

FINAL OFFICIAL STATEMENT DATED OCTOBER 8, 2024

NEW ISSUE

Not Bank Qualified

Moody's Rated "Aaa"

See "RATING" herein

In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code") under existing law interest on the Notes is excludable from gross income and is not an item of tax preference for federal income tax purposes; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Notes. The interest on the Notes is not exempt from present Wisconsin income or franchise taxes. The Notes shall NOT be "Qualified Tax-Exempt Obligations" for purposes of Section 265(b)(3) of the Code.

\$17,440,000
CITY OF WAUWATOSA
MILWAUKEE COUNTY, WISCONSIN
General Obligation Promissory Notes, Series 2024A

Dated: November 4, 2024

Due: As Shown Below

The General Obligation Promissory Notes, Series 2024A (the "Notes") will be dated November 4, 2024, and will be in the denomination of \$5,000 each or any multiple thereof. The Notes mature serially on November 1 of the years 2025 through 2039, and term bonds will mature on November 1, 2044 (the "Term Bonds"). Interest on the Notes shall be payable commencing on May 1, 2025 and semi-annually thereafter on November 1 and May 1 of each year. Associated Trust Company, National Association, Green Bay, Wisconsin will serve as redemption agent for the Term Bonds.

<u>(November 1)</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP No.</u> <u>943505⁽¹⁾</u>	<u>(November 1)</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP No.</u> <u>943505⁽¹⁾</u>
2025	\$2,040,000	4.000%	2.790%	HV2	2033	\$1,535,000	3.000%	3.100%	JD0
2026	1,065,000	4.000	2.550	HW0	2034	1,610,000	3.000	3.200	JE8
2027	1,125,000	4.000	2.460	HX8	2035	445,000	3.000	3.300	JF5
2028	1,180,000	5.000	2.480	HY6	2036	465,000	3.250	3.400	JG3
2029	1,245,000	5.000	2.490	HZ3	2037	490,000	4.000	3.400	JH1
2030	1,325,000	5.000	2.560	JA6	2038	510,000	4.000	3.450	JJ7
2031	1,390,000	5.000	2.620	JB4	2039	535,000	4.000	3.550	JK4
2032	1,460,000	5.000	2.710	JC2					

\$1,020,000 Term Bonds due November 1, 2044 Rate: 3.875% Yield: 3.990% CUSIP 943505 JQ1

The Notes are being issued pursuant to Section 67.12(12) of the Wisconsin Statutes. The 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 Notes will be issued for public purposes, including paying the cost of projects included in the City's Capital Improvement Plan.

The Notes maturing on November 1, 2032 and thereafter are subject to call and prior redemption, at the option of the City, on November 1, 2031 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.)

The Financial Advisor to the City is:



The Notes 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 Notes. 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 Notes purchased. (See "BOOK-ENTRY-ONLY SYSTEM" herein.)

The Notes are offered when, as and if issued, subject to the receipt of the approving opinion 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 Notes is on or about November 4, 2024.

Piper Sandler & Co.

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

MAYOR

Dennis McBride

COMMON COUNCIL

Jason G. Wilke, President
Margaret Arney, Alderperson
Robin Brannin, Alderperson
Aletha Champine, Alderperson
Melissa Dolan, Alderperson
Brad Foley, Alderperson
Ernst Franzen, Alderperson
Amanda Fuerst, Alderperson
Rob Gustafson, Alderperson
David R. Lewis, Alderperson
Sean Lowe, Alderperson
Joseph Makhlouf II, Alderperson
Andrew Meindl, Alderperson
James Moldenhauer, Alderperson
Mike Morgan, Alderperson
Joe Phillips, 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:	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 Notes 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 Notes 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 Notes 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 Underwriter 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 Underwriter 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 Notes 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 NOTES, THE UNDERWRITER MAY OR MAY NOT OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE NOTES 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 NOTES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER AFTER THE NOTES ARE RELEASED FOR SALE AND THE NOTES MAY BE OFFERED AND SOLD AT PRICES OTHER THAN THE INITIAL OFFERING PRICES, INCLUDING SALES TO DEALERS WHO MAY SELL THE NOTES INTO INVESTMENT ACCOUNTS.

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SUMMARY

Issuer:	City of Wauwatosa, Milwaukee County, Wisconsin (the "City").
Issue:	\$17,440,000 General Obligation Promissory Notes, Series 2024A (the "Notes")
Dated Date:	November 4, 2024
Interest Due:	Commencing May 1, 2025 and on each November 1 and May 1 thereafter. Interest on the Notes shall be computed upon the basis of a 360-day year of twelve 30-day months.
Principal Due:	November 1, 2025 through 2039. Term Bonds due November 1, 2044.
Redemption Provision:	<p>The Notes maturing on and after November 1, 2032 shall be subject to call and prior payment, at the option of the City, on November 1, 2031 or on any date thereafter at a price of par plus accrued interest. The amounts and maturities of the 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 Notes of that maturity which are to be redeemed shall be selected by lot. Notice of such call shall be given by sending a notice thereof by registered or certified mail, facsimile or electronic transmission, overnight express delivery, or in any other manner required by DTC not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Note to be redeemed at the address shown on the registration books.</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 Notes as the same become due and, for said purposes, there are levied on all the taxable property in the City, direct, annual irrepealable taxes in each year and in such amounts which will be sufficient to meet such principal and interest payments when due. Under current law, such taxes may be levied without limitation as to rate or amount.
Purpose:	The Notes will be issued for public purposes, including paying the cost of projects included in the City's Capital Improvement Plan.
Tax Exemption:	Interest on the Notes is excludable from gross income for present Federal income tax purposes. (See "TAX EXEMPTION" herein.)
Not Bank Qualified:	The Notes shall NOT be "qualified tax-exempt obligations".
Credit Rating:	The Notes have been assigned a "Aaa" rating by Moody's Investors Service, Inc. (See "RATINGS" herein.)
Bond Years:	128,079.67 years.
Average Life:	7.344 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 \$17,440,000 General Obligation Promissory Notes, Series 2024A (the "Notes"). The Notes are issued pursuant to the Constitution and laws of the State and the parameters resolution (the "Parameters Resolution") adopted by the Common Council and other proceedings and determinations related thereto.

All summaries of statutes, documents and the Parameters Resolution 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 the Parameters Resolution, and references herein to the Notes are qualified in their entirety by reference to the form thereof included in the Parameters Resolution. Copies of the Parameters Resolution may be obtained from the Financial Advisor (defined herein) upon request.

THE FINANCING PLAN

The Notes will be issued for public purposes, including paying the cost of projects included in the City's Capital Improvement Plan.

REDEMPTION PROVISIONS

Optional Redemption

At the option of the City, the Notes maturing on November 1, 2032 and thereafter shall be subject to redemption prior to maturity on November 1, 2031 or on any date thereafter. Said 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 Notes of a maturity are to be redeemed, selection of the Notes to be so redeemed shall be by lot conducted by DTC in accordance with its rules and practices (see "BOOK-ENTRY-ONLY SYSTEM" herein).

Mandatory Redemption

The Notes maturing November 1, 2044 (the "Term Bonds") are also subject to mandatory sinking fund redemption on November 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:

Term Bonds

<u>Year</u>	<u>Amount</u>
2040	\$ 185,000
2041	195,000
2042	205,000
2043	215,000
2044 (maturity)	220,000

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.

ESTIMATED SOURCES AND USES

The Notes

Sources of Funds

Par Amount of Notes	\$17,440,000
Net Reoffering Premium	937,612
Total Sources of Funds:	<u>\$18,377,612</u>

Uses of Funds

Deposit to Project Fund	\$17,440,000
Deposit to Debt Service Fund (Capitalized Interest)	824,560
Underwriter's Discount	113,052
Total Uses of Funds:	<u>\$18,377,612</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 Notes 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 promissory 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 twenty 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 must be payable within 10 years and 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 PARAMETERS RESOLUTION

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

The Parameters Resolution

By way of the Parameters Resolution adopted on September 26, 2024, the Common Council delegated authority to its Finance Director and City Attorney (collectively, the "Authorized Officers") to accept the bid for the Notes that results in the lowest true interest cost for the Notes (the "Proposal"), provided the Proposal met the parameters set forth in the Parameters Resolution, by executing an Approving Certificate (the "Approving Certificate"). The Common Council pledged the full faith, credit and resources of the City to the payment of the principal of and interest on the Notes pursuant to the Parameters Resolution. Pursuant to the Parameters Resolution, a direct annual irrevocable tax has been levied for collection in the years 2025 through 2044 in the amount which will be sufficient to meet the principal and interest payments on the Notes when due (or monies to pay such debt service will otherwise be appropriated). The Parameters Resolution 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 Notes.

Approving Certificate

On October 8, 2024, the Authorized Officers executed the Approving Certificate, approving the Preliminary Official Statement, accepting the Proposal, setting forth the details of the Notes, and specifying the amount of the direct annual irrevocable tax levied to pay the principal of and interest on the Notes.

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THE CITY

The Common Council

The City has a mayor/alderpersons 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. Therefore, the terms of all current members end in 2026, but alternating four-year terms will begin again thereafter. 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 2028)

<u>Name</u>	<u>Aldermanic District</u>	<u>Term Expiration</u>
James Moldenhauer	1	April, 2026
Andrew Meindl	1	April, 2026
Margaret Arney	2	April, 2026
Brad Foley	2	April, 2026
Joseph Makhlof II	3	April, 2026
Robin Brannin	3	April, 2026
Ernst Franzen	4	April, 2026
David R. Lewis	4	April, 2026
Sean Lowe	5	April, 2026
Rob Gustafson	5	April, 2026
Joe Phillips	6	April, 2026
Aletha Champine	6	April, 2026
Mike Morgan	7	April, 2026
Amanda Fuerst	7	April, 2026
Jason G. Wilke, President	8	April, 2026
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 obligations issued by the City.

The current Board members are:

John Ruggini, Finance Director
Derik Summerfield, Assistant Finance Director
Laura Hyland
Steven Kreklow
Steven Mares

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	19
John Ruggini	Finance Director	14
Steven Braatz	City Clerk	5
Alan R. Kesner	City Attorney	25

Source: *The City.*

Employment Relations

<u>Department</u>	<u>Number of Employees*</u>
Administrative Services	14.29
Assessor	5.60
City Clerk/Elections	4.50
Development	15.00
Engineering	24.33
Finance	9.82
Fire	105.58
Fleet Maintenance	10.00
Health	18.30
Information Systems	7.00
Library	26.73
Mayor	1.00
Municipal Complex	4.00
Municipal Court	1.89
Police	140.32
Public Works	63.48
Traffic Electrical Maintenance	6.29
Tourism	1.00
Water	19.38
Total	<u>478.51</u>

*Full-time equivalent ("FTE").

Source: *The City. 2024 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*	93
Wauwatosa Peace Officers Association	1/1/22 – 12/31/25	83

*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.*

* On July 3, 2024, a Wisconsin circuit court judge issued a decision in the case *Abbotsford Education Association vs. Wisconsin Employment Relations Commission*, Case No. 2023CV3152, denying the Wisconsin State Legislature's intervening motion to dismiss the plaintiffs' challenge to the different classifications the Act created regarding collective bargaining rights. The court's order denying the motion to dismiss states that the Act violates the equal protection clause of the Wisconsin Constitution and declares those provisions of the Act relating to collective bargaining modifications unconstitutional and void. The decision further instructs the parties to make additional filings to the court as to whether the court should issue judgment on the pleadings in light of the court's order or take some other action to bring the case to a final judgment. In the event that a final judgment is entered to the same effect, it is expected that the decision would be appealed. No guarantee can be made regarding the future outcome of the case or any subsequent appeals.

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, 2021 ("Fiscal Year 2021"), the fiscal year ended December 31, 2022 ("Fiscal Year 2022"), and the fiscal year ended December 31, 2023 ("Fiscal Year 2023"), the City's portion of contributions to WRS (not including any employee contributions) totaled \$3,519,819, \$3,778,369 and \$4,310,763, respectively.

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

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

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2023, the City reported a liability of \$16,810,487 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2022 based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. The City's proportion was 0.31731648% of the aggregate WRS net pension liability as of December 31, 2022.

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. in "Appendix A - Annual Financial Report for the year ended December 31, 2023" attached hereto.

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 109 retirees receiving benefits and 283 active eligible plan members as of December 31, 2022, 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 both the latest police union contract and firefighters union contract, certain eligible 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 April 2023 with an actuarial valuation date of December 31, 2022.

For Fiscal Year 2023, benefit payments to the plan totaled \$3,067,291. 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, 2023, the total OPEB liability was \$36,618,430 and the plan fiduciary net position was \$0, resulting in a net OPEB liability of \$36,618,430.

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 - Annual Financial Report for the year ended December 31, 2023" 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 2024 preliminary population estimate of 49,363.

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.

Public Safety

The City has a police force of 140.32 FTE positions providing public safety and protection for the City's residents and a fire department of 105.58 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, two high schools and the Wauwatosa Virtual Academy. The District serves approximately 7,200 students and the District has 922.29 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 and Carroll University.

DEMOGRAPHIC AND ECONOMIC INFORMATION

Population

	<u>Milwaukee County</u>	<u>City of Wauwatosa</u>
Preliminary Estimate, 2024	941,139	49,363
Estimate, 2023	937,259	48,836
Estimate, 2022	939,487	48,638
Estimate, 2021	947,241	48,604
Census, 2020	939,489	48,387

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>
2023	\$73,001	\$65,614	\$104,600
2022	70,548	63,901	98,829
2021	66,369	57,444	95,512
2020	61,518	52,751	87,379
2019	61,003	54,920	87,132

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, 2024 ⁽¹⁾	2.7%	3.7%	2.3%
August, 2023	3.4	4.4	2.9
Average, 2023 ⁽¹⁾	3.0%	3.8%	2.6%
Average, 2022	2.9	3.7	2.4
Average, 2021	3.9	5.4	3.3
Average, 2020	6.4	8.4	6.0
Average, 2019	3.2	3.8	2.7

⁽¹⁾ Preliminary.

Source: Wisconsin Department of Workforce Development.

Building Permits

<u>Year</u>	<u>Construction Value of Building Permits</u>
2024 ⁽¹⁾	\$ 148,459,568
2023	89,947,295
2022	164,484,932
2021	100,478,928
2020	158,138,733
2019	164,487,307

⁽¹⁾Through June 30, 2024.

Source: City of Wauwatosa Energov 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	19,000
Wauwatosa School District	Education	922.29 ⁽¹⁾
Briggs & Stratton Corporation	Small engine manufacturer	900 ⁽²⁾
Harley-Davidson Inc. ("Harley")	Motorcycle manufacturer	650 ⁽³⁾
St. Camillus Health System	Nursing homes, assisted living	618
GE Healthcare Global Parts Co., Inc. ("GE")	Medical equipment and supplies	552 ⁽⁴⁾
The City	Municipal government	478.51 ⁽¹⁾
Lutheran Home	Nursing home; assisted living	330
Bostik, Inc.	Adhesives manufacturer/company headquarters	270
Dematic Corporation	Logistics technology firm	234

⁽¹⁾ FTE.

⁽²⁾ Includes locations in the Milwaukee metropolitan area. 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. In fall 2022, the company ceased lawn tractor and snow thrower production in the City. In January 2023, the company announced it would shut down two production lines at the plant in the City and lay off 160 employees by early 2024. In March 2024, the company confirmed additional workforce reductions but did not specify the number of employees, functions or locations. It is unknown how many employees remain in the location in the City.

⁽³⁾ Harley-Davidson Inc. local employee count is 2,280 at its Milwaukee-area locations. In March 2024, it was announced that employees in Harley's location in the City's product development center would move to Milwaukee. R&D employees remain in the location in the City, but it is unknown how many employees remain in Harley's location in the City.

⁽⁴⁾ GE announced in late 2023 that it was moving its employees in Milwaukee and the City over the next few years to its Waukesha location. GE's building in the City is now mostly vacant other than a single floor, and it is unknown how many employees remain in GE's location in the City.

Source: *D&B Credit, Industry Select-MNI, Milwaukee Business Journal "Largest Milwaukee-Area Manufacturing Firms" (June 14, 2024), "Largest Milwaukee-Area Retirement Communities" (July 12, 2024), and "Milwaukee-Area Software Product Companies" (June 28, 2024), Wisconsin Department of Public Instruction, employer websites and the City, August, 2024.*

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Largest Taxpayers

Listed below are the largest taxpayers in the City:

<u>Taxpayer</u>	<u>Type of Business</u>	2024 ⁽¹⁾ <u>Assessed</u> <u>Valuation</u>	2024 ⁽²⁾ <u>Equalized</u> <u>Valuation</u>
Froedtert Memorial Lutheran Hospital ⁽³⁾	Hospital, Clinics & Medical Office Buildings	\$ 356,203,100	\$ 509,662,470
Mayfair Mall LLC ⁽⁴⁾	Mayfair Shopping Center	345,418,800	494,232,079
Children's Hospital Wisconsin ⁽³⁾	Hospital, Clinics & Medical Office Buildings	191,668,700	274,243,382
Irgens Development Partners	Office buildings	156,372,800	223,741,308
HSA Commercial Real Estate	Mayfair Collection Shopping Center	122,462,100	175,221,205
H S I	State Street Station, Apartment Complexes	79,840,700	114,237,659
Wheaton Franciscan Healthcare ⁽³⁾	Medical Office Buildings & Clinics	78,127,200	111,785,949
Gateway Tosa HC LLC	Medical Office Building	53,805,000	76,985,263
Phoenix Wauwatosa Investors	Industrial Buildings	53,683,600	76,811,561
Wangard Partners LLC	Office Buildings	<u>51,330,100</u>	<u>73,444,126</u>
		<u>\$1,488,912,100</u>	<u>\$2,130,365,002</u>

The above taxpayers represent 20.71% of the City's 2024 Equalized Value (TID IN) (\$10,284,774,700).

⁽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 the 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.

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. The personal property tax has been repealed, starting with the property tax assessments as of January 1, 2024. Beginning in 2025, the personal property tax has been replaced with a payment from the State intended to replace the amount of property taxes imposed on personal property for the property tax assessments as of January 1, 2023. 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 2020 through 2024:

<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>
2023/2024	\$7.39	\$51,475,377	\$146,813	99.71%
2022/2023	7.19	49,978,616	142,143	99.72
2021/2022	7.00	48,693,938	98,211	99.80
2020/2021	7.17	45,461,749	84,388	99.81
2019/2020	7.05	44,137,620	111,773	99.75

* Due to accounting changes, beginning in 2020/2021, the uncollected personal property taxes are shown as of May 31 of the collection year and are not updated in subsequent years despite collections being on-going. As of May 31, 2024, \$127,502 in prior year delinquent property taxes remained uncollected and not written off. The personal property tax has been repealed, starting with the property tax assessments as of January 1, 2024.

Source: The City.

REVENUE FROM THE STATE

In addition to local property taxes described above, a number of state programs exist which provide revenue to the City. One such program is commonly known as shared revenue which, pursuant to sec. 79.036, Wis. Stats., provides funding to the City that can be used for any public purpose. Chapter 79, Wis. Stats. includes other revenue sharing programs, which each have their own requirements. 2023 Wisconsin Act 12 ("Act 12") created a supplement to shared revenue, with payments to the City beginning in 2024. This supplemental shared revenue may be used only for the purposes specified in section 79.037, Wis. Stats. In 2024, the City is expected to receive approximately \$2,518,000 in shared revenue under chapter 79, Wis. Stats., an increase from the approximately \$1,770,000 received in 2023. The City is currently estimated to receive approximately \$2,556,000 in shared revenue under Chapter 79, Wis. Stats. in 2025. In future years, the amount of supplemental shared revenue could grow if State sales tax collections grow.

ASSESSED TAX RATES

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
County	\$ 5.70	\$ 6.00	\$ 5.50	\$ 5.77	\$ 5.82
Sewer District	1.67	1.67	1.53	1.63	1.62
Technical College District	1.09	1.10	1.04	1.18	1.17
School District	8.69	8.48	8.20	8.69	9.20
City	7.39	7.19	7.00	7.17	7.05
School and County Tax Credits	<u>(3.14)</u>	<u>(2.64)</u>	<u>(2.40)</u>	<u>(2.43)</u>	<u>(2.45)</u>
Net Tax Rate	\$21.40	\$21.79	\$20.87	\$22.01	\$22.41
Ratio of Assessed to Equalized Value	76.62%	84.38%	97.43%	97.37%	101.54%

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 either the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current or zero percent; for a tax incremental district created after December 31, 2024, the valuation factor includes 90% of the equalized value increase due to new construction that is located in a tax incremental

district, but does not include any improvements removed in a tax incremental district). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. In 2018, and in each year thereafter, the base amount is the actual levy for the immediately preceding year plus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes (an amount equal to the property taxes formerly levied on certain items of personal property), and the levy limit is the base amount multiplied by the valuation factor, minus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

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

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

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

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

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

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

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

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

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 2020 through 2024. The City's equalized valuation (TID IN) has increased by 49.84 percent since 2020 with an average annual increase of 10.64 percent.

Year	Assessed Valuation	Equalized Valuation (TID IN)	Equalized Valuation (TID OUT)
2024	\$7,015,794,000	\$10,284,774,700	\$9,689,981,800
2023	7,393,482,500	9,618,350,900	9,058,010,700
2022	7,351,154,700	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

Source: Wisconsin Department of Revenue.

The equalized valuation by class in the City for 2024 (TID IN) is as follows:

	2024 Equalized Value	Percent of Total
Real Estate		
Residential	\$ 5,781,005,100	56.21%
Commercial	4,421,011,600	42.99
Manufacturing	82,758,000	0.80
Total Real Estate	<u>10,284,774,700</u>	<u>100.00</u>
Total Personal Property ⁽¹⁾	0	0.00
Total	<u><u>\$10,284,774,700</u></u>	<u><u>100.00%</u></u>

⁽¹⁾Beginning in 2024, personal property is exempt from taxation (see "TAX LEVIES AND COLLECTIONS" herein).

