2022C Notes will be issued for public purposes, including paying the cost of storm sewer improvements, acquisition of equipment for the police department and other capital improvement projects (collectively, the "2022C Projects").

The 2022C Notes maturing on December 1, 2030 and thereafter are subject to call and prior redemption, at the option of the City, on December 1, 2029 or on 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.)

\$5,520,000 Taxable General Obligation Community Development Bonds, Series 2022D

The Taxable General Obligation Community Development Bonds, Series 2022D (the "2022D Bonds") will be dated December 1, 2022, and will be in the denomination of \$5,000 each or any multiple thereof. The 2022D Bonds mature serially on December 1 of the years 2026 through 2037. Interest on the 2022D Bonds shall be payable commencing on June 1, 2023 and semi-annually thereafter on December 1 and June 1 of each year.

The 2022D Bonds are being issued pursuant to Chapter 67 of the Wisconsin Statutes. The 2022D 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 2022D Bonds will be issued for the public purpose of providing financial assistance to community development projects under Section 66.1105, Wisconsin Statutes, by paying project costs included in the project plan for the City's Tax Incremental District No. 10 (the "2022D Projects").

The 2022D Bonds maturing on December 1, 2030 and thereafter are subject to call and prior redemption, at the option of the City, on December 1, 2029 or on 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 2022B Bonds, 2022C Notes and the 2022D 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, 2022.

Northland Securities, Inc.
2022B Bonds

BOK Financial Securities, Inc.
2022C Notes

Piper Sandler & Co.
2022D Bonds

MATURITY SCHEDULES

\$3,660,000 General Obligation Corporate Purpose Bonds, Series 2022B

Dated: December 1, 2022 Due: As shown below Callable: December 1, 2029

<u>(December 1)</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP No.</u> <u>943505⁽¹⁾</u>	<u>(December 1)</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP No.</u> <u>943505⁽¹⁾</u>
2023	\$250,000	5.00%	3.30%	FA0	2030	\$230,000	4.00%	3.65%	FH5
2024	170,000	5.00	3.35	FB8	2031	245,000	4.00	3.70	FJ1
2025	185,000	5.00	3.40	FC6	2032	260,000	4.00	3.75	FK8
2026	190,000	5.00	3.45	FD4	2033	275,000	4.00	3.80	FL6
2027	200,000	5.00	3.50	FE2	2034	285,000	4.00	3.90	FM4
2028	215,000	5.00	3.55	FF9	2035	300,000	4.00	3.95	FN2
2029	220,000	5.00	3.60	FG7					

\$635,000 Term Bonds due December 1, 2037 Rate: 4.00% Yield: 4.00% CUSIP 943505 FQ5

\$4,270,000 General Obligation Promissory Notes, Series 2022C

Dated: December 1, 2022 Due: As shown below Callable: December 1, 2029

<u>(December 1)</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP No.</u> <u>943505⁽¹⁾</u>	<u>(December 1)</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP No.</u> <u>943505⁽¹⁾</u>
2023	\$775,000	4.000%	3.300%	FR3	2028	\$385,000	4.000%	3.450%	FW2
2024	315,000	4.000	3.350	FS1	2029	410,000	4.000	3.500	FX0
2025	330,000	4.000	3.375	FT9	2030	430,000	4.000	3.550	FY8
2026	345,000	4.000	3.400	FU6	2031	445,000	4.000	3.600	FZ5
2027	370,000	4.000	3.430	FV4	2032	465,000	4.000	3.650	GA9

\$5,520,000 Taxable General Obligation Community Development Bonds, Series 2022D

Dated: December 1, 2022 Due: As shown below Callable: December 1, 2029

<u>(December 1)</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP No.</u> <u>943505⁽¹⁾</u>	<u>(December 1)</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP No.</u> <u>943505⁽¹⁾</u>
2026	\$350,000	5.50%	4.75%	GB7	2032	\$465,000	5.10%	5.10%	GH4
2027	370,000	5.50	4.80	GC5	2033	485,000	5.20	5.20	GJ0
2028	390,000	5.50	4.85	GD3	2034	510,000	5.30	5.30	GK7
2029	410,000	5.50	4.90	GE1	2035	530,000	5.40	5.40	GL5
2030	425,000	4.95	4.95	GF8	2036	555,000	5.45	5.45	GM3
2031	445,000	5.00	5.00	GG6	2037	585,000	5.50	5.50	GN1

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

MAYOR

Dennis McBride

COMMON COUNCIL

Meagan O'Reilly, President
Margaret Arney, Alderperson
Robin Brannin, Alderperson
Melissa Dolan, Alderperson
John J. Dubinski, Alderperson
Ernst Franzen, Alderperson
Amanda Fuerst, Alderperson
David Lewis, Alderperson
Sean Lowe, Alderperson
Joseph Makhoul II, Alderperson
Andrew Meindl, Alderperson
James Moldenhauer, Alderperson
Mike Morgan, Alderperson
Joe Phillips, Alderperson
Joel Tilleson, Alderperson
Jason G. Wilke, 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 *
Redemption Agent (2022B Bonds):	Associated Trust Company, National Association, Green Bay, Wisconsin

* 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.

TABLE OF CONTENTS

MATURITY SCHEDULES	2
MAYOR.....	3
COMMON COUNCIL.....	3
ADMINISTRATIVE STAFF	3
PROFESSIONAL SERVICES	3
REGARDING USE OF THIS OFFICIAL STATEMENT	4
SUMMARY - 2022B BONDS.....	6
SUMMARY - 2022C NOTES.....	7
SUMMARY - 2022D BONDS.....	8
INTRODUCTORY STATEMENT.....	9
THE FINANCING PLAN	9
REDEMPTION PROVISIONS	9
ESTIMATED SOURCES AND USES.....	10
CONSTITUTIONAL AND STATUTORY CONSIDERATIONS AND LIMITATIONS CONCERNING THE CITY'S POWER TO INCUR INDEBTEDNESS.....	11
THE RESOLUTIONS.....	12
THE CITY	14
GENERAL INFORMATION	17
DEMOGRAPHIC AND ECONOMIC INFORMATION.....	18
TAX LEVIES, RATES AND COLLECTIONS.....	20
ASSESSED TAX RATES	21
LEVY LIMITS.....	21
ASSESSED AND EQUALIZED VALUATIONS	22
CITY DEBT STRUCTURE.....	24
FINANCIAL INFORMATION.....	28
GENERAL FUND SUMMARY	29
UNDERWRITING	30
RATING	30
TAX STATUS.....	30
CONTINUING DISCLOSURE	32
BOOK-ENTRY-ONLY SYSTEM.....	33
LITIGATION.....	34
GLOBAL HEALTH EMERGENCY RISK	35
LEGAL MATTERS.....	36
MUNICIPAL BANKRUPTCY	36
FINANCIAL ADVISOR.....	36
MISCELLANEOUS	37
AUTHORIZATION	37
APPENDIX A Basic Financial Statements and Related Notes for the year ended December 31, 2021	
APPENDIX B Forms of Legal Opinions for the Securities	
APPENDIX C Forms of Continuing Disclosure Certificates for the Securities	

SUMMARY - 2022B BONDS

Issuer:	City of Wauwatosa, Milwaukee County, Wisconsin.
Issue:	\$3,660,000 General Obligation Corporate Purpose Bonds, Series 2022B (the "2022B Bonds")
Dated Date:	December 1, 2022
Interest Due:	Commencing June 1, 2023 and on each December 1 and June 1 thereafter. Interest on the 2022B Bonds shall be computed on the basis of a 30-day month and a 360-day year.
Principal Due:	December 1, 2023 through 2035. Term Bonds due December 1, 2037
Redemption Provision:	<p>The 2022B Bonds maturing on and after December 1, 2030 shall be subject to call and prior payment, at the option of the City, on December 1, 2029 or on any date thereafter at a price of par plus accrued interest. The amounts and maturities of the 2022B 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 2022B 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 2022B Bond to be redeemed at the address shown on the registration books.</p> <p>The Term Bonds are also subject to mandatory redemption as described herein. (See "REDEMPTION PROVISIONS" herein.)</p>
Security:	The full faith, credit and resources of the City are pledged to the payment of the principal of and the interest on the 2022B Bonds 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.
Purpose:	The 2022B Bonds will be issued for the public purposes of paying the cost of street improvement projects, parks and public grounds projects, equipment for the fire department, construction of police facilities and water system projects (collectively, the "2022B Projects").
Tax Exemption:	Interest on the 2022B Bonds is excludable from gross income for present Federal income tax purposes. (See "TAX STATUS" herein.)
Bank Qualified:	The 2022B Bonds shall be designated as "qualified tax-exempt obligations".
Credit Rating:	The 2022B Bonds have been assigned a "Aaa" rating by Moody's Investors Service, Inc. (See "RATINGS" herein.)
Bond Years:	31,940.00 years.
Average Life:	8.727 years.
Record Date:	The 15 th 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 - 2022C NOTES

Issuer:	City of Wauwatosa, Milwaukee County, Wisconsin.
Issue:	\$4,270,000 General Obligation Promissory Notes, Series 2022C (the "2022C Notes")
Dated Date:	December 1, 2022
Interest Due:	Commencing June 1, 2023 and on each December 1 and June 1 thereafter. Interest on the 2022C Notes shall be computed upon the basis of a 360-day year of twelve 30-day months.
Principal Due:	December 1, 2023 through 2032.
Redemption Provision:	The 2022C Notes maturing on and after December 1, 2030 shall be subject to call and prior payment, at the option of the City, on December 1, 2029 or on any date thereafter at a price of par plus accrued interest. The amounts and maturities of the 2022C 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 2022C 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 2022C Note to be redeemed at the address shown on the registration books. (See "REDEMPTION PROVISIONS" herein.)
Security:	The full faith, credit and resources of the City are pledged to the payment of the principal of and the interest on the 2022C Notes 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.
Purpose:	The 2022C Notes will be issued for public purposes, including paying the cost of storm sewer improvements, acquisition of equipment for the police department and other capital improvement projects (collectively, the "2022C Projects").
Tax Exemption:	Interest on the 2022C Notes is excludable from gross income for present Federal income tax purposes. (See "TAX STATUS" herein.)
Bank Qualified:	The 2022C Notes shall be designated as "qualified tax-exempt obligations".
Credit Rating:	The 2022C Notes have been assigned a "Aaa" rating by Moody's Investors Service, Inc. (See "RATINGS" herein.)
Bond Years:	22,900.00 years.
Average Life:	5.363 years.
Record Date:	The 15 th 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 - 2022D BONDS

Issuer:	City of Wauwatosa, Milwaukee County, Wisconsin.
Issue:	\$5,520,000 Taxable General Obligation Community Development Bonds, Series 2022D (the "2022D Bonds")
Dated Date:	December 1, 2022
Interest Due:	Commencing June 1, 2023 and on each December 1 and June 1 thereafter. Interest on the 2022D Bonds shall be computed on the basis of a 30-day month and a 360-day year.
Principal Due:	December 1, 2026 through 2037.
Redemption Provision:	The 2022D Bonds maturing on and after December 1, 2030 shall be subject to call and prior payment, at the option of the City, on December 1, 2029 or on any date thereafter at a price of par plus accrued interest. The amounts and maturities of the 2022D 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 2022D 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 2022D Bond to be redeemed at the address shown on the registration books. (See "REDEMPTION PROVISIONS" herein.)
Security:	The full faith, credit and resources of the City are pledged to the payment of the principal of and the interest on the 2022D 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.
Purpose:	The 2022D Bonds will be issued for the public purpose of providing financial assistance to community development projects under Section 66.1105, Wisconsin Statutes, by paying project costs included in the project plan for the City's Tax Incremental District No. 10 (the "2022D Projects").
Tax Status:	Interest on the 2022D Bonds is included in gross income for present Federal income tax purposes. (See "TAX STATUS" herein.)
Credit Rating:	The 2022D Bonds have been assigned a "Aaa" rating by Moody's Investors Service, Inc. (See "RATINGS" herein.)
Bond Years:	55,405.00 years.
Average Life:	10.037 years.
Record Date:	The 15 th 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 \$3,660,000 General Obligation Corporate Purpose Bonds, Series 2022B (the "2022B Bonds"), \$4,270,000 General Obligation Promissory Notes, Series 2022C (the "2022C Notes") and \$5,520,000 Taxable General Obligation Community Development Bonds, Series 2022D (the "2022D Bonds" and collectively with the 2022B Bonds and 2022C 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 2022B Bonds

The 2022B Bonds will be issued for the public purposes of paying the cost of street improvement projects, parks and public grounds projects, equipment for the fire department, construction of police facilities and water system projects (collectively, the "2022B Projects").

The 2022C Notes

The 2022C Notes will be issued for public purposes, including paying the cost of storm sewer improvements, acquisition of equipment for the police department and other capital improvement projects (collectively, the "2022C Projects").

The 2022D Bonds

The 2022D Bonds will be issued for the public purpose of providing financial assistance to community development projects under Section 66.1105, Wisconsin Statutes, by paying project costs included in the project plan for the City's Tax Incremental District No. 10 (the "2022D Projects").

REDEMPTION PROVISIONS

Optional Redemption - 2022B Bonds

At the option of the City, the 2022B Bonds maturing on December 1, 2030 and thereafter shall be subject to redemption prior to maturity on December 1, 2029 or on any date thereafter. Said 2022B 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 2022B Bonds of a maturity are to be redeemed, selection of the 2022B 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).

Mandatory Redemption - 2022B Bonds

The 2022B Bonds maturing December 1, 2037 (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:

2037 Term Bonds

<u>Year</u>	<u>Amount</u>
2036	\$ 310,000
2037 (maturity)	325,000

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 - 2022C Notes

At the option of the City, the 2022C Notes maturing on December 1, 2030 and thereafter shall be subject to redemption prior to maturity on December 1, 2029 or on any date thereafter. Said 2022C 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 2022C Notes of a maturity are to be redeemed, selection of the 2022C 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).

Optional Redemption - 2022D Bonds

At the option of the City, the 2022D Bonds maturing on December 1, 2030 and thereafter shall be subject to redemption prior to maturity on December 1, 2029 or on any date thereafter. Said 2022D 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 2022D Bonds of a maturity are to be redeemed, selection of the 2022D 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 2022B Bonds

Sources of Funds

Par Amount of 2022B Bonds	\$3,660,000.00
Reoffering Premium	97,472.45
Total Sources of Funds:	<u>\$3,757,472.45</u>

Uses of Funds

Deposit to 2022B Project Fund	\$3,660,000.00
Deposit to Debt Service Fund (Capitalized Interest)	63,264.55
Underwriter's Discount	34,207.90
Total Uses of Funds:	<u>\$3,757,472.45</u>

The 2022C Notes

Sources of Funds	
Par Amount of 2022C Notes	\$4,270,000.00
Reoffering Premium	89,156.20
Total Sources of Funds:	<u>\$4,359,156.20</u>
Uses of Funds	
Deposit to 2022C Project Fund	\$4,270,000.00
Deposit to Debt Service Fund (Capitalized Interest)	50,916.20
Underwriter's Discount	38,240.00
Total Uses of Funds:	<u>\$4,359,156.20</u>

The 2022D Bonds

Sources of Funds	
Par Amount of 2022D Bonds	\$5,520,000.00
Reoffering Premium	48,337.90
Total Sources of Funds:	<u>\$5,568,337.90</u>
Uses of Funds	
Deposit to 2022D Project Fund	\$5,000,000.00
Deposit to Debt Service Fund (Capitalized Interest)	563,213.90
Underwriter's Discount	5,124.00
Total Uses of Funds:	<u>\$5,568,337.90</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 20, 2022 in connection with the 2022B Bonds (the "2022B Initial Resolutions") and the initial resolution adopted on September 20, 2022 in connection with the 2022D Bonds (the "2022D Initial Resolution"), the Common Council authorized the issuance of general obligation bonds for the following public purposes and in the following not to exceed amounts:

2022B Initial Resolutions

- \$1,990,000 for street improvement projects;
- \$ 610,000 for parks and public grounds projects;
- \$ 140,000 for equipment of the fire department;
- \$ 240,000 for construction of police facilities; and
- \$ 680,000 for water system projects.

2022D Initial Resolution

- \$6,000,000 for project costs included in the project plan for the City's Tax Incremental District No. 10.

The 2022B Initial Resolutions and the 2022D Initial Resolution are subject to referendum if within 30 days after the adoption of the 2022B Initial Resolutions and the 2022D Initial Resolution, a sufficient petition requesting a referendum is filed by the electors of the City. The petition period expired on October 20, 2022 without the filing of a sufficient petition for a referendum.

Parameters Resolutions

By way of a resolution adopted on September 20, 2022 (the "Parameters Resolution for the 2022B Bonds"), the Common Council delegated authority to its Finance Director and City Attorney (collectively, the "Authorized Officers") to accept the bid for the 2022B Bonds that results in the lowest true interest cost for the 2022B Bonds (the "2022B Bonds Proposal"), provided the 2022B Bonds Proposal met the parameters set forth in the Parameters Resolution

for the 2022B Bonds, by executing an Approving Certificate (the "Approving Certificate for the 2022B 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 2022B Bonds pursuant to the Parameters Resolution for the 2022B Bonds. Pursuant to the Parameters Resolution for the 2022B Bonds, a direct annual irrevocable tax has been levied for collection in the years 2023 through 2037 in the amount which will be sufficient to meet the principal and interest payments on the 2022B Bonds when due (or monies to pay such debt service will otherwise be appropriated). The Parameters Resolution for the 2022B 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 2022B Bonds.

By way of a resolution adopted on September 20, 2022 (the "Parameters Resolution for the 2022C Notes"), the Common Council delegated authority to the Authorized Officers to accept the bid for the 2022C Notes that results in the lowest true interest cost for the 2022C Notes (the "2022C Notes Proposal"), provided the 2022C Notes Proposal met the parameters set forth in the Parameters Resolution for the 2022C Notes, by executing an Approving Certificate (the "Approving Certificate for the 2022C 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 2022C Notes pursuant to the Parameters Resolution for the 2022C Notes. Pursuant to the Parameters Resolution for the 2022C Notes, a direct annual irrevocable tax has been levied for collection in the years 2023 through 2032 in the amount which will be sufficient to meet the principal and interest payments on the 2022C Notes when due (or monies to pay such debt service will otherwise be appropriated). The Parameters Resolution for the 2022C 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 2022C Notes.

By way of a resolution adopted on September 20, 2022 (the "Parameters Resolution for the 2022D Bonds" and collectively with the Parameters Resolution for the 2022B Bonds and the Parameters Resolution for the 2022C Notes, the "Parameters Resolutions"), the Common Council delegated authority to the Authorized Officers to accept the bid for the 2022D Bonds that results in the lowest true interest cost for the 2022D Bonds (the "2022D Bonds Proposal"), provided the 2022D Bonds Proposal met the parameters set forth in the Parameters Resolution for the 2022D Bonds, by executing an Approving Certificate (the "Approving Certificate for the 2022D 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 2022D Bonds pursuant to the Parameters Resolution for the 2022D Bonds. Pursuant to the Parameters Resolution for the 2022D Bonds, a direct annual irrevocable tax has been levied for collection in the years 2023 through 2037 in the amount which will be sufficient to meet the principal and interest payments on the 2022D Bonds when due (or monies to pay such debt service will otherwise be appropriated). The Parameters Resolution for the 2022D 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 2022D Bonds.

Approving Certificates

On October 25, 2022, the Authorized Officers executed the Approving Certificate for the 2022B Bonds, approving the Preliminary Official Statement, accepting the 2022B Bonds Proposal, setting forth the details of the 2022B Bonds, and specifying the amount of the direct annual irrevocable tax levied to pay the principal of and interest on the 2022B Bonds.

On October 25, 2022, the Authorized Officers executed the Approving Certificate for the 2022C Notes, approving the Preliminary Official Statement, accepting the 2022C Notes Proposal, setting forth the details of the 2022C Notes, and specifying the amount of the direct annual irrevocable tax levied to pay the principal of and interest on the 2022C Notes.

On October 25, 2022, the Authorized Officers executed the Approving Certificate for the 2022D Bonds, approving the Preliminary Official Statement, accepting the 2022D Bonds Proposal, setting forth the details of the 2022D Bonds, and specifying the amount of the direct annual irrevocable tax levied to pay the principal of and interest on the 2022D 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. In April 2022, voters approved a referendum that will reduce the size of the Common Council to 12 members beginning in 2026. In addition, term limits will be put into place so that no person can serve more than two consecutive 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
Andrew Meindl	1	April, 2026
Margaret Arney	2	April, 2026
John J. Dubinski	2	April, 2024
Joseph Makhlof II	3	April, 2026
Robin Brannin	3	April, 2024
Ernst Franzen	4	April, 2024
David Lewis	4	April, 2026
Sean Lowe	5	April, 2024
Joel Tilleson	5	April, 2024
Joe Phillips	6	April, 2026
Meagan O'Reilly, President	6	April, 2024
Mike Morgan	7	April, 2024
Amanda Fuerst	7	April, 2026
Jason G. Wilke	8	April, 2024
Melissa Dolan	8	April, 2026

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
Vacant

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	17
John Ruggini	Finance Director	12
Steven Braatz	City Clerk	3*
Alan R. Kesner	City Attorney	23

* 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	13.66
Assessor	5.60
City Clerk/Elections	5.00
Development	35.74
Finance	10.07
Fire	102.56
Fleet Maintenance	10.00
Health	14.30
Information Systems	7.00
Library	27.00
Mayor	1.00
Municipal Complex	4.00
Municipal Court	1.89
Police	135.02
Public Works	61.48
Traffic Electrical Maintenance	6.29
Tourism	1.00
Water	19.38
Total	<u>460.99</u>

*Full-time equivalent ("FTE").

Source: *The City. 2022 Adopted Budget*

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	1/1/21 – 12/31/23	90
Wauwatosa Peace Officers Association	1/1/19 – 12/31/21*	86

*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, 2019 ("Fiscal Year 2019"), the fiscal year ended December 31, 2020 ("Fiscal Year 2020"), and the fiscal year ended December 31, 2021 ("Fiscal Year 2021"), the City's portion of contributions to WRS (not including any employee contributions) totaled \$3,057,444, \$3,125,502 and \$3,519,819, 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, 2020, the total pension liability of the WRS was calculated as \$118.72 billion and the fiduciary net position of the WRS was calculated as \$124.97 billion, resulting in a net pension asset of \$6.24 billion.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2021, the City reported an asset of \$19,217,378 for its proportionate share of the net pension asset of the WRS. The net pension asset was measured as of December 31, 2020 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 0.30781598% of the aggregate WRS net pension liability as of December 31, 2020.

