PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 14, 2020

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

The City will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

New Issue **Rating Application Made: S&P Global Ratings**

CITY OF WEST BEND, WISCONSIN
(Washington County)

$3,600,000* TAXABLE GENERAL OBLIGATION COMMUNITY DEVELOPMENT BONDS, SERIES 2020A

BID OPENING: January 21, 2020, 10:30 A.M., C.T.
CONSIDERATION: Not later than 11:59 P.M., C.T. on January 21, 2020 (PARAMETERS RESOLUTION)

PURPOSE/AUTHORITY/SECURITY: The $3,600,000* Taxable General Obligation Community Development Bonds, Series 2020A (the "Bonds") of the City are being issued pursuant to Section 67.04,Wisconsin Statutes, for the public purpose of paying the cost of providing financial assistance to community development projects under Section 66.1105 of the Wisconsin Statutes, by paying tax incremental district project costs. The Bonds are general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF BONDS: February 5, 2020

MATURITY: February 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2023	$50,000	2029	$135,000	2035	$265,000
2024	100,000	2030	155,000	2036	290,000
2025	100,000	2031	180,000	2037	305,000
2026	100,000	2032	200,000	2038	325,000
2027	100,000	2033	220,000	2039	345,000
2028	120,000	2034	245,000	2040	365,000

MATURITY ADJUSTMENTS: * The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of $5,000 each, up to a maximum of $75,000 per maturity. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: August 1, 2020 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on February 1, 2030 and thereafter are subject to call for prior optional redemption on February 1, 2029 and any date thereafter, at a price of par plus accrued interest.

MINIMUM BID: $3,555,000.

MAXIMUM BID: $3,744,000.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of $72,000 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: To be determined by the City.

BOND COUNSEL: Quarles & Brady LLP

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

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

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

REPRESENTATIONS

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

This Preliminary Official Statement is not to be construed as a contract with the Syndicate Manager or Syndicate Members. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete. Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the delivery of the Bonds.

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

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

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

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

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

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

CLOSING CERTIFICATES

Upon delivery of the Bonds, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Bonds, (b) neither the corporate existence or boundaries of the City nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded.

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BID FORM

CITY OF WEST BEND
COMMON COUNCIL

		Term Expires
Steve Hoogester	Council President/ Acting Mayor	April 2021
Mark Allen	Alderperson	April 2021
John Butschlick	Alderperson	April 2020
Roger Kist	Alderperson	April 2021
Chris Jenkins	Alderperson	April 2021
Rich Kasten	Alderperson	April 2020
Andrew Chevalier	Alderperson	April 2021
Justice Madl	Alderperson	April 2020

ADMINISTRATION

Jay Shambeau, City Administrator
Carrie Winklbauer, Treasurer/Finance Administrator
Stephanie Justmann, Clerk

PROFESSIONAL SERVICES

Ian Prust, City Attorney, Hartford, Wisconsin

Quarles & Brady LLP, Bond Counsel, Milwaukee, Wisconsin

Ehlers and Associates, Inc., Municipal Advisors, Waukesha, Wisconsin
(*Other offices located in Roseville, Minnesota and Denver, Colorado*)

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of West Bend, Wisconsin (the "City") and the issuance of its $3,600,000* Taxable General Obligation Community Development Bonds, Series 2020A (the "Bonds"). The Common Council adopted a resolution on December 16, 2019 (the "Parameters Resolution") which authorized the City Administrator or the City Treasurer/Finance Administrator to accept bids for the Bonds if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on January 21, 2020, neither the City Administrator nor the City Treasurer/Finance Administrator will have the authority to accept a bid for the Bonds, and all bids for the Bonds will be rejected.

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

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of $5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of February 5, 2020. The Bonds will mature on February 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on February 1 and August 1 of each year, commencing August 1, 2020, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2025 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

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

The City may designate a City officer or select a bank or trust company to act as paying agent (the "Paying Agent"). If a bank or trust company is selected as Paying Agent, the City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after February 1, 2030 shall be subject to optional redemption prior to maturity on February 1, 2029 or any date thereafter, at a price of par plus accrued interest.