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 \$594,792,900 have been excluded from the City's tax base for 2024.

TID #	TID Creation		2024	
	Date	Base Value	Current Value	Increment
006	2010	\$26,768,400	\$190,446,900	\$163,678,500
007	2013	20,811,900 ⁽¹⁾	223,662,600	202,850,700
008	2014	21,009,000 ⁽¹⁾	85,012,400	64,003,400
009	2015	4,878,000 ⁽¹⁾	23,116,200	18,238,200
010	2015	3,911,600 ⁽¹⁾	51,942,500	48,030,900
011	2015	10,779,000 ⁽¹⁾	57,644,200	46,865,200
012	2018	31,990,100 ⁽¹⁾	66,064,100	34,074,000
013	2020	2,985,200 ⁽¹⁾	18,072,000	15,086,800
014	2022	2,932,500 ⁽¹⁾	3,541,600	609,100
015	2023	16,950,900 ⁽¹⁾	18,307,000	1,356,100
Total				<u><u>\$594,792,900</u></u>

⁽¹⁾ These base values have been adjusted to account for the exemption of personal property.

Source: Wisconsin Department of Revenue.

CITY DEBT STRUCTURE

Total Outstanding General Obligation Debt Summary (As of November 4, 2024)

<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 2014A	12/02/14	\$ 16,370,000	12/01/24	\$ 1,975,000
Taxable General Obligation Promissory Notes, Series 2014B	12/02/14	5,240,000	12/01/24	1,200,000
General Obligation Community Development Bonds, Series 2015A	4/01/15	6,200,000	4/01/35	4,675,000
General Obligation Corporate Purpose Bonds, Series 2015B	12/01/15	26,375,000	12/01/30	10,075,000
Taxable General Obligation Community Development Bonds, Series 2015C	12/01/15	7,400,000	12/01/30	3,000,000
General Obligation Corporate Purpose Bonds, Series 2016B	12/20/16	15,190,000	12/01/36	9,410,000
General Obligation Corporate Purpose Bonds, Series 2017A	11/03/17	14,280,000	11/01/32	7,765,000
Taxable General Obligation Community Development Bonds, Series 2018A	11/20/18	3,690,000	11/01/34	2,570,000
General Obligation Corporate Purpose Bonds, Series 2018B	11/20/18	10,020,000	11/01/33	5,720,000
General Obligation Promissory Notes, Series 2018C	11/20/18	6,350,000	11/01/28	3,350,000
General Obligation Corporate Purpose Bonds, Series 2019A	12/02/19	12,765,000	12/01/39	9,960,000
Taxable General Obligation Community Development Bonds, Series 2019B	12/02/19	1,260,000	12/01/34	975,000
General Obligation Corporate Purpose Bonds, Series 2020A	12/01/20	8,600,000	12/01/40	7,150,000
General Obligation Promissory Notes, Series 2020B	12/01/20	5,335,000	12/01/30	3,605,000
General Obligation Corporate Purpose Bonds, Series 2021A	12/01/21	8,300,000	12/01/41	7,105,000
General Obligation Promissory Notes, Series 2021B	12/01/21	2,970,000	12/01/31	2,430,000
Taxable General Obligation Refunding Bonds, Series 2021C	12/01/21	12,235,000	11/01/34	8,985,000
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	3,410,000
General Obligation Promissory Notes, Series 2022C	12/01/22	4,270,000	12/01/32	3,495,000
Taxable General Obligation Community Development Bonds, Series 2022D	12/01/22	5,520,000	12/01/37	5,520,000
General Obligation Corporate Purpose Bonds, Series 2023A	12/04/23	12,440,000	12/01/43	12,440,000
General Obligation Promissory Notes, Series 2023B	12/04/23	3,935,000	12/01/33	3,935,000
State Trust Fund Loan	12/18/23	665,000	3/15/25	665,000 ¹
General Obligation Promissory Notes, Series 2024A	11/04/24	17,440,000	11/01/44	<u>17,440,000</u> ²
Total General Obligation Debt				\$148,885,000
Less Remaining 2024 Principal Payments				<u>(11,970,000)</u>
Net General Obligation Debt				<u>\$136,915,000</u>

¹ The City currently intends to prepay this loan with funds on hand in January 2025.

² 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 Notes. Interest on the Notes has been calculated using an average rate of 3.99 percent. The bond years for the Notes are 128,079.67, and the average life is 7.344 years.

Year	Outstanding Bonds & Notes		The Notes		Total	Less: Projected Offsetting Revenues*			Total Projected Net Debt Service Requirements
	Principal	Interest	Principal	Interest		Enterprise	TID	MADACC	
2024	\$16,200,000	\$4,399,870			\$ 20,599,870	(\$ 7,742,769)	(\$ 4,513,771)	(\$ 194,531)	\$ 8,148,799
2025	13,860,000	3,963,166	\$2,040,000	\$ 716,913	20,580,079	(8,078,223)	(3,213,909)	(215,031)	9,072,917
2026	12,170,000	3,495,080	1,065,000	641,338	17,371,418	(7,298,459)	(2,954,646)	(208,031)	6,910,281
2027	11,365,000	3,113,160	1,125,000	598,738	16,201,898	(6,869,289)	(3,505,746)	(202,781)	5,624,081
2028	11,385,000	2,740,660	1,180,000	553,738	15,859,398	(6,163,739)	(3,870,521)	(197,531)	5,627,606
2029	10,760,000	2,393,653	1,245,000	494,738	14,893,390	(5,304,721)	(3,868,106)	(192,281)	5,528,281
2030	10,435,000	2,062,254	1,325,000	432,488	14,254,741	(4,624,064)	(3,862,696)	(186,813)	5,581,169
2031	8,565,000	1,750,531	1,390,000	366,238	12,071,769	(4,216,208)	(2,969,949)	(181,125)	4,704,488
2032	8,535,000	1,475,211	1,460,000	296,738	11,766,949	(4,152,586)	(3,100,906)	-	4,513,456
2033	7,895,000	1,191,675	1,535,000	223,738	10,845,413	(3,803,799)	(3,252,776)	-	3,788,838
2034	6,015,000	927,831	1,610,000	177,688	8,730,518	(2,822,753)	(3,223,847)	-	2,683,919
2035	5,140,000	717,988	445,000	129,388	6,432,375	(1,379,138)	(2,844,213)	-	2,209,025
2036	4,460,000	538,234	465,000	116,038	5,579,271	(1,373,269)	(2,321,915)	-	1,884,088
2037	3,550,000	363,674	490,000	100,925	4,504,599	(1,200,494)	(1,912,955)	-	1,391,150
2038	2,730,000	212,405	510,000	81,325	3,533,730	(1,126,200)	(1,288,980)	-	1,118,550
2039	805,000	101,500	535,000	60,925	1,502,425	(1,133,225)	-	-	369,200
2040	650,000	74,488	185,000	39,525	949,013	(949,013)	-	-	-
2041	445,000	51,988	195,000	32,356	724,344	(724,344)	-	-	-
2042	345,000	33,725	205,000	24,800	608,525	(608,525)	-	-	-
2043	365,000	17,338	215,000	16,856	614,194	(614,194)	-	-	-
2044	-	-	220,000	8,525	228,525	(228,525)	-	-	-
	<u>135,675,000</u>	<u>29,624,428</u>	<u>17,440,000</u>	<u>5,113,013</u>	<u>187,852,441</u>	<u>(70,413,533)</u>	<u>(46,704,937)</u>	<u>(1,578,125)</u>	<u>69,155,847</u>
Less 2024 Payments	<u>(16,200,000)</u>	<u>(4,399,870)</u>	-	-	<u>(20,599,870)</u>	<u>7,742,769</u>	<u>4,513,771</u>	<u>194,531</u>	<u>(8,148,799)</u>
TOTAL	<u>\$119,475,000</u>	<u>\$25,224,558</u>	<u>\$17,440,000</u>	<u>\$5,113,013</u>	<u>\$167,252,571</u>	<u>(\$62,670,764)</u>	<u>(\$42,191,166)</u>	<u>(\$1,383,594)</u>	<u>\$61,007,048</u>

*Offsetting revenues includes water, storm sewer, sanitary sewer and TID revenues and payments received from the Milwaukee Area Domestic Animal Control Commission. 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 November 4, 2024)

Waterworks System

Type of Obligation	Date of Issue	Original Amount	Final Maturity Dates	Current Amount Outstanding
Revenue Bonds, Series 2016A	6/21/16	\$ 4,225,000	1/01/36	\$ 2,725,000
Revenue Bonds, Series 2017B	11/03/17	3,000,000	1/01/37	2,350,000
Revenue Bonds, Series 2018D	11/20/18	3,620,000	1/01/38	<u>2,720,000</u>
Total Waterworks System Revenue Debt				<u>\$ 7,795,000</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 \$25.0 million in general obligation debt in 2025 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 \$665,000 expected to close in late 2024 to avoid a negative levy limit consequence and increase cash financing in lieu of debt financing. (See "LEVY LIMITS" above). The City currently has tentative agreements with the owner of the Mayfair Mall, Brookfield Properties, and a residential developer for the redevelopment at and in the vicinity of the site of the former Boston Store at Mayfair Mall. A closing and property transfer between all three parties is anticipated by the end of 2024. If the project moves forward, the City expects it would include a general obligation debt issuance in the amount of approximately \$27 million in 2025 contingent upon the developer receiving United States Housing and Urban Development financing. The residential developer has met the conditions for a predevelopment loan of \$2.5 million from the City. Partial disbursement began in September 2024 using fund balance. The City also expects to make a \$500,000 loan to the Wauwatosa Curling Club by the end of 2024, which may be financed either through fund balance or through borrowing a State Trust Fund Loan. 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 November 4, 2024, and for the past five years ended December 31 follows:

Year	Ratios of General Obligation Debt to Equalized Valuation and Population				
	Outstanding General Obligation Debt	Equalized Valuation	Percent of Equalized Value	Population ⁽¹⁾	Per Capita
2024	\$ 148,885,000 ⁽²⁾	\$10,284,774,700	1.45%	49,363	\$3,016.13
2023	135,675,000	9,618,350,900	1.41	48,836	2,778.18
2022	135,305,000	9,006,577,400	1.50	48,638	2,781.88
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

¹ Estimated by the Wisconsin Department of Administration. The figure for 2024 is a preliminary estimate.

² Includes the Notes. 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 2024 Principal Payments)</u>	<u>Percent Chargeable to City</u>	<u>Outstanding Debt Chargeable to City</u>
Wauwatosa School District	\$ 87,570,000	100.00%	\$ 87,570,000
Milwaukee County ⁽¹⁾	313,650,000	10.10	31,678,650
Milwaukee Metropolitan Sewerage District ⁽²⁾	769,625,771	10.29	79,194,492
Milwaukee Area Technical College ⁽³⁾	98,315,000	8.15	8,012,673
TOTAL	\$1,269,160,771		\$206,455,814

¹ Milwaukee County anticipates the issuance of approximately \$30 million of general obligation debt in November 2024. Such amount is preliminary, subject to change and is not included in the above table.

² The Milwaukee Metropolitan Sewerage District anticipates the issuance of \$30 million of general obligation debt through December 31, 2024. This amount is preliminary and subject to change. The amount included in the table above includes Clean Water Fund Program Loans totaling \$312,530,771 as of July 31, 2024.

³ The Milwaukee Area Technical College District anticipates the issuance of an additional \$13.5 million of general obligation debt in fiscal year 2024-25. This amount is preliminary and subject to change.

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 2024 principal payments.

Equalized Valuation (2024) as certified by Wisconsin Department of Revenue	\$10,284,774,700
Direct Bonded Indebtedness Including the Notes	\$136,915,000
Direct, Overlapping and Underlying Bonded Indebtedness Including the Notes	\$343,370,814
Direct Bonded Indebtedness as a Percentage of Equalized Valuation	1.33%
Direct, Overlapping and Underlying Bonded Indebtedness as a Percentage of Equalized Valuation	3.34%
Population of City (2024 Preliminary Estimate)*	49,363
Direct Bonded Indebtedness Per Capita	\$2,773.64
Direct, Overlapping and Underlying Bonded Indebtedness Per Capita	\$6,956.04

*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 Notes, as a percentage of the applicable debt limit.

Equalized Valuation (2024) as certified by Wisconsin Department of Revenue	\$10,284,774,700
Legal Debt Percentage Allowed ⁽¹⁾	<u>5.00%</u>
Legal Debt Limit	\$514,238,735
General Obligation Debt Outstanding Including the Notes	<u>\$148,885,000</u>
Unused Margin of Indebtedness	\$365,353,735
Percent of Legal Debt Incurred	28.95%
Percentage of Legal Debt Available	71.05%

⁽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**

	2024 Amended Budget ⁽¹⁾	2023 Audit ⁽¹⁾	2022 Audit ⁽¹⁾	2021 Actual	2020 Actual
Revenues:					
Taxes	\$54,260,920	\$53,023,155	\$51,141,135	\$47,762,111	\$45,699,617
Intergovernmental revenues	7,973,932	7,125,630	6,944,401	7,006,006	6,891,759
Licenses and permits	1,800,600	1,807,748	2,484,896	1,767,638	1,611,120
Penalties and forfeitures	1,051,500	758,662	692,853	812,623	838,535
Public improvement revenues	35,000	16,043	11,695	23,360	12,694
Public charges for services	3,304,934	2,997,144	3,076,279	3,154,704	2,710,614
Intergovernmental charges for services	1,605,856	1,697,069	1,841,675	1,766,190	1,749,411
Commercial revenues	<u>3,867,751</u>	<u>5,318,592</u>	<u>(3,032,976)⁽²⁾</u>	<u>346,371</u>	<u>2,237,889</u>
Total Revenues	\$73,900,493	\$72,744,043	63,159,958	62,639,003	61,751,639
Expenditures:					
Current:					
General government	7,757,968	7,760,221	6,710,934	5,773,970	6,335,581
Protection of persons and property <i>(Public Safety)</i>	37,246,037	36,949,103	35,069,839	33,492,900	33,801,282
Health and sanitation <i>(Health and Human Services)</i>	2,579,436	1,772,973	2,068,452	1,994,383	4,475,507
Highway and transportation <i>(Public Works)</i>	8,521,705	7,955,353	7,299,695	7,048,021	5,008,029
Conservation and development	2,885,289	2,895,953	2,412,736	2,362,921	1,828,476
Unclassified	0	0	0	0	333,949
Debt service	0	157,632	0	0	0
Capital outlay	<u>0</u>	<u>92,370</u>	<u>117,631</u>	<u>516,426</u>	<u>518</u>
Total Expenditures	<u>58,990,435</u>	<u>57,583,605</u>	<u>53,679,287</u>	<u>51,188,621</u>	<u>51,783,342</u>
Excess of Revenues Over (Under) Expenditures	<u>14,910,058</u>	<u>15,160,438</u>	<u>9,480,671</u>	<u>11,450,382</u>	<u>9,968,297</u>
Other Financing Sources (Uses)					
Proceeds from sale of land	0	0	0	0	5,000
Insurance Recoveries	0	17,144	15,551	0	0
Proceeds from sale of assets	0	347	1,174	150	0
Operating transfers in	4,486,149	1,326,252	1,843,782	1,573,317	1,104,917
Operating transfers out	<u>(19,396,207)</u>	<u>(15,407,683)</u>	<u>(14,261,840)</u>	<u>(12,898,086)</u>	<u>(10,988,863)</u>
Net change in fund balances	0	1,096,498	(2,920,662)	125,763	89,351
Fund Balances – Beginning of Year	<u>23,341,029</u>	<u>22,244,531</u>	<u>25,165,193</u>	<u>25,039,430</u>	<u>24,950,079</u>
Fund Balances - End of Year	<u>\$23,341,029</u>	<u>\$23,341,029</u>	<u>\$22,244,531</u>	<u>\$25,165,193</u>	<u>\$25,039,430</u>

⁽¹⁾ Expenditure categories starting in 2022 have been reclassified (shown in parentheses and italics) but prior years have not been restated.

⁽²⁾ In 2022, the City had to record a large negative mark-to-market adjustment due to the rising interest rate environment resulting in a large commercial revenue deficit. It is the City's practice to hold its investments to maturity so no resulting cash reduction is anticipated. The City experienced in 2023, and anticipates for the next several years, positive mark-to-market adjustments to offset the 2022 loss.

The amounts shown for the years ended December 31, 2020 through 2023 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, 2024 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 Annual Financial Report for the fiscal year ended December 31, 2023, 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 Notes, 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 Notes 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 "Underwriter"). The Underwriter intends to offer the Notes to the public initially at the prices which produce the yields set forth on the cover of this Official Statement plus accrued interest from November 4, 2024, if any, which prices may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Notes to the public. The Underwriter may offer and sell the Notes to certain dealers (including dealers depositing the Notes into investment trusts) at prices lower than the public offering prices. In connection with this offering, the Underwriter may over allocate or effect transactions which stabilize or maintain the market price of the Notes 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 cover page of the Official Statement have been provided by the Underwriter and not by the City.

RATING

The Notes 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 Notes.

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

TAX EXEMPTION

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

"The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on

Applicable Corporations (as defined in Section 59(k) of the Code). The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The City has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the City comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Notes."

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

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

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

See Appendix B "Form of Legal Opinion for the Notes".

Original Issue Discount

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

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

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

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

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

Bond Premium

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

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

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

Not Qualified Tax-Exempt Obligations

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

CONTINUING DISCLOSURE

In order to assist the Underwriter, which will reoffer the Notes, 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 Resolution adopted by the Common Council to enter into an undertaking (the "Undertaking") for the benefit of holders including beneficial holders of the Notes 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 Undertaking provides 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 Undertaking, 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 Certificate to be executed and delivered by the City at the time the Notes are delivered. Such Certificate will be in substantially the form attached hereto as Appendix C. A failure by the City to comply with the Undertaking will not constitute an event of default on the Notes (although holders will have the right to obtain specific performance of the obligations under the Undertaking). 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 Notes in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Notes 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 Notes. The Notes 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 Note certificate will be issued for each maturity of the Notes, 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 Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Note (“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 Notes 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 Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes 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 Notes 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 Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes 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 Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes 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 Notes 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 Notes 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 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Notes 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 Notes purchased or tendered, through its Participant, to Agent, and shall effect delivery of such Notes by causing the Direct Participant to transfer the Participant's interest in the Notes, on DTC's records, to Agent. The requirement for physical delivery of Notes in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Notes are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Notes to Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Notes 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, Note 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, Note 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 Notes, or in any way contesting or affecting the validity of the Notes or any proceedings of the City taken with respect to the issuance or sale thereof.

The City is involved in 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. Following a trial and a reconsideration of certain issues, the matter involving the years 2013 to 2015 has concluded with a finding in favor of the City, but that result is currently on appeal. The Court of Appeals had asked the trial court for clarification of details to support its decision in favor of the City's position, and the City has successfully submitted those responses, but has not received a response on appeal at this point. While the City believes there is a likelihood of success on appeal, the outcome of the matter cannot be predicted. Similar disputes regarding the taxable value of Mayfair Mall for the years 2016 through 2023 have been stayed pending the outcome of the appeal.

Significant property value for certain medical campus taxpayers became taxable upon the sale of land from Milwaukee County to the individual taxpayers in April 2020. These taxpayers are disputing the taxability of all, or significant portions of, that new taxable value. The City recently received an adverse trial court ruling regarding some

of the taxable property for one taxpayer, which will require a refund of a portion of the property taxes at issue in these appeals. However, this is a small percentage of the overall taxes at issue in the litigation, and the City has been contingency-planning for any possible such property tax refunds which, along with chargebacks to other taxing entities for any such amounts owed, will allow the City to absorb such payments. The City believes that such contingency planning 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 (Officer Mensah no longer works for the City). 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 faced civil litigation from each of the three shootings as well as litigation resulting from the City's response to the civil unrest. The shooting-related cases are proceeding through the judicial process in the federal district court. The protest-related cases have largely been resolved in the City's favor, following a federal court jury trial in 2023, but the plaintiffs appealed the main matter to the Seventh Circuit Court of Appeals. Oral argument in that matter was held on September 5, 2024, so a decision on the appeal should be forthcoming in the following months. In addition, the City prevailed in a federal jury trial in 2023 related to the 2018 handcuffing of a wrongly accused suspect. The Seventh Circuit decided the appeal of that matter in favor of the City on the merits in August 2024, but remanded the matter to the trial court for additional findings solely regarding the jury selection process, which should be readily corrected by the trial court in the coming months. The City expects that its insurance coverage will apply in all such matters to significantly reduce its risk.

LEGAL MATTERS

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

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

MUNICIPAL BANKRUPTCY

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

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

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Notes are outstanding, in a way that would allow the City to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the City to file for relief under Chapter 9. If, in the future, the City were to file a bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the City could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the City is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the City could properly file a bankruptcy

case, and that determination was not reversed, vacated, or otherwise substantially altered on appeal, then the rights of holders of the Notes could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Notes, and there could ultimately be no assurance that holders of the Notes would be paid in full or in part on the Notes. Further, under such circumstances, there could be no assurance that the Notes would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Notes could be viewed as having no priority (a) over claims of other creditors of the City; (b) to any particular assets of the City, or (c) to revenues otherwise designated for payment to holders of the Notes.

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

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 Notes. 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 Notes. Baird’s compensation for serving as financial advisor on the Notes is conditional on the successful closing of the Notes.

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 Underwriter of the Notes. The City, acting through its Mayor and City Clerk will provide to the Underwriter of the Notes at the time of delivery of the Notes, a certificate confirming that, to the best of its knowledge and belief, the Official Statement with respect to the Notes, together with any supplements thereto, at the time of execution of the Approving Certificate and at the time of delivery of the Notes, was true and correct in all material respect and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated, where necessary to make the statements in light of the circumstances under which they were made, not misleading.