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, 2021.

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 2021, benefit payments to the plan totaled \$3,492,440. 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, 2021, the total OPEB liability was \$36,445,285 and the plan fiduciary net position was \$0, resulting in a net OPEB liability of \$36,445,285.

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, 2021 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 2022 population estimate of 48,638.

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. During the COVID-19 pandemic, the City's health department was focused primarily on COVID-19 response, so certain other services historically provided by the health department were suspended. Currently, the department is operating at approximately 90% capacity, with 10% of staff time still dedicated to COVID-19 response. Additionally, the department has one full-time contract worker and one full-time LTE who are 100% dedicated to COVID-10 mitigation and response.

Public Safety

The City has a police force of 135.02 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 824.91 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, Wisconsin Lutheran College, which campus lies partially within the corporate boundaries of the City, 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, 2022	939,487	48,638
Estimate, 2021	947,241	48,604
Census, 2020	939,489	48,387
Estimate, 2019	946,296	48,314
Estimate, 2018	950,381	47,781

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>
2021	\$66,369	\$57,444	\$95,512
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

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, 2022	3.3%	4.7% ⁽¹⁾	2.8% ⁽¹⁾
August, 2021 ⁽²⁾	3.7	5.6	3.4
Average, 2021 ⁽¹⁾⁽²⁾	3.8%	5.4%	3.2%
Average, 2020 ⁽²⁾	6.3	8.3	5.9
Average, 2019	3.2	3.8	2.6
Average, 2018	3.0	3.6	2.7
Average, 2017	3.3	4.0	2.8

⁽¹⁾ Preliminary.

⁽²⁾ Figures reflect employment impact as a result of COVID-19 (see "GLOBAL HEALTH EMERGENCY RISK" herein).

Source: Wisconsin Department of Workforce Development.

Building Permits

<u>Year</u>	<u>Construction Value of Building Permits</u>
2022 ⁽¹⁾	\$162,687,452
2021	100,478,928
2020	158,138,733
2019	164,487,307
2018	117,682,712
2017	122,487,507

⁽¹⁾ Through July 31, 2022.

Source: City of Wauwatosa Energy Permitting and Licensing System.

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	1,000 ⁽¹⁾
Wauwatosa School District	Education	824.91 ⁽²⁾
Harley-Davidson Inc.	Motorcycle manufacturer	650 ⁽³⁾
GE Healthcare Global Parts Co., Inc.	Medical equipment and supplies	552
Lutheran Home	Nursing home; assisted living	475
The City	Municipal government	460.99 ⁽²⁾
UnitedHealth Care	Insurance	365
St. Camillus Health System	Nursing homes, assisted living	363
Zyware	Custom software programming	350

⁽¹⁾ Briggs & Stratton Corporation previously announced plans to cease its production lines in the City, which phase-out has now begun, including the sale of the plant to a third party. The company's planned layoffs announced in 2020 were for approximately 200 employees, but it the company has stated its intent to match impacted employees to other open positions.

⁽²⁾ FTE.

⁽³⁾ 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 12, 2022), and employer websites, August, 2022.

Largest Taxpayers

Listed below are the largest taxpayers in the City:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2022⁽¹⁾ Assessed Valuation</u>	<u>2022⁽²⁾ Equalized Valuation</u>
Froedtert Memorial Lutheran Hospital ⁽³⁾	Hospital, Clinics & Medical Office Buildings	\$419,818,200	\$494,543,763
Mayfair Mall LLC ⁽⁴⁾	Mayfair Shopping Center	402,184,400	473,771,233
Children's Hospital Wisconsin ⁽³⁾	Hospital, Clinics & Medical Office Buildings	200,044,700	235,651,667
Irgens Development Partners	Office buildings	151,794,200	178,812,817
Burleigh Mayfair LLC	Mayfair Collection Shopping Center	114,791,900	135,224,290
H S I	State Street Station, Apartment Complexes	79,840,700	94,051,950
Wheaton Franciscan Healthcare ⁽³⁾	Medical Office Buildings & Clinics	78,796,000	92,821,298
Bel Marquette I LLC (GE) ⁽⁵⁾	GE Healthcare Headquarters	59,587,800	70,194,134
Gateway Tosa HC LLC	Medical Office Building	53,805,000	63,382,024
The Medical College of Wisconsin ⁽³⁾	Medical College Offices	<u>52,887,200</u>	<u>62,300,860</u>
		<u>\$1,613,550,100</u>	<u>\$1,900,754,036</u>

The above taxpayers represent 21.10% of the City's 2022 Equalized Value (TID IN) (\$9,006,577,400).

⁽¹⁾The level of assessment is only estimated and has not been finalized by the Wisconsin Department of Revenue.

⁽²⁾Fair Market Values are only estimates--no finalized level of assessment from the Wisconsin Department of Revenue.

⁽³⁾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. These taxpayers are disputing the taxability of all, or significant portions, of their taxable value. See "LITIGATION" herein.

⁽⁴⁾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.

⁽⁵⁾Manufacturing properties estimated against preliminary level of assessment.

Source: City of Wauwatosa.

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.

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 2018 through 2022:

<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>
2021/2022	\$7.00	\$48,693,938	\$98,211	99.80%
2020/2021	7.17	45,461,749	76,374	99.83
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

* 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 July 31, 2022, \$109,438 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 ⁽¹⁾

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
County	\$ 5.50	\$ 5.77	\$ 5.82	\$ 6.68	\$ 6.77
Sewer District	1.53	1.63	1.62	1.89	1.88
Technical College District	1.04	1.18	1.17	1.37	1.37
School District	8.20	8.69	9.20	8.62	8.59
City	7.00	7.17	7.05	7.97	7.77
School and County Tax Credits	<u>(2.40)</u>	<u>(2.43)</u>	<u>(2.45)</u>	<u>(2.76)</u>	<u>(2.82)</u>
Net Tax Rate	\$20.87	\$22.01	\$22.41	\$23.77	\$23.56
Ratio of Assessed to Equalized Value	97.43%	97.37%	101.54%	89.33%	91.83%

⁽¹⁾ 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 2018 through 2022. The City's equalized valuation (TID IN) has increased by 42.01 percent since 2018 with an average annual increase of 9.16 percent.

Year	Assessed Valuation	Equalized Valuation (TID IN)	Equalized Valuation (TID OUT)
2022	\$7,344,459,700 ⁽¹⁾	\$9,006,577,400	\$8,519,107,200
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

⁽¹⁾ Provided by the City

Source: Wisconsin Department of Revenue.

The equalized valuation by class in the City for 2022 (TID IN) is as follows:

	2022 Equalized Value	Percent of Total
Real Estate		
Residential	\$4,865,751,100	54.02%
Commercial	3,703,759,600	41.12
Manufacturing	145,638,400	1.62
Total Real Estate	<u>\$8,715,149,100</u>	<u>96.76%</u>
Total Personal Property	<u>291,428,300</u>	<u>3.24%</u>
Total	<u><u>\$9,006,577,400</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 \$487,470,200 have been excluded from the City's tax base for 2022.

<u>TID #</u>	<u>TID Creation Date</u>	<u>Base Value</u>	<u>2022 Current Value</u>	<u>Increment</u>
006	2010	\$26,768,400	\$158,988,400	\$132,220,000
007	2013	20,815,000	203,533,800	182,718,800
008	2014	21,723,600	64,732,100	43,008,500
009	2015	5,128,200	19,284,600	14,156,400
010	2015	3,970,400	42,950,900	38,980,500
011	2015	11,163,400	51,868,700	40,705,300
012	2018	35,541,200	60,080,500	24,539,300
013	2020	3,129,400	14,270,800	11,141,400
			Total	<u>\$487,470,200</u>

Source: Wisconsin Department of Revenue.

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CITY DEBT STRUCTURE

Total Outstanding General Obligation Debt Summary (As of December 1, 2022)

<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>
General Obligation Promissory Notes, Series 2013	8/20/13	\$ 6,250,000	6/01/23	\$ 525,000
General Obligation Sewerage Bonds, Series 2013	11/19/13	9,475,000	11/01/23	350,000
General Obligation Promissory Notes, Series 2014A	12/02/14	16,370,000	12/01/24	4,175,000
Taxable General Obligation Promissory Notes, Series 2014B	12/02/14	5,240,000	12/01/24	1,725,000
General Obligation Community Development Bonds, Series 2015A	4/01/15	6,200,000	4/01/35	5,075,000
General Obligation Corporate Purpose Bonds, Series 2015B	12/01/15	26,375,000	12/01/30	13,550,000
Taxable General Obligation Community Development Bonds, Series 2015C	12/01/15	7,400,000	12/01/30	3,700,000
General Obligation Corporate Purpose Bonds, Series 2016B	12/20/16	15,190,000	12/01/36	10,340,000
General Obligation Corporate Purpose Bonds, Series 2017A	11/03/17	14,280,000	11/01/32	9,790,000
Taxable General Obligation Community Development Bonds, Series 2018A	11/20/18	3,690,000	11/01/34	2,970,000
General Obligation Corporate Purpose Bonds, Series 2018B	11/20/18	10,020,000	11/01/33	7,120,000
General Obligation Promissory Notes, Series 2018C	11/20/18	6,350,000	11/01/28	4,550,000
General Obligation Corporate Purpose Bonds, Series 2019A	12/02/19	12,765,000	12/01/39	10,780,000
Taxable General Obligation Community Development Bonds, Series 2019B	12/02/19	1,260,000	12/01/34	1,050,000
General Obligation Corporate Purpose Bonds, Series 2020A	12/01/20	8,600,000	12/01/40	7,555,000
General Obligation Promissory Notes, Series 2020B	12/01/20	5,335,000	12/01/30	4,055,000
General Obligation Corporate Purpose Bonds, Series 2021A	12/01/21	8,300,000	12/01/41	7,520,000
General Obligation Promissory Notes, Series 2021B	12/01/21	2,970,000	12/01/31	2,705,000
Taxable General Obligation Refunding Bonds, Series 2021C	12/01/21	12,235,000	11/01/34	11,355,000
Taxable General Obligation Community Development Bonds, Series 2022A	04/28/22	12,030,000	12/01/38	12,030,000
General Obligation Corporate Purpose Bonds, Series 2022B	12/01/22	3,660,000	12/01/37	3,660,000 ¹
General Obligation Promissory Notes, Series 2022C	12/01/22	4,270,000	12/01/32	4,270,000 ¹
Taxable General Obligation Community Development Bonds, Series 2022D	12/01/22	5,520,000	12/01/37	<u>5,520,000</u> ¹
				Total General Obligation Debt
				\$134,370,000
				Less Remaining 2022 Principal Payments
				<u>(0)</u>
				Net General Obligation Debt
				<u>\$134,370,000</u>

¹ New issue.

Direct Indebtedness

Set forth below is the direct general obligation indebtedness of the City, including principal and interest payments due on existing debt, as well as debt service on the Securities. Interest on the 2022B Bonds has been calculated using an average rate of 4.18 percent. The bond years for the 2022B Bonds are 31,940.00, and the average life is 8.727 years. Interest on the 2022C Notes has been calculated using an average rate of 4.00 percent. The bond years for the 2022C Notes are 22,900.00 and the average life is 5.363 years. Interest on the 2022D Bonds has been calculated using an average rate of 5.33 percent. The bond years for the 2022D Bonds are 55,405.00, and the average life is 10.037 years.

Year	Outstanding Bonds & Notes		The 2022B Bonds		The 2022C Notes		The 2022D Bonds		Total	Less: Projected Offsetting Revenues*			Total Projected Net Debt Service Requirements
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		Enterprise	TID	MADACC	
2022	\$14,850,000	\$3,636,862							\$ 18,486,862	(\$ 7,289,571)	(\$ 3,404,977)	(\$ 203,531)	\$ 7,588,784
2023	14,710,000	3,413,750	\$ 250,000	\$ 160,700	\$ 775,000	\$ 170,800		\$ 293,895	19,774,145	(7,833,726)	(3,810,121)	(199,031)	7,931,266
2024	14,360,000	3,014,428	170,000	148,200	315,000	139,800		293,895	18,441,323	(6,687,851)	(4,513,771)	(194,531)	7,045,169
2025	11,890,000	2,612,365	185,000	139,700	330,000	127,200		293,895	15,578,160	(5,388,339)	(3,213,909)	(215,031)	6,760,881
2026	10,455,000	2,253,685	190,000	130,450	345,000	114,000	\$ 350,000	293,895	14,132,030	(5,340,996)	(2,954,646)	(208,031)	5,628,356
2027	9,550,000	1,955,815	200,000	120,950	370,000	100,200	370,000	274,645	12,941,610	(4,902,476)	(3,505,746)	(202,781)	4,330,606
2028	9,480,000	1,672,215	215,000	110,950	385,000	85,400	390,000	254,295	12,592,860	(4,190,126)	(3,870,521)	(197,531)	4,334,681
2029	8,750,000	1,418,558	220,000	100,200	410,000	70,000	410,000	232,845	11,611,603	(3,326,109)	(3,868,106)	(192,281)	4,225,106
2030	8,330,000	1,185,609	230,000	89,200	430,000	53,600	425,000	210,295	10,953,704	(2,623,951)	(3,862,696)	(186,813)	4,280,244
2031	6,355,000	972,324	245,000	80,000	445,000	36,400	445,000	189,258	8,767,981	(2,219,095)	(2,969,949)	(181,125)	3,397,813
2032	6,210,000	800,604	260,000	70,200	465,000	18,600	465,000	167,008	8,456,411	(2,151,974)	(3,100,906)		3,203,531
2033	5,930,000	626,533	275,000	59,800			485,000	143,293	7,519,625	(1,798,686)	(3,252,776)		2,468,163
2034	4,405,000	454,858	285,000	48,800			510,000	118,073	5,821,731	(1,075,690)	(3,223,847)		1,522,194
2035	3,450,000	324,195	300,000	37,400			530,000	91,043	4,732,638	(776,625)	(2,844,213)		1,111,800
2036	2,685,000	228,061	310,000	25,400			555,000	62,423	3,865,884	(767,756)	(2,321,915)		776,213
2037	1,685,000	141,649	325,000	13,000			585,000	32,175	2,781,824	(593,269)	(1,912,955)		275,600
2038	1,725,000	83,305							1,808,305	(519,325)	(1,288,980)		-
2039	500,000	22,650							522,650	(522,650)			-
2040	335,000	10,125							345,125	(345,125)			-
2041	115,000	2,588							117,588	(117,588)			-
	<u>135,770,000</u>	<u>24,830,177</u>	<u>3,660,000</u>	<u>1,334,950</u>	<u>4,270,000</u>	<u>916,000</u>	<u>5,520,000</u>	<u>2,950,930</u>	<u>179,252,057</u>	<u>(58,470,928)</u>	<u>(53,920,035)</u>	<u>(1,980,688)</u>	<u>64,880,406</u>
Less 2022 Sinking Funds	<u>(14,850,000)</u>	<u>(3,636,862)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(18,486,862)</u>	<u>7,289,571</u>	<u>3,404,977</u>	<u>203,531</u>	<u>(7,588,784)</u>
TOTAL	<u>\$120,920,000</u>	<u>\$21,193,314</u>	<u>\$3,660,000</u>	<u>\$1,334,950</u>	<u>\$4,270,000</u>	<u>\$916,000</u>	<u>\$5,520,000</u>	<u>\$2,950,930</u>	<u>\$160,765,194</u>	<u>(\$51,181,358)</u>	<u>(\$50,515,058)</u>	<u>(\$1,777,156)</u>	<u>\$57,291,623</u>

* 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, 2022)

Waterworks System

Type of Obligation	Date of Issue	Original Amount	Final Maturity Dates	Current Amount Outstanding
Revenue Bonds, Series 2013	11/19/13	\$ 4,575,000	1/01/24	\$ 400,000
Revenue Bonds, Series 2016A	6/21/16	4,225,000	1/01/36	3,125,000
Revenue Bonds, Series 2017B	11/03/17	3,000,000	1/01/37	2,600,000
Revenue Bonds, Series 2018D	11/20/18	3,620,000	1/01/38	<u>3,015,000</u>
Total Waterworks System Revenue Debt				<u>\$ 9,140,000</u>

No Default on City Indebtedness

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

The City was responsible for the interest due on July 1, 2022 for the unrefunded portion of its Waterworks System Revenue Bonds, Series 2013, dated November 19 2013 (the "2013 Bonds"). The City made the correct payment to DTC on time. Associated Trust Company, National Association, the escrow agent for the refunded portion of the 2013 Bonds (the "Escrow Agent"), was responsible for making payment to DTC for the interest due on July 1, 2022 for the refunded portion of the 2013 Bonds, but it failed to make timely payment. The Escrow Agent does not receive payment notifications from DTC because it does not serve as paying agent for the 2013 Bonds. The missed payment was caught in the Escrow Agent's manual end-of-day process, but payment was not made. Once the Escrow Agent became aware of the missed payment, payment was made to DTC on July 6, 2022. The Escrow Agent has amended its process to add a second check for its end-of-day process to prevent missed payments going forward.

Future Financings

The City borrows annually for its capital projects. The City expects to issue approximately \$18.0 million in general obligation debt in 2023 but this amount could be impacted by pending applications for federal infrastructure funding. The City also is in the process of applying for a State Trust Fund Loan in the amount of \$935,000 expected to close in late 2022 to avoid a negative levy limit consequence and increase cash financing in lieu of debt financing. (See "LEVY LIMITS" above). 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, 2022, and for the past five years ended December 31 follows:

Ratios of General Obligation Debt to Equalized Valuation and Population

Year	Outstanding General Obligation Debt	Equalized Valuation	Percent of Equalized Value	Population ⁽¹⁾	Per Capita
2022	\$ 134,370,000 ⁽²⁾	\$ 9,006,577,400	1.49%	48,638	\$2,762.65
2021	124,675,000	7,545,981,900	1.65	48,604	2,565.12
2020	124,330,000	6,863,838,600	1.81	48,387	2,569.49
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

¹ Estimated by the Wisconsin Department of Administration.

² Includes the Securities. Unaudited.

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 2022 Principal Payments)</u>	<u>Percent Chargeable to City</u>	<u>Outstanding Debt Chargeable to City</u>
Wauwatosa School District	\$ 101,410,000	100.00%	\$101,410,000
Milwaukee County	401,265,453	9.76	39,163,508
Milwaukee Metropolitan Sewerage District	709,119,914	9.94	70,486,519
Milwaukee Area Technical College ⁽¹⁾	93,090,000	7.88	7,335,492
TOTAL	<u>\$1,304,885,367</u>		<u>\$218,395,519</u>

¹The 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 and direct inquiries.

Statistical Summary

The table below reflects direct, overlapping and underlying bonded indebtedness net of all 2022 principal payments.

Equalized Valuation (2022) as certified by Wisconsin Department of Revenue	\$9,006,577,400
Direct Bonded Indebtedness Including the Securities	\$134,370,000
Direct, Overlapping and Underlying Bonded Indebtedness Including the Securities	\$352,765,519
Direct Bonded Indebtedness as a Percentage of Equalized Valuation	1.49%
Direct, Overlapping and Underlying Bonded Indebtedness as a Percentage of Equalized Valuation	3.92%
Population of City (2022 Estimate)*	48,638
Direct Bonded Indebtedness Per Capita	\$2,762.65
Direct, Overlapping and Underlying Bonded Indebtedness Per Capita	\$7,252.88

*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, as a percentage of the applicable debt limit.

Equalized Valuation (2022) as certified by Wisconsin Department of Revenue	\$9,006,577,400
Legal Debt Percentage Allowed ⁽¹⁾	<u>5.00%</u>
Legal Debt Limit	\$450,328,870
General Obligation Debt Outstanding Including the Securities	<u>134,370,000</u>
Unused Margin of Indebtedness	315,958,870
Percent of Legal Debt Incurred	29.84%
Percentage of Legal Debt Available	70.16%

⁽¹⁾ 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**

	2022 Revised Budget ⁽¹⁾	2021 Actual	2020 Actual	2019 Actual	2018 Actual
Revenues:					
Taxes	\$50,692,699	\$47,762,111	\$45,699,617	\$45,079,599	\$44,119,064
Intergovernmental revenues	7,343,013	7,006,006	6,891,759	5,746,537	5,730,536
Licenses and permits	1,532,035	1,767,638	1,611,120	2,034,338	1,579,421
Penalties and forfeitures	1,062,500	812,623	838,535	1,185,793	1,194,649
Public improvement revenues	15,761	23,360	12,694	17,398	2,010
Public charges for services	2,901,649	3,154,704	2,710,614	3,188,453	3,162,824
Intergovernmental charges for services	1,529,788	1,766,190	1,749,411	1,677,556	1,663,509
Commercial revenues	<u>552,353</u>	<u>346,371</u>	<u>2,237,889</u>	<u>2,515,593</u>	<u>1,201,052</u>
Total Revenues	65,629,798	62,639,003	61,751,639	61,445,267	58,653,065
Expenditures:					
Current:					
General government	6,961,112	5,773,970	6,335,581	6,054,720	6,353,838
Protection of persons and property <i>(Public Safety)</i>	34,695,056	33,492,900	33,801,282	33,048,909	32,136,484
Health and sanitation <i>(Health and Human Services)</i>	2,572,750	1,994,383	4,475,507	3,706,173	3,689,989
Highway and transportation <i>(Public Works)</i>	8,009,284	7,048,021	5,008,029	4,941,416	4,414,178
Conservation and development	2,434,187	2,362,921	1,828,476	1,731,787	1,534,098
Unclassified	186,131	0	333,949	71,408	148,437
Capital outlay	<u>0</u>	<u>516,426</u>	<u>518</u>	<u>152,618</u>	<u>353,092</u>
Total Expenditures	<u>54,858,520</u>	<u>51,188,621</u>	<u>51,783,342</u>	<u>49,707,031</u>	<u>48,630,116</u>
Excess of Revenues Over (Under) Expenditures	<u>11,771,278</u>	<u>11,450,382</u>	<u>9,968,297</u>	<u>11,738,236</u>	<u>10,022,949</u>
Other Financing Sources (Uses)					
Proceeds from sale of land	0	0	5,000	1,980	0
Proceeds from sale of assets	0	150	0	0	0
Operating transfers in	5,320,313	1,573,317	1,104,917	1,155,806	1,009,633
Operating transfers out	<u>(16,091,591)</u>	<u>(12,898,086)</u>	<u>(10,988,863)</u>	<u>(11,261,324)</u>	<u>(10,477,748)</u>
Net change in fund balances	0	125,763	89,351	1,634,698	554,834
Fund Balances – Beginning of Year	<u>25,165,193</u>	<u>25,039,430</u>	<u>24,950,079</u>	<u>23,315,381</u>	<u>22,760,547</u>
Fund Balances - End of Year	<u>\$25,165,193</u>	<u>\$25,165,193</u>	<u>\$25,039,430</u>	<u>\$24,950,079</u>	<u>\$23,315,381</u>

⁽¹⁾ Expenditure categories for 2021 have been reclassified (shown in parentheses and italics) but prior years have not been restated. The City anticipates that due to the rising interest rate environment, the mark to market accounting rules will result in a negative adjustment to the value of its investments, but it has been the City's practice to hold its investments to maturity.