*Preliminary, subject to change

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

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

AUTHORITY; PURPOSE

The Bonds are being issued pursuant to Section 67.04,Wisconsin Statutes, for the public purpose of paying the cost of providing financial assistance to community development projects under Section 66.1105 of the Wisconsin Statutes, by paying tax incremental district project costs.

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Bonds	$3,600,000	
Total Sources		**$3,600,000**
Uses		
Underwriter's Discount	$45,000	
Costs of Issuance	56,450	
Deposit to Capitalized Interest Fund	173,379	
Deposit to Project Construction Fund	3,325,171	
Total Uses		**$3,600,000**

*Preliminary, subject to change

SECURITY

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

RATING

General obligation debt of the City is currently rated “Aa3” by Moody’s Investors Service.

The City has requested a rating on the Bonds from S&P Global Ratings (“S&P”), and bidders will be notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from S&P. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such

rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

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

CONTINUING DISCLOSURE

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

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

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

In the previous five years, the City believes it has not failed to comply in all material respects with its prior undertakings under the Rule. The City has reviewed its continuing disclosure responsibilities along with any changes to the Rule, to ensure compliance. Ehlers is currently engaged as dissemination agent for the City.

LEGAL OPINION

An opinion as to the validity of the Bonds will be furnished by Quarles & Brady LLP, of Milwaukee, Wisconsin, bond counsel to the City. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding).

STATEMENT REGARDING BOND COUNSEL PARTICIPATION

Bond Counsel has not assumed responsibility for this Official Statement or participated in its preparation (except with respect to the section entitled "Taxability of Interest" in the Official Statement and the "Form of Legal Opinion" found in the Appendix B) and has not performed any investigation as to its accuracy, completeness or sufficiency.

TAXABILITY OF INTEREST

Interest on the Bonds is included in gross income for present Federal income tax purposes. Interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

ORIGINAL ISSUE DISCOUNT

To the extent that the initial public offering price of certain of the Bonds is less than the stated principal amount payable at maturity, such Bonds will be considered to be issued with original issue discount unless the amount of original issue discount is "de minimis." The amount of original issue discount with respect to a Bond will be "de minimis" if the amount of discount is less than one-fourth of 1% of the principal amount payable at maturity multiplied by the number of complete years from the issue date until the maturity date.

If the amount of discount with respect to a Bond is considered "de minimis," then the amount of original issue discount with respect to the Bond will be zero. In that case, owners of those Bonds will not be required to include any amount of original issue discount in income until the principal amount is repaid, at which time the owner will recognize capital gain (assuming the Bond is held as a capital asset) equal to the excess of the amount received at maturity over the issue price.

If the amount of discount with respect to a Bond is more than "de minimis," then the Bonds will contain original issue discount and owners of the Bonds will be required to include original issue discount in income. The Internal Revenue Code of 1986, as amended (the "Code") contains a number of very complex provisions requiring holders of debt instruments with original issue discount to include such original issue discount in income as it accrues ratably over the life of the debt instrument. In the case of a Bond with original issue discount, the owner may be required to include the original issue discount in income before the owner receives the associated cash payment, regardless of the owner's regular method of accounting for tax purposes. Any such original issue discount that is included in income is treated in the same manner as interest. Any original issue discount that is included in income by an owner with respect to a Bond will increase the holder's tax basis in the Bond.

The Code contains certain provisions relating to the accrual of original issue discount (including de minimis original issue discount) in the case of subsequent purchasers of obligations such as the Bonds. Owners who do not purchase Bonds in the initial public offering should consult their own tax advisors with respect to the tax consequences of the acquisition and ownership of Bonds.

Owners who purchase Bonds in the initial public offering but at a price different than the initial offering price at which a substantial amount of that maturity of the Bonds was sold to the public should consult their own tax advisors with respect to the tax consequences of the acquisition and ownership of the Bonds.

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

BOND PREMIUM

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

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

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

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

NON-QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

MUNICIPAL ADVISOR

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

MUNICIPAL ADVISOR AFFILIATED COMPANIES

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

INDEPENDENT AUDITORS

The basic financial statements of the City for the fiscal year ended December 31, 2018, have been audited by Baker Tilly Virchow Krause LLP, Madison, Wisconsin, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Preliminary Official Statement.