CITY OF WAUWATOSA

By /s/ Steven Braatz
City Clerk

APPENDIX A

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2023

**CITY OF WAUWATOSA
MILWAUKEE COUNTY, WISCONSIN**

**CLIFTON LARSON ALLEN LLP
WAUWATOSA, WISCONSIN**

A copy of the City's Annual Financial Report for the fiscal year ended December 31, 2023, 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 Notes, 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, 2023

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



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAcconnect.com

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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, 2023, 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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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.

Emphasis-of-Matter – Implementation of New Standard

As discussed in Note 1 to the financial statements, effective January 1, 2023, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-based Information Technology Arrangements*. The City adopted the requirements of the guidance effective January 1, 2023 and has applied the provisions of this standard to the beginning of the period of adoption. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of 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 Ratios, Schedule of The City's Proportionate Share of the net Pension Liability (Asset), and the Schedule of the City's Pension Contributions, as referenced in the table of contents, be presented to supplement the basic financial statements. Such information 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.

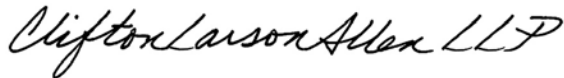
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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 30, 2024, 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 30, 2024

BASIC FINANCIAL STATEMENTS

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

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash and Investments	\$ 111,550,715	\$ 25,532,161	\$ 137,082,876
Receivables (Net of Allowance for Uncollectible Accounts)	47,533,704	14,713,509	62,247,213
Internal Balances	1,699,419	(1,699,419)	-
Prepaid Items	1,474,261	193,936	1,668,197
Deposit in Cities and Villages Mutual Insurance Company	1,184,453	-	1,184,453
Restricted Assets:			
Cash and Investments	-	1,986,859	1,986,859
Designated Assets - Cash and Cash Equivalents	-	3,683,774	3,683,774
Unamortized Maintenance Costs	-	96,299	96,299
Assets held for sale	3,976,804	-	3,976,804
Net Pension Asset	-	-	-
Nonutility Property	-	2,684	2,684
Capital Assets, not Being Depreciated	29,089,632	8,702,065	37,791,697
Capital Assets, Being Depreciated, Net of Accumulated Depreciation	<u>112,070,552</u>	<u>172,787,832</u>	<u>284,858,384</u>
Total Assets	<u>308,579,540</u>	<u>225,999,700</u>	<u>534,579,240</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts Related to Refunding of Debt	8,808	517,257	526,065
Deferred Amounts Related to the Pension	60,970,196	2,053,041	63,023,237
Deferred Amounts Related to the OPEB	9,952,609	-	9,952,609
Total Deferred Outflows of Resources	<u>70,931,613</u>	<u>2,570,298</u>	<u>73,501,911</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	7,825,836	6,886,130	14,711,966
Accrued Interest Payable	324,769	140,806	465,575
Deposits and Unearned Revenue	18,283,878	-	18,283,878
Due to Other Governments	81,493	-	81,493
Liabilities Payable from Restricted Assets	-	805,054	805,054
Noncurrent Liabilities:			
Due Within One Year	16,991,319	6,405,000	23,396,319
Due in More than One Year	111,492,520	48,399,665	159,892,185
Pension Liability-Due in More than One Year	16,263,821	546,666	16,810,487
OPEB Liability-Due in More than One Year	<u>32,924,093</u>	<u>-</u>	<u>32,924,093</u>
Total Liabilities	<u>204,187,729</u>	<u>63,183,321</u>	<u>267,371,050</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts Related to Leases	981,940	6,440,935	7,422,875
Deferred Amounts Related to the Pension	34,239,473	1,150,869	35,390,342
Deferred Amounts Related to the OPEB	4,100,331	-	4,100,331
Subsequent Year Tax Levy	<u>62,383,488</u>	<u>-</u>	<u>62,383,488</u>
Total Deferred Inflows of Resources	<u>101,705,232</u>	<u>7,591,804</u>	<u>109,297,036</u>
NET POSITION			
Net Investment in Capital Assets	84,628,128	125,633,103	210,261,231
Restricted for:			
Debt Service	5,456,342	1,856,805	7,313,147
Federal and State Grants	218,090	-	218,090
Public Library	347	-	347
Community Development	1,278,553	-	1,278,553
Tourism	1,864,137	-	1,864,137
Unrestricted (Deficit)	<u>(19,827,405)</u>	<u>30,304,965</u>	<u>10,477,560</u>
Total Net Position	<u>\$ 73,618,192</u>	<u>\$ 157,794,873</u>	<u>\$ 231,413,065</u>

See accompanying Notes to Financial Statements.

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

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	\$ 8,205,597	\$ 1,140,525	\$ 868,558	\$ 435,555	\$ (5,760,959)	\$ -	\$ (5,760,959)
Public Safety	43,418,355	8,370,031	251,750	939,658	(33,856,916)	-	(33,856,916)
Public Works	12,950,986	256,244	376,204	468,809	(11,849,729)	-	(11,849,729)
Health and Human Services	2,247,690	1,236,924	3,438,516	-	2,427,750	-	2,427,750
Recreation and Education	5,198,985	683,062	4,205	-	(4,511,718)	-	(4,511,718)
Conservation and Development	6,946,300	96,859	1,488,542	-	(5,360,899)	-	(5,360,899)
Culture	945,106	-	51,996	-	(893,110)	-	(893,110)
Interest	2,791,427	-	-	-	(2,791,427)	-	(2,791,427)
Loss on Sale of Capital Assets	-	-	-	-	-	-	-
Total Governmental Activities	82,704,446	11,783,645	6,479,771	1,844,022	(62,597,008)	-	(62,597,008)
Business-Type Activities:							
Water Utility	9,091,024	11,365,303	-	-	-	2,274,279	2,274,279
Sanitary Sewer	7,989,661	10,869,410	-	434,544	-	3,314,293	3,314,293
Storm Water Management	3,315,853	5,853,291	-	421,361	-	2,958,799	2,958,799
Total Business-Type Activities	20,396,538	28,088,004	-	855,905	-	8,547,371	8,547,371
Total	\$ 103,100,984	\$ 39,871,649	\$ 6,479,771	\$ 2,699,927	(62,597,008)	8,547,371	(54,049,637)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes and Debt Service					50,540,798	-	50,540,798
Property Taxes, Levied for TIF					9,209,642	-	9,209,642
Other Taxes					2,482,357	-	2,482,357
Intergovernmental Revenues not Restricted to Specific Programs					3,147,178	-	3,147,178
Gain on Sale of Capital Assets					87,145	-	87,145
Investment Income					5,725,737	1,412,377	7,138,114
Total General Revenues					71,192,857	1,412,377	72,605,234
Transfers					482,443	(482,443)	-
CHANGE IN NET POSITION					9,078,292	9,477,305	18,555,597
Net Position - Beginning of Year					64,539,900	148,317,568	212,857,468
NET POSITION - END OF YEAR					\$ 73,618,192	\$ 157,794,873	\$ 231,413,065

See accompanying Notes to Financial Statements.

CITY OF WAUWATOSA, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	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	\$ 41,505,461	\$ 9,248,621	\$ 18,379,651	\$ 691,188	\$ 18,236,192	\$ 8,231,405	\$ 96,292,518
Taxes Receivable	30,676,660	5,776,649	-	-	-	131,286	36,584,595
Delinquent Personal Property Taxes	199,252	-	-	-	-	-	199,252
Special Assessments Receivable:							
Due in Installments	-	-	-	-	-	648,861	648,861
Leases Receivable	623,596	-	-	-	-	438,393	1,061,989
Accounts Receivable, Net	3,468,126	675,000	-	1,375,000	1,141,966	-	6,660,092
Accrued Investment Income Receivable	339,718	-	-	-	-	-	339,718
Notes Receivable	-	-	-	-	-	-	-
Other Accrued Receivables	597,585	-	-	-	-	1,205,406	1,802,991
Due from Other Funds	1,770,240	-	-	-	-	-	1,770,240
Assets Held for Sale	-	-	-	-	-	3,976,804	3,976,804
Prepayments	4,656	-	-	-	1,184,365	347	1,189,368
Advance to Other Funds	1,086,839	-	-	-	-	300,000	1,386,839
Total Assets	\$ 80,272,133	\$ 15,700,270	\$ 18,379,651	\$ 2,066,188	\$ 20,562,523	\$ 14,932,502	\$ 151,913,267
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	1,217,513	\$ 5,956	\$ 193,375	\$ 13,356	\$ 1,750,071	\$ 213,242	\$ 3,393,513
Accrued Payroll	2,400,823	-	-	-	-	-	2,400,823
Unearned Revenues	-	-	18,184,377	-	-	99,501	18,283,878
Due to Other Governments	81,493	-	-	-	-	-	81,493
Due to Other Funds	871,046	-	-	-	-	818,988	1,690,034
Short Term Notes Payable	-	-	-	-	-	-	-
Advance from Other Funds	-	1,386,839	-	-	-	-	1,386,839
Total Liabilities	4,570,875	1,392,795	18,377,752	13,356	1,750,071	1,131,731	27,236,580
DEFERRED INFLOWS OF RESOURCES							
Subsequent Year Tax Levy	51,503,952	10,579,196	-	-	300,340	-	62,383,488
Special Assessments	-	-	-	-	-	649,196	649,196
Leases	585,694	-	-	-	-	396,246	981,940
Other Accounts Receivable	270,583	-	-	-	-	-	270,583
Total Deferred Inflows of Resources	52,360,229	10,579,196	-	-	300,340	1,045,442	64,285,207
FUND BALANCES							
Nonspendable	1,290,747	-	-	-	1,184,365	347	2,475,459
Restricted	-	3,728,279	1,899	2,052,832	8,413,045	3,358,881	17,554,936
Assigned	2,361,757	-	-	-	8,914,702	9,403,036	20,679,495
Unassigned	19,688,525	-	-	-	-	(6,935)	19,681,590
Total Fund Balances	23,341,029	3,728,279	1,899	2,052,832	18,512,112	12,755,329	60,391,480
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 80,272,133	\$ 15,700,270	\$ 18,379,651	\$ 2,066,188	\$ 20,562,523	\$ 14,932,502	

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.	133,589,138
Long-term pension related asset, deferred outflows, and deferred inflows are not related to the current period and, therefore, are not reported in the funds.	10,466,902
Internal service funds net position.	(6,836,414)
Other long-term assets that are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Special assessments	649,196
Other accounts receivable	270,583
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.	(124,912,693)
Total	\$ 73,618,192

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, 2023

	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	\$ 53,023,155	\$ 9,209,642	\$ -	\$ -	\$ -	\$ -	\$ 62,232,797
Intergovernmental Revenues	7,125,630	101,930	2,711,052	-	407,419	1,180,390	11,526,421
Licenses and Permits	1,807,748	-	-	-	-	2,595	1,810,343
Penalties and Forfeitures	758,662	-	-	-	-	-	758,662
Public Improvement Revenues	16,043	-	-	-	-	560,295	576,338
Public Charges for Services	2,997,144	13,934	-	-	-	2,865,910	5,876,988
Intergovernmental Charges for Services	1,697,069	-	-	-	-	-	1,697,069
Commercial Revenues	5,318,592	382,306	-	52,898	717,330	268,449	6,739,575
Total Revenues	72,744,043	9,707,812	2,711,052	52,898	1,124,749	4,877,639	91,218,193
EXPENDITURES							
Current:							
General Government	7,760,221	-	14,136	-	4,534	-	7,778,891
Public Safety	36,949,103	-	-	-	-	2,334,482	39,283,585
Public Works	7,955,353	-	-	-	-	-	7,955,353
Health and Human Services	1,772,973	-	405,209	-	-	-	2,178,182
Recreation and Education Conservation and Development	-	-	55,154	-	-	4,215,103	4,270,257
Culture	2,895,953	903,013	394,266	-	29,269	1,874,405	6,096,906
Debt Service:						951,625	951,625
Principal	144,204	2,919,057	-	10,010,000	-	-	13,073,261
Interest and Other Fiscal Charges	13,428	64,356	-	3,022,593	-	-	3,100,377
Capital Outlay	92,370	812,101	1,540,388	-	7,735,044	1,112,091	11,291,994
Total Expenditures	57,583,605	4,698,527	2,409,153	13,032,593	7,768,847	10,487,706	95,980,431
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	15,160,438	5,009,285	301,899	(12,979,695)	(6,644,098)	(5,610,067)	(4,762,238)
OTHER FINANCING SOURCES (USES)							
Long-Term Debt Issued	-	-	-	-	9,745,000	-	9,745,000
Premium on Long-Term Debt	-	-	-	464,207	-	-	464,207
Proceeds from the Sale of Assets	347	-	-	-	-	212,034	212,381
Transfers In	1,326,252	-	-	12,325,240	2,130,274	7,332,562	23,114,328
Transfers Out	(15,407,683)	(3,609,275)	(300,000)	-	(74,708)	(964,263)	(20,355,929)
Insurance Recoveries	17,144	-	-	-	-	-	17,144
Total Other Financing Sources (Uses)	(14,063,940)	(3,609,275)	(300,000)	12,789,447	11,800,566	6,580,333	13,197,131
NET CHANGE IN FUND BALANCES	1,096,498	1,400,010	1,899	(190,248)	5,156,468	970,266	8,434,893
Fund Balances - Beginning of Year	22,244,531	2,328,269	-	2,243,080	13,355,644	11,785,063	51,956,587
FUND BALANCES - END OF YEAR	\$ 23,341,029	\$ 3,728,279	\$ 1,899	\$ 2,052,832	\$ 18,512,112	\$ 12,755,329	\$ 60,391,480

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, 2023

Net Change in Fund Balances - Total Governmental Funds \$ 8,434,893

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

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

Capital outlay is reported as capital outlay expenditure in the fund financial statements, but is capitalized in the government-wide financial statements. 11,291,994

Some items reported as capital outlay were not capitalized. (1,473,242)

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 (1,265,641)

Capital assets previously purchased by the governmental funds and contributed to the enterprise funds are recognized as capital contributions on the enterprise fund statements (468,809)

Contributed assets are reported in the government-wide financial statements -

Depreciation is reported in the government-wide financial statements (6,648,379)

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 (\$9,750,157) were less than the repayments (\$13,073,261). 3,323,104

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 (464,207)

Amortization of debt premium, discount and deferred amount on refunding 320,068

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. (20,765)

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This amount represents the increase in accrued interest payable (\$11,118), the decrease in accrued vacation payable \$44,529, and the increase in expenses related to pension activity (\$4,114,755). (4,081,344)

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. 18,443

The net revenue (expense) of internal service funds is reported with governmental activities. 238,835

Change in Net Position of Governmental Activities \$ 9,078,292

CITY OF WAUWATOSA, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 52,257,451	\$ 53,070,596	\$ 53,023,155	\$ (47,441)
Intergovernmental Revenues	6,887,129	7,497,901	7,125,630	(372,271)
Licenses and Permits	1,617,385	1,628,850	1,807,748	178,898
Fines, Penalties, and Forfeitures	1,037,500	831,000	758,662	(72,338)
Public Improvement Revenues	10,000	13,115	16,043	2,928
Public Charges for Services	3,173,690	3,172,721	2,997,144	(175,577)
Intergovernmental Charges for Services	1,558,647	1,594,109	1,697,069	102,960
Commercial Revenues	2,182,374	4,044,496	5,318,592	1,274,096
Total Revenues	<u>68,724,176</u>	<u>71,852,788</u>	<u>72,744,043</u>	<u>891,255</u>
EXPENDITURES				
General Government	6,660,413	8,018,440	7,760,221	258,219
Public Safety	36,032,998	37,115,919	36,949,103	166,816
Public Works	7,133,960	8,048,591	7,955,353	93,238
Health and Human Services	2,139,237	2,142,584	1,772,973	369,611
Conservation and Development	2,482,500	3,075,400	2,895,953	179,447
Debt Service				
Principal	-	-	144,204	(144,204)
Interest	-	-	13,428	(13,428)
Capital Outlay	49,000	81,711	92,370	(10,659)
Total Expenditures	<u>54,498,108</u>	<u>58,482,645</u>	<u>57,583,605</u>	<u>899,040</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	14,226,068	13,370,143	15,160,438	1,790,295
OTHER FINANCING SOURCES (USES)				
Proceeds from the Sale of Land	-	-	347	347
Transfers In	4,509,100	1,305,401	1,326,252	20,851
Transfers Out	(17,991,221)	(15,190,244)	(15,407,683)	(217,439)
Insurance Recoveries	-	5,000	17,144	12,144
Total Other Financing Sources (Uses)	<u>(13,482,121)</u>	<u>(13,879,843)</u>	<u>(14,063,940)</u>	<u>(184,097)</u>
NET CHANGE IN FUND BALANCES	<u>\$ 743,947</u>	<u>\$ (509,700)</u>	1,096,498	<u>\$ 1,606,198</u>
Fund Balances - Beginning of Year			<u>22,244,531</u>	
FUND BALANCES - END OF YEAR			<u>\$ 23,341,029</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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 9,474,454	\$ 9,215,695	\$ 9,209,642	\$ (6,053)
Intergovernmental Revenues	101,930	101,930	101,930	-
Public Charges for Services	-	13,888	13,934	46
Commercial Revenues	-	455,362	382,306	(73,056)
Total Revenues	<u>9,576,384</u>	<u>9,786,875</u>	<u>9,707,812</u>	<u>(79,063)</u>
EXPENDITURES				
General Government	6,595,390	975,269	903,013	72,256
Debt Service				
Principal	2,981,024	3,054,702	2,919,057	135,645
Interest and Other Fiscal Charges	114,356	64,357	64,356	1
Capital Outlay	1,150,000	1,105,002	812,101	292,901
Total Expenditures	<u>10,840,770</u>	<u>5,199,330</u>	<u>4,698,527</u>	<u>207,902</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,264,386)	4,587,545	5,009,285	421,740
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	9,230,000	2	-	(2)
Transfers Out	(8,225,739)	(3,591,226)	(3,609,275)	(18,049)
Total Other Financing Sources (Uses)	<u>1,004,261</u>	<u>(3,591,224)</u>	<u>(3,609,275)</u>	<u>(18,051)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (260,125)</u>	<u>\$ 996,321</u>	1,400,010	<u>\$ 403,689</u>
Fund Balance - Beginning of Year			<u>2,328,269</u>	
FUND BALANCE - END OF YEAR			<u>\$ 3,728,279</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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ -	\$ -	\$ 2,711,052	\$ 2,711,052
Total Revenues	-	-	2,711,052	2,711,052
EXPENDITURES				
General Government	-	649,095	14,136	634,959
Health and Human Services	373,032	2,296,190	405,209	1,890,981
Recreation and Education	10,840	240,932	55,154	185,778
Conservation and Development	149,470	2,027,544	394,266	1,633,278
Culture	-	-	-	-
Capital Outlay	1,568,000	14,726,867	1,540,388	13,186,479
Total Expenditures	2,101,342	19,940,628	2,409,153	17,531,475
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	(2,101,342)	(19,940,628)	301,899	20,242,527
OTHER FINANCING SOURCES (USES)				
Transfers Out	(325,000)	(950,000)	(300,000)	650,000
Total Other Financing Sources (Uses)	(325,000)	(950,000)	(300,000)	650,000
NET CHANGE IN FUND BALANCES				
	<u>\$ (2,426,342)</u>	<u>\$ (20,890,628)</u>	1,899	<u>\$ 20,892,527</u>
Fund Balance - Beginning of Year			-	
FUND BALANCE - END OF YEAR			<u>\$ 1,899</u>	

See accompanying Notes to Financial Statements.

CITY OF WAUWATOSA, WISCONSIN
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
DECEMBER 31, 2023

	Business-Type Activities Enterprise Funds			Total Enterprise Funds	Governmental Activities
	Water	Sanitary Sewer	Storm Water Management		Internal Service Funds
ASSETS					
Current Assets:					
Cash, Cash Equivalents, and Temporary Investments	\$ 6,476,796	\$ 15,389,239	\$ 3,666,126	\$ 25,532,161	\$ 15,258,197
Receivables, Net	3,059,680	3,305,782	1,219,346	7,584,808	236,206
Lease Receivable, Current Portion	14,082	-	-	14,082	-
Due from Other Funds	358,956	362,289	149,801	871,046	-
Restricted Assets - Special Redemption Fund - Bond Principal and Interest Fund					
	950,483	-	-	950,483	-
Prepayments	193,936	-	-	193,936	284,893
Total Current Assets	<u>11,053,933</u>	<u>19,057,310</u>	<u>5,035,273</u>	<u>35,146,516</u>	<u>15,779,296</u>
Noncurrent Assets:					
Restricted Assets:					
Special Redemption Fund - Reserve Fund					
	1,036,376	-	-	1,036,376	-
Designated Cash - System Improvement	2,979,887	-	703,887	3,683,774	-
Lease Receivable, Long-term Portion	7,114,619	-	-	7,114,619	-
Unamortized Maintenance Costs	96,299	-	-	96,299	-
Nonutility Property	2,684	-	-	2,684	-
Net Pension Asset	-	-	-	-	-
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	4,405,461
Improvements Other than Buildings	73,513,797	85,288,864	75,955,128	234,757,789	-
Machinery and Equipment	3,166,369	1,380,636	-	4,547,005	17,890,219
Subscription Asset	-	-	-	-	75,160
Construction in Progress	5,527,228	1,804,193	1,289,239	8,620,660	293,801
Less: Accumulated Depreciation	<u>(21,848,787)</u>	<u>(30,037,083)</u>	<u>(16,179,800)</u>	<u>(68,065,670)</u>	<u>(15,116,212)</u>
Total Capital Assets, Net	<u>61,731,012</u>	<u>58,533,137</u>	<u>61,225,748</u>	<u>181,489,897</u>	<u>7,571,046</u>
Total Noncurrent Assets	<u>72,960,877</u>	<u>58,533,137</u>	<u>61,929,635</u>	<u>193,423,649</u>	<u>8,755,499</u>
Total Assets	84,014,810	77,590,447	66,964,908	228,570,165	24,534,795
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Amounts Related to Debt					
Refundings	186,778	287,575	42,904	517,257	-
Deferred Amounts Related to the Pension	1,325,010	289,501	438,530	2,053,041	-
Deferred Amounts Related to Other					
Postemployment Benefits Obligation	-	-	-	-	9,952,609
Total Deferred Outflows of Resources	<u>1,511,788</u>	<u>577,076</u>	<u>481,434</u>	<u>2,570,298</u>	<u>9,952,609</u>

See accompanying Notes to Financial Statements.