The amounts shown for the years ended December 31, 2018 through 2021 are excerpts from the audit reports which have been examined by CliftonLarsonAllen LLP, Certified Public Accountants, Wauwatosa, Wisconsin (the "Auditor"). The amounts shown for the year ended December 31, 2022 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, 2021, 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 2022B Bonds 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 "2022B Underwriter"). The 2022C Notes have been purchased at a public sale by a group of Underwriters for whom BOK Financial Securities, Inc., Dallas, Texas is acting as Managing Underwriter (the "2022C Underwriter"). The 2022D Bonds have been purchased at a public sale by a group of Underwriters for whom Piper Sandler & Co., Minneapolis, Minnesota is acting as Managing Underwriter (the "2022D Underwriter" and collectively with the 2022B Underwriter and 2022C 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, 2022, 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 these offerings, 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 Underwriters 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 2022B Bonds and 2022C Notes

Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, will deliver legal opinions with respect to the federal income tax exemption applicable to the interest on the 2022B Bonds and 2022C Notes under existing law substantially in the following form:

"The interest on the 2022B Bonds and 2022C Notes is excludable for federal income tax purposes from the gross income of the owners of the 2022B Bonds and 2022C Notes. The interest on the 2022B Bonds and 2022C Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the 2022B Bonds and 2022C Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code) for taxable years beginning after December 31, 2022. The Code contains requirements that must be satisfied subsequent to the issuance of the 2022B Bonds and 2022C Notes in order for interest on the 2022B Bonds and 2022C 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 2022B Bonds and 2022C Notes to be included in gross income retroactively to the date of issuance of the 2022B Bonds and 2022C 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 2022B Bonds and 2022C Notes."

The interest on the 2022B Bonds and 2022C Notes is not exempt from present Wisconsin income or franchise taxes.

Prospective purchasers of the 2022B Bonds and 2022C Notes should be aware that ownership of the 2022B Bonds and 2022C 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 2022B Bonds and 2022C 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 2022B Bonds and 2022C 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 2022B Bonds and 2022C Notes may be enacted. Prospective purchasers of the 2022B Bonds and 2022C 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".

Bond Premium (2022B Bonds and 2022C Notes)

To the extent that the initial offering price of certain of the 2022B Bonds and 2022C Notes is more than the principal amount payable at maturity, such 2022B Bonds and 2022C 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.

Designation as Qualified Tax-Exempt Obligations (2022B Bonds and 2022C Notes)

The City shall designate the 2022B Bonds and 2022C Notes as "qualified tax-exempt obligations" for purposes of Section 265 of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

The 2022D Bonds

Interest on the 2022D Bonds is included in gross income for present Federal income tax purposes.

Interest on the 2022D Bonds is not exempt from present Wisconsin income or franchise taxes.

Bond Premium (2022D Bonds)

To the extent that the initial offering price of certain of the 2022D Bonds ("Premium 2022D Bonds") is more than the principal amount payable at maturity, the Premium 2022D Bonds will be considered to have "bond premium" equal to the difference between the issue price and the stated redemption price at maturity.

Any Premium 2022D Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. Owners of Premium 2022D Bonds, the interest on which is subject to tax, may make an election to amortize the bond premium and to offset the taxable interest income with the amortizable bond premium for the year. Any amortizable bond premium that reduces the amount of interest income also reduces the owner's adjusted tax basis in the 2022D Bond by a corresponding amount. The adjusted tax basis in a Premium 2022D Bond will be used to determine taxable gain or loss upon a disposition (for example, upon a sale, exchange, redemption, or payment at maturity) of such Premium 2022D Bond. If the election is made, it is effective for all 2022D Bonds acquired during that year and all future years unless the taxpayer receives permission from the IRS to revoke the election. Owners of Premium 2022D Bonds should consult with their tax advisors regarding the calculation and treatment of bond premium for federal income tax purposes, as well as the manner of making the election.

Owners of the Premium 2022D Bonds who do not purchase such Premium 2022D Bonds in the initial offering at the issue price should consult with their tax advisors regarding the tax consequences of owning the Premium 2022D Bonds.

Owners of Premium 2022D Bonds should consult with their tax advisors regarding the state and local tax consequences of owning such Premium 2022D Bonds.

CONTINUING DISCLOSURE

In order to assist the Underwriters, 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 31st.** 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.

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.

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 one of the City's largest taxpayers, 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. The matter has been fully briefed in the trial court, and while the City believes there is a likelihood of success on remand, the outcome of the matter cannot be predicted. Similar disputes regarding the taxable value of Mayfair Mall for the years 2016, 2017, 2018, 2019 and 2020 have been stayed pending the outcome of the appeal. The plaintiff has filed a challenge to the 2021 assessment, but no action is scheduled on the 2021 matter at this time.

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. These taxpayers are disputing the taxability of all, or

significant portions of, that new taxable value, but the litigation is only in its initial phases. The City has begun planning for the contingencies of negative outcomes in these tax exemption challenges, in a manner which should alleviate material or significant negative fiscal impacts in the future.

Wauwatosa police officer Joseph Mensah fatally shot three people in separate incidents during 2015, 2016 and 2020, while on active duty. Officer Mensah was not charged criminally 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 in one of those cases. The City faces civil litigation from each of the three 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 after reaching our self-insured retention amount in each case. 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.

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provides for federal payments from the Coronavirus Relief Fund to the State for the discrete purpose of covering expenses directly incurred as a result of COVID-19 between March 1 and December 30, 2020. On May 27, 2020, Governor Tony Evers announced a program titled, "Routes to Recovery: Local Government Aid Grants," which distributed \$190 million of the State's Coronavirus Relief Fund monies to all counties, cities, villages and towns across Wisconsin for unbudgeted eligible expenditures incurred due to COVID-19 between March 1 and 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.

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 City 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

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APPENDIX A

BASIC FINANCIAL STATEMENTS AND RELATED NOTES FOR THE YEAR ENDED DECEMBER 31, 2021

**CITY OF WAUWATOSA
MILWAUKEE COUNTY, WISCONSIN**

**CLIFTON LARSON ALLEN LLP
WAUWATOSA, WISCONSIN**

A copy of the City's Basic Financial Statements and Related Notes for the fiscal year ended December 31, 2021, 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, 2021

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



CPAs | CONSULTANTS | WEALTH ADVISORS

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**CITY OF WAUWATOSA, WISCONSIN
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2021**

INDEPENDENT AUDITORS' REPORT	i
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	1
STATEMENT OF ACTIVITIES	2
BALANCE SHEET – GOVERNMENTAL FUNDS	3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	5
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND	6
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – SPECIAL REVENUE FUND TAX INCREMENTAL DISTRICT FUND	7
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – AMERICAN RESCUE PLAN ACT (ARPA) FUND	8
STATEMENT OF NET POSITION – PROPRIETARY FUNDS	9
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION – PROPRIETARY FUNDS	11
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	12
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS	13
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS	14
NOTES TO FINANCIAL STATEMENTS	15
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULES OF CHANGES IN THE CITY'S TOTAL OTHER POSTEMPLOYMENT BENEFIT LIABILITY AND RELATED RATIOS	84

**CITY OF WAUWATOSA, WISCONSIN
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)	85
SCHEDULE OF THE CITY'S PENSION CONTRIBUTIONS	86
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	87
OTHER SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES – ACTUAL AND BUDGET – GENERAL FUND	88
SCHEDULE OF EXPENDITURES – ACTUAL AND BUDGET – GENERAL FUND	89
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	90
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS	92
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – SPECIAL REVENUE FUND SPECIAL ASSESSMENT FUND	94
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – SPECIAL REVENUE FUND COMMUNITY DEVELOPMENT BLOCK GRANT FUND	95
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – SPECIAL REVENUE FUND PARKS FUND	96
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – SPECIAL REVENUE FUND STATE GRANTS DEPARTMENT OF HEALTH SERVICES FUND	97
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – SPECIAL REVENUE FUND PUBLIC LIBRARY FUND	98
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – SPECIAL REVENUE FUND HOSPITAL POLICING FUND	99

**CITY OF WAUWATOSA, WISCONSIN
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – SPECIAL REVENUE FUND TOURISM COMMISSION FUND	100
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – CAPITAL PROJECTS FUND GENERAL OBLIGATION DEBT ISSUE FUND	101
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – CAPITAL PROJECTS FUND INFORMATION SYSTEMS EQUIPMENT	102
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – CAPITAL PROJECTS FUND FLEET EQUIPMENT	103
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – CAPITAL PROJECTS FUND PUBLIC WORKS BUILDING IMPROVEMENT RESERVE FUND	104
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – DEBT SERVICE FUND	105
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	106
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	107
COMBINING SCHEDULE OF TAX INCREMENTAL DISTRICTS SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS FOR THE YEAR ENDED DECEMBER 31, 2020	108
COMBINING SCHEDULE OF TAX INCREMENTAL DISTRICTS HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS FROM DATE OF CREATION THROUGH DECEMBER 31, 2020	109
COMBINING STATEMENT OF NET POSITION – PROPRIETARY FUND – INTERNAL SERVICE FUNDS	110

**CITY OF WAUWATOSA, WISCONSIN
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2021**

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION – PROPRIETARY FUND – INTERNAL SERVICE FUNDS	111
COMBINING STATEMENT OF CASH FLOWS – PROPRIETARY FUND – INTERNAL SERVICE FUNDS	112
COMBINING SCHEDULE OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS	114
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS	115



INDEPENDENT AUDITORS' REPORT

Common Council
City of Wauwatosa, Wisconsin
Milwaukee County, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wauwatosa, Wisconsin, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Wauwatosa, Wisconsin's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wauwatosa, Wisconsin, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

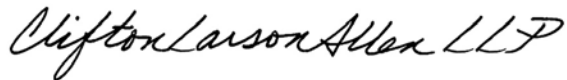
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of 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 missing information.

Supplementary 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 listed as other supplementary information in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and schedules listed as other supplementary information 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 July 26, 2022, 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 results 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Wauwatosa, Wisconsin
July 26, 2022

BASIC FINANCIAL STATEMENTS

**CITY OF WAUWATOSA, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash and Investments	\$ 96,217,561	\$ 19,207,670	\$115,425,231
Receivables (Net of Allowance for Uncollectible Accounts)	42,442,348	7,066,937	49,509,285
Internal Balances	1,772,970	(1,772,970)	-
Prepaid Items	299,528	151,194	450,722
Deposit in Cities and Villages Mutual Insurance Company	1,184,453	-	1,184,453
Restricted Assets:			
Cash and Investments	-	2,124,750	2,124,750
Designated Assets - Cash and Cash Equivalents	-	3,037,602	3,037,602
Unamortized Maintenance Costs	-	288,897	288,897
Net Pension Asset	18,715,400	501,978	19,217,378
Nonutility Property	-	2,684	2,684
Capital Assets, not Being Depreciated	26,962,421	3,595,761	30,558,182
Capital Assets, Being Depreciated, Net of Accumulated Depreciation	113,682,793	165,945,001	279,627,794
Total Assets	<u>301,277,474</u>	<u>200,149,504</u>	<u>501,426,978</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts Related to Refunding of Debt	26,422	617,312	643,734
Deferred Amounts Related to the Pension	31,105,206	884,310	31,989,516
Deferred Amounts Related to the OPEB	7,331,734	-	7,331,734
Total Deferred Outflows of Resources	<u>38,463,362</u>	<u>1,501,622</u>	<u>39,964,984</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	8,955,102	3,171,891	12,126,993
Accrued Interest Payable	265,838	130,096	395,934
Deposits and Unearned Revenue	11,618,374	-	11,618,374
Due to Other Governments	114,205	-	114,205
Notes Payable	935,000	-	935,000
Liabilities Payable from Restricted Assets	-	1,071,226	1,071,226
Noncurrent Liabilities:			
Due Within One Year	14,362,239	6,120,000	20,482,239
Due in More than One Year	102,737,403	51,443,530	154,180,933
OPEB Liability	33,608,928	-	33,608,928
Total Liabilities	<u>172,597,089</u>	<u>61,936,743</u>	<u>234,533,832</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts Related to the Pension	40,995,519	1,099,568	42,095,087
Deferred Amounts Related to the OPEB	835,001	-	835,001
Subsequent Year Tax Levy	58,458,969	-	58,458,969
Total Deferred Inflows of Resources	<u>100,289,489</u>	<u>1,099,568</u>	<u>101,389,057</u>
NET POSITION			
Net Investment in Capital Assets	84,083,817	115,382,146	199,465,963
Restricted for Debt Service	4,221,011	1,968,524	6,189,535
Restricted for Pension Obligations	18,715,400	501,978	19,217,378
Restricted for Other	1,449,909	-	1,449,909
Unrestricted (Deficit)	<u>(41,615,879)</u>	<u>20,762,167</u>	<u>(20,853,712)</u>
Total Net Position	<u>\$ 66,854,258</u>	<u>\$138,614,815</u>	<u>\$205,469,073</u>

See accompanying Notes to Financial Statements.

**CITY OF WAUWATOSA, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
Governmental Activities:							
General Government	\$ 5,685,130	\$ 1,291,206	\$ 1,222,802	\$ -	\$ (3,171,122)	\$ -	\$ (3,171,122)
Public Safety	31,540,033	7,053,368	235,936	-	(24,250,729)	-	(24,250,729)
Public Works	11,222,071	157,456	824,826	-	(10,239,789)	-	(10,239,789)
Health and Human Services	1,925,529	1,586,335	3,548,354	-	3,209,160	-	3,209,160
Recreation and Education	4,866,207	733,724	7,000	-	(4,125,483)	-	(4,125,483)
Conservation and Development	7,888,323	221,717	2,066,002	-	(5,600,604)	-	(5,600,604)
Culture	525,739	-	71,705	-	(454,034)	-	(454,034)
Interest and Fiscal Charges	1,418,233	-	-	-	(1,418,233)	-	(1,418,233)
Loss on Sale of Capital Assets	-	-	-	-	-	-	-
Total Governmental Activities	65,071,265	11,043,806	7,976,625	-	(46,050,834)	-	(46,050,834)
Business-Type Activities:							
Water Utility	8,022,389	9,543,550	-	-	-	1,521,161	1,521,161
Sanitary Sewer	7,361,283	10,326,966	-	-	-	2,965,683	2,965,683
Storm Water Management	2,868,537	6,498,765	-	235,078	-	3,865,306	3,865,306
Total Business-Type Activities	18,252,209	26,369,281	-	235,078	-	8,352,150	8,352,150
Total	\$ 83,323,474	\$ 37,413,087	\$ 7,976,625	\$ 235,078	(46,050,834)	8,352,150	(37,698,684)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes and Debt Service					45,905,597	-	45,905,597
Property Taxes, Levied for TIF					7,820,859	-	7,820,859
Other Taxes					1,856,514	-	1,856,514
Intergovernmental Revenues not Restricted to Specific Programs					3,134,957	-	3,134,957
Gain on Sale of Capital Assets					248,681		
Investment Income					135,734	15,340	151,074
Total General Revenues					59,102,342	15,340	59,117,682
Transfers					1,033,488	(1,033,488)	-
CHANGE IN NET POSITION					14,084,996	7,334,002	21,418,998
Net Position - Beginning of Year					52,769,262	131,280,813	184,050,075
NET POSITION - END OF YEAR					\$ 66,854,258	\$138,614,815	\$205,469,073

See accompanying Notes to Financial Statements.

**CITY OF WAUWATOSA, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	Special Revenue			Capital Projects			Total Governmental Funds
	General Fund	Special Revenue Fund Tax Incremental District Fund	American Rescue Plan Act (ARPA) Fund	Debt Service Fund	General Obligation Debt Issue Fund	Nonmajor Governmental Funds	
ASSETS							
Cash and Investments	\$ 43,408,413	\$ 7,643,743	\$ 11,579,279	\$ 408,093	\$ 14,456,700	\$ 4,814,467	\$ 82,310,695
Taxes Receivable	30,790,366	5,410,447	-	-	-	118,279	36,319,092
Delinquent Personal Property Taxes	17,193	-	-	-	-	-	17,193
Special Assessments Receivable:							
Due in Installments	365	-	-	-	-	660,540	660,905
Accounts Receivable, Net	1690,716	240,000	-	1,675,000	480,666	-	4,086,382
Accrued Investment Income Receivable	209,423	-	-	-	-	-	209,423
Notes Receivable	-	-	-	-	-	-	-
Other Accrued Receivables	430,237	-	-	-	-	243,510	673,747
Due from Other Funds	1,184,064	-	-	-	-	-	1,184,064
Prepayments	1,804	23,875	-	-	-	33,303	58,982
Advance to Other Funds	135,134	-	-	-	-	300,000	1,651,343
Total Assets	\$ 79,238,524	\$ 13,318,065	\$ 11,579,279	\$ 2,083,093	\$ 14,937,366	\$ 6,170,099	\$ 127,326,426
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 1,737,508	\$ 194,499	\$ 60,406	\$ 52,148	\$ 2,288,885	\$ 422,898	\$ 4,756,344
Accrued Payroll	2,321,913	-	-	-	-	-	2,321,913
Unearned Revenues	-	-	11,518,873	-	-	99,501	11,637,374
Due to Other Governments	114,205	-	-	-	-	-	114,205
Due to Other Funds	102,1978	-	-	-	-	88,883	1,110,861
Short Term Notes Payable	-	-	-	-	935,000	-	935,000
Advance from Other Funds	-	1,651,343	-	-	-	-	1,651,343
Total Liabilities	5,195,604	1,845,842	11,579,279	52,148	3,223,885	611,282	22,508,040
DEFERRED INFLOWS OF RESOURCES							
Subsequent Year Tax Levy	48,723,184	9,016,319	-	-	719,466	-	58,458,969
Special Assessments	-	-	-	-	-	660,540	660,540
Other Accounts Receivable	154,543	-	-	-	-	-	154,543
Total Deferred Inflows of Resources	48,877,727	9,016,319	-	-	719,466	660,540	59,274,052
FUND BALANCES							
Nonspendable	1,524,940	23,875	-	-	-	33,303	1,582,118
Restricted	-	2,432,029	-	2,030,945	6,063,603	1,449,909	11,976,486
Assigned	2,280,409	-	-	-	4,930,412	3,420,625	10,631,446
Unassigned	2,135,944	-	-	-	-	(5,560)	2,135,428
Total Fund Balances	25,165,193	2,455,904	-	2,030,945	10,994,015	4,898,277	45,544,334
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 79,238,524	\$ 13,318,065	\$ 11,579,279	\$ 2,083,093	\$ 14,937,366	\$ 6,170,099	

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.	132,928,279
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.	8,825,087
Internal service funds net position.	(6,898,457)
Other long-term assets that are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Special assessments	660,540
Other accounts receivable	154,543
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.	(114,360,068)
Total	\$ 66,854,258

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, 2021

	Special Revenue			Capital Projects			Total Governmental Funds
	General Fund	Special Revenue Fund Tax Incremental District Fund	American Rescue Plan Act (ARPA) Fund	Debt Service Fund	General Obligation Debt Issue Fund	Nonmajor Governmental Funds	
REVENUES							
Taxes	\$ 47,762,111	\$ 7,820,859	\$ -	\$ -	\$ -	\$ -	\$ 55,582,970
Intergovernmental Revenues	7,006,006	145,668	813,065	-	860,040	2,050,422	10,875,201
Licenses and Permits	1,767,638	-	-	-	-	1,200	1,768,838
Penalties and Forfeitures	812,623	-	-	-	-	-	812,623
Public Improvement Revenues	23,360	-	-	-	-	917,239	940,599
Public Charges for Services	3,154,704	-	-	-	-	1,982,696	5,137,400
Intergovernmental Charges for Services	1,766,190	-	-	-	-	-	1,766,190
Commercial Revenues	346,371	26,232	-	55,686	45,283	223,129	696,701
Total Revenues	62,639,003	7,992,759	813,065	55,686	905,323	5,174,686	77,580,522
EXPENDITURES							
Current:							
General Government	5,773,970	-	80,974	-	49,195	-	5,904,139
Public Safety	33,492,900	-	-	-	-	1,244,194	34,737,094
Public Works	7,048,021	-	12,000	-	-	-	7,060,021
Health and Human Services	1,994,383	-	17,380	-	-	-	2,011,763
Recreation and Education Conservation and Development	2,362,921	3,460,485	-	-	51,789	2,162,600	8,037,795
Culture	-	-	89,596	-	-	567,297	656,893
Debt Service:							
Principal	-	2,882,456	-	8,290,849	-	-	11,173,305
Interest and Other Fiscal Charges	-	77,584	-	2,404,640	-	-	2,482,224
Capital Outlay	516,426	46,452	-	-	8,924,955	2,012,408	11,500,241
Total Expenditures	51,188,621	6,466,977	199,950	10,695,489	9,025,939	9,994,954	87,571,930
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	11,450,382	1,525,782	613,115	(10,639,803)	(8,120,616)	(4,820,268)	(9,991,408)
OTHER FINANCING SOURCES (USES)							
Long-Term Debt Issued	-	1,998,589	-	2,165,000	8,830,000	-	12,993,589
Premium on Long-Term Debt	-	-	-	381,960	-	-	381,960
Proceeds from the Sale of Assets	150	-	-	-	53,800	189,066	243,016
Transfers In	1,573,317	-	-	10,501,136	1,686,505	6,282,191	20,043,149
Payments to Escrow	-	-	-	(2,157,641)	-	-	(2,157,641)
Transfers Out	(2,898,086)	(3,175,264)	(613,115)	-	(100,000)	(1,296,338)	(18,082,803)
Total Other Financing Sources (Uses)	(1,324,619)	(1,176,675)	(613,115)	10,890,455	10,470,305	5,174,919	13,421,270
NET CHANGE IN FUND BALANCES	125,763	349,107	-	250,652	2,349,689	354,651	3,429,862
Fund Balances - Beginning of Year	25,039,430	2,106,797	-	1,780,293	8,644,326	4,543,626	42,114,472
FUND BALANCES - END OF YEAR	\$ 25,165,193	\$ 2,455,904	\$ -	\$ 2,030,945	\$ 10,994,015	\$ 4,898,277	\$ 45,544,334