RISK FACTORS

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

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

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

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

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

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

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

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

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

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

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

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

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

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

Assessed Value

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

CURRENT PROPERTY VALUATIONS

2019 Equalized Value	$2,956,923,800
2019 Equalized Value Reduced by Tax Increment Valuation	$2,745,990,400
2019 Assessed Value	$2,798,588,050

2019 EQUALIZED VALUE BY CLASSIFICATION

	2019 Equalized Value[1]	Percent of Total Equalized Value
Residential	$ 1,985,910,600	67.161%
Commercial	848,883,400	28.708%
Manufacturing	75,066,800	2.539%
Agricultural	87,900	0.003%
Undeveloped	638,300	0.022%
Forest	256,000	0.009%
Other	421,200	0.014%
Personal Property	45,659,600	1.544%
Total	$ 2,956,923,800	100.000%

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value[1]	Percent Increase/Decrease in Equalized Value
2015	$2,411,338,050	$2,418,080,000	1.23%
2016	2,421,482,320	2,485,727,800	2.80%
2017	2,464,540,300	2,680,139,500	7.82%
2018	2,771,114,850	2,766,661,500	3.23%
2019	2,798,588,050	2,956,923,800	6.88%

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

[1] Includes tax increment valuation.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2019 Equalized Value[1]	Percent of City's Total Equalized Value
West Bend Mutual	Insurance	$ 71,340,038	2.41%
River Shores-Cast Iron Condo	Condos/apartments	32,312,602	1.09%
Meijer Stores	Grocery/retail	22,535,838	0.76%
Froedtert Health Inc.	Medical facility	20,350,431	0.69%
Ireit West Bend (Pick N Save)	Grocery	18,794,145	0.64%
Manitou Equipment (Gehl Co.)	Office	18,391,927	0.62%
Paradise Pavilion (Kohl's)	Retail	15,845,508	0.54%
Wal-Mart Stores[2]	Grocery/retail	15,221,761	0.51%
Delta Ventures LLC	Office	14,290,013	0.48%
Welltower (Lighthouse)	Care facility	14,192,264	0.48%
Total		**$243,274,527**	**8.23%**

City's Total 2019 Equalized Value[3] $2,956,923,800

Source: The City.

[1] Calculated by dividing the 2019 Assessed Values by the 2019 Aggregate Ratio of assessment for the City.

[2] Contesting tax assessment.

[3] Includes tax increment valuation.

DEBT

DIRECT DEBT[1]

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Bonds)*	$ 49,892,456

*Preliminary, subject to change.

[1] Outstanding debt is as of the dated date of the Bonds.

City of West Bend, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 02/05/2020)

	Tax GO Bonds Series 2010A		GO Refdg Bonds Series 2010C		Tax GO Refdg Bonds Series 2010D		GO Refdg Bonds Series 2011B		Tax GO Refdg Bonds Series 2012A	
Dated	04/01/2010		10/19/2010		10/19/2010		12/21/2011		01/05/2012	
Amount	$1,120,000		$6,800,000		$9,390,000		$1,840,000		$3,530,000	
Maturity	03/01		04/01		03/01		04/01		04/01	
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2020	55,000	39,041	655,000	36,523	385,000	86,024	170,000	12,305	155,000	40,698
2021	60,000	36,265	670,000	17,965	415,000	72,058	110,000	9,423	160,000	36,403
2022	60,000	33,325	275,000	4,125	440,000	56,338	50,000	7,590	155,000	31,720
2023	65,000	30,198			415,000	39,995	50,000	6,290	160,000	26,638
2024	80,000	26,500			450,000	22,903	50,000	4,990	105,000	22,041
2025	80,000	22,300			245,000	8,758	50,000	3,565	100,000	18,300
2026	60,000	18,520			85,000	1,806	50,000	2,015	85,000	14,775
2027	65,000	15,031					40,000	620	85,000	11,375
2028	75,000	11,006							85,000	7,763
2029	75,000	6,638							40,000	4,950
2030	75,000	2,213							40,000	3,150
2031									50,000	1,125
2032										
2033										
2034										
2035										
2036										
2037										
2038										
2039										
2040										
	750,000	241,036	1,600,000	58,613	2,435,000	287,881	570,000	46,798	1,220,000	218,936