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

	Business-Type Activities Enterprise Funds			Total Enterprise Funds	Governmental Activities
	Water	Sanitary Sewer	Storm Water Management		Internal Service Funds
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 2,925,473	\$ 2,683,673	\$ 1,172,311	\$ 6,781,457	\$ 2,031,500
Accrued Payroll	103,771	902	-	104,673	-
Due to Other Funds	951,252	-	-	951,252	-
Current Portion of Long-Term Debt	975,000	2,340,000	3,090,000	6,405,000	-
Current Portion of Subscription Liability	-	-	-	-	38,366
Current Portion of OPEB Obligation	-	-	-	-	3,694,337
Accrued Interest Payable	56,565	35,008	49,233	140,806	-
Other Accrued Liabilities	-	-	-	-	154,404
Liabilities Payable from Restricted Assets:					
Current Portion of Long-Term Debt	675,000	-	-	675,000	-
Accrued Interest Payable	130,054	-	-	130,054	-
Total Current Liabilities	<u>5,817,115</u>	<u>5,059,583</u>	<u>4,311,544</u>	<u>15,188,242</u>	<u>5,918,607</u>
Noncurrent Liabilities:					
Long-Term Debt	26,231,461	9,631,563	12,536,641	48,399,665	-
Net Pension Liability	353,033	76,742	116,891	546,666	-
Net OPEB Obligation	-	-	-	-	32,924,093
Total Noncurrent Liabilities	<u>26,584,494</u>	<u>9,708,305</u>	<u>12,653,532</u>	<u>48,946,331</u>	<u>32,924,093</u>
Total Liabilities	32,401,609	14,767,888	16,965,076	64,134,573	38,842,700
DEFERRED INFLOWS OF RESOURCES					
Deferred Amounts Related to Leases	6,440,935	-	-	6,440,935	-
Deferred Amounts Related to the Pension	743,225	161,560	246,084	1,150,869	-
Deferred Amounts Related to Other Postemployment Benefits Obligation	-	-	-	-	4,100,331
Total Deferred Inflows of Resources	<u>7,184,160</u>	<u>161,560</u>	<u>246,084</u>	<u>7,591,804</u>	<u>4,100,331</u>
NET POSITION					
Net Investment in Capital Assets	34,541,211	45,853,485	45,238,407	125,633,103	7,532,680
Restricted for Debt Service	1,856,805	-	-	1,856,805	-
Restricted for Pension	-	-	-	-	-
Unrestricted	<u>9,542,813</u>	<u>17,384,590</u>	<u>4,996,775</u>	<u>31,924,178</u>	<u>(15,988,307)</u>
Total Net Position	<u>\$ 45,940,829</u>	<u>\$ 63,238,075</u>	<u>\$ 50,235,182</u>	159,414,086	<u>\$ (8,455,627)</u>

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

	(1,619,213)
Net Position of Business-Type Activities	\$ 157,794,873

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, 2023**

	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	\$ 10,472,283	\$ 10,862,480	\$ 5,820,215	\$ 27,154,978	\$ 7,119,250
Other Operating Revenues	890,507	-	-	890,507	13,430,003
Total Operating Revenues	<u>11,362,790</u>	<u>10,862,480</u>	<u>5,820,215</u>	<u>28,045,485</u>	<u>20,549,253</u>
OPERATING EXPENSES					
Operation and Maintenance	6,861,709	6,509,693	1,709,459	15,080,861	18,263,814
Depreciation	1,286,074	1,132,915	991,553	3,410,542	1,397,442
Taxes	109,242	-	-	109,242	-
Total Operating Expenses	<u>8,257,025</u>	<u>7,642,608</u>	<u>2,701,012</u>	<u>18,600,645</u>	<u>19,661,256</u>
OPERATING INCOME (LOSS)	3,105,765	3,219,872	3,119,203	9,444,840	887,997
NONOPERATING REVENUES (EXPENSES)					
Dividend Income	-	-	-	-	38,068
Investment Income (Loss)	660,318	586,016	166,043	1,412,377	-
Intergovernmental Income	-	434,544	421,361	855,905	-
Gain (Loss) on Sale or Trade of Assets	-	-	-	-	(18,000)
Interest on Long-Term Debt	(892,341)	(400,653)	(628,917)	(1,921,911)	(1,706)
Other Nonoperating income	2,513	6,930	33,076	42,519	-
Total Nonoperating Revenues (Expenses)	<u>(229,510)</u>	<u>626,837</u>	<u>(8,437)</u>	<u>388,890</u>	<u>18,362</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	2,876,255	3,846,709	3,110,766	9,833,730	906,359
Capital Contributions	468,809	-	-	468,809	1,265,641
Transfers In	-	-	-	-	-
Transfers Out	<u>(951,252)</u>	<u>-</u>	<u>-</u>	<u>(951,252)</u>	<u>(1,807,147)</u>
CHANGE IN NET POSITION	2,393,812	3,846,709	3,110,766	9,351,287	364,853
Net Position - Beginning of Year	<u>43,547,017</u>	<u>59,391,366</u>	<u>47,124,416</u>		<u>(8,820,480)</u>
NET POSITION - END OF YEAR	<u>\$ 45,940,829</u>	<u>\$ 63,238,075</u>	<u>\$ 50,235,182</u>		<u>\$ (8,455,627)</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.

	126,018
Change in Net Position of Business-Type Activities	\$ 9,477,305

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

	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	\$ 10,705,682	\$ 10,586,374	\$ 5,862,856	\$ 27,154,912	\$ 13,430,003
Payments from Other Funds	-	-	-	-	7,093,014
Payments to Suppliers	(4,488,357)	(4,643,114)	(200,749)	(9,332,220)	(15,771,737)
Payments to Employees	(1,319,118)	(326,672)	(408,303)	(2,054,093)	(2,261,006)
Net Cash Provided by Operating Activities	4,898,207	5,616,588	5,253,804	15,768,599	2,490,274
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Principal Paid on Noncapital Debt	-	-	-	-	-
Interest Paid on Noncapital Debt	-	-	-	-	-
Payments from Other Funds	18,952	-	-	18,952	-
Payments from (to) Other Funds	(1,008,782)	40,187	18,053	(950,542)	(1,807,147)
Net Cash Used by Noncapital Financing Activities	(989,830)	40,187	18,053	(931,590)	(1,807,147)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from Long-Term Debt	4,630,000	-	2,665,000	7,295,000	-
Premium from Issuance of Long-Term Debt	345,659	117,331	281,979	744,969	-
Acquisition and Construction of Capital Assets	(5,557,903)	(1,511,874)	(3,963,761)	(11,033,538)	(13,999)
Proceeds from the Sale of Property, Plant, and Equipment	31,667	-	-	31,667	500
Grant Funds Received	-	434,544	421,361	855,905	-
Assets transferred from (to) other funds	-	-	-	-	-
Principal Paid on Capital Debt	(1,620,000)	(2,575,000)	(3,135,000)	(7,330,000)	-
Interest Paid on Capital Debt	(948,921)	(427,504)	(743,653)	(2,120,078)	-
Interest Paid on Subscription Liability	-	-	-	-	(1,706)
Net Cash Used by Capital and Related Financing Activities	(3,119,498)	(3,962,503)	(4,474,074)	(11,556,075)	(15,205)
CASH FLOWS FROM INVESTING ACTIVITIES					
Lease Payments Received	(2,907)	-	-	(2,907)	-
Interest and Dividends Received	660,318	586,016	166,043	1,412,377	38,068
Net Cash Provided by Investing Activities	657,411	586,016	166,043	1,409,470	38,068
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
	1,446,290	2,280,288	963,826	4,690,404	705,990
Cash and Cash Equivalents - Beginning of Year	9,997,252	13,108,951	3,406,187	26,512,390	14,552,207
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 11,443,542</u>	<u>\$ 15,389,239</u>	<u>\$ 4,370,013</u>	<u>\$ 31,202,794</u>	<u>\$ 15,258,197</u>

See accompanying Notes to Financial Statements.

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

	Business-Type Activities Enterprise Funds			Governmental Activities	
	Water	Sanitary Sewer	Storm Water Management	Total Enterprise Funds	
				Internal Service Funds	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 3,105,765	\$ 3,219,872	\$ 3,119,203	\$ 9,444,840	\$ 887,997
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation Expense	1,286,074	1,132,915	991,553	3,410,542	1,397,442
Other nonoperating income	78,622	6,930	33,076	118,628	-
Amortization of Maintenance Costs	96,299	-	-	96,299	-
(Increase) Decrease In:					
Accounts Receivable	(659,621)	(283,036)	9,565	(933,092)	(26,236)
Other Assets	-	-	-	-	(46,142)
Prepaid Items	(63,429)	-	-	(63,429)	-
Net Pension Asset	835,840	179,896	284,379	1,300,115	-
Deferred Outflows	(341,032)	(84,715)	(60,307)	-	1,103,080
Increase (Decrease) In:					
Accounts Payable	1,646,912	1,525,380	1,024,991	4,197,283	287,306
Accrued Payroll	10,828	902	-	11,730	-
Other Accrued Liabilities	-	-	-	-	5,877
Subscription Liability	-	-	-	-	(36,794)
Net OPEB Liability	-	-	-	-	(4,566,173)
Deferred Inflows Related to leases	(394,666)	-	-	(394,666)	-
Deferred Inflows Related to the Pension	(703,385)	(81,556)	(148,656)	(933,597)	3,483,917
Total Adjustments	<u>1,792,442</u>	<u>2,396,716</u>	<u>2,134,601</u>	<u>6,809,813</u>	<u>1,602,277</u>
Net Cash Provided by Operating Activities	<u>\$ 4,898,207</u>	<u>\$ 5,616,588</u>	<u>\$ 5,253,804</u>	<u>\$ 15,768,599</u>	<u>\$ 2,490,274</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Capital Additions Contributed:					
City of Wauwatosa	\$ 468,809	\$ -	\$ -	\$ 468,809	\$ 1,265,641
Developers	-	-	-	-	-
Total	<u>\$ 468,809</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 468,809</u>	<u>\$ 1,265,641</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS					
Unrestricted Cash and Cash Equivalents	\$ 6,476,796	\$ 15,389,239	\$ 3,666,126	\$ 25,532,161	\$ 15,258,197
Restricted Cash and Cash Equivalents:					
Special Redemption Funds:					
Bond Reserve Fund	1,036,376	-	-	1,036,376	-
Bond Principal and Interest Fund	950,483	-	-	950,483	-
Designated Cash - System Improvement Cash and Cash Equivalents -	<u>2,979,887</u>	<u>-</u>	<u>703,887</u>	<u>3,683,774</u>	<u>-</u>
End of Year	<u>\$ 11,443,542</u>	<u>\$ 15,389,239</u>	<u>\$ 4,370,013</u>	<u>\$ 31,202,794</u>	<u>\$ 15,258,197</u>

See accompanying Notes to Financial Statements.

**CITY OF WAUWATOSA, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
DECEMBER 31, 2023**

	<u>Private Purpose Trust Funds</u>	<u>Custodial Funds</u>
ASSETS		
Cash and Investments	\$ 685,367	\$ 45,584,437
Taxes Receivable	<u>-</u>	<u>63,797,059</u>
Total Assets	<u><u>\$ 685,367</u></u>	<u><u>\$ 109,381,496</u></u>
LIABILITIES		
Special Deposits	\$ -	\$ -
Due to Other Taxing Units	<u>-</u>	<u>45,584,437</u>
Total Liabilities	<u>-</u>	<u>45,584,437</u>
DEFERRED INFLOWS		
Tax Levy	<u>-</u>	<u>63,797,059</u>
NET POSITION - RESTRICTED	<u><u>\$ 685,367</u></u>	<u><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, 2023**

	Private Purpose Trust Funds	Custodial Funds
ADDITIONS		
Contributions	\$ 143,119	\$ -
Investment Income	12,751	-
Deposit Receipts	-	-
Tax Collections	-	79,379,842
Total Additions	155,870	79,379,842
DEDUCTIONS		
Trust Distributions	52,712	-
Remittance to Other Taxing Jurisdictions	15,000	79,379,842
Total Deductions	67,712	79,379,842
CHANGES IN NET POSITION	88,158	-
Net Position - Beginning of Year	597,209	-
NET POSITION - END OF YEAR	\$ 685,367	\$ -

See accompanying Notes to Financial Statements.

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

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 entirely to the primary government by redeveloping blighted private properties and underutilized public properties, approving the creation of Tax Increment Districts, overseeing distribution of City funds to support small businesses and serves as the City's Housing Authority 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, 2023**

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, 2023**

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 nine 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, 2023**

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
- Revolving Fund for Designated Revenues
- 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, 2023**

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. The *Subsequent Year's Tax Roll Collections* is reported as a custodial fund.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

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

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, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(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. The City considers grant revenues to be available if they are collected within 120 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, 2023**

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, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources 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, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources 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, 2023, 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, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources 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 – 2023 tax roll:

Lien date and levy date	December 2023
Tax bills mailed	December 2023
Payment in full, or	January 31, 2024
First installment due	January 31, 2024
Second installment due	March 31, 2024
Third installment due	May 31, 2024
Personal property taxes in full	January 31, 2024

Tax deed – 2023 delinquent real estate taxes October 2026

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, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

3. Lease Receivable

The City is a lessor to an outside party for the right to use certain assets. Under the lease agreements, the City recognizes a lease receivable and deferred inflow of resources based on the criteria dictated by GASB Statement No. 87, Leases. The City measures the lease receivable at the present value of payments expected to be received during the lease term. During the lease term, the lease receivable is reduced by the principal portion of the lease payments received.

Deferred inflows of resources related to leases are initially measured as the amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Lease revenue is recognized on a straight-line basis over the term of the lease.

4. 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.

5. 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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

6. 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.

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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

7. 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 (benefit), 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.

8. 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.

9. 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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

9. Compensated Absences (Continued)

Accumulated vacation liabilities at December 31, 2023, 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, up 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.

10. 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.

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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

11. 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.

12. 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, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. 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.
- c. 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.
- d.
- e. 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.
- f.
- g. Unassigned fund balance is the residual classification for the General Fund or deficit balances in other funds.
- h.
- i. 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, 2023**

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. The City has amended Tax Incremental District No. 6 through adoption of Resolutions #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. The 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, 2023**

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.
8. In 2020, the City adopted the Resolution #20-114 creating “City of Wauwatosa Tax Incremental District #13” 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 \$10.2 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.
9. In 2022, the City adopted the Resolution #22-172 creating “City of Wauwatosa Tax Incremental District #14” 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 \$8.5 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.
10. In 2023, the City adopted the Resolution #23-180 creating “City of Wauwatosa Tax Incremental District #15” 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 \$57.9 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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Other Policies – New Accounting Pronouncements

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

1. GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

In March 2020, the GASB issued GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This standard provides accounting and financial reporting requirements for public-private and public-public partnership arrangements (PPPs) that either meet the definition of an SCA or are not within the scope of Statement 87, as amended. This standard also provides guidance for accounting and financial reporting for availability payment arrangements (APAs), which are arrangements in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The entity adopted the requirements of the guidance effective January 1, 2023, and has applied the provisions of this standard to the beginning of the period of adoption.

2. GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

The City adopted the requirements of the guidance effective January 1, 2023 and has applied the provisions of this standard to the beginning of the period of adoption. The implementation of this standard resulted in the Government reporting a subscription asset and a subscription liability as disclosed in Note 4E and Note 4G.

3. GASB Statement No. 99, *Omnibus 2022*

The City adopted certain aspects of this pronouncement as of December 31, 2023. The remaining aspects will be adopted as of December 31, 2024 as permitted within the statement.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Other Policies – New Accounting Pronouncements (Continued)

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

1. 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.
2. 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	\$ 118,784,491
Bond Premium	2,411,586
Compensated Absences	3,140,644
Subscription Liability	214,653
Accrued Interest Payable	324,769
Deferred Amount on Refunding	(8,808)
Landfill Postclosure Liability	83,724
Combined Adjustment for Long-Term Liabilities	\$ 124,951,059

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

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 Revolving Fund for Designated Revenues, 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. Appropriations lapse at year-end unless specifically carried over. Carryovers to the following year were \$884,542. Expenditures are monitored by management at the department level for all funds.

Deficit Fund Equity

As of December 31, 2023, the following individual funds had deficit fund equity:

Nonmajor Governmental Funds:

Special Revenue Funds:

Special Assessments	\$	1
Community Development Block Grant	\$	6,934

Internal Service Funds:

Employee Health Insurance Fund	\$	24,299,937
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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, 2023**

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:

	<u>Carrying Value</u>	<u>Bank Balance</u>
Petty Cash	\$ 15,720	\$ -
Deposits:		
Demand Deposits	57,299,474	58,148,533
Certificates of Deposit	<u>15,429,033</u>	<u>15,446,843</u>
Total Deposits	<u>72,728,507</u>	<u>73,595,376</u>
Investments:		
U.S. Agency Securities	27,045,913	27,045,913
Commercial Paper	3,982,779	3,982,779
Bankers Acceptances	980,287	980,287
Municipal Securities	22,500,650	22,500,650
Investment Pools:		
WISC - Investment Class Fund	697,130	697,130
WISC - Limited Term Duration Fund	5,950,561	5,950,815
Local Government Investment Pool (LGIP)	<u>55,121,766</u>	<u>55,121,766</u>
Total Investments	<u>116,279,086</u>	<u>116,279,340</u>
Total Cash and Investments	<u><u>\$ 189,023,313</u></u>	<u><u>\$ 189,874,716</u></u>
Reconciliation to the Statement of Net Position:		
Unrestricted Cash and Investments	\$ 137,082,876	
Restricted Cash and Investments	1,986,859	
Designated Cash and Investments	3,683,774	
Fiduciary Funds:		
Private Purpose Trust Funds	685,367	
Custodial Funds	<u>45,584,437</u>	
Total Cash and Investments	<u><u>\$ 189,023,313</u></u>	

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, 2023, 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, 2023**

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, 2023, \$2,856,398 of the City's bank balance of \$73,595,376 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, 2023, \$59,480,158 of the City's investment balance of \$116,279,340 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, 2023, the City is exposed to credit risk with investments in the following:

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

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	\$ 55,121,766	Unrated
WISC - Investment Class Fund	697,130	Unrated
WISC - Limited Term Duration Fund	5,950,561	Unrated
Bankers Acceptances	980,287	Unrated
Commercial Paper	3,982,779	A2
U.S. Agency Securities	27,045,913	AAA
Municipal Securities	6,872,096	AAA
Municipal Securities	15,088,380	AA
Municipal Securities	540,174	A
Total Fair Value of Investments Subject to Credit Risk	<u>\$ 116,279,086</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, 2023, 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	\$ 27,045,913	29.0
Municipal Securities	22,500,650	23.2
Bankers Acceptances	980,287	1.0
Commercial Paper	3,982,779	1.0
WISC - Investment Class Fund	697,130	0.0
WISC - Limited Term Duration Fund	5,950,561	0.6
Local Government Investment Pool	55,121,766	15.0
Total Fair Value of Investments Subject to Credit Risk	<u>\$ 116,279,086</u>	

Concentration of Credit Risk

As of December 31, 2023, 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, 2023**

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	\$ 27,045,913	\$ -	\$ 27,045,913	\$ -
Municipal Securities	22,500,650	-	22,500,650	-
WISC - Investment Class Fund	697,130	-	697,130	-
WISC - Limited Term Duration Fund	5,950,561	-	5,950,561	-
Bankers Acceptances	980,287	-	980,287	-
Commercial Paper	3,982,779	-	3,982,779	-
Total Fair Value of Investments	\$ 61,157,320	\$ -	\$ 61,157,320	\$ -

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, 2023, an allowance for uncollectible accounts has been established for ambulance billings of \$1,137,688.

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

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, 2023, the outstanding principal on the note is \$1,375,000.