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, 2021

Net Change in Fund Balances - Total Governmental Funds	\$ 3,429,862
<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.	11,500,241
Some items reported as capital outlay were not capitalized.	(202,714)
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	(1,500,642)
Depreciation is reported in the government-wide financial statements	(6,454,423)
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 (\$12,993,589) were less than the repayments (\$13,303,113).	309,524
Governmental funds report amounts paid to escrow agents defease debt as other financing uses. However, in the statement of net position, these are reported as deferred outflows/inflows of resources and are amortized over the period lesser of the new or defeased debt. This is the amount by which deferrals on new defeasance (\$27,833) exceed current year amortization (\$1,391).	26,422
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.	
Premium on debt issued	(381,960)
Amortization of debt premium	219,139
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.	299,235
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 decrease in accrued interest payable (\$846,263), the increase in accrued vacation payable (\$68,487), and an decrease in expenses related to pension activity (\$5,557,804).	6,335,580
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.	497,082
Change in Net Position of Governmental Activities	<u>\$ 14,084,996</u>

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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 47,312,049	\$ 47,548,693	\$ 47,762,111	\$ 213,418
Intergovernmental Revenues	7,049,872	7,742,588	7,006,006	(736,582)
Licenses and Permits	1,507,209	1,647,249	1,767,638	120,389
Fines, Penalties, and Forfeitures	1,152,500	814,000	812,623	(1,377)
Public Improvement Revenues	7,000	25,521	23,360	(2,161)
Public Charges for Services	3,102,398	2,965,760	3,154,704	188,944
Intergovernmental Charges for Services	1,784,721	1,784,721	1,766,190	(18,531)
Commercial Revenues	1,309,624	1,770,218	346,371	(1,423,847)
Total Revenues	<u>63,225,373</u>	<u>64,298,750</u>	<u>62,639,003</u>	<u>(1,659,747)</u>
EXPENDITURES				
General Government	5,419,682	5,671,101	5,773,970	(102,869)
Public Safety	34,128,146	33,905,269	33,492,900	412,369
Public Works	7,384,844	7,642,847	7,048,021	594,826
Health and Human Services	2,477,787	3,070,528	1,994,383	1,076,145
Conservation and Development	2,278,755	2,572,542	2,362,921	209,621
Capital Outlay	107,609	460,374	516,426	(56,052)
Total Expenditures	<u>51,796,823</u>	<u>53,322,661</u>	<u>51,188,621</u>	<u>2,134,040</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	11,428,550	10,976,089	11,450,382	474,293
OTHER FINANCING SOURCES (USES)				
Proceeds from the Sale of Land	-	-	150	150
Transfers In	1,860,800	2,296,436	1,573,317	(723,119)
Transfers Out	(13,289,350)	(13,188,479)	(12,898,086)	290,393
Total Other Financing Sources (Uses)	<u>(11,428,550)</u>	<u>(10,892,043)</u>	<u>(11,324,619)</u>	<u>(432,576)</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ 84,046</u>	125,763	<u>\$ 41,717</u>
Fund Balances - Beginning of Year			<u>25,039,430</u>	
FUND BALANCES - END OF YEAR			<u>\$ 25,165,193</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 8,284,960	\$ 8,085,439	\$ 7,820,859	\$ (264,580)
Intergovernmental Revenues	145,668	145,668	145,668	-
Commercial Revenues	13,700	20,700	26,232	5,532
Total Revenues	<u>8,444,328</u>	<u>8,251,807</u>	<u>7,992,759</u>	<u>(259,048)</u>
EXPENDITURES				
General Government	1,852,600	3,372,814	3,460,485	(87,671)
Health and Human Services	3,061,940	3,037,472	2,882,456	155,016
Interest and Other Fiscal Charges	-	77,854	77,584	270
Capital Outlay	154,500	198,613	46,452	152,161
Total Expenditures	<u>5,069,040</u>	<u>6,686,753</u>	<u>6,466,977</u>	<u>67,615</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	3,375,288	1,565,054	1,525,782	(39,272)
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	-	-	1,998,589	1,998,589
Transfers Out	(3,150,939)	(3,150,939)	(3,175,264)	(24,325)
Total Other Financing Sources (Uses)	<u>(3,150,939)</u>	<u>(3,150,939)</u>	<u>(1,176,675)</u>	<u>1,974,264</u>
NET CHANGE IN FUND BALANCES				
	<u>\$ 224,349</u>	<u>\$ (1,585,885)</u>	349,107	<u>\$ 1,934,992</u>
Fund Balance - Beginning of Year			<u>2,106,797</u>	
FUND BALANCE - END OF YEAR			<u>\$ 2,455,904</u>	

See accompanying Notes to Financial Statements.

CITY OF WAUWATOSA, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – AMERICAN RESCUE PLAN ACT (ARPA) FUND
YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ -	\$ 1,096,015	\$ 813,065	\$ (282,950)
Total Revenues	-	1,096,015	813,065	(282,950)
EXPENDITURES				
Conservation and Development	-	94,500	80,974	13,526
Public works	-	12,000	12,000	-
Health and Human Services	-	150,000	17,380	132,620
Culture	-	226,400	89,596	136,804
Total Expenditures	-	482,900	199,950	146,146
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	-	613,115	613,115	-
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(613,115)	(613,115)	-
Total Other Financing Sources (Uses)	-	(613,115)	(613,115)	-
NET CHANGE IN FUND BALANCES				
	\$ -	\$ -	-	\$ -
Fund Balance - Beginning of Year			-	
FUND BALANCE - END OF YEAR			\$ -	

See accompanying Notes to Financial Statements.

CITY OF WAUWATOSA, WISCONSIN
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
DECEMBER 31, 2021

	Business-Type Activities Enterprise Funds			Governmental Activities	
	Water	Sanitary Sewer	Storm Water Management	Total	
				Enterprise Funds	Internal Service Funds
ASSETS					
Current Assets:					
Cash, Cash Equivalents, and Temporary Investments	\$ 5,653,315	\$ 11,507,089	\$ 2,047,266	\$ 19,207,670	\$ 13,906,866
Receivables, Net	2,232,689	3,642,493	1,191,755	7,066,937	321,006
Due from Other Funds	412,004	416,750	193,224	1,021,978	-
Restricted Assets - Special Redemption Fund - Bond Principal and Interest Fund	1,153,817	-	-	1,153,817	-
Prepayments	151,194	-	-	151,194	240,546
Total Current Assets	<u>9,603,019</u>	<u>15,566,332</u>	<u>3,432,245</u>	<u>28,601,596</u>	<u>14,468,418</u>
Noncurrent Assets:					
Restricted Assets:					
Special Redemption Fund - Reserve Fund	970,933	-	-	970,933	-
Designated Cash - System Improvement	2,523,381	514,221	-	3,037,602	-
Unamortized Maintenance Costs	288,897	-	-	288,897	-
Nonutility Property	2,684	-	-	2,684	-
Net Pension Asset	310,794	71,341	119,843	501,978	-
Deposit in Cities and Villages Mutual Insurance Company	-	-	-	-	1,184,453
Capital Assets:					
Land	81,405	-	-	81,405	22,617
Buildings	1,291,000	96,527	161,181	1,548,708	3,644,299
Improvements Other than Buildings	69,146,725	82,464,427	70,523,822	222,134,974	-
Machinery and Equipment	3,138,449	1,380,636	-	4,519,085	17,338,457
Construction in Progress	1,035,042	1,494,810	984,504	3,514,356	92,580
Less: Accumulated Depreciation	<u>(19,693,498)</u>	<u>(27,938,510)</u>	<u>(14,625,758)</u>	<u>(62,257,766)</u>	<u>(13,381,018)</u>
Total Capital Assets, Net	<u>54,999,123</u>	<u>57,497,890</u>	<u>57,043,749</u>	<u>169,540,762</u>	<u>7,716,935</u>
Total Noncurrent Assets	<u>59,095,812</u>	<u>58,083,452</u>	<u>57,163,592</u>	<u>174,342,856</u>	<u>8,901,388</u>
Total Assets	68,698,831	73,649,784	60,595,837	202,944,452	23,369,806
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Amounts Related to Debt					
Refundings	220,737	345,091	51,484	617,312	-
Deferred Amounts Related to the Pension	564,034	119,179	201,097	884,310	-
Deferred Amounts Related to Other Postemployment Benefits Obligation	-	-	-	-	7,331,734
Total Deferred Outflows of Resources	<u>784,771</u>	<u>464,270</u>	<u>252,581</u>	<u>1,501,622</u>	<u>7,331,734</u>

See accompanying Notes to Financial Statements.

CITY OF WAUWATOSA, WISCONSIN
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED)
DECEMBER 31, 2021

	Business-Type Activities Enterprise Funds			Total Enterprise Funds	Governmental Activities
	Water	Sanitary Sewer	Storm Water Management		Internal Service Funds
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 1,417,021	\$ 1,431,847	\$ 232,374	\$ 3,081,242	\$ 1,876,845
Accrued Payroll	90,649	-	-	90,649	-
Due to Other Funds	1,095,181	-	-	1,095,181	-
Current Portion of Long-Term Debt	555,000	2,470,000	3,095,000	6,120,000	-
Current Portion of OPEB Obligation	-	-	-	-	2,836,357
Accrued Interest Payable	39,784	42,499	47,813	130,096	-
Other Accrued Liabilities	-	-	-	-	142,633
Liabilities Payable from Restricted Assets:					
Accounts Payable - Construction Account	-	-	-	-	-
Current Portion of Long-Term Debt	915,000	-	-	915,000	-
Accrued Interest Payable	156,226	-	-	156,226	-
Total Current Liabilities	4,268,861	3,944,346	3,375,187	11,588,394	4,855,835
Noncurrent Liabilities:					
Long-Term Debt	24,003,328	14,521,029	12,919,173	51,443,530	-
Net OPEB Obligation	-	-	-	-	33,608,928
Total Noncurrent Liabilities	24,003,328	14,521,029	12,919,173	51,443,530	33,608,928
Total Liabilities	28,272,189	18,465,375	16,294,360	63,031,924	38,464,763
DEFERRED INFLOWS OF RESOURCES					
Deferred Amounts Related to the Pension	680,785	156,270	262,513	1,099,568	-
Deferred Amounts Related to Other Postemployment Benefits Obligation	-	-	-	-	835,001
Total Deferred Inflows of Resources	680,785	156,270	262,513	1,099,568	835,001
NET POSITION					
Net Investment in Capital Assets	32,879,310	41,158,071	41,344,765	115,382,146	7,716,935
Restricted for Debt Service	1,968,524	-	-	1,968,524	-
Restricted for Pension	310,794	71,341	119,843	501,978	-
Unrestricted	5,372,000	14,262,997	2,826,937	22,461,934	(16,315,159)
Total Net Position	\$ 40,530,628	\$ 55,492,409	\$ 44,291,545	140,314,582	\$ (8,598,224)

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.

	(1,699,767)
Net Position of Business-Type Activities	<u>\$ 138,614,815</u>

See accompanying Notes to Financial Statements.

**CITY OF WAUWATOSA, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION – PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2021**

	Business-Type Activities Enterprise Funds			Total Enterprise Funds	Governmental Activities
	Water	Sanitary Sewer	Storm Water Management		Internal Service Funds
OPERATING REVENUES					
Charges for Services and Sales	\$ 9,052,850	\$ 10,316,471	\$ 6,492,428	\$ 25,861,749	\$ 7,017,420
Other Operating Revenues	472,264	-	-	472,264	11,840,895
Total Operating Revenues	<u>9,525,114</u>	<u>10,316,471</u>	<u>6,492,428</u>	<u>26,334,013</u>	<u>18,858,315</u>
OPERATING EXPENSES					
Operation and Maintenance	5,914,636	5,706,352	1,495,212	13,116,200	17,647,745
Depreciation	1,263,699	1,105,357	920,943	3,289,999	1,304,777
Taxes	123,716	-	-	123,716	-
Total Operating Expenses	<u>7,302,051</u>	<u>6,811,709</u>	<u>2,416,155</u>	<u>16,529,915</u>	<u>18,952,522</u>
OPERATING INCOME (LOSS)	2,223,063	3,504,762	4,076,273	9,804,098	(94,207)
NONOPERATING REVENUES (EXPENSES)					
Dividend Income	-	-	-	-	33,691
Investment Income (Loss)	5,032	8,214	2,094	15,340	-
Intergovernmental Income	-	-	235,078	235,078	-
Gain (Loss) on Sale or Trade of Assets	-	-	-	-	(30,500)
Interest on Long-Term Debt	(713,842)	(543,380)	(450,758)	(1,707,980)	-
Other Nonoperating income	18,436	10,495	6,337	35,268	-
Total Nonoperating Revenues (Expenses)	<u>(690,374)</u>	<u>(524,671)</u>	<u>(207,249)</u>	<u>(1,422,294)</u>	<u>3,191</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	1,532,689	2,980,091	3,869,024	8,381,804	(91,016)
Capital Contributions	-	-	-	-	1,500,642
Transfers In	44,493	6,761	10,439	61,693	293,738
Transfers Out	(1,095,181)	-	-	(1,095,181)	(1,220,596)
CHANGE IN NET POSITION	482,001	2,986,852	3,879,463	7,348,316	482,768
Net Position - Beginning of Year	<u>40,048,627</u>	<u>52,505,557</u>	<u>40,412,082</u>		<u>(9,080,992)</u>
NET POSITION - END OF YEAR	<u>\$ 40,530,628</u>	<u>\$ 55,492,409</u>	<u>\$ 44,291,545</u>		<u>\$ (8,598,224)</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.

Change in Net Position of Business-Type Activities	<u>(14,314)</u>
	<u>\$ 7,334,002</u>

See accompanying Notes to Financial Statements.

CITY OF WAUWATOSA, WISCONSIN
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2021

	Business-Type Activities Enterprise Funds			Governmental Activities	
	Water	Sanitary Sewer	Storm Water Management	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers and Users	\$ 9,658,646	\$ 10,127,657	\$ 6,733,307	\$ 26,519,610	\$ 12,005,034
Payments from Other Funds	-	-	-	-	6,879,212
Payments to Suppliers	(4,470,962)	(5,878,580)	(1,363,392)	(11,712,934)	(17,796,221)
Payments to Employees	(2,093,804)	(283,639)	(394,081)	(2,771,524)	46,393
Net Cash Provided by Operating Activities	3,093,880	3,965,438	4,975,834	12,035,152	1,134,418
CASH FLOWS FROM NONCAPITAL ACTIVITIES					
Proceeds from Long-Term Debt	-	-	25,939	25,939	-
Principal Paid on Noncapital Debt	(571,019)	(20,990)	(33,790)	(625,799)	-
Interest Paid on Noncapital Debt	-	15,062	(1,461)	13,601	-
Payments from Other Funds	(47,079)	6,761	10,439	(29,879)	293,738
Payments from (to) Other Funds	(1,082,417)	(60,684)	(3,623)	(1,146,724)	(1,220,596)
Net Cash Used by Noncapital Financing Activities	(1,700,515)	(59,851)	(2,496)	(1,762,862)	(926,858)
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES					
Proceeds from Long-Term Debt	4,365,000	6,108,735	1,649,061	12,122,796	-
Premium from Issuance of Long-Term Debt	44,157	-	19,618	63,775	-
Acquisition and Construction of Capital Assets	(2,322,570)	(1,633,014)	(1,559,541)	(5,515,125)	(197,575)
Proceeds from the Sale of Property, Plant, and Equipment	39,818	-	-	39,818	-
Grant Funds Received	-	10,495	241,415	251,910	-
Principal Paid on Capital Debt	(3,525,000)	(8,602,866)	(4,444,110)	(16,571,976)	(27,016)
Interest Paid on Capital Debt	(882,691)	(684,698)	(595,654)	(2,163,043)	-
Net Cash Used by Capital and Related Financing Activities	(2,281,286)	(4,801,348)	(4,689,211)	(11,771,845)	(224,591)
CASH FLOWS FROM INVESTING					
Interest and Dividends Received	5,032	8,214	2,094	15,340	33,691
Other	18,437	-	-	-	-
Net Cash Provided by Investing Activities	23,469	8,214	2,094	15,340	33,691
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
	(864,452)	(887,547)	286,221	(1,465,778)	16,660
Cash and Cash Equivalents - Beginning of Year	11,165,898	12,908,857	1,761,045	25,835,800	13,890,206
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 10,301,446</u>	<u>\$ 12,021,310</u>	<u>\$ 2,047,266</u>	<u>\$ 24,370,022</u>	<u>\$ 13,906,866</u>

See accompanying Notes to Financial Statements.

CITY OF WAUWATOSA, WISCONSIN
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

	Business-Type Activities Enterprise Funds			Governmental Activities	
	Water	Sanitary Sewer	Storm Water Management	Total Enterprise Funds	Internal Service Funds
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating Income	\$ 2,223,063	\$ 3,504,762	\$ 4,076,273	\$ 9,804,098	\$ (94,207)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation Expense	1,263,698	1,105,357	920,941	3,289,996	1,304,777
Depreciation Charged to Other Accounts	-	-	-	-	-
Amortization of Maintenance Costs	96,299	-	-	96,299	-
(Increase) Decrease In:					
Accounts Receivable	133,532	(188,814)	240,879	185,597	(138,208)
Unamortized Costs	-	-	-	-	-
Other Assets	112,218	-	-	112,218	(197,634)
Prepaid Items	(168,394)	-	-	(168,394)	164,139
Net Pension Liability	(156,407)	(35,902)	(60,311)	(252,620)	-
Deferred Outflows	(422,201)	(35,950)	(61,300)	-	(206,021)
Increase (Decrease) In:					
Accounts Payable	(148,864)	(434,015)	(224,642)	(807,521)	(420,779)
Accrued Payroll	(56,389)	-	-	(56,389)	-
Customer Deposits	-	-	-	-	-
Other Accrued Liabilities	(500)	-	-	(500)	25,164
Due to Other Funds	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Net OPEB Liability	-	-	-	-	915,774
Deferred Inflows Related to the Pension	217,825	50,000	83,994	351,819	(218,587)
Total Adjustments	870,817	460,676	899,561	2,750,505	1,228,625
Net Cash Provided by Operating Activities	<u>\$ 3,093,880</u>	<u>\$ 3,965,438</u>	<u>\$ 4,975,834</u>	<u>\$ 12,035,152</u>	<u>\$ 1,134,418</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Capital Additions Contributed:					
City of Wauwatosa	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,500,642</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS - PROPRIETARY FUNDS					
Unrestricted Cash and Cash Equivalents	\$ 5,653,315	\$ 11,507,089	\$ 2,047,266	\$ 19,207,670	\$ 13,906,866
Restricted Cash and Cash Equivalents:					
Special Redemption Funds:					
Bond Reserve Fund	970,933	-	-	970,933	-
Bond Principal and Interest Fund	1,153,817	-	-	1,153,817	-
Designated Cash - System Improvement	2,523,381	514,221	-	3,037,602	-
Cash and Cash Equivalents - End of Year	<u>\$ 10,301,446</u>	<u>\$ 12,021,310</u>	<u>\$ 2,047,266</u>	<u>\$ 24,370,022</u>	<u>\$ 13,906,866</u>

See accompanying Notes to Financial Statements.

**CITY OF WAUWATOSA, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
DECEMBER 31, 2021**

	Private Purpose Trust Funds	Custodial Funds
ASSETS		
Cash and Investments	\$ 656,529	\$ 40,456,927
Taxes Receivable	-	65,032,204
	<u>\$ 656,529</u>	<u>\$ 105,489,131</u>
LIABILITIES		
Special Deposits	\$ 8,442	\$ -
Due to Other Taxing Units	-	40,456,927
Total Liabilities	<u>8,442</u>	<u>40,456,927</u>
DEFERRED INFLOWS		
Tax Levy	-	65,032,204
	<u>-</u>	<u>65,032,204</u>
NET POSITION - RESTRICTED	<u>\$ 648,087</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**CITY OF WAUWATOSA, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2021**

	Private Purpose Trust Funds	Custodial Funds
ADDITIONS		
Contributions	\$ 239,067	\$ -
Investment Income	138	-
Deposit Receipts	-	-
Tax Collections	-	70,594,272
Total Additions	239,205	70,594,272
DEDUCTIONS		
Trust Distributions	148,285	-
Remittance to Other Taxing Jurisdictions	-	70,594,272
Total Additions	148,285	70,594,272
CHANGES IN NET ASSETS	90,920	-
Net Position - Beginning of Year	557,167	-
NET POSITION - END OF YEAR	\$ 648,087	\$ -

See accompanying Notes to Financial Statements.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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, 2021**

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, 2021**

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

The 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

The Special Revenue Fund Tax Incremental District Fund accounts for the City's eight Tax Incremental Districts.

Special Revenue Fund American Rescue Plan Act Fund

The Special Revenue Fund American Rescue Plan Act Fund accounts for the City's administration of American Rescue Plan Act awards.

Debt Service Fund

The 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

The 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 Fund

The Water Utility Fund accounts for operations of the water system.

Sanitary Sewer Fund

The Sanitary Sewer Fund accounts for operations of the sewer system.

Storm Water Management Fund

The Storm Water Management Fund accounts for operations of the storm water management system.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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 nonmajor governmental:

Special Revenue Fund

The Special Revenue Fund is 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
- State Grants Department of Health Services
- Public Library
- Parks
- Redevelopment Reserve Fund
- Community Development Fund
- Hospital Policing Fund
- Tourism Commission Fund

Capital Projects Fund

Capital Projects Fund is used to account for resources to be used for capital improvement projects.

- Fleet Equipment
- Information Systems Equipment
- Public Works Building Improvement Reserve Fund

In addition, the City reports the following fund types:

Internal Service Funds

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

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

Private-Purpose Trust Funds

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*, *Cemetery Perpetual Care Fund*, and *Library Trust*.

Custodial Funds

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 Presentaton

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.

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.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

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.

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.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Deposits and Investments (Continued)

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, 2021, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

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.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Receivables (Continued)

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 - 2021 tax roll:

Lien date and levy date	December 2021
Tax bills mailed	December 2021
Payment in full, or	January 31, 2022
First installment due	January 31, 2022
Second installment due	March 31, 2022
Third installment due	May 31, 2022
Personal property taxes in full	January 31, 2022
Tax deed - 2021 delinquent real estate taxes	October 2024

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, 2021**

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 inventory was 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, and 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, 2021**

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, 2021**

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, 2021, 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, 2021**

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, 2021**

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.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.
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, 2021**

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 following Government Accounting Standards Board (GASB) Statements have been implemented in the current year:

1. Statement No. 91 – *Conduit Debt Obligations* – was adopted as part of the City’s financial statements as of December 31, 2021.