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City of West Bend, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 02/05/2020)

	GO Refunding Bonds Series 2012B		GO Notes Series 2012C		Tax GO Refdg Bonds Series 2012D		2012 STF Loan 2012 STF Loan		GO Bonds Series 2013A	
Dated	05/09/2012		05/09/2012		05/09/2012		06/04/2012		06/06/2013	
Amount	$6,805,000		$2,955,000		$1,620,000		$432,400		$9,060,000	
Maturity	04/01		05/01		03/01		03/15		05/01	
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2020	625,000	117,669	305,000	14,510	185,000	11,259	46,081	4,285	330,000	182,725
2021	785,000	103,569	315,000	9,235	195,000	6,930	47,475	2,891	330,000	177,775
2022	880,000	86,919	320,000	3,200	170,000	2,295	48,900	1,467	340,000	172,750
2023	930,000	68,819							340,000	167,225
2024	970,000	49,819							350,000	160,313
2025	1,025,000	29,228							850,000	146,813
2026	815,000	9,169							905,000	125,938
2027									980,000	102,375
2028									1,000,000	76,375
2029									1,005,000	48,806
2030									285,000	31,069
2031									295,000	22,725
2032									300,000	13,800
2033									310,000	4,650
2034										
2035										
2036										
2037										
2038										
2039										
2040										
	6,030,000	465,191	940,000	26,945	550,000	20,484	142,456	8,644	7,620,000	1,433,338

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City of West Bend, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 02/05/2020)

	GO Notes Series 2013B		Taxable GO Notes Series 2013C		GO Bonds Series 2014A		GO Notes Series 2014B		GO Notes Series 2014C	
Dated	06/06/2013		06/06/2013		02/26/2014		02/26/2014		07/09/2014	
Amount	$820,000		$5,980,000		$1,740,000		$6,370,000		$3,135,000	
Maturity	05/01		04/01		02/01		02/01		04/01	
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2020	100,000	4,898	50,000	4,070	0	20,813	0	22,400	570,000	8,550
2021	100,000	3,598	55,000	3,188	75,000	40,875	740,000	37,400		
2022	110,000	2,018	60,000	2,078	75,000	39,375	400,000	25,500		
2023	65,000	569	65,000	731	80,000	37,665	400,000	16,000		
2024					80,000	35,745	400,000	5,500		
2025					85,000	33,638				
2026					90,000	31,275				
2027					90,000	28,665				
2028					95,000	25,798				
2029					100,000	22,625				
2030					105,000	19,140				
2031					105,000	15,413				
2032					110,000	11,435				
2033					115,000	7,100				
2034					120,000	2,400				
2035										
2036										
2037										
2038										
2039										
2040										
	375,000	11,081	230,000	10,066	1,325,000	371,960	1,940,000	106,800	570,000	8,550

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City of West Bend, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 02/05/2020)

	GO Refunding Bonds Series 2014D		GO Bonds Series 2015A		GO Bonds Series 2016A		Series 2016B		GO Notes Series 2016C	
Dated	12/30/2014		06/10/2015		03/29/2016		03/29/2016		06/01/2016	
Amount	$4,110,000		$3,850,000		$5,525,000		$1,135,000		$800,000	
Maturity	10/01		04/01		03/01		04/01		06/01	
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2020	145,000	4,350	365,000	71,465	455,000	86,825	175,000	11,059	80,000	7,358
2021			370,000	62,278	475,000	77,525	245,000	7,559	80,000	6,278
2022			375,000	52,496	450,000	68,275	285,000	2,708	80,000	5,198
2023			380,000	41,925	465,000	59,125			85,000	4,084
2024			390,000	30,855	475,000	49,725			85,000	2,936
2025			415,000	18,975	450,000	40,475			85,000	1,789
2026			425,000	6,375	460,000	31,375			90,000	608
2027					300,000	23,775				
2028					290,000	17,513				
2029					325,000	10,188				
2030					245,000	3,063				
2031										
2032										
2033										
2034										
2035										
2036										
2037										
2038										
2039										
2040										
	145,000	4,350	2,720,000	284,369	4,390,000	467,863	705,000	21,325	585,000	28,249