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:

	Unavailable	Tax Levy / Leases	Total
Property Taxes Receivable	\$ -	\$ 62,383,488	\$ 62,383,488
Special Assessments	649,196	-	649,196
Leases Receivable	-	981,940	981,940
Other Accounts Receivable	270,583	-	270,583
Total	\$ 919,779	\$ 63,365,428	\$ 64,285,207

D. Restricted Assets

Following is a list of restricted assets at December 31, 2023:

Business-Type Activities:

Cash and Investments:

Special Redemption Funds:

Bond Reserve Fund	\$ 1,036,376
Bond Principal and Interest Fund	950,483
Total Business-Type Activities	\$ 1,986,859

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Capital Assets

Capital asset activity for the year ended December 31, 2023, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Land	\$ 24,794,239	\$ -	\$ -	\$ 24,794,239
Construction in Progress	4,084,784	4,188,582	3,977,973	4,295,393
Total Capital Assets not Being Depreciated	28,879,023	4,188,582	3,977,973	29,089,632
Capital Assets Being Depreciated:				
Buildings	32,438,235	2,342,894	174,172	34,606,957
Improvements	13,677,749	882,050	-	14,559,799
Machinery and Equipment	28,412,836	1,254,043	1,303,957	28,362,922
Infrastructure	128,702,907	4,674,346	1,780,579	131,596,674
Subscription Asset	395,651	-	-	395,651
Total Capital Assets Being Depreciated	203,627,378	9,153,333	3,258,708	209,522,003
Less: Accumulated Depreciation and Amortization for:				
Buildings	16,159,602	794,124	115,252	16,838,474
Improvements	5,956,984	736,408	-	6,693,392
Machinery and Equipment	18,939,311	1,955,015	1,217,719	19,676,607
Infrastructure	51,463,283	4,415,864	1,780,579	54,098,568
Subscription Asset	-	144,410	-	144,410
Total Accumulated Depreciation and Amortization	92,519,180	8,045,821	3,113,550	97,451,451
Capital Assets Being Depreciated, Net of Depreciation and Amortization	111,108,198	1,107,512	145,158	112,070,552
Total Capital Assets, Net of Depreciation and Amortization	<u>\$ 139,987,221</u>	<u>\$ 5,296,094</u>	<u>\$ 4,123,131</u>	<u>\$ 141,160,184</u>

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General Government	\$ 135,499
Public Safety	1,271,216
Public Works, which includes the Depreciation of Infrastructure	4,431,889
Health and Human Services	274
Recreation and Education	809,501
Depreciation Expense-Allocated with Internal Service Fund	1,397,442
Total Governmental Activities Depreciation Expense	<u>\$ 8,045,821</u>

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

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	6,754,072	7,810,141	5,943,553	8,620,660
Total Capital Assets not Being Depreciated	6,835,477	7,810,141	5,943,553	8,702,065
Capital Assets Being Depreciated:				
Buildings	1,548,708	-	-	1,548,708
Machinery and Equipment	4,529,044	38,210	20,249	4,547,005
Improvements Other Than Buildings	225,897,521	9,597,549	737,281	234,757,789
Total Capital Assets Being Depreciated	231,975,273	9,635,759	757,530	240,853,502
Less: Accumulated Depreciation for:				
Buildings	686,153	34,485	-	720,638
Machinery and Equipment	2,291,334	146,347	20,249	2,417,432
Improvements Other Than Buildings	62,327,395	3,305,819	705,614	64,927,600
Total Accumulated Depreciation	65,304,882	3,486,651	725,863	68,065,670
Capital Assets Being Depreciated, Net of Depreciation	166,670,391	6,149,108	31,667	172,787,832
Total Capital Assets, Net of Depreciation	<u>\$ 173,505,868</u>	<u>\$ 13,959,249</u>	<u>\$ 5,975,220</u>	<u>\$ 181,489,897</u>

Depreciation expense was charged to functions as follows:

Business-Type Activities:	
Water Utility:	
Depreciation	\$ 1,286,074
Depreciation Charged to Sanitary Sewer	76,109
Total	<u>1,362,183</u>
Sanitary Sewer	1,132,915
Storm Water Management	991,553
Total Business-Type Activities Depreciation Expense	<u>\$ 3,486,651</u>

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

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	\$ 951,252
General Fund	Nonmajor governmental funds	818,988
		1,770,240
Proprietary Funds:		
Sanitary Sewer	General Fund	362,289
Storm Water Management	General Fund	149,801
Water Utility	General Fund	358,956
		871,046
Total Interfund Receivables		\$ 2,641,286

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 Fund. 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, 2023, was \$1,086,839.

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, 2023, was \$300,000.

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

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	\$ 951,252
	Tax Increment Districts	75,000
	ARPA Grant Fund	300,000
		<u>1,326,252</u>
Debt Service Fund	General Fund	8,637,025
	Tax Increment Districts	3,516,226
	Nonmajor Governmental	171,989
		<u>12,325,240</u>
Capital Projects Fund - General Obligation Debt Issued	General Fund	918,000
	Tax Increment Districts	-
	Nonmajor Governmental	737,274
	Internal Service Funds	475,000
		<u>2,130,274</u>
Nonmajor Governmental Funds	General Fund	5,852,658
	Capital Projects Fund	74,708
	Tax Increment Districts	18,049
	Nonmajor Governmental	55,000
	Internal Service Funds	1,332,147
		<u>7,332,562</u>
Total Interfund Transfers		<u><u>\$ 23,114,328</u></u>
Reconciliation of Transfers In (Out):		
Governmental Funds Transfers In		\$ 23,114,328
Governmental Funds Transfers Out		(20,355,929)
Capital outlay reported as transfers to Business-Type Activities		(468,809)
Net Governmental transfers from internal service funds		(1,807,147)
Business-Type Activities		<u><u>\$ 482,443</u></u>

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

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, 2023, 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	\$ 90,465,000	\$ 9,745,000	\$ 10,010,000	\$ 90,200,000	\$ 9,795,000
Bond Premium	2,276,254	464,208	328,876	2,411,586	-
Total General Obligation Debt	92,741,254	10,209,208	10,338,876	92,611,586	9,795,000
Municipal Revenue Obligation	31,498,391	-	2,913,900	28,584,491	-
Total Bonds and Notes Payable	124,239,645	10,209,208	13,252,776	121,196,077	9,795,000
Other Liabilities:					
Accrued Unused Vacation	3,333,700	6,619,502	6,658,154	3,295,048	3,295,048
Subscription Liability	395,651	-	180,998	214,653	188,491
Landfill Postclosure Liability	102,167	-	18,443	83,724	18,443
Total Other Liabilities	3,831,518	6,619,502	6,857,595	3,593,425	3,501,982
Total Governmental Activities Long-Term Liabilities	<u>\$ 128,071,163</u>	<u>\$ 16,828,710</u>	<u>\$ 20,110,371</u>	<u>\$ 124,789,502</u>	<u>\$ 13,296,982</u>
Business-Type Activities:					
Bonds and Notes Payable:					
General Obligation Debt	\$ 44,840,000	\$ 7,295,000	\$ 6,660,000	\$ 45,475,000	\$ 6,405,000
Revenue Bonds	9,140,000	-	670,000	8,470,000	675,000
Unamortized Bond Premium	977,270	744,969	187,574	1,534,665	-
Total Business-Type Activities Long-Term Liabilities	<u>\$ 54,957,270</u>	<u>\$ 8,039,969</u>	<u>\$ 7,517,574</u>	<u>\$ 55,479,665</u>	<u>\$ 7,080,000</u>

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

Accrued unused vacation accumulated from governmental activities are typically liquidated from the governmental fund that the employees related pay is charged to, primarily the general fund.

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

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 12/31/23
Promissory Notes	12/02/14	12/01/24	1.000 - 3.000	7,430,000	1,015,000
	12/02/14	12/01/24	2.000 - 3.000	5,240,000	1,200,000
	04/01/15	10/01/35	3.000 - 5.000	6,200,000	4,875,000
	12/01/15	12/01/30	2.000 - 4.000	20,525,000	8,825,000
	12/01/15	12/01/30	2.250 - 3.650	7,400,000	3,000,000
	12/01/16	12/01/36	3.000 - 4.000	7,495,000	4,710,000
	12/06/16	12/01/31	3.000 - 4.000	1,925,000	1,375,000
	11/03/17	11/01/32	2.000 - 3.000	10,180,000	6,590,000
	11/20/18	11/01/34	3.750 - 4.500	3,690,000	2,775,000
	11/20/18	11/01/33	3.000 - 4.000	10,020,000	6,270,000
	11/20/18	11/01/28	3.000 - 4.000	1,215,000	635,000
	12/02/19	12/01/39	2.375 - 4.000	4,540,000	3,620,000
	12/02/19	12/01/29	2.500 - 3.000	1,260,000	975,000
	12/01/20	12/01/30	0.050 - 4.000	4,890,000	3,895,000
	12/01/20	12/01/30	0.050 - 4.000	1,405,000	1,005,000
	12/01/21	11/01/34	1.750 - 5.000	6,490,000	5,435,000
	12/01/21	11/01/31	2.000 - 2.000	2,340,000	1,915,000
	04/28/22	12/01/38	3.000 - 3.950	12,030,000	12,030,000
	12/01/22	12/01/37	4.000 - 5.000	3,660,000	2,795,000
	12/01/22	12/01/32	4.000	4,270,000	1,270,000
	12/01/22	12/01/37	4.950 - 5.550	5,520,000	5,520,000
	12/18/23	03/15/25	5.750	665,000	665,000
	12/04/23	12/01/38	5.000	7,810,000	7,810,000
	12/04/23	12/01/33	4.000 - 5.000	1,270,000	1,270,000
					89,475,000
Refunding Bonds	12/01/21	03/01/24	0.250 - 2.200	2,165,000	725,000
Total General Obligation Debt					\$ 90,200,000

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, 2023, was \$1,524,878.

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

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, 2023, was \$1,068,349.

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, 2023, was \$806,949.

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, 2023, was \$2,312,050.

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 became 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, 2023, was \$922,344.

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

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 became 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, 2023, was \$4,611,938.

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 became 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, 2023, was \$12,516,241.

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 became 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, 2023, was \$1,420,036.

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 became 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. 13. The outstanding balance as of December 31, 2023, was \$1,865,752.

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-Term Obligations (Continued)

Governmental Activities Debt (Continued)

Municipal Revenue Obligation (Continued)

During 2022, 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 2022 of \$1,535,957 and will become eligible for repayment beginning in 2023. 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, 2023, was \$1,535,956.

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 12/31/23
WATER						
Waterworks System						
Revenue Bonds:						
Series 2013	11/19/13	1.750 - 4.125	1/1/15-34	1/1&7/1	4,575,000	200,000
Series 2016	06/21/16	2.000 - 3.500	1/1/17-36	1/1&7/1	4,225,000	2,925,000
Series 2017	11/03/17	3.000	1/1/19-37	1/1&7/1	3,000,000	2,475,000
Series 2018	11/20/18	4.000 - 3.750	1/1/19 -38	1/1&7/1	3,620,000	<u>2,870,000</u>
						8,470,000
General Obligation						
Refunding Bonds	12/01/21	0.250 - 2.200	11/1/22-34	5/1&11/1	2,555,000	2,475,000
Corporate Purpose Bonds	12/02/19	2.500 - 4.000	12/1/20-39	6/1&12/1	7,225,000	5,845,000
Corporate Purpose Bonds	12/01/20	0.050 - 4.000	12/1/21-30	6/1&12/1	3,710,000	3,255,000
Corporate Purpose Bonds	12/01/21	1.750 - 5.000	12/1/22-41	6/1&12/1	1,810,000	1,670,000
Corporate Purpose Bonds	12/01/22	4.000 - 5.000	12/1/22-37	6/1&12/1	3,660,000	615,000
Corporate Purpose Bonds	12/01/23	5.000	12/1/23-38	6/1&12/1	4,630,000	<u>4,630,000</u>
Total Water Utility						26,960,000
SANITARY SEWER						
Promissory Notes:						
Series 2013	08/20/13	2.000 - 3.000	6/1/14-23	6/1&12/1	2,250,000	-
Series 2013	11/19/13	2.500 - 4.250	11/1/14-33	5/1&11/1	7,700,000	-
Series 2014	12/02/14	1.000 - 3.000	12/1/15-24	6/1&12/1	2,750,000	350,000
Series 2015	12/01/15	2.000 - 4.000	12/1/16-30	6/1&12/1	4,075,000	800,000
Series 2016	12/01/16	3.000 - 4.000	12/1/17-35	6/1&12/1	1,770,000	950,000
Series 2017	11/03/17	2.000 - 3.000	11/1/17-32	5/1&11/1	2,990,000	1,950,000
Series 2018	11/20/18	3.000 - 4.000	11/1/19-28	5/1&11/1	1,590,000	865,000
Series 2020	12/01/20	0.050 - 4.000	12/1/21-30	6/1&12/1	1,180,000	<u>625,000</u>
						5,540,000
General Obligation						
Refunding Bonds	12/01/21	0.250 - 2.200	11/1/22-34	5/1&11/1	6,470,000	<u>6,285,000</u>
Total Sanitary Sewer						11,825,000

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

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 12/31/23
STORM WATER MAINTENANCE						
Promissory Notes:						
Series 2014	12/02/14	1.000 - 3.000	12/1/15-24	6/1&12/1	6,190,000	610,000
Series 2015	12/01/15	2.000 - 4.000	12/1/16-30	6/1&12/1	1,775,000	450,000
Series 2016	12/01/16	3.000 - 4.000	12/1/17-35	6/1&12/1	4,000,000	2,375,000
Series 2017	11/03/17	2.000 - 3.000	11/1/17-32	5/1&11/1	1,110,000	350,000
Series 2018	11/20/18	3.000 - 4.000	11/1/19-28	5/1&11/1	3,545,000	2,500,000
Series 2019	12/02/19	2.500 - 4.000	12/1/20-39	6/1&12/1	1,000,000	495,000
Series 2020	12/01/20	0.050 - 4.000	12/1/21-30	6/1&12/1	2,750,000	1,975,000
Series 2021	12/01/21	2.000	12/1/22-31	6/1&12/1	630,000	515,000
Series 2022	12/01/22	4.000	12/1/22-32	6/1&12/1	3,000,000	2,225,000
Series 2023	12/01/23	4.000 - 5.000	12/1/23-33	6/1&12/1	2,665,000	2,665,000
						<u>14,160,000</u>
General Obligation Refunding Bonds	12/01/21	0.250 - 2.200	11/1/22-34	5/1&11/1	1,045,000	<u>1,000,000</u>
Total Storm Water Maintenance						<u>15,160,000</u>
Total Business-Type Activities Debt						<u>\$ 53,945,000</u>

The Water Utility has \$8,470,000 in Waterworks System Revenue Bonds related to Water Utility capital projects outstanding at December 31, 2023. 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 \$11,362,790. Net revenue available for debt service was \$3,105,765, which represents a coverage ratio of 3.32 of debt service for the year ended December 31, 2023.

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, 2023**

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:

Year Ending December 31,	Governmental Long-Term Debt		Business-Type Long-Term Debt	
	Principal	Interest	Principal	Interest
2024	\$ 9,795,000	\$ 3,062,101	\$ 6,405,000	\$ 1,337,769
2025	8,975,000	2,811,927	4,885,000	1,151,240
2026	7,185,000	2,487,433	4,985,000	1,007,647
2027	6,680,000	2,246,284	4,685,000	866,877
2028	7,275,000	2,014,134	4,110,000	726,527
2029-2033	33,095,000	6,579,510	13,095,000	2,293,815
2034-2038	17,195,000	1,814,216	4,700,000	945,914
2039-2043	-	-	2,610,000	279,041
Totals	<u>\$ 90,200,000</u>	<u>\$ 21,015,605</u>	<u>\$ 45,475,000</u>	<u>\$ 8,608,830</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, 2023, was \$480,917,545. Total general obligation debt outstanding at year-end was \$118,635,000.

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 \$83,724 over the next 20 years. The liability for landfill closure and postclosure care is an estimate subject to changes resulting from inflation, deflation, technology, or changes in applicable laws or regulations.

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

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, 2023 includes the following:

Governmental Activities

Net Investment in Capital Assets:	
Nondepreciated	\$ 29,089,632
Depreciated	112,070,552
Less: Related Debt Excluding Unspent Bond Proceeds	<u>(56,532,056)</u>
Total Net Investment in Capital Assets	84,628,128
Restricted for Debt Service	5,456,342
Restricted for Federal and State Grants	218,090
Restricted for Public Library	347
Restricted for Community Development	1,278,553
Restricted for Tourism	1,864,137
Unrestricted	<u>(19,827,405)</u>
Total Governmental Activities Net Position	<u>\$ 73,618,192</u>

Business-Type Activities

Net Investment in Capital Assets:	
Land	\$ 81,405
Construction in Progress	8,620,660
Other Capital Assets, Net of Accumulated Depreciation	172,787,832
Less: Related Long-Term Debt Outstanding (Net of Unspent Proceeds of Debt)	<u>(55,856,794)</u>
Total Net Investment in Capital Assets	125,633,103
Restricted for Debt Service	1,856,805
Restricted for Pension	-
Unrestricted	<u>30,304,965</u>
Total Business-Type Activities Net Position	<u>\$ 157,794,873</u>

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

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, 2023, include the following:

Nonspendable:

Major Funds:

General Fund:

Prepayments and Inventories	\$ 4,656
Noncurrent Receivables	1,286,091
Capital Projects Fund - General Obligation	
Debt Issue Fund	1,184,365

Nonmajor Funds:

Public Library Fund	347
Total Nonspendable	2,475,459

Restricted:

Major Funds:

Special Revenue Fund - Tax Incremental	
District - Debt Service	3,728,279
American Rescue Plan Act (ARPA) Fund	1,899
Debt Service Fund	2,052,832
Capital Projects Fund - General Obligation	
Debt Issue Fund	8,413,045

Nonmajor Funds:

State Grants	216,191
Community Development Fund	1,278,553
Tourism Commission Fund	1,864,137
Total Restricted Fund Balance	17,554,936

Assigned:

Major Funds:

General Fund:

Capital Improvements	1,218,486
Encumbrances	1,139,829
Parks	3,442
Total General Fund	2,361,757

Capital Projects Fund - General Obligation	
Debt Issue Fund	8,914,702

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

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	\$ 1,852,163
Special Revenue Fund - Library Fund	652
Special Revenue Fund - Redevelopment Authority Reserve Fund	1,006,006
Special Revenue Fund - Community Development Fund	3,988,310
Special Revenue Fund - Hospital Policing Fund	69,413
Capital Projects Fund - Information Systems Equipment	1,481,104
Capital Projects Fund - Fleet Equipment	675,772
Capital Projects Fund - Public Works Building Improvement Reserve Fund	<u>329,616</u>
Total Assigned Fund Balance	<u>20,679,495</u>

Unassigned:

Major Funds - General Fund	19,688,525
Nonmajor Funds - Community Development Block Grant	(6,934)
Nonmajor Funds - Special Assessments	<u>(1)</u>
Total Unassigned Fund Balance	<u>19,681,590</u>

Total Governmental Fund Balance	<u><u>\$ 60,391,480</u></u>
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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, 2023**

NOTE 5 OTHER INFORMATION

A. Defined Benefit Pension Plan

General Information about the Plan

Plan Description

The Wisconsin Retirement System (WRS) is a cost-sharing, multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible state of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, 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 issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

Vesting

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

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 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, 2023**

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>
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
2021	5.1	13.0
2022	7.4	15.0

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

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 \$3,778,369 in contributions from the employer.

Contribution rates as of December 31, 2023, are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Including Teachers, Executives, and Elected Officials)	6.50 %	6.50 %
Protective With Social Security	6.50	12.00
Protective Without Social Security	6.50	16.40

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

At December 31, 2023, the City reported a liability (asset) of \$16,810,487 for its proportional share of the net pension liability (asset). The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2021, rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net 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, 2022, the City's proportion was .31731648%, which was an increase of .00629203% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized pension expense (credit) of \$8,522,840.

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

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, 2023, 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	\$ 26,773,896	\$ 35,174,889
Changes in Assumptions	3,305,637	-
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	28,557,136	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	75,805	215,453
Employer Contributions Subsequent to the Measurement Date	4,310,763	-
Total	\$ 63,023,237	\$ 35,390,342

\$4,310,763 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, 2023. 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:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 952,141
2025	4,819,891
2026	4,923,024
2027	12,627,076
2028	-
Total	\$ 23,322,132

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

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, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability (Asset):	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8 %
Discount Rate:	6.8 %
Salary Increases:	
Inflation	3.0 %
Seniority\Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Postretirement Adjustments:*	1.7 %

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

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The Total Pension Liability for December 31, 2022, is based upon a roll-forward of the liability calculated from the December 31, 2021, actuarial valuation.

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

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	Long-Term Expected Nominal Rate of Return	Long-Term Expected Real Rate of Return
	Percent	Percent	Percent
Core Fund Asset Class:			
Global Equities	48.00 %	7.60 %	5.00 %
Fixed Income	25.00	5.30	2.70
Inflation Sensitive Assets	19.00	3.60	1.10
Real Estate	8.00	5.20	2.60
Private Equity/Debt	15.00	9.60	6.90
Multi-Asset			
Total Core Fund	<u>115.00 %</u>	<u>7.40 %</u>	<u>4.80 %</u>
Variable Fund Asset Class:			
U.S. Equities	70.00 %	7.20 %	4.60 %
International Equities	30.00	8.10	5.50
Total Variable Fund	<u>100.00 %</u>	<u>7.70 %</u>	<u>5.10 %</u>

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

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

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

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

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 6.8% was used to measure the Total Pension Liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s proportionate share of the net pension liability (asset) to changes in the discount rate – The following presents the City’s proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, as well as what the City’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
The City’s Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 55,793,458</u>	<u>\$ 16,810,487</u>	<u>\$(10,006,454)</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, 2023**

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, 2023. 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, 2023. 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, 2023**

NOTE 5 OTHER INFORMATION (CONTINUED)

B. Risk Management (Continued)

Self-Insured General and Auto Liability (Continued)

At December 31, 2023, the Risk Management General Liability Fund had net position of \$5,830,735 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:

	2023	2022
Unpaid Claims - Beginning of Year	\$ 356,065	\$ 568,212
Current Year Claims and Changes in Estimates	182,571	108,813
Claim Payments Net of Recoveries	240,608	320,960
Unpaid Claims - End of Year	\$ 298,028	\$ 356,065

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 \$1,660,488 reported in the employee insurance internal service funds at December 31, 2023, 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, 2023 and 2022 were as follows:

	Beginning Balance	Current Year Claims and Changes in Estimates	Claim Payments	Ending Balance
2022	\$ 1,304,610	\$ 8,985,111	\$ 9,052,013	\$ 1,237,708
2023	1,237,708	9,725,211	9,302,431	1,660,488

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

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	\$ 6,466,215
Other Postemployment Obligation	(36,618,430)
Other Postemployment Net Deferred Inflows and Outflows	<u>5,852,278</u>
Total	<u><u>\$ (24,299,937)</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 No. 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, 2023**

NOTE 5 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits (Continued)

Employees Covered by Benefit Terms

At December 31, 2023, the following employees were covered by the benefits terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	109
Active Plan Members	283
Total	<u>392</u>

Total OPEB Liability

The City's total OPEB liability of \$36,618,430 was measured as of December 31, 2023, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2023, 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, 2022
Measurement Date:	December 31, 2022
Salary Increases:	3.5%
Inflation:	3.0%
Assumed Rate of Return on Plan Assets:	3.72%
Plan Participation of Future Retirees:	95.0%
Discount Rate:	3.72%
Healthcare Cost Trend Rates:	6.5% decreasing to 3.7%

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, 2023**

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, 2023, 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

	<u>Total OPEB Liability</u>
Balance - December 31, 2022	\$ 41,184,603
Changes for the Year:	
Service Cost	1,752,565
Interest on Total OPEB Liability	853,074
Effect of Plan Changes	-
Effect of Liability Gains or Losses	279,844
Effect of Assumptions Changes or Inputs	(4,384,365)
Benefit Payments	<u>(3,067,291)</u>
Net Changes	<u>(4,566,173)</u>
Balance - December 31, 2023	<u>\$ 36,618,430</u>

The City utilized the Employee Health Insurance Internal Service Fund to liquidate OPEB liabilities as they become due.