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, 2022.
2. Statement No. 92 – *Omnibus 2020* – will be adopted as part of the City’s financial statements as of December 31, 2022.
3. Statement No. 93 – *Replacement of Interbank Offered Rates* – will be adopted as part of the City’s financial statements as of December 31, 2022.
4. 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.
5. Statement No. 96 – *Subscription-Based Information Technology Arrangements* – will be adopted as part of the City’s financial statements as of December 31, 2023.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Other Policies – New Accounting Pronouncements (Continued)

6. 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, 2022.
7. Statement No. 99 – *GASB Statement No. 99, Omnibus 2022* – certain aspects will be adopted as part of the City’s financial statements as of December 31, 2023 and remaining aspects as of December 31, 2024 as permitted within the Statement.
8. Statement No. 100 – *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62* – will be adopted as part of the City’s financial statements as of December 31, 2024.
9. Statement No. 101 – *Compensated Absences* – will be adopted as part of the City’s financial statements as of December 31, 2024.

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	\$ 109,026,000
Bond Premium	2,338,903
Compensated Absences	2,645,599
Accrued Interest Payable	265,838
Deferred Amount on Refunding	(26,422)
Landfill Postclosure Liability	110,150
Combined Adjustment for Long-Term Liabilities	\$ 114,360,068

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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 American Rescue Plan Act Fund, the State Grants Department of Health Services Fund, 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 \$11,595,776. Appropriations lapse at year-end unless specifically carried over. Carryovers to the following year were \$2,920,690. Expenditures are monitored by management at the department level for all funds.

Deficit Fund Equity

As of December 31, 2021, the following individual funds had deficit fund equity:

Nonmajor Governmental Funds:

Special Revenue Funds:

Special Assessments	\$	1
Community Development Block Grant	\$	5,559

Internal Service Funds:

Employee Health Insurance Fund	\$	23,370,971
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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, 2021**

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	\$ 49,275	\$ -
Deposits:		
Demand Deposits	70,106,362	70,456,102
Certificates of Deposit	24,227,108	24,227,108
Total Deposits	94,333,470	94,683,210
Investments:		
U.S. Agency Securities	14,731,072	14,731,072
Municipal Securities	26,472,182	26,472,182
Investment Pools:		
WISC - Investment Class Fund	653,275	653,275
WISC - Limited Term Duration Fund	7,662,140	7,662,140
Local Government Investment Pool (LGIP)	17,799,625	17,799,625
Total Investments	67,318,294	67,318,294
Total Cash and Investments	\$ 161,701,039	\$ 162,001,504
Reconciliation to the Statement of Net Position:		
Unrestricted Cash and Investments	\$ 115,425,231	
Restricted Cash and Investments	2,124,750	
Designated Cash and Investments	3,037,602	
Fiduciary Funds:		
Private Purpose Trust Funds	656,529	
Custodial Funds	40,456,927	
Total Cash and Investments	\$ 161,701,039	

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, 2021, 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, 2021**

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, 2021, \$9,922,096 of the City's bank balance of \$94,683,210 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, 2021, \$49,456,313 of the City's investment balance of \$67,318,294 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, 2021, the City is exposed to credit risk with investments in the following:

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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	\$ 17,799,625	Unrated
WISC - Investment Class Fund	653,275	Unrated
WISC - Limited Term Duration Fund	7,662,140	Unrated
U.S. Agency Securities	14,731,072	AAA
Municipal Securities	5,984,578	AAA
Municipal Securities	19,150,396	AA
Municipal Securities	1,337,208	A
Total Fair Value of Investments Subject to Credit Risk	<u>\$ 67,318,294</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, 2021, 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	\$ 14,731,072	32.4
Municipal Securities	26,472,182	77.7
WISC - Investment Class Fund	653,275	0.0
WISC - Limited Term Duration Fund	7,662,140	1.6
Local Government Investment Pool	17,799,625	1.9
Total Fair Value of Investments Subject to Credit Risk	<u>\$ 67,318,294</u>	

Concentration of Credit Risk

As of December 31, 2021, 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, 2021**

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:

	Fair Value	Level 1	Level 2	Level 3
U.S. Agency Securities	\$14,731,072	\$ -	\$14,731,072	\$ -
Municipal Securities	26,472,182	-	26,472,182	-
WISC - Investment Class Fund	653,275	-	653,275	-
Local Government Investment Pool	7,662,140	-	7,662,140	-
Total Fair Value of Investments	<u>\$49,518,669</u>	<u>\$ -</u>	<u>\$49,518,669</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, 2021, an allowance for uncollectible accounts has been established for ambulance billings of \$1,069,038.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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 \$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, 2021, the outstanding principal on the note is \$1,675,000.

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	\$ -	\$ 58,458,969	\$ 58,458,969
Special Assessments	660,540	-	660,540
Other Accounts Receivable	154,543	-	154,543
Total	<u>\$ 815,083</u>	<u>\$ 58,458,969</u>	<u>\$ 59,274,052</u>

D. Restricted Assets

Following is a list of restricted assets at December 31, 2021:

Business-Type Activities:

Cash and Investments:

Special Redemption Funds:

Bond Reserve Fund	\$ 970,933
Bond Principal and Interest Fund	1,153,817
Total Business-Type Activities	<u>\$ 2,124,750</u>

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Capital Assets

Capital asset activity for the year ended December 31, 2021, 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	3,656,817	2,305,678	3,590,713	2,371,782
Total Capital Assets not Being Depreciated	28,247,456	2,305,678	3,590,713	26,962,421
Capital Assets Being Depreciated:				
Buildings	28,585,361	1,747,525	-	30,332,886
Improvements	13,641,349	36,400	-	13,677,749
Machinery and Equipment	25,971,641	3,864,693	859,965	28,976,369
Infrastructure	122,819,590	7,131,130	1,772,839	128,177,881
Total Capital Assets Being Depreciated	191,017,941	12,779,748	2,632,804	201,164,885
Less: Accumulated Depreciation for:				
Buildings	14,695,693	706,706	-	15,402,399
Improvements	4,543,022	706,526	-	5,249,548
Machinery and Equipment	17,292,222	1,884,823	829,855	18,347,190
Infrastructure	45,794,648	4,461,146	1,772,839	48,482,955
Total Accumulated Depreciation	82,325,585	7,759,201	2,602,694	87,482,092
Capital Assets Being Depreciated, Net of Depreciation	108,692,356	5,020,547	30,110	113,682,793
Total Capital Assets, Net of Depreciation	\$ 136,939,812	\$ 7,326,225	\$ 3,620,823	\$ 140,645,214

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General Government	\$ 107,393
Public Safety	1,090,623
Public Works, which includes the Depreciation of Infrastructure	4,466,200
Health and Human Services	547
Recreation and Education	789,661
Depreciation Expense-Allocated with Internal Service Fund	1,304,777
Total Governmental Activities Depreciation Expense	\$ 7,759,201

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Capital Assets (Continued)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities:				
Capital Assets not Being Depreciated:				
Land	\$ 81,405	\$ -	\$ -	\$ 81,405
Construction in Progress	4,154,581	2,790,818	3,431,043	3,514,356
Total Capital Assets not Being Depreciated	4,235,986	2,790,818	3,431,043	3,595,761
Capital Assets Being Depreciated:				
Buildings	1,555,172	16,536	23,000	1,548,708
Machinery and Equipment	4,246,297	1,001,899	729,111	4,519,085
Improvements Other Than Buildings	217,491,063	5,181,412	537,501	222,134,974
Total Capital Assets Being Depreciated	223,292,532	6,199,847	1,289,612	228,202,767
Less: Accumulated Depreciation for:				
Buildings	642,997	32,962	23,000	652,959
Machinery and Equipment	2,751,511	112,150	696,334	2,167,327
Improvements Other Than Buildings	56,823,051	3,137,927	523,498	59,437,480
Total Accumulated Depreciation	60,217,559	3,283,039	1,242,832	62,257,766
Capital Assets Being Depreciated, Net of Depreciation	163,074,973	2,916,808	46,780	165,945,001
Total Capital Assets, Net of Depreciation	<u>\$ 167,310,959</u>	<u>\$ 5,707,626</u>	<u>\$ 3,477,823</u>	<u>\$ 169,540,762</u>

Depreciation expense was charged to functions as follows:

Business-Type Activities:	
Water Utility:	
Depreciation	\$ 1,263,699
Depreciation Charged to Water Utility Operation and Maintenance Expenses	(17,265)
Depreciation Charged to Sanitary Sewer Expenses	-
Total	<u>1,246,434</u>
Sanitary Sewer	1,115,662
Storm Water Management	920,943
Total Business-Type Activities Depreciation Expense	<u>\$ 3,283,039</u>

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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:

Receivable Fund	Payable Fund	Amount
Governmental Funds:		
General Fund	Water Utility	\$ 1,095,181
General Fund	Nonmajor governmental funds	88,883
		1,184,064
Proprietary Funds:		
Sanitary Sewer	General Fund	416,750
Storm Water Management	General Fund	193,224
Water Utility	General Fund	412,004
		1,021,978
Total Interfund Receivables		\$ 2,206,042

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. 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, 2021, was \$1,351,343.

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, 2021, was \$300,000.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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	\$ 1,095,181
	Tax Increment Districts	42,500
	ARPA Grant Fund	435,636
		<u>1,573,317</u>
Debt Service Fund	General Fund	7,001,111
	Tax Increment Districts	3,120,927
	Nonmajor Governmental	379,098
		<u>10,501,136</u>
Capital Projects Fund - General Obligation Debt Issued	General Fund	753,139
	Nonmajor Governmental	917,239
	Internal Service Funds	16,127
		<u>1,686,505</u>
Nonmajor Governmental Funds	General Fund	5,008,936
	Tax Increment Districts	11,836
	ARPA Grant Fund	56,950
	Internal Service Funds	1,204,469
		<u>6,282,191</u>
Total Interfund Transfers		<u><u>\$ 20,043,149</u></u>
Reconciliation of Transfers In (Out):		
Governmental Funds Transfers In		\$ 20,043,149
Governmental Funds Transfers Out		(18,082,803)
Internal Service Funds Net Transfers Out		(926,858)
Governmental Activities Transfers In (Out) from Business-Type Activities		<u><u>\$ 1,033,488</u></u>

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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, 2021, 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	\$ 75,886,534	\$ 10,995,000	\$ 10,421,534	\$ 76,460,000	\$ 8,730,000
Bond Premium	2,176,082	381,960	219,139	2,338,903	-
Total General Obligation Debt	<u>78,062,616</u>	<u>11,376,960</u>	<u>10,640,673</u>	<u>78,798,903</u>	<u>8,730,000</u>
Municipal Revenue Obligation	33,448,990	1,998,589	2,881,579	32,566,000	-
Total Bonds and Notes Payable	<u>111,511,606</u>	<u>13,375,549</u>	<u>13,522,252</u>	<u>111,364,903</u>	<u>8,730,000</u>
Other Liabilities:					
Capital Lease Obligations	27,016	-	27,016	-	-
Accrued Unused Vacation	2,694,581	2,985,058	2,891,407	2,788,232	2,788,232
Landfill Postclosure Liability	117,800	-	7,650	110,150	7,650
Total Other Liabilities	<u>2,839,397</u>	<u>2,985,058</u>	<u>2,926,073</u>	<u>2,898,382</u>	<u>2,795,882</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 114,351,003</u>	<u>\$ 16,360,607</u>	<u>\$ 16,448,325</u>	<u>\$ 114,263,285</u>	<u>\$ 11,525,882</u>
Business-Type Activities:					
Bonds and Notes Payable:					
General Obligation Debt	\$ 48,443,071	\$ 12,510,000	\$ 13,673,071	\$ 47,280,000	\$ 6,120,000
Revenue Bonds	13,580,000	-	3,525,000	10,055,000	915,000
Unamortized Bond Premium	1,378,934	64,073	299,477	1,143,530	-
Total Business-Type Activities Long-Term Liabilities	<u>\$ 63,402,005</u>	<u>\$ 12,574,073</u>	<u>\$ 17,497,548</u>	<u>\$ 58,478,530</u>	<u>\$ 7,035,000</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, 2021**

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:

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/21
Promissory Notes	08/21/12	06/01/22	0.350 - 2.250	\$ 6,675,000	\$ 575,000
	08/20/13	06/01/23	2.000 - 3.000	3,440,000	400,000
	12/02/14	12/01/24	1.000 - 3.000	7,430,000	3,165,000
	12/02/14	12/01/24	2.000 - 3.000	5,240,000	2,250,000
	04/01/15	10/01/35	3.000 - 5.000	6,200,000	5,275,000
	12/01/15	12/01/30	2.000 - 4.000	20,525,000	11,850,000
	12/01/15	12/01/30	2.250 - 3.650	7,400,000	4,400,000
	12/01/16	12/01/36	3.000 - 4.000	7,495,000	5,770,000
	12/06/16	12/01/31	3.000 - 4.000	1,925,000	1,675,000
	11/03/17	11/01/32	2.000 - 3.000	10,180,000	7,790,000
	11/20/18	11/01/34	3.750 - 4.500	3,690,000	3,160,000
	11/20/18	11/01/33	3.000 - 4.000	10,020,000	7,620,000
	11/20/18	11/01/28	3.000 - 4.000	6,500,000	895,000
	12/02/19	12/01/39	2.375 - 4.000	4,540,000	3,860,000
	12/02/19	12/01/29	2.500 - 3.000	1,260,000	1,120,000
	12/01/20	12/01/30	0.050 - 4.000	4,890,000	4,385,000
	12/01/20	12/01/30	0.050 - 4.000	1,405,000	1,275,000
	12/01/21	11/01/34	1.750 - 5.000	6,490,000	6,490,000
	12/01/21	11/01/31	2.000 - 2.000	2,340,000	2,340,000
					74,295,000
Refunding Bonds	12/01/21	03/01/24	0.250 - 2.200	2,165,000	2,165,000
Total General Obligation Debt					\$76,460,000

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, 2021, was \$2,342,365.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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. 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, 2021, was \$1,432,810.

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, 2021, was \$2,054,389.

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, 2021, was \$2,900,506.

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, 2021, was \$1,162,224.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-Term Obligations (Continued)

Governmental Activities Debt (Continued)

Municipal Revenue Obligation (Continued)

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, 2021, was \$5,639,696.

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, 2021, was \$13,388,607.

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, 2021, was \$1,646,814.

During 2021, 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. 13 project costs, as described in the project plan. The Developer completed eligible costs in 2021 of \$1,998,589 and will become eligible for repayment beginning in 2022. 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, 2021, was \$1,998,589.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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 12/31/21
WATER						
Waterworks System						
Revenue Bonds:						
Series 2011	11/29/11	2.000 - 3.000	1/13-22	1/18/7/1	\$ 2,400,000	\$ 300,000
Series 2013	11/19/13	1.750 - 4.125	1/15-34	1/18/7/1	4,575,000	600,000
Series 2016	06/21/16	2.000 - 3.500	1/17-36	1/18/7/1	4,225,000	3,300,000
Series 2017	11/03/17	3.000	1/19-37	1/18/7/1	3,000,000	2,700,000
Series 2018	11/20/18	4.000 - 3.750	1/19-38	1/18/7/1	3,620,000	3,655,000
						10,055,000
General Obligation						
Refunding Bonds	12/01/21	0.250 - 2.200	11/22-34	5/18/11/1	2,555,000	2,555,000
Corporate Purpose Bonds	12/02/19	2.500 - 4.000	12/120-39	6/18/12/1	7,225,000	6,760,000
Corporate Purpose Bonds	12/01/20	0.050 - 4.000	12/121-30	6/18/12/1	3,710,000	3,560,000
Corporate Purpose Bonds	12/01/21	1.750 - 5.000	12/122-41	6/18/12/1	1,810,000	1,810,000
Total Water Utility						24,740,000
SANITARY SEWER						
Promissory Notes:						
Series 2012	08/21/12	0.350 - 2.250	6/13-22	6/18/12/1	1,825,000	275,000
Series 2013	08/20/13	2.000 - 3.000	6/14-23	6/18/12/1	2,250,000	500,000
Series 2013	11/19/13	2.500 - 4.250	11/14-33	5/18/11/1	7,700,000	600,000
Series 2014	12/02/14	1.000 - 3.000	12/15-24	6/18/12/1	2,750,000	1,625,000
Series 2015	12/01/15	2.000 - 4.000	12/16-30	6/18/12/1	4,075,000	1,975,000
Series 2016	12/01/16	3.000 - 4.000	12/17-35	6/18/12/1	1,770,000	1,250,000
Series 2017	11/03/17	2.000 - 3.000	11/17-32	5/18/11/1	2,990,000	2,200,000
Series 2018	11/20/18	3.000 - 4.000	11/19-28	5/18/11/1	1,590,000	1,180,000
Series 2020	12/01/20	0.050 - 4.000	12/121-30	6/18/12/1	1,180,000	795,000
						10,400,000
General Obligation						
Refunding Bonds	12/01/21	0.250 - 2.200	11/22-34	5/18/11/1	6,470,000	6,470,000
Total Sanitary Sewer						16,870,000

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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 12/31/21
STORM WATER MAINTENANCE						
Promissory Notes:						
Series 2012	08/21/12	0.350 - 2.250	6/1/13-22	6/18/12/1	\$ 3,900,000	\$ 625,000
Series 2013	08/20/13	2.000 - 3.000	6/1/14-23	6/18/12/1	560,000	50,000
Series 2013	11/19/13	2.500 - 4.250	11/1/14-33	5/18/11/1	1,775,000	125,000
Series 2014	12/02/14	1.000 - 3.000	12/1/15-24	6/18/12/1	6,190,000	2,235,000
Series 2015	12/01/15	2.000 - 4.000	12/1/16-30	6/18/12/1	1,775,000	1,375,000
Series 2016	12/01/16	3.000 - 4.000	12/1/17-35	6/18/12/1	4,000,000	2,925,000
Series 2017	11/03/17	2.000 - 3.000	11/1/17-32	5/18/11/1	1,110,000	575,000
Series 2018	11/20/18	3.000 - 4.000	11/1/19-28	5/18/11/1	3,545,000	2,950,000
Series 2019	12/02/19	2.500 - 4.000	12/1/20-39	6/18/12/1	1,000,000	650,000
Series 2020	12/01/20	0.050 - 4.000	12/1/21-30	6/18/12/1	2,750,000	2,440,000
Series 2021	12/01/21	2.000	12/1/22-31	6/18/12/1	630,000	630,000
						<u>14,680,000</u>
General Obligation Refunding Bonds	12/01/21	0.250 - 2.200	11/1/22-34	5/18/11/1	1,045,000	<u>1,045,000</u>
Total Storm Water Maintenance						<u>15,725,000</u>
Total Business-Type Activities Debt						<u>\$57,335,000</u>

The Water Utility has \$10,055,000 in Waterworks System Revenue Bonds related to Water Utility capital projects outstanding at December 31, 2021. 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 \$9,525,114. Net revenue available for debt service was \$2,288,095, which represents a coverage ratio of 1.89 of debt service for the year ended December 31, 2021.

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, 2021**

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
2022	\$ 8,730,000	\$ 2,212,851	\$ 6,120,000	\$ 1,169,571
2023	8,890,000	1,959,861	5,820,000	1,023,727
2024	8,885,000	1,717,163	5,475,000	867,102
2025	7,575,000	1,460,114	4,315,000	722,090
2026	6,070,000	1,218,626	4,385,000	604,897
2027-2031	24,465,000	3,669,912	13,835,000	1,616,407
2032-2036	11,845,000	782,534	5,410,000	555,332
2037-2041	-	-	1,920,000	115,558
Totals	<u>\$76,460,000</u>	<u>\$13,021,061</u>	<u>\$47,280,000</u>	<u>\$ 6,674,684</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, 2021, was \$377,299,095. Total general obligation debt outstanding at year-end was \$124,675,000.

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 \$110,150 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.

Current Refunding

On December 1, 2021 the City issued \$12,235,000 in General Obligation Refunding Bonds, series 2021C, and with \$420,248 of existing funds, refunded \$11,895,000 of principal. The cash flow requirement on the refunded bonds prior to the refunding was \$15,127,995 from 2021 through 2034. The cash flow requirements on the Series 2021C bonds are \$13,616,471 from 2021 through 2034. The refunding resulted in an economic gain of \$1,008,737 at an effective interest rate of 1.74%

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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, 2021 includes the following:

Governmental Activities

Net Investment in Capital Assets:	
Nondepreciated	\$ 26,962,421
Depreciated	113,682,793
Less: Related Debt Excluding Unspent Bond Proceeds	(56,561,397)
Total Net Investment in Capital Assets	<u>84,083,817</u>
Restricted for Debt Service	4,221,011
Restricted for Pension	18,715,400
Restricted for Other	1,449,909
Unrestricted	(41,615,879)
Total Governmental Activities Net Position	<u>\$ 66,854,258</u>

Business-Type Activities

Net Investment in Capital Assets:	
Land	\$ 81,405
Construction in Progress	3,514,356
Other Capital Assets, Net of Accumulated Depreciation	165,945,001
Less: Related Long-Term Debt Outstanding (Net of Unspent Proceeds of Debt)	(54,158,616)
Total Net Investment in Capital Assets	<u>115,382,146</u>
Restricted for Debt Service	1,968,524
Restricted for Pension	501,978
Unrestricted	20,762,167
Total Business-Type Activities Net Position	<u>\$ 138,614,815</u>

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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, 2021, include the following:

Nonspendable:

Major Funds:

General Fund:

Prepayments and Inventories	\$ 1,804
Noncurrent Receivables	1,523,136
Special Revenue Fund - Tax Incremental District Prepayments	23,875

Nonmajor Funds:

Special Revenue Fund - Parks Fund	33,303
Total Nonspendable	<u>1,582,118</u>

Restricted:

Major Funds:

Special Revenue Fund - Tax Incremental District - Debt Service	2,432,029
Debt Service Fund	2,030,945
Capital Projects Fund - General Obligation Debt Issue Fund	6,063,603

Nonmajor Funds:

State Grants Department of Health Services	72,620
Tourism Commission Fund	602,958
Community Development Fund	774,331
Total Restricted Fund Balance	<u>11,976,486</u>

Assigned:

Major Funds:

General Fund:

Capital Improvements	1,218,486
Encumbrances	1,058,481
Parks	3,442
Total General Fund	<u>2,280,409</u>

Capital Projects Fund - General Obligation Debt Issue Fund	4,930,412
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**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Net Position/Fund Balances (Continued)

Governmental Fund Balances (Continued)

Assigned (Continued):

Nonmajor Funds:

Special Revenue Fund - Parks Fund	\$ 1,182,797
Special Revenue Fund - Library Fund	-
Special Revenue Fund - Redevelopment Authority Reserve Fund	1,043,630
Special Revenue Fund - Community Development Fund	55,493
Special Revenue Fund - Hospital Policing Fund	3,103
Capital Projects Fund - Information Systems Equipment	968,061
Capital Projects Fund - Fleet Equipment	12,824
Capital Projects Fund - Public Works Building Improvement Reserve Fund	154,717
Total Assigned Fund Balance	10,631,446

Unassigned:

Major Funds - General Fund	21,359,844
Nonmajor Funds - Community Development Block Grant	(5,559)
Nonmajor Funds - Special Assessments	(1)
Total Unassigned Fund Balance	21,354,284

Total Governmental Fund Balance	\$ 45,544,334
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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.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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 December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings and creditable service.

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

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 OTHER INFORMATION (CONTINUED)

A. Defined Benefit Pension Plan (Continued)

General Information about the Plan (Continued)

Benefits Provided (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>
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)
2020	1.7	21.0

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 OTHER INFORMATION (CONTINUED)

A. Defined Benefit Pension Plan (Continued)

General Information about the Plan (Continued)

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. During the reporting period, the WRS recognized \$3,569,385 in contributions from the employer.

Contribution rates as of December 31, 2021, are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Including Teachers, Executives, and Elected Officials)	6.75 %	6.75 %
Protective With Social Security	6.75	11.65
Protective Without Social Security	6.75	16.25

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

At December 31, 2021, the City reported a liability (asset) of \$19,217,378 for its proportional share of the net pension liability (asset). The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net 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, 2020, the City's proportion was .30781598%, which was an increase of .01035340% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the City recognized pension expense (credit) of (\$2,050,835).

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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)

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 27,813,445	\$ 5,990,966
Changes in Assumptions	435,887	-
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	36,079,062
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	170,799	25,059
Employer Contributions Subsequent to the Measurement Date	3,569,385	-
Total	\$ 31,989,516	\$ 42,095,087

\$3,569,385 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, 2022. 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>	Net Deferred Outflows (Inflows) of Resources
2022	\$ (3,523,042)
2023	(925,368)
2024	(6,488,988)
2025	(2,737,558)
2026	-
Total	\$ (13,674,956)

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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)

Actuarial assumptions – The total pension liability (asset) in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Liability (Asset):	December 31, 2020
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. The Total Pension Liability for December 31, 2020, is based upon a roll-forward of the liability calculated from the December 31, 2019, actuarial valuation.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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:

	Current Asset Allocation Percent	Long-Term Expected Nominal Rate of Return Percent	Long-Term Expected Real Rate of Return Percent
Core Fund Asset Class:			
Global Equities	51.00 %	7.20 %	4.70 %
Fixed Income	25.00	3.20	0.80
Inflation Sensitive Assets	16.00	2.00	(0.40)
Real Estate	8.00	5.60	3.10
Private Equity/Debt	11.00	10.20	7.60
Multi-Asset	4.00	5.80	3.30
Total Core Fund	115.00 %	6.60 %	4.10 %
Variable Fund Asset Class:			
U.S. Equities	70.00 %	6.60 %	4.10 %
International Equities	30.00	7.40	4.90
Total Variable Fund	100.00 %	7.10 %	4.60 %

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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)

Single discount rate – A single discount rate of 7.00% was used to measure the Total Pension Liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.00% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s proportionate share of the net pension liability (asset) to changes in the discount rate – The following presents the City’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00%, as well as what the City’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 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)	<u>\$ 18,292,281</u>	<u>\$(19,217,378)</u>	<u>\$(46,767,944)</u>

Pension plan fiduciary net position – Detailed information about the pension plan’s fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 OTHER INFORMATION (CONTINUED)

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, 2021. 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-.

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, 2021. 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.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 OTHER INFORMATION (CONTINUED)

B. Risk Management (Continued)

Self-Insured General and Auto Liability (Continued)

At December 31, 2021, the Risk Management General Liability Fund had net position of \$3,821,845 which includes the City's deposit in CVMIC of \$1,184,453.

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

	2021	2020
Unpaid Claims - Beginning of Year	\$ 720,441	\$ 338,077
Current Year Claims and Changes in Estimates	194,196	819,549
Claim Payments Net of Recoveries	346,425	437,185
Unpaid Claims - End of Year	<u>\$ 568,212</u>	<u>\$ 720,441</u>

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 \$1,304,610 reported in the employee insurance internal service funds at December 31, 2021, 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, 2021 and 2020 were as follows:

	Beginning Balance	Current Year Claims and Changes in Estimates	Claim Payments	Ending Balance
2020	<u>\$ 1,228,289</u>	<u>\$ 6,867,451</u>	<u>\$ 6,605,525</u>	<u>\$ 1,490,215</u>
2021	1,490,215	7,615,039	7,800,644	1,304,610

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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	\$ 6,577,581
Other Postemployment Obligation	(36,445,285)
Other Postemployment Net Deferred Inflows and Outflows	<u>6,496,733</u>
Total	<u><u>\$ (23,370,971)</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.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits (Continued)

Employees Covered by Benefit Terms

At December 31, 2021, the following employees were covered by the benefits terms:

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

Total OPEB Liability

The City's total OPEB liability of \$36,445,285 was measured as of December 31, 2021, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2021, 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, 2020
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.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits (Continued)

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.

The actuarial assumptions used in the December 31, 2021, 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
Balance - December 31, 2020	\$ 35,529,511
Changes for the Year:	
Service Cost	1,422,667
Interest on Total OPEB Liability	964,967
Effect of Plan Changes	-
Effect of Liability Gains or Losses	634,893
Effect of Assumptions Changes or Inputs	1,385,687
Benefit Payments	(3,492,440)
Net Changes	915,774
Balance - December 31, 2021	\$ 36,445,285

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits (Continued)

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 (1.12%) or one percentage-point higher (3.12%) than the current discount rate:

	Discount Rate		
		Current	
	1% Decrease (1.12%)	Discount Rate (2.12%)	1% Increase (3.12%)
Total OPEB Liability	\$ 38,795,186	\$ 36,445,285	\$ 34,237,103

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		
		Healthcare Cost	
	1% Decrease (4.4% Decreasing to 3.5%)	Trend Rates (5.4% Decreasing to 4.5%)	1% Increase (6.4% Decreasing to 5.5%)
Total OPEB Liability	\$ 33,506,496	\$ 36,445,285	\$ 39,821,416

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

For the year ended December 31, 2021, the City recognized negative OPEB expense of \$491,166. At December 31, 2021, 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	\$ 1,932,615	\$ -
Changes of Assumptions or Other Input	2,562,762	835,001
Contributions made Subsequent to the Measurement Date	2,836,357	-
Total	\$ 7,331,734	\$ 835,001

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

\$2,836,357 reported as deferred outflows related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of net OPEB liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ending December 31,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2022	\$ 729,023
2023	729,023
2024	708,326
2025	635,958
2026	630,878
Thereafter	227,168
Total	<u>\$ 3,660,376</u>

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 \$43,361 in 2021. Rental income from rental of the water towers reported in other water revenues amounted to \$294,071.

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$ 385,884
2023	411,528
2024	426,981
2025	443,113
2026	459,955
Thereafter	12,474,721
Total	<u>\$ 14,602,182</u>

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 OTHER INFORMATION (CONTINUED)

D. Antenna Lease Agreements (Continued)

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, 2021, 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.

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 2021, \$238,492 was repaid on this borrowing. The remaining balance outstanding as of December 31, 2021, is \$1,351,343. This amount is included in the General Fund as an advance to other funds.

G. Subsequent Events

On April 28, 2022, the City issued \$12,030,000 of Taxable General Obligation Community Development Bonds. These bond bear interest rates of 3.00% - 3.98%, with interest payable semi-annually June 1 and December 1, and maturities annually on December 1, beginning with 2027 through 2038. Proceeds will be used for project costs included in the City's Tax Incremental District No. 6 project plan.

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 6 TAX INCREMENTAL DISTRICTS 6, 7, 8, 9, 10, 11, 12, AND 13

A. Plan Summaries

The City has eight active Tax Incremental Districts. 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. Tax Incremental District No. 13 was created on September 15, 2020, and has a dissolution date of January 1, 2047.

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, 2021, was \$1,351,343.

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>
2022	\$ 675,000	\$ 280,344	\$ 955,344
2023	675,000	258,794	933,794
2024	700,000	236,269	936,269
2025	650,000	210,081	860,081
2026	675,000	186,831	861,831
2027 - 2031	3,275,000	564,194	3,839,194
2032 - 2036	1,900,000	119,922	2,019,922
Total	<u>\$ 8,550,000</u>	<u>\$ 1,856,435</u>	<u>\$ 10,406,435</u>

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 6 TAX INCREMENTAL DISTRICTS 6, 7, 8, 9, 10, 11, 12, AND 13 (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>
2022	\$ 1,610,000	\$ 395,345	\$ 2,005,345
2023	1,620,000	346,145	1,966,145
2024	2,345,000	300,095	2,645,095
2025	1,195,000	229,945	1,424,945
2026	700,000	193,195	893,195
2027 - 2031	3,745,000	572,203	4,317,203
2032 - 2036	1,180,000	92,013	1,272,013
Total	<u>\$ 12,395,000</u>	<u>\$ 2,128,941</u>	<u>\$ 14,523,941</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>
2022	\$ 50,000	\$ 7,063	\$ 57,063
2023	50,000	5,063	55,063
2024	75,000	3,938	78,938
2025	75,000	2,063	77,063
2026	-	-	-
2025	-	-	-
Total	<u>\$ 250,000</u>	<u>\$ 18,127</u>	<u>\$ 268,127</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>
2022	\$ 55,000	\$ 77,713	\$ 132,713
2023	55,000	76,063	131,063
2024	55,000	74,413	129,413
2025	55,000	72,763	127,763
2026	55,000	70,563	125,563
2027 - 2031	310,000	68,913	378,913
2032 - 2036	1,610,000	193,500	1,803,500
Total	<u>\$ 2,195,000</u>	<u>\$ 633,928</u>	<u>\$ 2,828,928</u>

**CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 6 TAX INCREMENTAL DISTRICTS 5, 6, 7, 8, 9, 10, 11, 12, AND 13 (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
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OTHER
POSTEMPLOYMENT BENEFIT LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS***

	2021	2020	2019	2018
Total OPEB Liability				
Service Cost	\$ 1,422,667	\$ 1,192,606	\$ 1,298,153	\$ 1,173,046
Interest on Total OPEB Liability	964,967	1,349,656	1,192,376	1,310,873
Effect of Plan Changes	-	17,448	-	-
Effect of Economic/Demographic (Gains) or Losses	634,893	1,450,482	661,100	-
Effect of Assumption Changes or Inputs	1,385,687	1,502,330	(1,490,762)	784,072
Benefit Payments	(3,492,400)	(3,383,691)	(3,221,014)	(3,593,299)
Net Change in Total OPEB Liability	915,814	2,128,831	(1,560,147)	(325,308)
Total OPEB Liability - Beginning	35,529,511	33,400,680	34,960,827	35,286,135
Total OPEB Liability - Ending	\$ 36,445,325	\$ 35,529,511	\$ 33,400,680	\$ 34,960,827
Covered - Employee Payroll*	\$28,267,000	\$32,373,184	\$29,943,000	\$29,094,000
City's total OPEB Liability as a Percentage of Covered Employee Payroll*	128.93%	109.75%	111.55%	120.17%

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

**CITY OF WAUWATOSA, WISCONSIN
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (ASSET)
WISCONSIN RETIREMENT SYSTEM
LAST 10 MEASUREMENT PERIODS***

	Year Ended December 31,						
	2020	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability (Asset)	0.30781598%	0.29746258%	0.29335784%	0.28785707%	0.28100006%	0.28040302%	0.28327583%
City's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ (19,217,378)</u>	<u>\$ (9,591,551)</u>	<u>\$ 10,436,752</u>	<u>\$ (8,546,816)</u>	<u>\$ 2,316,111</u>	<u>\$ 4,556,496</u>	<u>\$ (6,958,029)</u>
City's Covered Payroll	<u>\$34,378,930</u>	<u>\$ 31,471,798</u>	<u>\$30,496,633</u>	<u>\$29,777,290</u>	<u>\$ 29,711,934</u>	<u>\$ 29,108,607</u>	<u>\$ 28,350,192</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	96.45 %	96.45 %	96.45 %	102.93 %	99.12 %	98.20 %	102.74 %

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

**CITY OF WAUWATOSA, WISCONSIN
SCHEDULE OF THE CITY'S PENSION CONTRIBUTIONS
WISCONSIN RETIREMENT SYSTEM
LAST 10 FISCAL YEARS***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contributions	<u>\$ 3,519,819</u>	<u>\$ 3,125,502</u>	<u>\$ 3,057,444</u>	<u>\$ 3,146,087</u>	<u>\$ 3,004,354</u>	<u>\$ 2,721,212</u>	<u>\$ 2,708,618</u>
Contributions in Relation to the Contractually Required Contributions	<u>\$ 3,519,819</u>	<u>\$ 3,125,502</u>	<u>\$ 3,057,444</u>	<u>\$ 3,146,087</u>	<u>\$ 3,004,354</u>	<u>\$ 2,721,212</u>	<u>\$ 2,708,618</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	<u>\$ 33,426,919</u>	<u>\$ 34,378,930</u>	<u>\$ 31,471,798</u>	<u>\$ 30,496,633</u>	<u>\$ 29,777,290</u>	<u>\$ 29,711,934</u>	<u>\$ 29,108,607</u>
Contributions as a Percentage of Covered Payroll	10.53 %	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, 2021**

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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
TAXES				
General Property Taxes	\$ 45,461,749	\$ 45,461,749	\$ 45,461,749	\$ -
Prior Year's Omitted Taxes	-	442,025	291,507	(150,518)
Hotel and Motel Room Tax	1,247,000	1,014,019	1,373,588	359,569
Payments in Lieu of Taxes	513,300	513,300	482,926	(30,374)
Interest on Taxes	90,000	117,600	118,075	475
Property Tax Chargebacks	-	-	34,266	34,266
Total Taxes	<u>47,312,049</u>	<u>47,548,693</u>	<u>47,762,111</u>	<u>213,418</u>
INTERGOVERNMENTAL				
State Shared Taxes	5,663,607	5,663,607	5,708,378	44,771
Federal Grants	85,640	233,786	262,473	28,687
State Grants	1,300,625	1,845,195	1,035,155	(810,040)
Total Intergovernmental	<u>7,049,872</u>	<u>7,742,588</u>	<u>7,006,006</u>	<u>(736,582)</u>
LICENSES AND PERMITS				
Licenses	307,456	327,456	289,495	(37,961)
Permits	1,199,753	1,319,793	1,478,143	158,350
Total Licenses and Permits	<u>1,507,209</u>	<u>1,647,249</u>	<u>1,767,638</u>	<u>120,389</u>
FINES, PENALTIES, AND FORFEITURES				
Court Penalties and Costs	500,000	350,000	360,424	10,424
Parking Violations	542,500	354,000	358,729	4,729
Other Penalties and Fees	110,000	110,000	93,470	(16,530)
Total Fines, Penalties, and Forfeitures	<u>1,152,500</u>	<u>814,000</u>	<u>812,623</u>	<u>(1,377)</u>
PUBLIC IMPROVEMENT REVENUES				
Special Assessments	7,000	25,521	23,360	(2,161)
PUBLIC CHARGES FOR SERVICES				
General Government	470,020	454,020	476,594	22,574
Public Safety	2,315,023	2,242,023	2,330,843	88,820
Health and Social Services	13,055	13,055	11,028	(2,027)
Streets and Related Facilities	31,000	50,862	56,929	6,067
Sanitation	273,300	205,800	279,310	73,510
Total Public Charges for Services	<u>3,102,398</u>	<u>2,965,760</u>	<u>3,154,704</u>	<u>188,944</u>
INTERGOVERNMENTAL CHARGES FOR SERVICES				
County:				
Paramedics	97,850	97,850	97,691	(159)
Fire Protection Service	1,529,874	1,529,874	1,512,362	(17,512)
Local Departments	156,997	156,997	156,137	(860)
Total Intergovernmental Charges for Services	<u>1,784,721</u>	<u>1,784,721</u>	<u>1,766,190</u>	<u>(18,531)</u>
COMMERCIAL REVENUES				
Interest	1,133,000	768,000	125,655	(642,345)
Rentals	41,274	41,274	67,398	26,124
Other Miscellaneous Revenue	135,350	960,944	153,318	(807,626)
Total Commercial Revenues	<u>1,309,624</u>	<u>1,770,218</u>	<u>346,371</u>	<u>(1,423,847)</u>
Total Revenues	<u>\$ 63,225,373</u>	<u>\$ 64,298,750</u>	<u>\$ 62,639,003</u>	<u>\$ (1,659,747)</u>

CITY OF WAUWATOSA, WISCONSIN
SCHEDULE OF EXPENDITURES – ACTUAL AND BUDGET – GENERAL FUND
YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
GENERAL GOVERNMENT				
Mayor	\$ 131,291	\$ 131,640	\$ 83,746	\$ 47,894
Common Council	156,982	156,967	152,639	4,328
Youth Commission	2,700	2,700	937	1,763
Historical Preservation Commission	17,500	17,500	5,404	12,096
Senior Commission	3,195	3,195	4	3,191
Municipal Court	253,183	256,553	221,618	34,935
City Attorney	420,000	417,647	407,253	10,394
Litigation Reserve	625,000	725,000	731,769	(6,769)
City Administration	555,052	581,900	603,124	(21,224)
City Clerk	400,395	408,378	406,731	1,647
Elections	237,790	301,864	185,931	115,933
Human Resources	711,516	736,468	745,068	(8,600)
City Assessor	767,448	793,794	704,022	89,772
Finance	1,149,822	1,136,687	1,184,090	(47,403)
Remission of Taxes	-	-	269,699	(269,699)
Bike and Pedestrian Committee	42,000	62,000	41,718	20,282
Nondepartmental	(54,192)	(61,192)	30,217	(91,409)
Total General Government	<u>5,419,682</u>	<u>5,671,101</u>	<u>5,773,970</u>	<u>(102,869)</u>
PUBLIC SAFETY				
Milwaukee Area Domestic Animal	65,945	65,945	65,982	(37)
Police Reserves	17,334,620	16,790,352	16,852,297	(61,945)
Police Reserves	9,362	15,863	14,755	1,108
Fire	14,544,724	14,785,958	14,554,039	231,919
Crossing Guards	259,900	239,000	180,710	58,290
Traffic Control and Regulation	624,704	671,861	535,148	136,713
Police Station	282,099	310,258	300,951	9,307
Building and Code Enforcement	1,006,792	1,026,032	989,018	37,014
Total Public Safety	<u>34,128,146</u>	<u>33,905,269</u>	<u>33,492,900</u>	<u>412,369</u>
PUBLIC WORKS				
Public Works Operations	230,585	235,451	216,638	18,813
Roadway Maintenance	2,557,202	2,613,739	2,494,631	119,108
Electrical Services	942,022	971,299	930,554	40,745
Solid Waste Management	2,606,612	2,598,165	2,400,341	197,824
Engineering	1,048,423	1,224,193	1,005,857	218,336
Total Public Works	<u>7,384,844</u>	<u>7,642,847</u>	<u>7,048,021</u>	<u>594,826</u>
HEALTH AND HUMAN SERVICES				
Health	2,477,787	3,070,528	1,994,383	1,076,145
CONSERVATION AND DEVELOPMENT				
Forestry	1,507,213	1,570,951	1,596,188	(25,237)
Planning and Zoning	430,895	442,293	399,080	43,213
Economic Development	340,647	559,298	367,653	191,645
Total Highway and Transportation	<u>2,278,755</u>	<u>2,572,542</u>	<u>2,362,921</u>	<u>209,621</u>
CAPITAL OUTLAY				
	<u>107,609</u>	<u>460,374</u>	<u>516,426</u>	<u>(56,052)</u>
Total Expenditures	<u><u>\$51,796,823</u></u>	<u><u>\$53,322,661</u></u>	<u><u>\$51,188,621</u></u>	<u><u>\$ 2,134,040</u></u>

CITY OF WAUWATOSA, WISCONSIN
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	Special Revenue Funds						
	Special Assessments	Community Development Block Grant	State Grants Department of Health Services	Parks	Public Library	Redevelopment Reserve Fund	Community Development Fund
ASSETS							
Cash and Cash Equivalents	\$ -	\$ 13,934	\$ 73,750	\$ 1,150,530	\$ 29,831	\$ 743,630	\$ 754,771
Taxes Receivable	118,279	-	-	-	-	-	-
Special Assessments Receivable:							
Due in Installments	660,540	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-
Other Accrued Receivables	-	-	5,942	58,033	-	-	179,535
Prepayments	-	-	-	-	-	-	-
Advance to Special Revenue Fund	-	-	-	-	-	300,000	-
Total Assets	<u>\$ 778,819</u>	<u>\$ 13,934</u>	<u>\$ 79,692</u>	<u>\$ 1,208,563</u>	<u>\$ 29,831</u>	<u>\$ 1,043,630</u>	<u>\$ 934,306</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 29,397	\$ 5,942	\$ 7,072	\$ 18,809	\$ 29,831	\$ -	\$ 18,532
Due to Other Funds	88,883	-	-	-	-	-	-
Customer Deposits	-	-	-	6,957	-	-	-
Unearned Revenue	-	13,551	-	-	-	-	85,950
Total Liabilities	<u>118,280</u>	<u>19,493</u>	<u>7,072</u>	<u>25,766</u>	<u>29,831</u>	<u>-</u>	<u>104,482</u>
DEFERRED INFLOWS OF RESOURCES							
Special Assessments	660,540	-	-	-	-	-	-
Total Deferred Inflow s	<u>660,540</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	72,620	-	-	-	774,331
Assigned	-	-	-	1,182,797	-	1,043,630	55,493
Unassigned	(1)	(5,559)	-	-	-	-	-
Total Fund Balances	<u>(1)</u>	<u>(5,559)</u>	<u>72,620</u>	<u>1,182,797</u>	<u>-</u>	<u>1,043,630</u>	<u>829,824</u>
Total Liabilities, Deferred Inflow s, and Fund Balances	<u>\$ 778,819</u>	<u>\$ 13,934</u>	<u>\$ 79,692</u>	<u>\$ 1,208,563</u>	<u>\$ 29,831</u>	<u>\$ 1,043,630</u>	<u>\$ 934,306</u>