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

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 (2.72%) or one percentage-point higher (4.72%) than the current discount rate:

	Discount Rate		
		Current	
	1% Decrease (2.72%)	Discount Rate (3.72%)	1% Increase (4.72%)
Total OPEB Liability	\$ 39,191,221	\$ 36,618,430	\$ 34,243,526

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 (5.5% Decreasing to 2.7%)	Trend Rates (6.5% Decreasing to 3.7%)	1% Increase (7.5% Decreasing to 4.7%)
Total OPEB Liability	\$ 33,753,245	\$ 36,618,430	\$ 39,899,362

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

For the year ended December 31, 2023, the City recognized OPEB expense of \$20,824. At December 31, 2023, 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	\$ 2,899,014	\$ -
Changes of Assumptions or Other Input	3,359,258	4,100,331
Contributions made Subsequent to the Measurement Date	3,694,337	-
Total	\$ 9,952,609	\$ 4,100,331

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

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)

\$3,694,337 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, 2023. 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>
2023	\$ 842,400
2024	770,032
2025	764,952
2026	361,242
2027	(306,198)
Thereafter	(274,487)
Total	<u>\$ 2,157,941</u>

D. Leases

The City, acting as lessor, leases tower space, non-cancelable lease agreements. The lease expire at various dates through 2052. The City will receive annual installments ranging from \$410,000 to \$2.8 million for such leases. The City used the incremental borrowing rate as the interest rate for lease receivables.

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

NOTE 5 OTHER INFORMATION (CONTINUED)

D. Leases (continued)

During the year ended December 31, 2023, the City recognized \$874,954 and \$323,721 in lease revenue and interest revenue, respectively, pursuant to these contracts. As of December 31, 2023, the City's receivable for lease payments was \$8,190,690. Also, the City has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term. As of December 31, 2023, the balance of the deferred inflows of resources was \$7,422,875. The future minimum lease receivables for these arrangements are as follows:

Year Ended December 31,	Leases Receivable	
	Totals	
	Principal	Interest
2024	65,715	361,519
2025	85,119	358,340
2026	106,122	354,275
2027	128,829	349,251
2028	167,129	342,962
2029-2033	1,218,062	1,571,280
2034-2038	1,870,310	1,247,966
2039-2043	2,423,751	750,560
2044-2048	1,766,607	288,137
2049-2053	359,046	16,495
Totals	8,190,690	5,640,785

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, 2023, 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.

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

NOTE 5 OTHER INFORMATION (CONTINUED)

F. Tax Abatements (continued)

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 2023, \$135,644 was repaid on this borrowing. The remaining balance outstanding as of December 31, 2023, is \$1,086,839. This amount is included in the General Fund as an advance to other funds.

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

A. Plan Summaries

The City has ten 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. Tax Incremental District No. 14 was created on September 20, 2022, and has a dissolution date of January 1, 2049. Tax Incremental District No. 15 was created on September 19, 2023, and has a dissolution date of January 1, 2050.

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, 2023, was \$1,086,839.

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, 2023, was \$300,000.

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

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

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>
2024	\$ 700,000	\$ 666,431	\$ 1,366,431
2025	650,000	640,244	1,290,244
2026	675,000	616,994	1,291,994
2027	1,155,000	592,194	1,747,194
2028	1,580,000	552,794	2,132,794
2029 - 2033	7,670,000	1,977,964	9,647,964
2034 - 2038	6,800,000	720,512	7,520,512
Total	<u>\$ 19,230,000</u>	<u>\$ 5,767,133</u>	<u>\$ 24,997,133</u>

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>
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	815,000	169,995	984,995
2028	825,000	141,320	966,320
2029 - 2033	2,880,000	337,073	3,217,073
2034	405,000	15,810	420,810
Total	<u>\$ 9,165,000</u>	<u>\$ 1,387,433</u>	<u>\$ 10,552,433</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>
2024	\$ 75,000	\$ 3,938	\$ 78,938
2025	75,000	2,063	77,063
Total	<u>\$ 150,000</u>	<u>\$ 6,001</u>	<u>\$ 156,001</u>

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

NOTE 6 TAX INCREMENTAL DISTRICTS 5, 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. 11 are as follows:

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 55,000	\$ 74,413	\$ 129,413
2025	55,000	72,763	127,763
2026	55,000	70,563	125,563
2027	60,000	68,913	128,913
2028	60,000	67,113	127,113
2028 - 2032	715,000	301,700	1,016,700
2033 - 2036	1,085,000	81,875	1,166,875
Total	<u>\$ 2,085,000</u>	<u>\$ 737,340</u>	<u>\$ 2,822,340</u>

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***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service Cost	\$ 1,752,565	\$ 1,628,862	\$ 1,422,667	\$ 1,192,606	\$ 1,298,153	\$ 1,173,046
Interest on Total OPEB Liability	853,074	779,382	964,967	1,349,656	1,192,376	1,310,873
Effect of Plan Changes	-	-	-	17,448	-	-
Effect of Economic/Demographic (Gains) or Losses	279,844	2,236,595	634,893	1,450,482	661,100	-
Effect of Assumption Changes or Inputs	(4,384,365)	2,730,024	1,385,687	1,502,330	(1,490,762)	784,072
Benefit Payments	(3,067,291)	(2,635,545)	(3,492,400)	(3,383,691)	(3,221,014)	(3,593,299)
Net Change in Total OPEB Liability	<u>(4,566,173)</u>	<u>4,739,318</u>	<u>915,814</u>	<u>2,128,831</u>	<u>(1,560,147)</u>	<u>(325,308)</u>
Total OPEB Liability - Beginning	<u>41,184,643</u>	<u>36,445,325</u>	<u>35,529,511</u>	<u>33,400,680</u>	<u>34,960,827</u>	<u>35,286,135</u>
Total OPEB Liability - Ending	<u>\$ 36,618,470</u>	<u>\$ 41,184,643</u>	<u>\$ 36,445,325</u>	<u>\$ 35,529,511</u>	<u>\$ 33,400,680</u>	<u>\$ 34,960,827</u>
Covered - Employee Payroll*	<u>\$ 36,059,000</u>	<u>\$ 34,556,000</u>	<u>\$ 28,267,000</u>	<u>\$ 32,373,184</u>	<u>\$ 29,943,000</u>	<u>\$ 29,094,000</u>
City's total OPEB Liability as a Percentage of Covered Employee Payroll*	101.55%	119.18%	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,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability (Asset)	0.31731648%	0.31102445%	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>\$ 16,810,487</u>	<u>\$ (25,069,142)</u>	<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>\$ 34,994,353</u>	<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>	<u>\$ 28,350,192</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	95.72 %	106.02 %	105.26 %	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>2023</u>	<u>2022</u>	<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>\$ 4,310,763</u>	<u>\$ 3,778,369</u>	<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 INCREMENTS - DECEMBER 31, 2023	<u>\$ 4,310,763</u>	<u>\$ 3,778,369</u>	<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>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	<u>\$ 34,994,343</u>	<u>\$ 34,971,305</u>	<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	12.32 %	10.80 %	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, 2023**

OTHER POSTEMPLOYMENT BENEFIT PLAN

No assets are accumulated in a trust that meets the criteria of paragraph 4 of that GASB Statement No. 75.

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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
TAXES				
General Property Taxes	\$ 49,978,616	\$ 49,978,616	\$ 49,978,616	\$ -
Prior Year's Omitted Taxes	-	-	53,130	53,130
Hotel and Motel Room Tax	1,600,000	1,940,000	1,940,906	906
Payments in Lieu of Taxes	588,835	588,835	541,451	(47,384)
Interest on Taxes	90,000	90,000	128,873	38,873
Property Tax Chargebacks	-	473,145	380,179	(92,966)
Total Taxes	<u>52,257,451</u>	<u>53,070,596</u>	<u>53,023,155</u>	<u>(47,441)</u>
INTERGOVERNMENTAL				
State Shared Taxes	5,875,986	5,949,249	5,944,287	(4,962)
Federal Grants	156,858	128,858	91,598	(37,260)
State Grants	854,285	1,419,794	1,089,745	(330,049)
Total Intergovernmental	<u>6,887,129</u>	<u>7,497,901</u>	<u>7,125,630</u>	<u>(372,271)</u>
LICENSES AND PERMITS				
Licenses	300,900	290,900	288,649	(2,251)
Permits	1,316,485	1,337,950	1,519,099	181,149
Total Licenses and Permits	<u>1,617,385</u>	<u>1,628,850</u>	<u>1,807,748</u>	<u>178,898</u>
FINES, PENALTIES, AND FORFEITURES				
Court Penalties and Costs	390,000	376,000	284,215	(91,785)
Parking Violations	542,500	350,000	362,872	12,872
Other Penalties and Fees	105,000	105,000	111,575	6,575
Total Fines, Penalties, and Forfeitures	<u>1,037,500</u>	<u>831,000</u>	<u>758,662</u>	<u>(72,338)</u>
PUBLIC IMPROVEMENT REVENUES				
Special Assessments	10,000	13,115	16,043	2,928
INCREMENTS - DECEMBER 31, 2023				
General Government	421,740	432,640	409,670	(22,970)
Public Safety	2,455,245	2,441,746	2,250,430	(191,316)
Health and Social Services	13,055	13,055	13,218	163
Streets and Related Facilities	67,000	77,280	80,932	3,652
Sanitation	216,650	208,000	242,894	34,894
Total Public Charges for Services	<u>3,173,690</u>	<u>3,172,721</u>	<u>2,997,144</u>	<u>(175,577)</u>
INTERGOVERNMENTAL CHARGES FOR SERVICES				
County:				
Paramedics	152,685	152,685	195,495	42,810
Fire Protection Service	1,287,500	1,287,500	1,350,000	62,500
Local Departments	118,462	153,924	151,574	(2,350)
Total Intergovernmental Charges for Services	<u>1,558,647</u>	<u>1,594,109</u>	<u>1,697,069</u>	<u>102,960</u>
COMMERCIAL REVENUES				
Interest	2,039,000	2,821,000	4,860,695	2,039,695
Rentals	33,274	33,274	74,290	41,016
Other Miscellaneous Revenue	110,100	1,190,222	383,607	(806,615)
Total Commercial Revenues	<u>2,182,374</u>	<u>4,044,496</u>	<u>5,318,592</u>	<u>1,274,096</u>
Total Revenues	<u>\$ 68,724,176</u>	<u>\$ 71,852,788</u>	<u>\$ 72,744,043</u>	<u>\$ 891,255</u>

CITY OF WAUWATOSA, WISCONSIN
SCHEDULE OF EXPENDITURES – ACTUAL AND BUDGET – GENERAL FUND
YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
GENERAL GOVERNMENT				
Mayor	\$ 74,605	\$ 74,605	\$ 52,320	\$ 22,285
Common Council	197,345	195,845	187,276	8,569
Youth Commission	1,504	13,094	3,959	9,135
Historical Preservation Commission	2,500	28,206	3,258	24,948
Senior Commission	1,371	15,486	2,948	12,538
Municipal Court	241,624	241,624	210,494	31,130
City Attorney	468,152	468,732	463,683	5,049
Litigation Reserve	1,250,000	1,855,670	1,862,342	(6,672)
City Administration	728,064	733,696	736,295	(2,599)
City Clerk	388,416	390,874	403,791	(12,917)
Elections	239,393	254,386	176,988	77,398
Human Resources	922,687	1,023,198	1,027,000	(3,802)
City Assessor	703,036	724,883	672,630	52,253
Finance	1,273,060	1,238,548	1,276,929	(38,381)
Remission of Taxes	-	501,492	510,982	(9,490)
Bike and Pedestrian Committee	49,697	63,697	51,168	12,529
Nondepartmental	118,959	194,404	118,158	76,246
Total General Government	<u>6,660,413</u>	<u>8,018,440</u>	<u>7,760,221</u>	<u>258,219</u>
PUBLIC SAFETY				
Milwaukee Area Domestic Animal	64,186	64,186	64,186	-
Police	17,893,941	18,448,768	18,010,807	437,961
Police Reserves	9,736	9,736	9,067	669
Fire	15,755,321	16,095,316	16,598,771	(503,455)
Crossing Guards	269,906	269,906	196,924	72,982
Traffic Control and Regulation	650,988	789,733	665,056	124,677
Police Station	299,541	327,395	276,350	51,045
Building and Code Enforcement	1,089,379	1,110,879	1,127,942	(17,063)
Total Public Safety	<u>36,032,998</u>	<u>37,115,919</u>	<u>36,949,103</u>	<u>166,816</u>
PUBLIC WORKS				
Public Works Operations	276,368	299,880	286,755	13,125
Roadway Maintenance	2,200,633	2,954,860	2,800,961	153,899
Electrical Services	1,038,752	1,044,752	986,703	58,049
Solid Waste Management	2,615,773	2,621,679	2,566,658	55,021
Engineering	1,002,434	1,127,420	1,314,276	(186,856)
Total Public Works	<u>7,133,960</u>	<u>8,048,591</u>	<u>7,955,353</u>	<u>93,238</u>
HEALTH AND HUMAN SERVICES				
Health	2,139,237	2,142,584	1,772,973	369,611
CONSERVATION AND DEVELOPMENT				
Forestry	1,771,905	1,861,188	1,800,466	60,722
Planning and Zoning	474,697	526,514	484,802	41,712
Economic Development	235,898	687,698	610,685	77,013
Total Highway and Transportation	<u>2,482,500</u>	<u>3,075,400</u>	<u>2,895,953</u>	<u>179,447</u>
DEBT SERVICE				
Principal	-	-	144,204	(144,204)
Interest	-	-	13,428	(13,428)
Total Debt Service	<u>-</u>	<u>-</u>	<u>157,632</u>	<u>(157,632)</u>
CAPITAL OUTLAY	<u>49,000</u>	<u>81,711</u>	<u>92,370</u>	<u>(10,659)</u>
Total Expenditures	<u>\$ 54,498,108</u>	<u>\$ 58,482,645</u>	<u>\$ 57,425,973</u>	<u>\$ 1,056,672</u>

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

	Special Revenue Funds						
	Special Assessments	Community Development Block Grant	Revolving Fund for Designated Revenues	Parks	Public Library	Redevelopment Reserve Fund	Community Development Fund
ASSETS							
Cash and Cash Equivalents	\$ -	\$ -	\$ 222,631	\$ 1,818,313	\$ 34,460	\$ 706,006	\$ 1,069,704
Taxes Receivable	131,286	-	-	-	-	-	-
Special Assessments Receivable:							
Due in Installments	648,861	-	-	-	-	-	-
Leases receivable	-	-	-	438,393	-	-	-
Due from Other Funds	-	-	-	-	-	-	-
Other Accrued Receivables	-	98,603	200	3,000	-	-	317,555
Prepayments	-	-	-	-	347	-	-
Assets Held for Sale	-	-	-	-	-	-	3,976,804
Advance to Special Revenue Fund	-	-	-	-	-	300,000	-
Total Assets	\$ 780,147	\$ 98,603	\$ 222,831	\$ 2,259,706	\$ 34,807	\$ 1,006,006	\$ 5,364,063
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 38,250	\$ 82,335	\$ 6,640	\$ 10,208	\$ 33,808	\$ -	\$ 11,250
Due to Other Funds	92,702	9,651	-	-	-	-	-
Customer Deposits	-	-	-	1,089	-	-	-
Unearned Revenue	-	13,551	-	-	-	-	85,950
Total Liabilities	130,952	105,537	6,640	11,297	33,808	-	97,200
DEFERRED INFLOWS OF RESOURCES							
Special Assessments	649,196	-	-	-	-	-	-
Leases	-	-	-	396,246	-	-	-
Total Deferred Inflows	649,196	-	-	396,246	-	-	-
FUND BALANCES							
Nonspendable	-	-	-	-	347	-	-
Restricted	-	-	216,191	-	-	-	1,278,553
Assigned	-	-	-	1,852,163	652	1,006,006	3,988,310
Unassigned	(1)	(6,934)	-	-	-	-	-
Total Fund Balances	(1)	(6,934)	216,191	1,852,163	999	1,006,006	5,266,863

CITY OF WAUWATOSA, WISCONSIN
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2023

	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	\$ -	\$ 1,893,799	\$ 1,481,104	\$ 675,772	\$ 329,616	\$ 8,231,405
Taxes Receivable	-	-	-	-	-	131,286
Special Assessments Receivable:						
Due in Installments	-	-	-	-	-	648,861
Due from Other Funds	-	-	-	-	-	438,393
Other Accrued Receivables	786,048	-	-	-	-	1,205,406
Prepayments	-	-	-	-	-	347
Assets Held for Sale	-	-	-	-	-	3,976,804
Advance to Special Revenue Fund	-	-	-	-	-	300,000
Total Assets	\$ 786,048	\$ 1,893,799	\$ 1,481,104	\$ 675,772	\$ 329,616	\$ 14,932,502
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ -	\$ 29,662	\$ -	\$ -	\$ -	\$ 212,153
Due to Other Funds	716,635	-	-	-	-	818,988
Customer Deposits	-	-	-	-	-	1,089
Unearned Revenue	-	-	-	-	-	99,501
Total Liabilities	716,635	29,662	-	-	-	1,131,731
DEFERRED INFLOWS OF RESOURCES						
Special Assessments	-	-	-	-	-	649,196
Total Deferred Inflows	-	-	-	-	-	396,246
FUND BALANCES						
Nonspendable	-	-	-	-	-	347
Restricted	-	1,864,137	-	-	-	3,358,881
Assigned	69,413	-	1,481,104	675,772	329,616	9,403,036
Unassigned	-	-	-	-	-	(6,935)
Total Fund Balances	69,413	1,864,137	1,481,104	675,772	329,616	12,755,329

CITY OF WAUWATOSA, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	Special Revenue Funds						
	Special Assessments	Community Development Block Grant	Revolving Fund for Designated Revenues	Parks	Public Library	Redevelopment Reserve Fund	Community Development Fund
REVENUES							
Intergovernmental Revenues	\$ -	\$ 1,146,109	\$ 12,195	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	2,595	-	-	-
Public Improvement Revenues	560,295	-	-	-	-	-	-
Public Charges for Services	-	-	-	280,479	313,033	-	-
Commercial Revenues	-	-	50,886	114,271	-	-	24,779
Total Revenues	<u>560,295</u>	<u>1,146,109</u>	<u>63,081</u>	<u>397,345</u>	<u>313,033</u>	<u>-</u>	<u>24,779</u>
EXPENDITURES							
Current:							
Public Safety	-	-	108,593	-	-	-	-
Recreation and Education	-	-	-	941,809	3,273,294	-	-
Conservation and Development	-	1,146,108	-	-	-	285	728,012
Culture	-	-	-	-	-	-	-
Debt Service:							
Interest and Other Fiscal Charges	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>1,146,108</u>	<u>108,593</u>	<u>941,809</u>	<u>3,273,294</u>	<u>285</u>	<u>728,012</u>
EXCESS OF REVENUES OVER (UNDER)							
EXPENDITURES	560,295	1	(45,512)	(544,464)	(2,960,261)	(285)	(703,233)
OTHER FINANCING SOURCES (USES)							
Long-Term Debt Issued	-	-	-	-	-	-	-
Proceeds from the Sale of Assets	-	-	60,940	-	-	-	-
Transfers In	-	-	74,708	1,367,764	2,960,260	18,049	220,000
Transfers Out	(560,295)	-	(23,979)	(274,989)	-	(55,000)	-
Total Other Financing Sources (Uses)	<u>(560,295)</u>	<u>-</u>	<u>111,669</u>	<u>1,092,775</u>	<u>2,960,260</u>	<u>(36,951)</u>	<u>220,000</u>
NET CHANGE IN FUND BALANCES	-	1	66,157	548,311	(1)	(37,236)	(483,233)
Fund Balances - Beginning of Year	<u>(1)</u>	<u>(6,935)</u>	<u>150,034</u>	<u>1,303,852</u>	<u>1,000</u>	<u>1,043,242</u>	<u>5,750,096</u>
FUND BALANCES - END OF YEAR	<u>\$ (1)</u>	<u>\$ (6,934)</u>	<u>\$ 216,191</u>	<u>\$ 1,852,163</u>	<u>\$ 999</u>	<u>\$ 1,006,006</u>	<u>\$ 5,266,863</u>

CITY OF WAUWATOSA, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	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	\$ -	\$ 22,086	\$ -	\$ -	\$ -	\$ 1,180,390
Licenses and Permits	-	-	-	-	-	2,595
Public Improvement Revenues	-	-	-	-	-	560,295
Public Charges for Services	2,272,398	-	-	-	-	2,865,910
Commercial Revenues	-	31,939	-	46,574	-	268,449
Total Revenues	2,272,398	54,025	-	46,574	-	4,877,639
EXPENDITURES						
Current:						
Public Safety	2,225,889	-	-	-	-	2,334,482
Recreation and Education	-	-	-	-	-	4,215,103
Conservation and Development	-	-	-	-	-	1,874,405
Culture	-	951,625	-	-	-	951,625
Debt Service:						
Interest and Other Fiscal Charges	-	-	-	-	-	-
Capital Outlay	-	-	-	1,111,122	969	1,112,091
Total Expenditures	2,225,889	951,625	-	1,111,122	969	10,487,706
EXCESS OF REVENUES OVER (UNDER)						
EXPENDITURES	46,509	(897,600)	-	(1,064,548)	(969)	(5,610,067)
OTHER FINANCING SOURCES (USES)						
Long-Term Debt Issued	-	-	-	-	-	-
Proceeds from the Sale of Assets	-	-	-	151,094	-	212,034
Transfers In	-	1,358,634	264,754	974,170	94,223	7,332,562
Transfers Out	(50,000)	-	-	-	-	(964,263)
Total Other Financing Sources (Uses)	(50,000)	1,358,634	264,754	1,125,264	94,223	6,580,333
NET CHANGE IN FUND BALANCES	(3,491)	461,034	264,754	60,716	93,254	970,266
Fund Balances - Beginning of Year	72,904	1,403,103	1,216,350	615,056	236,362	11,785,063
FUND BALANCES - END OF YEAR	\$ 69,413	\$ 1,864,137	\$ 1,481,104	\$ 675,772	\$ 329,616	\$ 12,755,329

**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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Public Improvement Revenues	\$ -	\$ -	\$ 560,295	\$ 560,295
Total Revenues	<u>-</u>	<u>-</u>	560,295	560,295
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>-</u>	<u>-</u>	<u>(560,295)</u>	<u>(560,295)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>(1)</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ -	\$ 1,973,248	\$ 1,146,109	\$ (827,139)
Commercial Revenues	-	-	-	-
Total Revenues	-	1,973,248	1,146,109	(827,139)
EXPENDITURES				
Conservation and Development	-	2,994,979	1,146,108	1,848,871
Total Expenditures	-	2,994,979	1,146,108	1,848,871
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (1,021,731)</u>	1	<u>\$ 1,021,732</u>
Fund Balance - Beginning of Year			(6,935)	
FUND BALANCE - END OF YEAR			<u>\$ (6,934)</u>	

**CITY OF WAUWATOSA, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL – SPECIAL REVENUE
FUND REVOLVING FUND FOR DESIGNATED REVENUES FUND
YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 10,000	\$ 10,000	\$ 12,195	\$ 2,195
Commercial Revenues	16,000	16,000	50,886	34,886
Total Revenues	<u>26,000</u>	<u>26,000</u>	<u>63,081</u>	<u>37,081</u>
EXPENDITURES				
Education and Recreation	-	180,879	108,593	72,286
Total Expenditures	<u>-</u>	<u>180,879</u>	<u>108,593</u>	<u>72,286</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	26,000	(154,879)	(45,512)	109,367
OTHER FINANCING SOURCES (USES)				
Proceeds from the Sale of Assets	-	-	60,940	60,940
Transfers In	6,000	6,000	74,708	68,708
Transfers Out	-	(135,648)	(23,979)	111,669
Total Other Financing Sources (Uses)	<u>6,000</u>	<u>(129,648)</u>	<u>111,669</u>	<u>241,317</u>
NET CHANGE IN FUND BALANCE	<u>\$ 32,000</u>	<u>\$ (284,527)</u>	66,157	<u>\$ 350,684</u>
Fund Balance - Beginning of Year			<u>150,034</u>	
FUND BALANCE - END OF YEAR			<u>\$ 216,191</u>	

**CITY OF WAUWATOSA, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – SPECIAL REVENUE FUND PARKS FUND
YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses and Permits	\$ -	\$ -	\$ 2,595	\$ 2,595
Public Charges for Services	276,000	276,000	280,479	4,479
Commercial Revenues	54,201	54,201	114,271	60,070
Total Revenues	<u>330,201</u>	<u>330,201</u>	<u>397,345</u>	<u>67,144</u>
EXPENDITURES				
Education and Recreation	1,577,841	1,582,512	941,809	640,703
Capital Outlay	-	-	-	-
Total Expenditures	<u>1,577,841</u>	<u>1,582,512</u>	<u>941,809</u>	<u>640,703</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,247,640)	(1,252,311)	(544,464)	707,847
OTHER FINANCING SOURCES (USES)				
Transfers In	1,367,764	1,367,764	1,367,764	-
Transfers Out	(256,989)	(274,989)	(274,989)	-
Total Other Financing Sources (Uses)	<u>1,110,775</u>	<u>1,092,775</u>	<u>1,092,775</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (136,865)</u>	<u>\$ (159,536)</u>	548,311	<u>\$ 707,847</u>
Fund Balance - Beginning of Year			<u>1,303,852</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,852,163</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Public Charges for Services	\$ 283,034	\$ 287,205	\$ 313,033	\$ 25,828
EXPENDITURES				
Education and Recreation	3,178,927	3,183,998	3,273,294	(89,296)
Total Expenditures	<u>3,178,927</u>	<u>3,183,998</u>	<u>3,273,294</u>	<u>(89,296)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(283,033)	(288,104)	(313,034)	(24,930)
OTHER FINANCING SOURCES (USES)				
Transfers In	2,895,894	2,895,894	2,960,260	64,366
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>2,895,894</u>	<u>2,895,894</u>	<u>2,960,260</u>	<u>64,366</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1</u>	<u>\$ (899)</u>	\$ (1)	<u>\$ 898</u>
Fund Balance - Beginning of Year			<u>1,000</u>	
FUND BALANCE - END OF YEAR			<u>\$ 999</u>	

**CITY OF WAUWATOSA, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – HOSPITAL POLICING FUND
YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Public Charges for Services	\$ 2,723,532	\$ 2,723,532	\$ 2,272,398	\$ (451,134)
Commercial Revenues	-	-	-	-
Total Revenues	<u>2,723,532</u>	<u>2,723,532</u>	<u>2,272,398</u>	<u>(451,134)</u>
EXPENDITURES				
Public Safety	2,673,539	2,673,539	2,225,889	447,650
Capital Outlay	-	-	-	-
Total Expenditures	<u>2,673,539</u>	<u>2,673,539</u>	<u>2,225,889</u>	<u>447,650</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (7)</u>	<u>\$ (7)</u>	<u>(3,491)</u>	<u>\$ (3,484)</u>
Fund Balance - Beginning of Year			<u>72,904</u>	
FUND BALANCE - END OF YEAR			<u>\$ 69,413</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ -	\$ -	\$ 22,086	\$ 22,086
Commercial Revenues	25,000	30,045	31,939	1,894
Total Revenues	<u>25,000</u>	<u>30,045</u>	<u>54,025</u>	<u>23,980</u>
EXPENDITURES				
Culture	1,088,447	1,093,492	951,625	141,867
Total Expenditures	<u>1,088,447</u>	<u>1,093,492</u>	<u>951,625</u>	<u>141,867</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,063,447)	(1,063,447)	(919,686)	143,761
OTHER FINANCING SOURCES (USES)				
Transfers In	1,056,930	1,056,930	1,358,634	301,704
NET CHANGE IN FUND BALANCE	<u>\$ (6,517)</u>	<u>\$ (6,517)</u>	461,034	<u>\$ 467,551</u>
Fund Balance - Beginning of Year			<u>1,403,103</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,864,137</u>	

CITY OF WAUWATOSA, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – CAPITAL PROJES GENERAL OBLIGATION DEBT ISSUE FUND
YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 254,552	\$ 254,552	\$ 407,419	\$ 152,867
Commercial Revenues	276,497	276,497	717,330	440,833
Total Revenues	<u>531,049</u>	<u>531,049</u>	<u>1,124,749</u>	<u>593,700</u>
EXPENDITURES				
General Government	40,000	185,653	4,534	181,119
Conservation and Development	-	21,035	29,269	(8,234)
Capital Outlay	14,626,641	22,319,347	7,735,044	14,584,303
Debt Service:				
Interest and Other Fiscal	-	-	-	-
Total Expenditures	<u>14,666,641</u>	<u>22,526,035</u>	<u>7,768,847</u>	<u>14,757,188</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(14,135,592)	(21,994,986)	(6,644,098)	15,350,888
OTHER FINANCING SOURCES (USES)				
Long-term Debt Issued	10,296,669	10,296,669	9,745,000	(551,669)
Proceeds from the Sale of Assets	-	-	-	-
Transfers In	2,345,000	2,238,500	2,130,274	(108,226)
Transfers Out	-	-	(74,708)	(74,708)
Total Other Financing Sources (Uses)	<u>12,641,669</u>	<u>12,535,169</u>	<u>11,800,566</u>	<u>(734,603)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,493,923)</u>	<u>\$ (9,459,817)</u>	5,156,468	<u>\$ 14,616,285</u>
Fund Balance - Beginning of Year			<u>13,355,644</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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenue	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Capital Outlay	25,000	25,000	-	25,000
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(25,000)	(25,000)	-	25,000
OTHER FINANCING SOURCES (USES)				
Transfers In	261,973	261,973	264,754	2,781
NET CHANGE IN FUND BALANCE	<u>\$ 236,973</u>	<u>\$ 236,973</u>	264,754	<u>\$ 27,781</u>
Fund Balance - Beginning of Year			<u>1,216,350</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,481,104</u>	

**CITY OF WAUWATOSA, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – CAPITAL PROJECTS FUND FLEET EQUIPMENT
YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Commercial Revenues	\$ -	\$ -	\$ 46,574	\$ 46,574
Total Revenues	-	-	46,574	46,574
EXPENDITURES				
Capital Outlay	995,000	1,277,655	1,111,122	166,533
Total Expenditures	995,000	1,277,655	1,111,122	166,533
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	(995,000)	(1,277,655)	(1,064,548)	213,107
OTHER FINANCING SOURCES (USES)				
Proceeds from the Sale of Land	55,500	55,500	151,094	95,594
Transfers In	1,042,065	1,042,065	974,170	(67,895)
Transfers Out	-	-	-	-
Total Other Financing Sources	1,097,565	1,097,565	1,125,264	27,699
NET CHANGE IN FUND BALANCE				
	<u>\$ 102,565</u>	<u>\$ (180,090)</u>	60,716	<u>\$ 240,806</u>
Fund Balance - Beginning of Year			<u>615,056</u>	
FUND BALANCE - END OF YEAR			<u><u>\$ 675,772</u></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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES				
Capital Outlay	\$ 10,000	\$ 10,969	\$ 969	\$ 10,000
Total Expenditures	10,000	10,969	969	10,000
OTHER FINANCING SOURCES (USES)				
Transfers In	97,802	97,802	94,223	(3,579)
NET CHANGE IN FUND BALANCE	<u>\$ 87,802</u>	<u>\$ 86,833</u>	93,254	<u>\$ 6,421</u>
Fund Balance - Beginning of Year			<u>236,362</u>	
FUND BALANCE - END OF YEAR			<u><u>\$ 329,616</u></u>	

CITY OF WAUWATOSA, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Commercial Revenues	\$ 53,531	\$ 53,531	\$ 49,033	\$ (4,498)
Interest Income	-	6,000	3,865	(2,135)
Total Revenues	<u>53,531</u>	<u>59,531</u>	<u>52,898</u>	<u>(6,633)</u>
EXPENDITURES				
Debt Service				
Principal	9,815,000	10,010,000	10,010,000	-
Interest and Other Fiscal Charges	3,010,205	2,958,619	3,022,593	(63,974)
Total Expenditures	<u>12,825,205</u>	<u>12,968,619</u>	<u>13,032,593</u>	<u>(63,974)</u>
EXCESS OF REVENUES OVER EXPENDITURES	(12,771,674)	(12,909,088)	(12,979,695)	(70,607)
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	(4,500)	(53,530)	-	53,530
Premium on Long-Term Debt	-	-	464,207	464,207
Transfers In	12,626,173	12,271,612	12,325,240	53,628
Payments to Escrow	-	-	-	-
Total Other Financing Sources	<u>12,621,673</u>	<u>12,218,082</u>	<u>12,789,447</u>	<u>571,365</u>
NET CHANGE IN FUND BALANCE	<u>\$ (150,001)</u>	<u>\$ (691,006)</u>	(190,248)	<u>\$ 500,758</u>
Fund Balance - Beginning of Year			<u>2,243,080</u>	
FUND BALANCE - END OF YEAR			<u>\$ 2,052,832</u>	

CITY OF WAUWATOSA, WISCONSIN
COMBINING STATEMENT OF NET POSITION – PROPRIETARY FUND – INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2023

	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	\$ 53,883	\$ 238,484	\$ 4,944,310	\$ 608,826	\$ 235,694	\$ 7,395,246	\$ 1,193,716	\$ 588,038	\$ 15,258,197
Receivables, Net	7,772	7,926	-	40,000	-	180,508	-	-	236,206
Prepays and Other Current Assets	284,893	-	-	-	-	-	-	-	284,893
Total Current Assets	<u>346,548</u>	<u>246,410</u>	<u>4,944,310</u>	<u>648,826</u>	<u>235,694</u>	<u>7,575,754</u>	<u>1,193,716</u>	<u>588,038</u>	<u>15,779,296</u>
NONCURRENT ASSETS									
Deposit in Cities and Villages Mutual Insurance Company	-	-	1,184,453	-	-	-	-	-	1,184,453
Capital Assets:									
Land	-	22,617	-	-	-	-	-	-	22,617
Buildings	-	4,405,461	-	-	-	-	-	-	4,405,461
Machinery and Equipment	15,791,484	18,507	-	-	-	-	2,080,228	-	17,890,219
Subscription Asset	-	-	-	-	-	-	75,160	-	75,160
Construction in Progress	293,801	-	-	-	-	-	-	-	293,801
Less: Accumulated Depreciation and Amortization	(11,961,112)	(1,737,686)	-	-	-	-	(1,417,414)	-	(15,116,212)
Total Capital Assets, Net	<u>4,124,173</u>	<u>2,708,899</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>737,974</u>	<u>-</u>	<u>7,571,046</u>
Total Assets	4,470,721	2,955,309	6,128,763	648,826	235,694	7,575,754	1,931,690	588,038	24,534,795
DEFERRED OUTFLOWS OF RESOURCES									
Deferred Amounts Related to Other Postemployment Benefits Obligation	-	-	-	-	-	9,952,609	-	-	9,952,609
CURRENT LIABILITIES									
Accounts Payable	12,952	2,777	298,028	550,949	-	1,109,539	50,935	6,320	2,031,500
Accrued Liabilities	81,967	-	-	-	-	-	46,500	25,937	154,404
Current Portion of Subscription Liability	-	-	-	-	-	-	38,366	-	38,366
Current Portion of OPEB Obligation	-	-	-	-	-	3,694,337	-	-	3,694,337
Total Current Liabilities	<u>94,919</u>	<u>2,777</u>	<u>298,028</u>	<u>550,949</u>	<u>-</u>	<u>4,803,876</u>	<u>135,801</u>	<u>32,257</u>	<u>5,918,607</u>
NONCURRENT LIABILITIES									
Net OPEB Obligation	-	-	-	-	-	32,924,093	-	-	32,924,093
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,924,093</u>	<u>-</u>	<u>-</u>	<u>32,924,093</u>
Total Liabilities	94,919	2,777	298,028	550,949	-	37,727,969	135,801	32,257	38,842,700
DEFERRED INFLOWS OF RESOURCES									
Deferred Amounts Related to Other Postemployment Benefits Obligation	-	-	-	-	-	4,100,331	-	-	4,100,331
NET POSITION									
Net Investment in Capital Assets	4,124,173	2,708,899	-	-	-	-	699,608	-	7,532,680
Unrestricted	251,629	243,633	5,830,735	97,877	235,694	(24,299,937)	1,096,281	555,781	(15,988,307)
Total Net Position	<u>\$ 4,375,802</u>	<u>\$ 2,952,532</u>	<u>\$ 5,830,735</u>	<u>\$ 97,877</u>	<u>\$ 235,694</u>	<u>\$ (24,299,937)</u>	<u>\$ 1,795,889</u>	<u>\$ 555,781</u>	<u>\$ (8,455,627)</u>

CITY OF WAUWATOSA, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND
NET POSITION – PROPRIETARY FUND – INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2023

	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	\$ 3,488,810	\$ 508,457	\$ -	\$ -	\$ -	\$ 2,250,075	\$ 871,908	\$ 7,119,250	
Intergovernmental Revenues	-	-	-	-	-	-	-	-	
Other Miscellaneous Revenue	-	-	-	-	-	-	-	-	
Other Operating Revenues	-	-	1,492,474	-	5,751	11,926,688	5,090	13,430,003	
Total Operating Revenues	<u>3,488,810</u>	<u>508,457</u>	<u>1,492,474</u>	<u>-</u>	<u>5,751</u>	<u>11,926,688</u>	<u>2,255,165</u>	<u>871,908</u>	<u>20,549,253</u>
OPERATING EXPENSES									
Operation and Maintenance	2,800,638	387,555	494,467	68,716	19,492	12,060,130	1,778,946	653,870	18,263,814
Depreciation	1,003,481	111,156	-	-	-	-	282,805	-	1,397,442
Total Operating Expenses	<u>3,804,119</u>	<u>498,711</u>	<u>494,467</u>	<u>68,716</u>	<u>19,492</u>	<u>12,060,130</u>	<u>2,061,751</u>	<u>653,870</u>	<u>19,661,256</u>
OPERATING INCOME (LOSS)	(315,309)	9,746	998,007	(68,716)	(13,741)	(133,442)	193,414	218,038	887,997
NONOPERATING REVENUES (EXPENSES)									
Dividend Income	-	-	38,068	-	-	-	-	-	38,068
Investment Income	-	-	-	-	-	-	-	-	-
Gain (Loss) on Sale or Trade of Assets	(18,000)	-	-	-	-	-	-	-	(18,000)
Other Nonoperating Income	-	-	-	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-	(1,706)	-	(1,706)
Total Nonoperating Revenues (Expenses)	<u>(18,000)</u>	<u>-</u>	<u>38,068</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,706)</u>	<u>-</u>	<u>18,362</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(333,309)	9,746	1,036,075	(68,716)	(13,741)	(133,442)	191,708	218,038	906,359
Capital Contributions	1,181,361	29,196	-	-	-	-	55,084	-	1,265,641
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	(973,170)	(104,223)	-	-	-	-	(264,754)	(465,000)	(1,807,147)
CHANGES IN NET POSITION	<u>(125,118)</u>	<u>(65,281)</u>	<u>1,036,075</u>	<u>(68,716)</u>	<u>(13,741)</u>	<u>(133,442)</u>	<u>(17,962)</u>	<u>(246,962)</u>	<u>364,853</u>
Net Position - Beginning of Year	<u>4,500,920</u>	<u>3,017,813</u>	<u>4,794,660</u>	<u>166,593</u>	<u>249,435</u>	<u>(24,166,495)</u>	<u>1,813,851</u>	<u>802,743</u>	<u>(8,820,480)</u>
NET POSITION - END OF YEAR	<u>\$ 4,375,802</u>	<u>\$ 2,952,532</u>	<u>\$ 5,830,735</u>	<u>\$ 97,877</u>	<u>\$ 235,694</u>	<u>\$ (24,299,937)</u>	<u>\$ 1,795,889</u>	<u>\$ 555,781</u>	<u>\$ (8,455,627)</u>

CITY OF WAUWATOSA, WISCONSIN
COMBINING STATEMENT OF CASH FLOWS – PROPRIETARY FUND – INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2023

	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	\$ -	\$ -	\$ 1,492,474	\$ -	\$ 5,751	\$ 11,926,688	\$ 5,090	\$ -	\$ 13,430,003
Receipts from Other Funds	3,498,652	500,531	-	-	-	(28,152)	2,250,075	871,908	7,093,014
Payments to Suppliers	(1,763,475)	(243,502)	(505,411)	36,129	(19,505)	(11,604,889)	(1,175,987)	(495,097)	(15,771,737)
Payments to Employees	(1,075,137)	(149,646)	(47,093)	(34,240)	-	(169,722)	(621,356)	(163,812)	(2,261,006)
Net Cash Provided (Used) by Operating Activities	660,040	107,383	939,970	1,889	(13,754)	123,925	457,822	212,999	2,490,274
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES									
Transfers from Other Funds	-	-	-	-	-	-	-	-	-
Transfers to Other Funds	(973,170)	(104,223)	-	-	-	-	(264,754)	(465,000)	(1,807,147)
Net Cash Provided (Used) by Noncapital Financing Activities	(973,170)	(104,223)	-	-	-	-	(264,754)	(465,000)	(1,807,147)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES									
Acquisition and Construction of Capital Assets	-	-	-	-	-	-	(13,999)	-	(13,999)
Proceeds from Sale of Property, Plant, and Equipment	500	-	-	-	-	-	-	-	500
Interest Paid on Subscription Liability	-	-	-	-	-	-	(1,706)	-	(1,706)
Net Cash Provided (Used) by Capital and Related Financing Activities	500	-	-	-	-	-	(15,705)	-	(15,205)
CASH FLOWS FROM INVESTING ACTIVITIES									
Interest and Dividends Received	-	-	38,068	-	-	-	-	-	38,068
Net Cash Provided by Investing Activities	-	-	38,068	-	-	-	-	-	38,068
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(312,630)	3,160	978,038	1,889	(13,754)	123,925	177,363	(252,001)	705,990
Cash and Cash Equivalents - Beginning of Year	366,513	235,324	3,966,272	606,937	249,448	7,271,321	1,016,353	840,039	14,552,207
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 53,883</u>	<u>\$ 238,484</u>	<u>\$ 4,944,310</u>	<u>\$ 608,826</u>	<u>\$ 235,694</u>	<u>\$ 7,395,246</u>	<u>\$ 1,193,716</u>	<u>\$ 588,038</u>	<u>\$ 15,258,197</u>