**CITY OF WAUWATOSA, WISCONSIN
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2021**

	Special Revenue Funds		Capital Projects			Total
	Hospital Policing Fund	Tourism Commission Fund	Information Systems Equipment	Fleet Equipment	Public Works Building Improvement Reserve Fund	
ASSETS						
Cash and Cash Equivalents	\$ 3,119	\$ 603,078	\$ 968,061	\$ 319,046	\$ 154,717	\$ 4,814,467
Taxes Receivable	-	-	-	-	-	118,279
Special Assessments Receivable:						
Due in Installments	-	-	-	-	-	660,540
Due from Other Funds	-	-	-	-	-	-
Other Accrued Receivables	-	-	-	-	-	243,510
Prepayments	33,303	-	-	-	-	33,303
Advance to Special Revenue Fund	-	-	-	-	-	300,000
Total Assets	\$ 36,422	\$ 603,078	\$ 968,061	\$ 319,046	\$ 154,717	\$ 6,170,099
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 16	\$ 120	\$ -	\$ 306,222	\$ -	\$ 415,941
Due to Other Funds	-	-	-	-	-	88,883
Customer Deposits	-	-	-	-	-	6,957
Unearned Revenue	-	-	-	-	-	99,501
Total Liabilities	16	120	-	306,222	-	611,282
DEFERRED INFLOWS OF RESOURCES						
Special Assessments	-	-	-	-	-	660,540
Total Deferred Inflow s	-	-	-	-	-	660,540
FUND BALANCES						
Nonspendable	33,303	-	-	-	-	33,303
Restricted	-	602,958	-	-	-	1,449,909
Assigned	3,103	-	968,061	12,824	154,717	3,420,625
Unassigned	-	-	-	-	-	(5,560)
Total Fund Balances	36,406	602,958	968,061	12,824	154,717	4,898,277
Total Liabilities, Deferred Inflow s, and Fund Balances	\$ 36,422	\$ 603,078	\$ 968,061	\$ 319,046	\$ 154,717	\$ 6,170,099

**CITY OF WAUWATOSA, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021**

	Special Revenue Funds						
	Special Assessments	Community Development Block Grant	State Grants Department of Health Services	Parks	Public Library	Redevelopment Reserve Fund	Community Development Fund
REVENUES							
Intergovernmental Revenues	\$ -	\$ 1,974,283	\$ 20,478	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	1,200	-	-	-
Public Improvement Revenues	917,239	-	-	-	-	-	-
Public Charges for Services	-	-	-	384,903	303,842	-	-
Commercial Revenues	-	-	16,040	50,779	-	133,988	777
Total Revenues	917,239	1,974,283	36,518	436,882	303,842	133,988	777
EXPENDITURES							
Current:							
Public Safety	-	-	35,462	-	-	-	-
Recreation and Education	-	-	-	882,355	3,126,100	-	-
Conservation and Development	-	1,872,114	-	-	-	118	290,368
Capital Outlay	-	-	-	40,673	-	-	384,885
Total Expenditures	-	1,872,114	35,462	923,028	3,126,100	118	675,253
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	917,239	102,169	1,056	(486,146)	(2,822,258)	133,870	(674,476)
OTHER FINANCING SOURCES (USES)							
Proceeds from the Sale of Assets	-	-	-	-	-	-	-
Transfers In	-	-	71,564	1,339,768	2,822,258	11,836	-
Transfers Out	(917,240)	-	-	(301,660)	-	-	-
Total Other Financing Sources (Uses)	(917,240)	-	71,564	1,038,108	2,822,258	11,836	-
NET CHANGE IN FUND BALANCES	(1)	102,169	72,620	551,962	-	145,706	(674,476)
Fund Balances - Beginning of Year	-	(107,728)	-	630,835	-	897,924	1,504,300
FUND BALANCES - END OF YEAR	\$ (1)	\$ (5,559)	\$ 72,620	\$ 1,182,797	\$ -	\$ 1,043,630	\$ 829,824

**CITY OF WAUWATOSA, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

	Special Revenue Funds		Capital Projects			Totals
	Hospital Policing Fund	Tourism Commission Fund	Information Systems Equipment	Fleet Equipment	Public Works Building Improvement Reserve Fund	
REVENUES						
Intergovernmental Revenues	\$ -	\$ 50,160	\$ 5,501	\$ -	\$ -	\$ 2,050,422
	-	-	-	-	-	1,200
Public Improvement Revenues	-	-	-	-	-	917,239
Public Charges for Services	1,293,951	-	-	-	-	1,982,696
Commercial Revenues	-	21,545	-	-	-	223,129
Total Revenues	1,293,951	71,705	5,501	-	-	5,174,686
EXPENDITURES						
Current:						
Public Safety	1,208,732	-	-	-	-	1,244,194
Recreation and Education	-	-	-	-	-	4,008,455
Conservation and Development	-	-	-	-	-	2,162,600
Capital Outlay	58,545	-	-	1,519,131	9,174	2,012,408
Total Expenditures	1,267,277	567,297	-	1,519,131	9,174	9,994,954
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	26,674	(495,592)	5,501	(1,519,131)	(9,174)	(4,820,268)
OTHER FINANCING SOURCES (USES)						
Proceeds from the Sale of Assets	-	-	-	189,066	-	189,066
Transfers In	-	832,296	220,838	888,785	94,846	6,282,191
Transfers Out	-	-	-	(77,438)	-	(1,296,338)
Total Other Financing Sources (Uses)	-	832,296	220,838	1,000,413	94,846	5,174,919
NET CHANGE IN FUND BALANCES	26,674	336,704	226,339	(518,718)	85,672	354,651
Fund Balances - Beginning of Year	9,732	266,254	741,722	531,542	69,045	4,543,626
FUND BALANCES - END OF YEAR	\$ 36,406	\$ 602,958	\$ 968,061	\$ 12,824	\$ 154,717	\$ 4,898,277

**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, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Public Improvement Revenues	\$ 528,461	\$ 528,461	\$ 917,239	\$ 388,778
Total Revenues	<u>528,461</u>	<u>528,461</u>	<u>917,239</u>	<u>388,778</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(528,461)</u>	<u>(528,461)</u>	<u>(917,240)</u>	<u>(388,779)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>(1)</u>	<u>\$ (1)</u>
Fund Balance - Beginning of Year			<u>-</u>	
FUND BALANCE - END OF YEAR			<u>\$ (1)</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, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 1,000,000	\$ 1,898,715	\$ 1,974,283	\$ 75,568
Commercial Revenues	-	-	-	-
Total Revenues	<u>1,000,000</u>	<u>1,898,715</u>	<u>1,974,283</u>	<u>75,568</u>
EXPENDITURES				
Conservation and Development	1,000,000	1,898,715	1,872,114	26,601
Capital Outlay	-	-	-	-
Total Expenditures	<u>1,000,000</u>	<u>1,898,715</u>	<u>1,872,114</u>	<u>26,601</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	102,169	<u>\$ 102,169</u>
Fund Balance - Beginning of Year			<u>(107,728)</u>	
FUND BALANCE - END OF YEAR			<u>\$ (5,559)</u>	

**CITY OF WAUWATOSA, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL – SPECIAL REVENUE
FUND STATE GRANTS DEPARTMENT OF HEALTH SERVICES FUND
YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ -	\$ -	\$ 20,478	\$ 20,478
Public Charges for Services	-	-	-	-
Commercial Revenues	-	-	16,040	16,040
Total Revenues	-	-	36,518	36,518
EXPENDITURES				
Education and Recreation	-	108,082	35,462	72,620
Total Expenditures	-	108,082	35,462	72,620
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	-	(108,082)	1,056	109,138
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	71,564	71,564
NET CHANGE IN FUND BALANCE				
	\$ -	\$ (108,082)	72,620	\$ 180,702
Fund Balance - Beginning of Year			-	
FUND BALANCE - END OF YEAR			\$ 72,620	

**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, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	1,200	1,200
Public Charges for Services	276,000	261,000	384,903	123,903
Commercial Revenues	43,361	43,361	50,779	7,418
Total Revenues	<u>319,361</u>	<u>304,361</u>	<u>436,882</u>	<u>132,521</u>
EXPENDITURES				
Education and Recreation	1,122,642	1,161,082	882,355	278,727
Capital Outlay	126,027	111,027	40,673	70,354
Total Expenditures	<u>1,248,669</u>	<u>1,272,109</u>	<u>923,028</u>	<u>349,081</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(929,308)	(967,748)	(486,146)	481,602
OTHER FINANCING SOURCES (USES)				
Transfers In	1,229,788	1,339,768	1,339,768	-
Transfers Out	(300,480)	(300,480)	(301,660)	(1,180)
Total Other Financing Sources (Uses)	<u>929,308</u>	<u>1,039,288</u>	<u>1,038,108</u>	<u>(1,180)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ 71,540</u>	551,962	<u>\$ 480,422</u>
Fund Balance - Beginning of Year			<u>630,835</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,182,797</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, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -
Public Charges for Services	306,500	300,733	303,842	3,109
Commercial Revenues	-	-	-	-
Total Revenues	<u>306,500</u>	<u>300,733</u>	<u>303,842</u>	<u>3,109</u>
EXPENDITURES				
Education and Recreation	3,083,566	3,131,992	3,126,100	5,892
Total Expenditures	<u>3,083,566</u>	<u>3,131,992</u>	<u>3,126,100</u>	<u>5,892</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,777,066)	(2,831,259)	(2,822,258)	9,001
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>2,777,066</u>	<u>2,822,258</u>	<u>2,822,258</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (9,001)</u>	<u>-</u>	<u>\$ 9,001</u>
Fund Balance - Beginning of Year			<u>-</u>	
FUND BALANCE - END OF YEAR			<u>\$ -</u>	

**CITY OF WAUWATOSA, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – HOSPITAL POLICING FUND
YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts		Actual	Variance w ith Final Budget
	Original	Final		
REVENUES				
Public Charges for Services	\$ 1,347,003	\$ 1,347,003	\$ 1,293,951	\$ (53,052)
Commercial Revenues	-	-	-	-
Total Revenues	<u>1,347,003</u>	<u>1,347,003</u>	<u>1,293,951</u>	<u>(53,052)</u>
EXPENDITURES				
Public Safety	1,322,003	1,322,003	1,208,732	113,271
Capital Outlay	25,000	34,716	58,545	(23,829)
Total Expenditures	<u>1,347,003</u>	<u>1,356,719</u>	<u>1,267,277</u>	<u>89,442</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (9,716)</u>	26,674	<u>\$ 36,390</u>
Fund Balance - Beginning of Year			<u>9,732</u>	
FUND BALANCE - END OF YEAR			<u>\$ 36,406</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, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ -	\$ -	\$ 50,160	50,160
Commercial Revenues	25,000	25,000	21,545	(3,455)
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>71,705</u>	<u>46,705</u>
EXPENDITURES				
Culture	732,911	734,689	567,297	167,392
Total Expenditures	<u>732,911</u>	<u>734,689</u>	<u>567,297</u>	<u>167,392</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(707,911)	(709,689)	(545,752)	163,937
OTHER FINANCING SOURCES (USES)				
Transfers In	707,911	476,708	832,296	355,588
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (232,981)</u>	336,704	<u>\$ 569,685</u>
Fund Balance - Beginning of Year			<u>266,254</u>	
FUND BALANCE - END OF YEAR			<u>\$ 602,958</u>	

CITY OF WAUWATOSA, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – CAPITAL PROJCS GENERAL OBLIGATION DEBT ISSUE FUND
YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance w ith Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 373,210	\$ 373,210	\$ 860,040	\$ 486,830
Commercial Revenues	95,000	65,000	45,283	(19,717)
Total Revenues	<u>468,210</u>	<u>438,210</u>	<u>905,323</u>	<u>467,113</u>
EXPENDITURES				
General Government	40,000	186,733	49,195	137,538
Conservation and Development	-	3,422	51,789	
Capital Outlay	11,017,628	15,573,022	8,924,955	6,648,067
Total Expenditures	<u>11,057,628</u>	<u>15,763,177</u>	<u>9,025,939</u>	<u>6,785,605</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	(10,589,418)	(15,324,967)	(8,120,616)	7,204,351
OTHER FINANCING SOURCES (USES)				
Long-term Debt Issued	9,429,927	8,834,220	8,830,000	(4,220)
Proceeds from the Sale of Assets	-	-	53,800	
Transfers In	1,249,490	1,337,727	1,686,505	
Transfers Out	(100,000)	(100,000)	(100,000)	-
Total Other Financing Sources (Uses)	<u>10,579,417</u>	<u>10,071,947</u>	<u>10,470,305</u>	<u>(4,220)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (10,001)</u>	<u>\$ (5,253,020)</u>	2,349,689	<u>\$ 7,200,131</u>
Fund Balance - Beginning of Year			<u>8,644,326</u>	
FUND BALANCE - END OF YEAR			<u>\$ 10,994,015</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, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenue	\$ 5,501	\$ 5,501	\$ 5,501	\$ -
Total Revenues	5,501	5,501	5,501	-
EXPENDITURES				
General Government	20,000	20,000	-	20,000
Capital Outlay	-	-	-	-
Total Expenditures	20,000	20,000	-	20,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	(14,499)	(14,499)	5,501	20,000
OTHER FINANCING SOURCES (USES)				
Transfers In	204,873	204,873	220,838	15,965
NET CHANGE IN FUND BALANCE	\$ 190,374	\$ 190,374	226,339	\$ 35,965
Fund Balance - Beginning of Year			741,722	
FUND BALANCE - END OF YEAR			\$ 968,061	

**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, 2021**

	Budgeted Amounts		Actual	Variance w Final Budget
	Original	Final		
REVENUES				
Commercial Revenues	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Capital Outlay	1,236,000	2,402,399	1,519,131	883,268
Total Expenditures	1,236,000	2,402,399	1,519,131	883,268
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,236,000)	(2,402,399)	(1,519,131)	883,268
OTHER FINANCING SOURCES (USES)				
Proceeds from the Sale of Land	45,500	45,500	189,066	143,566
Transfers In	833,851	833,851	888,785	54,934
Transfers Out	(77,438)	(77,438)	(77,438)	-
Total Other Financing Sources	801,913	801,913	1,000,413	198,500
NET CHANGE IN FUND BALANCE	<u>\$ (434,087)</u>	<u>\$ (1,600,486)</u>	(518,718)	<u>\$ 1,081,768</u>
Fund Balance - Beginning of Year			531,542	
FUND BALANCE - END OF YEAR			<u>\$ 12,824</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 FUNDS
YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES				
Capital Outlay	\$ 60,000	\$ 20,000	\$ 9,174	\$ 10,826
Total Expenditures	<u>60,000</u>	<u>20,000</u>	<u>9,174</u>	<u>10,826</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>95,321</u>	<u>95,321</u>	<u>94,846</u>	<u>(475)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 35,321</u>	<u>\$ 75,321</u>	<u>85,672</u>	<u>\$ 10,351</u>
Fund Balance - Beginning of Year			<u>69,045</u>	
FUND BALANCE - END OF YEAR			<u>\$ 154,717</u>	

CITY OF WAUWATOSA, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Commercial Revenues	\$ 55,531	\$ 55,531	\$ 55,531	\$ -
Interest Income	-	-	155	155
Total Revenues	<u>55,531</u>	<u>55,531</u>	<u>55,686</u>	<u>155</u>
EXPENDITURES				
Debt Service				
Principal	8,240,849	8,240,849	8,290,849	(50,000)
Interest and Other Fiscal Charges	2,313,222	2,313,222	2,404,640	(91,418)
Total Expenditures	<u>10,554,071</u>	<u>10,554,071</u>	<u>10,695,489</u>	<u>(141,418)</u>
EXCESS OF REVENUES OVER EXPENDITURES	(10,498,540)	(10,498,540)	(10,639,803)	(141,263)
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	-	-	2,165,000	2,165,000
Premium on Long-Term Debt	-	-	381,960	381,960
Transfers In	10,448,539	10,448,539	10,501,136	52,597
Payments to Escrow	-	-	(2,157,641)	(2,157,641)
Total Other Financing Sources	<u>10,448,539</u>	<u>10,448,539</u>	<u>10,890,455</u>	<u>441,916</u>
NET CHANGE IN FUND BALANCE	<u>\$ (50,001)</u>	<u>\$ (50,001)</u>	250,652	<u>\$ 300,653</u>
Fund Balance - Beginning of Year			<u>1,780,293</u>	
FUND BALANCE - END OF YEAR			<u>\$ 2,030,945</u>	

**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
 YEAR ENDED DECEMBER 31, 2021**

	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
PROJECT COSTS									
Capital Expenditures	\$ 28,860	\$ 9,992	\$ 7,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,452
Administration	11,032	12,208	6,032	3,532	2,290	10,651	3,707	2,650	52,102
Interest and Fiscal Charges	298,616	511,279	-	8,063	-	79,713	-	-	897,671
Professional Services	25,500	7,000	6,700	-	-	15,825	850	1,700	57,575
Debt Issuance Costs	-	-	-	-	-	-	-	-	-
Housing and Community Development	-	-	-	-	-	-	11,836	-	11,836
Developers Grants and Incentive	-	1,395,596	-	-	-	-	-	1,998,589	3,394,185
Distribution to Other Taxing Jurisdictions	-	-	-	-	-	-	-	-	-
Total Project Costs	364,008	1,936,075	20,332	11,595	2,290	106,189	16,393	2,002,939	4,459,821
PROJECT REVENUES									
Tax Increments	2,605,565	2,928,140	636,492	240,161	370,670	756,677	283,154	-	7,820,859
Investment Income	2,210	1,326	1,258	45	456	168	-	-	5,463
Premium on Long-Term Debt	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-
Exempt Computer Aid	4,097	14,461	1,305	249	-	2,383	-	-	22,495
Personal Property Aid	-	103,265	7,223	-	-	12,685	-	-	123,173
Developer Fees	-	-	-	-	-	-	-	-	-
Sale of Land	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue	-	-	-	-	-	-	-	-	-
Total Project Revenues	2,611,872	3,047,192	646,278	240,455	371,126	771,913	283,154	-	7,971,990
NET COST RECOVERABLE THROUGH TIF INCREMENTS - DECEMBER 31, 2021									
	<u>\$ 2,247,864</u>	<u>\$ 1,111,117</u>	<u>\$ 625,946</u>	<u>\$ 228,860</u>	<u>\$ 368,836</u>	<u>\$ 665,724</u>	<u>\$ 266,761</u>	<u>\$ (2,002,939)</u>	<u>\$ 3,512,169</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 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, 2021

	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
PROJECT COSTS									
Capital Expenditures	\$ 20,361,810	\$ 16,724,582	\$ 2,196,043	\$ 415,759	\$ 88,196	\$ 2,765,768	\$ -	\$ -	\$ 42,552,158
Administration	190,721	134,424	48,219	25,559	30,272	113,113	36,382	2,650	581,340
Interest and Fiscal Charges	2,630,797	3,143,185	-	58,876	-	402,251	-	-	6,235,109
Housing and Community Development	-	-	-	-	-	-	11,836	-	11,836
Professional Services	97,895	32,722	25,729	6,981	6,279	32,407	37,577	16,700	256,290
Debt Issuance Costs	-	73,836	-	-	-	-	-	-	73,836
Developers Grants and Incentive	4,500,000	16,991,733	3,146,814	1,994,000	4,500,000	5,364,769	14,239,846	1,998,589	52,735,751
Distribution to Other Taxing Jurisdictions	-	-	-	-	-	-	-	-	-
Total Project Costs	<u>27,781,223</u>	<u>37,100,482</u>	<u>5,416,805</u>	<u>2,501,175</u>	<u>4,624,747</u>	<u>8,678,308</u>	<u>14,325,641</u>	<u>2,017,939</u>	<u>102,446,320</u>
PROJECT REVENUES									
Tax Increments	13,690,260	15,881,941	2,913,284	790,907	2,962,742	2,236,439	295,445	-	38,771,018
Investment Income	166,486	250,594	115,295	3,304	20,384	8,581	-	-	564,644
Premium on Long-Term Debt	263,126	244,216	-	10,147	-	68,532	-	1,998,589	2,584,610
Grants	5,408,646	395,169	-	-	-	-	-	-	5,803,815
Exempt Computer Aid	25,589	82,241	7,913	1,230	-	11,769	-	-	128,742
Personal Property Aid	14,233	116,832	10,602	-	2,770	14,434	-	-	158,871
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	10,000	769	10,000	-	-	-	-	-	20,769
Total Project Revenues	<u>19,647,243</u>	<u>16,999,642</u>	<u>5,811,716</u>	<u>816,209</u>	<u>3,006,214</u>	<u>2,359,755</u>	<u>305,445</u>	<u>1,998,589</u>	<u>50,944,813</u>
NET COST RECOVERABLE THROUGH TIF INCREMENTS - DECEMBER 31, 2021	<u>\$ (8,133,980)</u>	<u>\$ (20,100,840)</u>	<u>\$ 394,911</u>	<u>\$ (1,684,966)</u>	<u>\$ (1,618,533)</u>	<u>\$ (6,318,553)</u>	<u>\$ (14,020,196)</u>	<u>\$ (9,350)</u>	<u>\$ (51,501,507)</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 SCHEDULE OF TAX INCREMENTAL DISTRICTS SUMMARY OF SOURCES,
USES, AND STATUS OF FUNDS
YEAR ENDED DECEMBER 31, 2021**