CITY OF WAUWATOSA, WISCONSIN
COMBINING STATEMENT OF CASH FLOWS – PROPRIETARY FUND – INTERNAL SERVICE FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	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)	\$ (315,309)	\$ 9,746	\$ 998,007	\$ (68,716)	\$ (13,741)	\$ (133,442)	\$ 193,414	\$ 218,038	\$ 887,997
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:									
Depreciation Expense	1,003,481	111,156	-	-	-	-	282,805	-	1,397,442
(Increase) Decrease:									
Accounts Receivable - Other	9,842	(7,926)	-	-	-	(28,152)	-	-	(26,236)
Inventories	(46,142)	-	-	-	-	-	-	-	(46,142)
Accounts Payable	(6,694)	(5,593)	(58,037)	70,605	(13)	265,220	27,327	(5,509)	287,306
Accrued Liabilities	14,862	-	-	-	-	(525)	(8,930)	470	5,877
Subscription Liability	-	-	-	-	-	-	(36,794)	-	(36,794)
Net OPEB Liability	-	-	-	-	-	(4,566,173)	-	-	(4,566,173)
Deferred Outflows Related to OPEB	-	-	-	-	-	1,103,080	-	-	1,103,080
Deferred Inflows Related to OPEB	-	-	-	-	-	3,483,917	-	-	3,483,917
Total Adjustments	<u>975,349</u>	<u>97,637</u>	<u>(58,037)</u>	<u>70,605</u>	<u>(13)</u>	<u>257,367</u>	<u>264,408</u>	<u>(5,039)</u>	<u>1,602,277</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 660,040</u>	<u>\$ 107,383</u>	<u>\$ 939,970</u>	<u>\$ 1,889</u>	<u>\$ (13,754)</u>	<u>\$ 123,925</u>	<u>\$ 457,822</u>	<u>\$ 212,999</u>	<u>\$ 2,490,274</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES									
Capital Assets Contributed by City of Wauwatosa	<u>\$ 1,181,361</u>	<u>\$ 29,196</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,084</u>	<u>\$ -</u>	<u>\$ 1,265,641</u>

**CITY OF WAUWATOSA, WISCONSIN
 COMBINING STATEMENT OF FIDUCIARY NET POSITION – PRIVATE PURPOSE TRUST FUNDS
 DECEMBER 31, 2023**

	Private Purpose Trust Funds							
	Firemen's Special Endowment Fund	Hart Park Senior Center	Bachman Flag Account	Land Conservation Account	Automated License Plate Reader	Cemetery Perpetual Care Trust Account	Library Trust	Total
ASSETS								
Cash and Investments	\$ 10,349	\$ 92,736	\$ 1,467	\$ 187,770	\$ 21,251	\$ 26,414	\$ 345,380	\$ 685,367
Taxes Receivable	-	-	-	-	-	-	-	-
Total Assets	<u>10,349</u>	<u>92,736</u>	<u>1,467</u>	<u>187,770</u>	<u>21,251</u>	<u>26,414</u>	<u>345,380</u>	<u>685,367</u>
LIABILITIES								
Special Deposits	-	-	-	-	-	-	-	-
Due to Other Taxing Units	-	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS								
Tax Levy	-	-	-	-	-	-	-	-
NET POSITION - RESTRICTED	<u>\$ 10,349</u>	<u>\$ 92,736</u>	<u>\$ 1,467</u>	<u>\$ 187,770</u>	<u>\$ 21,251</u>	<u>\$ 26,414</u>	<u>\$ 345,380</u>	<u>\$ 685,367</u>

CITY OF WAUWATOSA, WISCONSIN
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – PRIVATE PURPOSE TRUST FUNDS
YEAR ENDED DECEMBER 31, 2023

	Private Purpose Trust Funds							
	Firemen's Special Endowment Fund	Hart Park Senior Center	Bachman Flag Account	Land Conservation Account	Automated License Plate Reader	Cemetery Perpetual Care Trust Account	Library Trust	Total
ADDITIONS								
Contributions	\$ 341	\$ 48,101	\$ 776	\$ -	\$ 12,300	\$ 9,650	\$ 71,951	\$ 143,119
Deposit receipts	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	12,751	12,751
Tax Collections	-	-	-	-	-	-	-	-
Total Additions	<u>341</u>	<u>48,101</u>	<u>776</u>	<u>-</u>	<u>12,300</u>	<u>9,650</u>	<u>84,702</u>	<u>155,870</u>
DEDUCTIONS								
Endowment Payments	1,479	-	-	-	-	-	51,233	52,712
Deposit returns	-	-	-	-	-	-	-	-
Payments to Other Governments	-	-	-	-	-	-	15,000	15,000
Total Deductions	<u>1,479</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,233</u>	<u>67,712</u>
CHANGES IN NET POSITION	(1,138)	48,101	776	-	12,300	9,650	18,469	88,158
Net Position - Beginning of Year	<u>11,487</u>	<u>44,635</u>	<u>691</u>	<u>187,770</u>	<u>8,951</u>	<u>16,764</u>	<u>326,911</u>	<u>597,209</u>
NET POSITION - END OF YEAR	<u>\$ 10,349</u>	<u>\$ 92,736</u>	<u>\$ 1,467</u>	<u>\$ 187,770</u>	<u>\$ 21,251</u>	<u>\$ 26,414</u>	<u>\$ 345,380</u>	<u>\$ 685,367</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, 2023**

	TID NO. 6	TID NO. 7	TID NO. 8	TID NO. 9	TID NO. 10	TID NO. 11	TID NO. 12	TID NO. 13	TID NO. 14	TID NO. 15	Total
PROJECT COSTS											
Capital Expenditures	\$ -	\$ -	\$ 1,886	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,886
Administration	13,168	20,543	113,485	6,217	3,950	22,618	24,266	3,750	10,000	-	207,997
Interest and Fiscal Charges	688,955	410,501	-	5,063	-	76,063	-	-	-	-	1,180,582
Professional Services	48,209	138,384	39,519	-	2,467	25,650	-	2,467	(23,286)	17,000	256,696
Debt Issuance Costs	-	-	-	-	-	-	-	-	-	-	-
Housing and Community Development	-	-	-	-	-	-	-	-	-	-	-
Developers Grants and Incentive	16,784	793,431	-	-	-	-	-	-	-	-	810,215
Economic Development Incentive	(42,428)	135,083	435,000	-	-	-	-	-	-	-	527,655
Distribution to Other Taxing Jurisdictions	-	-	-	-	-	-	-	-	-	-	-
Total Project Costs	<u>724,688</u>	<u>1,497,942</u>	<u>589,890</u>	<u>11,280</u>	<u>6,417</u>	<u>124,331</u>	<u>24,266</u>	<u>6,217</u>	<u>(13,286)</u>	<u>17,000</u>	<u>2,988,745</u>
PROJECT REVENUES											
Tax Increments	2,497,997	3,452,057	812,548	267,453	736,448	769,034	463,614	210,491	-	-	9,209,642
Omitted Taxes	-	-	-	-	-	-	-	-	-	-	-
Investment Income	166,453	76,657	90,982	4,879	25,967	17,368	-	-	-	-	382,306
Premium on Long-Term Debt	-	-	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-	-	-
Exempt Computer Aid	4,097	14,461	1,305	249	-	2,383	-	-	-	-	22,495
Personal Property Aid	-	66,917	5,301	-	-	7,217	-	-	-	-	79,435
Developer Fees	-	-	-	-	-	-	-	-	-	-	-
Sale of Land	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue	-	10,000	-	-	-	-	-	3,934	-	-	13,934
Total Project Revenues	<u>2,668,547</u>	<u>3,620,092</u>	<u>910,136</u>	<u>272,581</u>	<u>762,415</u>	<u>796,002</u>	<u>463,614</u>	<u>214,425</u>	<u>-</u>	<u>-</u>	<u>9,707,812</u>
NET COST RECOVERABLE THROUGH TIF INCREMENTS - DECEMBER 31, 2023	<u>\$ 1,943,859</u>	<u>\$ 2,122,150</u>	<u>\$ 320,246</u>	<u>\$ 261,301</u>	<u>\$ 755,998</u>	<u>\$ 671,671</u>	<u>\$ 439,348</u>	<u>\$ 208,208</u>	<u>\$ 13,286</u>	<u>\$ (17,000)</u>	<u>\$ 6,722,781</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, 2023

	TID NO. 6	TID NO. 7	TID NO. 8	TID NO. 9	TID NO. 10	TID NO. 11	TID NO. 12	TID NO. 13	TID NO. 14	TID NO. 15	Total
PROJECT COSTS											
Capital Expenditures	\$ 20,356,720	\$ 16,739,749	\$ 2,199,053	\$ 415,759	\$ 322,587	\$ 2,765,768	\$ 234,391	\$ -	\$ -	\$ -	\$ 43,034,027
Administration	223,033	170,317	248,194	37,421	37,068	150,835	66,293	9,050	11,196	-	953,407
Interest and Fiscal Charges	3,854,609	4,020,171	-	71,002	-	556,027	-	-	-	-	8,501,809
Housing and Community Development	-	-	-	-	-	-	11,836	-	-	-	11,836
Professional Services	151,362	172,106	123,042	6,981	31,936	248,813	37,577	26,463	45,713	17,000	860,993
Debt Issuance Costs	94,829	73,836	-	-	-	-	-	-	-	-	168,665
Developers Grants and Incentive	16,307,608	17,956,733	3,146,814	1,994,000	4,500,000	5,364,769	14,239,846	1,998,589	-	-	65,508,359
Economic Development Incentive	1,350,000	135,083	2,726,957	-	-	-	-	-	-	-	4,212,040
Distribution to Other Taxing Jurisdictions	-	-	-	-	-	-	-	-	-	-	-
Total Project Costs	42,338,161	39,267,995	8,444,060	2,525,163	4,891,591	9,086,212	14,589,943	2,034,102	56,909	17,000	123,251,136
PROJECT REVENUES											
Tax Increments	18,736,421	22,496,954	4,494,458	1,326,142	4,457,217	3,757,740	1,273,926	214,121	-	-	56,756,979
Omitted Taxes	71,775	13,649	881	-	-	3,192	649	-	-	-	90,146
Investment Income	387,766	349,906	236,740	9,326	51,768	29,082	11	-	-	-	1,064,599
Premium on Long-Term Debt	263,126	244,216	-	10,147	-	68,532	-	-	-	-	586,021
Grants	5,408,646	395,169	-	-	-	-	-	-	-	-	5,803,815
Exempt Computer Aid	33,783	111,163	10,523	1,728	-	16,535	-	-	-	-	173,732
Personal Property Aid	14,233	250,666	21,204	-	2,770	28,868	-	-	-	-	317,741
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	20,769	10,000	-	-	-	-	13,934	10,000	-	64,703
Total Project Revenues	24,994,653	23,910,372	7,528,428	1,357,964	4,532,073	3,923,949	1,284,586	228,055	10,000	-	67,770,080
NET COST RECOVERABLE THROUGH TIF INCREMENTS - DECEMBER 31, 2023	\$ (17,343,508)	\$ (15,357,623)	\$ (915,632)	\$ (1,167,199)	\$ (359,518)	\$ (5,162,263)	\$ (13,305,357)	\$ (1,806,047)	\$ (46,909)	\$ (17,000)	\$ (55,481,056)

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, 2023**

	TID NO. 6	TID NO. 7	TID NO. 8	TID NO. 9	TID NO. 10	TID NO. 11	TID NO. 12	TID NO. 13	TID NO. 14	TID NO. 15	Total
SOURCES OF FUNDS											
Tax Increments	\$ 2,497,997	\$ 3,452,057	\$ 812,548	\$ 267,453	\$ 736,448	\$ 769,034	\$ 463,614	\$ 210,491	\$ -	\$ -	\$ 9,209,642
Omitted Taxes	-	-	-	-	-	-	-	-	-	-	-
Investment Income	166,453	76,657	90,982	4,879	25,967	17,368	-	-	-	-	382,306
Long-Term Debt Issued	-	-	-	-	-	-	-	-	-	-	-
Premium on Long-Term Debt	-	-	-	-	-	-	-	-	-	-	-
Municipal Revenue Obligations	-	-	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-	-	-
Exempt Computer Aid	4,097	14,461	1,305	249	-	2,383	-	-	-	-	22,495
Personal Property Aid	-	66,917	5,301	-	-	7,217	-	-	-	-	79,435
Developer Fees	-	-	-	-	-	-	-	-	-	-	-
Sale of Land	-	-	-	-	-	-	-	-	-	-	-
Distribution from Terminated TID	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	10,000	-	-	-	-	-	3,934	-	-	13,934
Internal Transfers	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Funds	2,668,547	3,620,092	910,136	272,581	762,415	796,002	463,614	214,425	-	-	9,707,812
USES OF FUNDS											
Capital Expenditures	-	-	1,886	-	-	-	-	-	-	-	1,886
Administration	13,168	20,543	113,485	6,217	3,950	22,618	24,266	3,750	10,000	-	217,997
Interest on Long-Term Debt	688,955	410,501	-	5,063	-	76,063	-	-	-	-	1,180,582
Principal on Long-Term Debt	675,000	1,620,000	-	50,000	-	55,000	-	-	-	-	2,400,000
Principal on Municipal Revenue Obligation	417,964	525,136	150,107	186,190	636,567	425,142	445,114	132,837	-	-	2,919,057
Housing and Community Development	-	-	-	-	-	-	-	-	-	-	-
Developers Grants and Incentive	16,784	793,431	-	-	-	-	-	-	-	-	810,215
Economic Development Incentive	(42,428)	135,083	435,000	-	-	-	-	-	-	-	527,655
Professional Services	48,209	138,384	39,519	-	2,467	25,650	-	2,467	(23,286)	17,000	250,410
Debt Issuance Costs	-	-	-	-	-	-	-	-	-	-	-
Total Uses of Funds	1,817,652	3,643,078	739,997	247,470	642,984	604,473	469,380	139,054	(13,286)	17,000	8,307,802
NET CHANGE IN FUND BALANCE	850,895	(22,986)	170,139	25,111	119,431	191,529	(5,766)	75,371	13,286	(17,000)	1,400,010
Beginning Fund Balance	2,560,475	(1,557,699)	1,870,221	26,039	328,000	(39,556)	(783,350)	(15,666)	(60,195)	-	2,328,269
ENDING FUND BALANCE	\$ 3,411,370	\$ (1,580,685)	\$ 2,040,360	\$ 51,150	\$ 447,431	\$ 151,973	\$ (789,116)	\$ 59,705	\$ (46,909)	\$ (17,000)	\$ 3,728,279

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

**COMBINING SCHEDULE OF TAX INCREMENTAL DISTRICTS HISTORICAL SUMMARY OF SOURCES,
USES, AND STATUS OF FUNDS
FROM DATE OF CREATION THROUGH DECEMBER 31, 2023**

	TID NO. 6	TID NO. 7	TID NO. 8	TID NO. 9	TID NO. 10	TID NO. 11	TID NO. 12	TID NO. 13	TID NO. 14	TID NO. 15	Total
SOURCES OF FUNDS											
Tax Increments	\$ 18,736,421	\$ 22,496,954	\$ 4,494,458	\$ 1,326,142	\$ 4,457,217	\$ 3,757,740	\$ 1,273,926	\$ 214,121	\$ -	\$ -	\$ 56,756,979
Omitted Taxes	71,775	13,649	881	-	-	3,192	649	-	-	-	90,146
Investment Income	387,766	349,906	236,740	9,326	51,768	29,082	11	-	-	-	1,064,599
Long-Term Debt Issued	24,033,815	19,630,000	-	425,000	-	2,295,000	-	-	-	-	46,383,815
Municipal Revenue Obligations Issued	4,500,000	6,979,218	4,682,771	1,994,000	4,500,000	6,289,096	13,843,674	1,998,589	-	-	44,787,348
Premium on Long-Term Debt	263,126	244,216	-	10,147	-	68,532	-	-	-	-	586,021
Grants	5,408,646	395,169	-	-	-	-	-	-	-	-	5,803,815
Exempt Computer Aid	33,783	111,163	10,523	1,728	-	16,535	-	-	-	-	173,732
Personal Property Aid	14,233	250,666	21,204	-	2,770	28,868	-	-	-	-	317,741
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	20,769	10,000	-	-	-	-	13,934	10,000	-	64,703
Total Sources of Funds	53,528,468	50,519,590	12,211,199	3,776,964	9,032,073	12,508,045	15,128,260	2,226,644	10,000	-	158,941,243
USES OF FUNDS											
Capital Expenditures	20,356,720	16,739,749	2,199,053	415,759	322,587	2,765,768	234,391	-	-	-	43,034,027
Administration	223,033	170,317	248,194	37,421	37,068	150,835	66,293	9,050	11,196	-	953,407
Interest on Long-Term Debt	3,854,609	4,020,171	-	71,002	-	556,027	-	-	-	-	8,501,809
Principal on Long-Term Debt	4,803,815	10,465,000	-	275,000	-	210,000	-	-	-	-	15,753,815
Principal on Municipal Revenue Obligation	2,975,122	2,367,280	1,726,779	925,651	3,693,051	3,059,860	1,327,433	132,837	-	-	16,208,013
Housing and Community Development	-	-	-	-	-	-	11,836	-	-	-	11,836
Developers Grants and Incentive	16,307,608	17,956,733	3,146,814	1,994,000	4,500,000	5,364,769	14,239,846	1,998,589	-	-	65,508,359
Economic Development Incentive	1,350,000	135,083	2,726,957	-	-	-	-	-	-	-	4,212,040
Professional Services	151,362	172,106	123,042	6,981	31,936	248,813	37,577	26,463	45,713	17,000	860,993
Debt Issuance Costs	94,829	73,836	-	-	-	-	-	-	-	-	168,665
Distribution to Other Taxing Jurisdictions	-	-	-	-	-	-	-	-	-	-	-
Total Uses of Funds	50,117,098	52,100,275	10,170,839	3,725,814	8,584,642	12,356,072	15,917,376	2,166,939	56,909	17,000	155,212,964
NET CHANGE IN FUND BALANCE	3,411,370	(1,580,685)	2,040,360	51,150	447,431	151,973	(789,116)	59,705	(46,909)	(17,000)	3,728,279
Beginning Fund Balance	-	-	-	-	-	-	-	-	-	-	-
ENDING FUND BALANCE	\$ 3,411,370	\$ (1,580,685)	\$ 2,040,360	\$ 51,150	\$ 447,431	\$ 151,973	\$ (789,116)	\$ 59,705	\$ (46,909)	\$ (17,000)	\$ 3,728,279
RECONCILIATION OF RECOVERABLE COSTS											
Fund Balance	\$ 3,411,370	\$ (1,580,685)	\$ 2,040,360	\$ 51,150	\$ 447,431	\$ 151,973	\$ (789,116)	\$ 59,705	\$ (46,909)	\$ (17,000)	\$ 3,728,279
Principal Balance of Outstanding Long-Term Debt	(19,230,000)	(9,165,000)	-	(150,000)	-	(2,085,000)	-	-	-	-	(30,630,000)
Principal Balance of Municipal Revenue Obligation	(1,524,878)	(4,611,938)	(2,955,992)	(1,068,349)	(806,949)	(3,229,236)	(12,516,241)	(1,865,752)	-	-	(28,579,335)
NET COST RECOVERABLE THROUGH TIF INCREMENTS - DECEMBER 31, 2023	\$ (17,343,508)	\$ (15,357,623)	\$ (915,632)	\$ (1,167,199)	\$ (359,518)	\$ (5,162,263)	\$ (13,305,357)	\$ (1,806,047)	\$ (46,909)	\$ (17,000)	\$ (55,481,056)

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.



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

**FORM OF LEGAL OPINION
FOR THE NOTES**

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

November 4, 2024

Re: City of Wauwatosa, Wisconsin ("Issuer")
\$17,440,000 General Obligation Promissory Notes, Series 2024A,
dated November 4, 2024 ("Notes")

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

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

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

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2025	\$2,040,000	4.00 %
2026	1,065,000	4.00
2027	1,125,000	4.00
2028	1,180,000	5.00
2029	1,245,000	5.00
2030	1,325,000	5.00
2031	1,390,000	5.00
2032	1,460,000	5.00
2033	1,535,000	3.00
2034	1,610,000	3.00
2035	445,000	3.00
2036	465,000	3.25
2037	490,000	4.00
2038	510,000	4.00
2039	535,000	4.00
2044	1,020,000	3.875

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

The Notes maturing on November 1, 2032 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on November 1, 2031 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

The Notes maturing in the year 2044 are subject to mandatory redemption by lot as provided in the Notes, at the redemption price of par plus accrued interest to the date of redemption and without premium.

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

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

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

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

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

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

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

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

QUARLES & BRADY LLP

APPENDIX C

**FORM OF
CONTINUING DISCLOSURE CERTIFICATE
FOR THE NOTES**

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 \$17,440,000 General Obligation Promissory Notes, Series 2024A, dated November 4, 2024 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on September 26, 2024, as supplemented by an Approving Certificate, dated October 8, 2024 (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 8, 2024 delivered in connection with the Securities, which is available from the MSRB.

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

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

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

"Issuer" means the City of 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, 2024, 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 4th day of November, 2024.

(SEAL)

Dennis McBride
Mayor

Steven Braatz, Jr.
City Clerk