	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
SOURCES OF FUNDS									
Tax Increments	\$ 2,605,565	\$ 2,928,140	\$ 636,492	\$ 240,161	\$ 370,670	\$ 756,677	\$ 283,154	\$ -	\$ 7,820,859
Investment Income	2,210	1,326	1,258	45	456	168	-	-	5,463
Long-Term Debt Issued	-	-	-	-	-	-	-	-	-
Premium on Long-Term Debt	-	-	-	-	-	-	-	-	-
Municipal Revenue Obligations	-	-	-	-	-	-	-	1,998,589	1,998,589
Grants	-	-	-	-	-	-	-	-	-
Exempt Computer Aid	4,097	14,461	1,305	249	-	2,383	-	-	22,495
Personal Property Aid	-	103,265	7,223	-	-	12,685	-	-	123,173
Developer Fees	-	-	-	-	-	-	-	-	-
Sale of Land	-	-	-	-	-	-	-	-	-
Distribution from Terminated TID	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	10,000	769	10,000	-	-	-	-	-	20,769
Total Sources of Funds	2,621,872	3,047,961	656,278	240,455	371,126	771,913	283,154	1,998,589	9,991,348
USES OF FUNDS									
Capital Expenditures	28,860	9,992	7,600	-	-	-	-	-	46,452
Administration	11,032	12,208	6,032	3,532	2,290	10,651	3,707	2,650	52,102
Interest on Long-Term Debt	298,616	511,279	-	8,063	-	79,713	-	-	897,671
Principal on Long-Term Debt	650,841	1,550,000	-	50,000	-	50,000	-	-	2,300,841
Principal on Municipal Revenue Obligation	444,711	540,150	186,122	188,344	648,528	418,657	455,067	-	2,881,579
Housing and Community Development	-	-	-	-	-	-	11,836	-	11,836
Developers Grants and Incentive	-	1,395,596	-	-	-	-	-	1,998,589	3,394,185
Professional Services	25,500	7,000	6,700	-	-	15,825	850	1,700	57,575
Debt Issuance Costs	-	-	-	-	-	-	-	-	-
Distribution to Other Taxing Jurisdictions	-	-	-	-	-	-	-	-	-
Total Uses of Funds	1,459,560	4,026,225	206,454	249,939	650,818	574,846	471,460	2,002,939	9,642,241
NET CHANGE IN FUND BALANCE	1,162,312	(978,264)	449,824	(9,484)	(279,692)	197,067	(188,306)	(4,350)	349,107
Beginning Fund Balance	1,596,074	(1,087,880)	1,591,901	7,328	715,547	(257,890)	(443,283)	(15,000)	2,106,797
ENDING FUND BALANCE	\$ 2,758,386	\$ (2,066,144)	\$ 2,041,725	\$ (2,156)	\$ 435,855	\$ (60,823)	\$ (631,589)	\$ (19,350)	\$ 2,455,904

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 DECEMBER 31, 2021

	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
SOURCES OF FUNDS									
Tax Increments	\$ 13,690,260	\$ 15,881,941	\$ 2,913,284	\$ 790,907	\$ 2,962,742	\$ 2,236,439	\$ 295,445	\$ -	\$ 38,771,018
Investment Income	166,486	250,594	115,295	3,304	20,384	8,581	-	-	564,644
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	-	1,998,589	2,584,610
Grants	5,408,646	395,169	-	-	-	-	-	-	5,803,815
Exempt Computer Aid	25,589	82,241	7,913	1,230	-	11,769	-	-	128,742
Personal Property Aid	14,233	116,832	10,602	-	2,770	14,434	-	-	158,871
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	10,000	769	10,000	-	-	-	-	-	20,769
Total Sources of Funds	36,151,058	43,608,860	8,958,530	3,235,209	7,506,214	10,943,851	14,149,119	1,998,589	126,551,430
USES OF FUNDS									
Capital Expenditures	20,361,810	16,724,582	2,196,043	415,759	88,196	2,765,768	-	-	42,552,158
Administration	190,721	134,424	48,219	25,559	30,272	113,113	36,382	2,650	581,340
Interest on Long-Term Debt	2,630,797	3,143,185	-	58,876	-	402,251	-	-	6,235,109
Principal on Long-Term Debt	3,453,815	7,235,000	-	175,000	-	100,000	-	-	10,963,815
Principal on Municipal Revenue Obligation	2,157,634	1,339,522	1,500,000	561,190	2,445,612	2,226,366	455,067	-	10,685,391
Housing and Community Development	-	-	-	-	-	-	11,836	-	11,836
Developers Grants and Incentive	4,500,000	16,991,733	3,146,814	1,994,000	4,500,000	5,364,769	14,239,846	1,998,589	52,735,751
Professional Services	97,895	32,722	25,729	6,981	6,279	32,407	37,577	16,700	256,290
Debt Issuance Costs	-	73,836	-	-	-	-	-	-	73,836
Distribution to Other Taxing Jurisdictions	-	-	-	-	-	-	-	-	-
Total Uses of Funds	33,392,672	45,675,004	6,916,805	3,237,365	7,070,359	11,004,674	14,780,708	2,017,939	124,095,526
NET CHANGE IN FUND BALANCE	2,758,386	(2,066,144)	2,041,725	(2,156)	435,855	(60,823)	(631,589)	(19,350)	2,455,904
Beginning Fund Balance	-	-	-	-	-	-	-	-	-
ENDING FUND BALANCE	<u>\$ 2,758,386</u>	<u>\$ (2,066,144)</u>	<u>\$ 2,041,725</u>	<u>\$ (2,156)</u>	<u>\$ 435,855</u>	<u>\$ (60,823)</u>	<u>\$ (631,589)</u>	<u>\$ (19,350)</u>	<u>\$ 2,455,904</u>
RECONCILIATION OF RECOVERABLE COSTS									
Fund Balance	\$ 2,758,386	\$ (2,066,144)	\$ 2,041,725	\$ (2,156)	\$ 435,855	\$ (60,823)	\$ (631,589)	\$ (19,350)	\$ 2,455,904
Principal Balance of Outstanding Long-Term Debt	(8,550,000)	(12,395,000)	-	(250,000)	-	(2,195,000)	-	-	(23,390,000)
Principal Balance of Municipal Revenue Obligation	(2,342,366)	(5,639,696)	(1,646,814)	(1,432,810)	(2,054,388)	(4,062,730)	(13,388,607)	-	(30,567,411)
NET COST RECOVERABLE THROUGH TIF INCREMENTS - DECEMBER 31, 2021	<u>\$ (8,133,980)</u>	<u>\$ (20,100,840)</u>	<u>\$ 394,911</u>	<u>\$ (1,684,966)</u>	<u>\$ (1,618,533)</u>	<u>\$ (6,318,553)</u>	<u>\$ (14,020,196)</u>	<u>\$ (19,350)</u>	<u>\$ (51,501,507)</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
YEAR ENDED DECEMBER 31, 2021

	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			
CURRENT ASSETS									
Cash and Cash Equivalents	\$ 631,283	\$ 254,730	\$ 3,205,604	\$ 1,012,573	\$ 240,007	\$ 6,946,337	\$ 841,142	\$ 775,190	\$ 13,906,866
Receivables, Net	-	3,963	-	40,000	-	277,043	-	-	321,006
Prepays and Other Current Assets	240,546	-	-	-	-	-	-	-	240,546
Total Current Assets	871,829	258,693	3,205,604	1,052,573	240,007	7,223,380	841,142	775,190	14,468,418
NONCURRENT ASSETS									
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	15,507,988	18,507	-	-	-	-	1,811,962	-	17,338,457
Construction in Progress	-	9,174	-	-	-	-	83,406	-	92,580
Less: Accumulated Depreciation	(10,905,209)	(1,529,662)	-	-	-	-	(946,147)	-	(13,381,018)
Total Capital Assets, Net	4,602,779	2,164,935	-	-	-	-	949,221	-	7,716,935
Total Assets	5,474,608	2,423,628	4,390,057	1,052,573	240,007	7,223,380	1,790,363	775,190	23,369,806
DEFERRED OUTFLOWS OF RESOURCES									
Deferred Amounts Related to Other Postemployment Benefits Obligation	-	-	-	-	-	7,331,734	-	-	7,331,734
CURRENT LIABILITIES									
Accounts Payable	14,986	23,098	568,212	490,500	-	645,711	93,905	40,433	1,876,845
Accrued Liabilities	61,404	-	-	-	-	88	55,001	26,140	142,633
Current Portion of Capital Lease	-	-	-	-	-	-	-	-	-
Current Portion of OPEB Obligation	-	-	-	-	-	2,836,357	-	-	2,836,357
Total Current Liabilities	76,390	23,098	568,212	490,500	-	3,482,156	148,906	66,573	4,855,835
NONCURRENT LIABILITIES									
Net OPEB Obligation	-	-	-	-	-	33,608,928	-	-	33,608,928
Capital Lease	-	-	-	-	-	-	-	-	-
Total Noncurrent Liabilities	-	-	-	-	-	33,608,928	-	-	33,608,928
Total Liabilities	76,390	23,098	568,212	490,500	-	37,091,084	148,906	66,573	38,464,763
DEFERRED INFLOWS OF RESOURCES									
Deferred Amounts Related to Other Postemployment Benefits Obligation	-	-	-	-	-	835,001	-	-	835,001
NET POSITION									
Net Investment in Capital Assets	4,602,779	2,164,935	-	-	-	-	949,221	-	7,716,935
Unrestricted	795,439	235,595	3,821,845	562,073	240,007	(23,370,971)	692,236	708,617	(16,315,159)
Total Net Position	\$ 5,398,218	\$ 2,400,530	\$ 3,821,845	\$ 562,073	\$ 240,007	\$ (23,370,971)	\$ 1,641,457	\$ 708,617	\$ (8,598,224)

CITY OF WAUWATOSA, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND
NET POSITION – PROPRIETARY FUND – INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2021

	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			
OPERATING REVENUES									
Charges for Services and Sales	\$ 3,462,812	\$ 512,507	\$ -	\$ -	\$ -	\$ -	\$ 2,139,498	\$ 902,603	\$ 7,017,420
Intergovernmental Revenues	-	-	-	-	-	-	-	-	-
Other Miscellaneous Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenues	-	-	507,991	817,480	399,597	10,110,151	5,676	-	11,840,895
Total Operating Revenues	3,462,812	512,507	507,991	817,480	399,597	10,110,151	2,145,174	902,603	18,858,315
OPERATING EXPENSES									
Operation and Maintenance	2,485,650	377,123	374,029	807,762	371,126	10,533,580	1,786,848	911,627	17,647,745
Depreciation	958,687	97,802	-	-	-	-	248,288	-	1,304,777
Total Operating Expenses	3,444,337	474,925	374,029	807,762	371,126	10,533,580	2,035,136	911,627	18,952,522
OPERATING INCOME (LOSS)	18,475	37,582	133,962	9,718	28,471	(423,429)	110,038	(9,024)	(94,207)
NONOPERATING REVENUES (EXPENSES)									
Dividend Income	-	-	33,691	-	-	-	-	-	33,691
Investment Income	-	-	-	-	-	-	-	-	-
Gain (Loss) on Sale or Trade of Assets	(30,500)	-	-	-	-	-	-	-	(30,500)
Other Nonoperating Income	-	-	-	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	(30,500)	-	33,691	-	-	-	-	-	3,191
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(12,025)	37,582	167,653	9,718	28,471	(423,429)	110,038	(9,024)	(91,016)
Capital Contributions	1,491,468	9,174	-	-	-	-	-	-	1,500,642
Transfers In	24,193	3,404	136,033	801	-	5,534	119,332	4,441	293,738
Transfers Out	(888,785)	(94,846)	-	-	-	(16,127)	(220,838)	-	(1,220,596)
CHANGES IN NET POSITION	614,851	(44,686)	303,686	10,519	28,471	(434,022)	8,532	(4,583)	482,768
Net Position - Beginning of Year	4,783,367	2,445,216	3,518,159	551,554	211,536	(22,936,949)	1,632,925	713,200	(9,080,992)
NET POSITION - END OF YEAR	<u>\$ 5,398,218</u>	<u>\$ 2,400,530</u>	<u>\$ 3,821,845</u>	<u>\$ 562,073</u>	<u>\$ 240,007</u>	<u>\$ (23,370,971)</u>	<u>\$ 1,641,457</u>	<u>\$ 708,617</u>	<u>\$ (8,598,224)</u>

CITY OF WAUWATOSA, WISCONSIN
COMBINING STATEMENT OF CASH FLOWS – PROPRIETARY FUND – INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2021

	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			
CASH FLOWS FROM OPERATING ACTIVITIES									
Receipts from Customers and Users	\$ 164,139	\$ -	\$ 507,991	\$ 817,480	\$ 399,597	\$ 10,110,151	\$ 5,676	\$ -	\$ 12,005,034
Receipts from Other Funds	3,481,234	532,141	-	-	-	(176,264)	2,139,498	902,603	6,879,212
Payments to Suppliers	(3,652,400)	(510,782)	(556,736)	(1,071,207)	(373,299)	(9,775,451)	(1,096,753)	(759,593)	(17,796,221)
Payments to Employees	967,800	145,799	30,478	45,101	-	(326,215)	(657,292)	(159,278)	46,393
Net Cash Provided (Used) by Operating Activities	960,773	167,158	(18,267)	(208,626)	26,298	(167,779)	391,129	(16,268)	1,134,418
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES									
Transfers from Other Funds	24,193	3,404	136,033	801	-	5,534	119,332	4,441	293,738
Transfers to Other Funds	(888,785)	(94,846)	-	-	-	(16,127)	(220,838)	-	(1,220,596)
Net Cash Provided (Used) by Noncapital Financing Activities	(864,592)	(91,442)	136,033	801	-	(10,593)	(101,506)	4,441	(926,858)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES									
Acquisition and Construction of Capital Assets	(1)	-	-	-	-	-	(197,574)	-	(197,575)
Proceeds from Sale of Property, Plant, and Equipment	-	-	-	-	-	-	-	-	-
Proceeds from Long-Term Debt	-	-	-	-	-	-	-	-	-
Principal Paid on Capital Debt	-	-	-	-	-	-	(27,016)	-	(27,016)
Net Cash Used by Capital and Related Financing Activities	(1)	-	-	-	-	-	(224,590)	-	(224,591)
CASH FLOWS FROM INVESTING ACTIVITIES									
Interest and Dividends Received	-	-	33,691	-	-	-	-	-	33,691
Other	-	-	-	-	-	-	-	-	-
Net Cash Provided by Investing Activities	-	-	33,691	-	-	-	-	-	33,691
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	96,180	75,716	151,457	(207,825)	26,298	(178,372)	65,033	(11,827)	16,660
Cash and Cash Equivalents - Beginning of Year	535,103	179,014	3,054,147	1,220,398	213,709	7,124,709	776,109	787,017	13,890,206
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 631,283	\$ 254,730	\$ 3,205,604	\$ 1,012,573	\$ 240,007	\$ 6,946,337	\$ 841,142	\$ 775,190	\$ 13,906,866

CITY OF WAUWATOSA, WISCONSIN
COMBINING STATEMENT OF CASH FLOWS – PROPRIETARY FUND – INTERNAL SERVICE FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

	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			
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES									
Operating Income (Loss)	\$ 18,475	\$ 37,582	\$ 133,962	\$ 9,718	\$ 28,471	\$ (423,429)	\$ 110,038	\$ (9,024)	\$ (94,207)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:									
Depreciation Expense	958,687	97,801	-	-	-	-	248,289	-	1,304,777
(Increase) Decrease:									
Accounts Receivable - Other	18,422	19,634	-	-	-	(176,264)	-	-	(138,208)
Inventories	(197,634)	-	-	-	-	-	-	-	(197,634)
Prepays	164,139	-	-	-	-	-	-	-	164,139
Accounts Payable	3,626	12,141	(152,229)	(218,344)	(2,173)	(59,340)	9,555	(14,015)	(420,779)
Accrued Liabilities	(4,942)	-	-	-	-	88	23,247	6,771	25,164
Net OPEB Liability	-	-	-	-	-	915,774	-	-	915,774
Deferred Outflows Related to OPEB	-	-	-	-	-	(206,021)	-	-	(206,021)
Deferred Inflows Related to OPEB	-	-	-	-	-	(218,587)	-	-	(218,587)
Due to Other Funds	-	-	-	-	-	-	-	-	-
Total Adjustments	<u>942,298</u>	<u>129,576</u>	<u>(152,229)</u>	<u>(218,344)</u>	<u>(2,173)</u>	<u>255,650</u>	<u>281,091</u>	<u>(7,244)</u>	<u>1,228,625</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 960,773</u>	<u>\$ 167,158</u>	<u>\$ (18,267)</u>	<u>\$ (208,626)</u>	<u>\$ 26,298</u>	<u>\$ (167,779)</u>	<u>\$ 391,129</u>	<u>\$ (16,268)</u>	<u>\$ 1,134,418</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES									
Capital Assets Contributed by City of Wauwatosa	<u>\$ 1,491,468</u>	<u>\$ 9,174</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,500,642</u>

**CITY OF WAUWATOSA, WISCONSIN
COMBINING SCHEDULE OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
DECEMBER 31, 2021**

	Private Purpose Trust Funds							Total	Custodial Fund
	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		Subsequent Year's Tax Roll Collections
ASSETS									
Cash and Investments	\$ 11,443	\$ 44,635	\$ 691	\$ 187,795	\$ 15,704	\$ 33,164	\$ 363,097	\$ 656,529	\$ 40,456,927
Taxes Receivable	-	-	-	-	-	-	-	-	65,032,204
Total Assets	11,443	44,635	691	187,795	15,704	33,164	363,097	656,529	105,489,131
LIABILITIES									
Special Deposits	-	-	-	-	-	-	8,442	8,442	-
Due to Other Taxing Units	-	-	-	-	-	-	-	-	40,456,927
Total Liabilities	-	-	-	-	-	-	8,442	8,442	40,456,927
DEFERRED INFLOWS									
Tax Levy	-	-	-	-	-	-	-	-	65,032,204
NET POSITION - RESTRICTED	\$ 11,443	\$ 44,635	\$ 691	\$ 187,795	\$ 15,704	\$ 33,164	\$ 354,655	\$ 648,087	\$ -

CITY OF WAUWATOSA, WISCONSIN
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2021

	Private Purpose Trust Funds							Total	Custodial Fund Subsequent Year's Tax Roll Collections
	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		
ADDITIONS									
Contributions	\$ 583	\$ 1	\$ 49	\$ -	\$ 9,600	\$ -	\$ 228,834	\$ 239,067	\$ -
Deposit receipts	-	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	138	138	-
Tax Collections	-	-	-	-	-	-	-	-	70,594,272
Total Additions	583	1	49	-	9,600	-	228,972	239,205	70,594,272
DEDUCTIONS									
Endowment Payments	-	-	-	1	9,495	3,125	135,664	148,285	-
Deposit returns	-	-	-	-	-	-	-	-	-
Payments to Other Governments	-	-	-	-	-	-	-	-	70,594,272
Total Deductions	-	-	-	1	9,495	3,125	135,664	148,285	70,594,272
CHANGES IN NET POSITION	583	1	49	(1)	105	(3,125)	93,308	90,920	-
Net Position - Beginning of Year	10,860	44,634	642	187,796	15,599	36,289	261,347	557,167	-
NET POSITION - END OF YEAR	\$ 11,443	\$ 44,635	\$ 691	\$ 187,795	\$ 15,704	\$ 33,164	\$ 354,655	\$ 648,087	\$ -



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

APPENDIX B

**FORMS OF LEGAL OPINIONS
FOR THE SECURITIES**

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

December 1, 2022

Re: City of Wauwatosa, Wisconsin ("Issuer")
\$3,660,000 General Obligation Corporate Purpose Bonds, Series 2022B,
dated December 1, 2022 ("Bonds")

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

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

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

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2023	\$250,000	5.00%
2024	170,000	5.00
2025	185,000	5.00
2026	190,000	5.00
2027	200,000	5.00
2028	215,000	5.00
2029	220,000	5.00
2030	230,000	4.00
2031	245,000	4.00
2032	260,000	4.00
2033	275,000	4.00
2034	285,000	4.00
2035	300,000	4.00
2037	635,000	4.00

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

The Bonds maturing on December 1, 2030 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on December 1, 2029 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

The Bonds maturing in the year 2037 are subject to mandatory redemption by lot as provided in the Bonds, at the redemption price of par plus accrued interest to the date of redemption and without premium.

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

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

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

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

3. The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the Bonds is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code) for taxable years beginning after December 31, 2022. 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, 2022

Re: City of Wauwatosa, Wisconsin ("Issuer")
\$4,270,000 General Obligation Promissory Notes, Series 2022C,
dated December 1, 2022 ("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>
2023	\$775,000	4.00%
2024	315,000	4.00
2025	330,000	4.00
2026	345,000	4.00
2027	370,000	4.00
2028	385,000	4.00
2029	410,000	4.00
2030	430,000	4.00
2031	445,000	4.00
2032	465,000	4.00

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

The Notes maturing on December 1, 2030 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on December 1, 2029 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.

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

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

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

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

3. The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code) for taxable years beginning after December 31, 2022. 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, 2022

Re: City of Wauwatosa, Wisconsin ("Issuer")
\$5,520,000 Taxable General Obligation Community Development Bonds,
Series 2022D, dated December 1, 2022 ("Bonds")

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

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

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

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2026	\$350,000	5.50%
2027	370,000	5.50
2028	390,000	5.50
2029	410,000	5.50
2030	425,000	4.95
2031	445,000	5.00
2032	465,000	5.10
2033	485,000	5.20
2034	510,000	5.30
2035	530,000	5.40
2036	555,000	5.45
2037	585,000	5.50

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

The Bonds maturing on December 1, 2030 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on December 1, 2029 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 \$3,660,000 General Obligation Corporate Purpose Bonds, Series 2022B, dated December 1, 2022 (the "Securities"). The Securities are being issued pursuant to resolutions adopted on September 20, 2022, as supplemented by an Approving Certificate, dated October 25, 2022 (collectively, 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 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 25, 2022 delivered in connection with the Securities, which is available from the MSRB.

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

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

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

"Issuer" means the City of 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) 479-8962, 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, 2022, 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. INDEBTEDNESS OF THE CITY - 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, 2022.

(SEAL)

Dennis McBride
Mayor

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 \$4,270,000 General Obligation Promissory Notes, Series 2022C, dated December 1, 2022 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on September 20, 2022, as supplemented by an Approving Certificate, dated October 25, 2022 (collectively, the "Resolution") and delivered to BOK Financial 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 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 25, 2022 delivered in connection with the Securities, which is available from the MSRB.

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

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

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

"Issuer" means the City of 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) 479-8962, 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, 2022, 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. INDEBTEDNESS OF THE CITY - 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, 2022.

(SEAL)

Dennis McBride
Mayor

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 \$5,520,000 Taxable General Obligation Community Development Bonds, Series 2022D, dated December 1, 2022 (the "Securities"). The Securities are being issued pursuant to resolutions adopted on September 20, 2022, as supplemented by an Approving Certificate, dated October 25, 2022 (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 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 25, 2022 delivered in connection with the Securities, which is available from the MSRB.

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

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

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

"Issuer" means the City of 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) 479-8962, 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, 2022, 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. INDEBTEDNESS OF THE CITY - 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, 2022.

(SEAL)

Dennis McBride
Mayor

Steven Braatz
City Clerk