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City of West Bend, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 02/05/2020)

	Go Notes Series 2017A		Streets Series 2018A		GO Bonds Series 2019A		GO Bonds Series 2019B		Taxable GO Comm Dev Bonds Series 2020A							
Dated	05/11/2017		05/03/2018		04/03/2019		04/03/2019		02/05/2020							
Amount	$2,230,000		$2,560,000		$4,890,000		$1,975,000		$3,600,000*							
Maturity	03/01		05/01		04/01		03/01		02/01							
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal***	**Estimated Interest***	**Total Principal***	**Total Interest***	**Total P & I***	**Principal Outstanding***	**% Paid***	**Calendar Year Ending**
2020	185,000	50,828	285,000	71,325	425,000	169,500	400,000	46,795	0	55,171	6,146,081	1,180,443	7,326,524	43,746,375	12.32%	**2020**
2021	235,000	45,453	145,000	64,875	425,000	152,500	400,000	36,295	0	112,849	6,432,475	1,123,183	7,555,658	37,313,900	25.21%	**2021**
2022	205,000	38,853	220,000	59,400	460,000	134,800	370,000	26,189	0	112,849	5,828,900	969,465	6,798,364	31,485,000	36.89%	**2022**
2023	280,000	31,578	300,000	51,600	480,000	116,000	380,000	16,298	50,000	112,274	4,990,000	827,011	5,817,011	26,495,000	46.90%	**2023**
2024	285,000	23,103	260,000	43,200	460,000	97,200	425,000	5,631	100,000	110,499	4,965,000	690,959	5,655,959	21,530,000	56.85%	**2024**
2025	285,000	15,906	330,000	34,350	435,000	79,300			100,000	108,024	4,535,000	561,419	5,096,419	16,995,000	65.94%	**2025**
2026	290,000	9,868	335,000	24,375	445,000	61,700			100,000	105,474	4,235,000	443,271	4,678,271	12,760,000	74.42%	**2026**
2027	300,000	3,375	335,000	14,325	455,000	45,975			100,000	102,824	2,750,000	348,340	3,098,340	10,010,000	79.94%	**2027**
2028			310,000	4,650	470,000	32,100			120,000	99,799	2,445,000	275,003	2,720,003	7,565,000	84.84%	**2028**
2029					485,000	17,775			135,000	96,158	2,165,000	207,139	2,372,139	5,400,000	89.18%	**2029**
2030					170,000	7,950			155,000	91,880	1,075,000	158,464	1,233,464	4,325,000	91.33%	**2030**
2031					180,000	2,700			180,000	86,781	810,000	128,744	938,744	3,515,000	92.95%	**2031**
2032									200,000	80,844	610,000	106,079	716,079	2,905,000	94.18%	**2032**
2033									220,000	74,281	645,000	86,031	731,031	2,260,000	95.47%	**2033**
2034									245,000	66,863	365,000	69,263	434,263	1,895,000	96.20%	**2034**
2035									265,000	58,575	265,000	58,575	323,575	1,630,000	96.73%	**2035**
2036									290,000	49,556	290,000	49,556	339,556	1,340,000	97.31%	**2036**
2037									305,000	39,888	305,000	39,888	344,888	1,035,000	97.93%	**2037**
2038									325,000	29,447	325,000	29,447	354,447	710,000	98.58%	**2038**
2039									345,000	18,141	345,000	18,141	363,141	365,000	99.27%	**2039**
2040									365,000	6,159	365,000	6,159	371,159	0	100.00%	**2040**
	2,065,000	218,961	2,520,000	368,100	4,890,000	917,500	1,975,000	131,208	3,600,000	1,618,333	49,892,456	7,376,578	57,269,034			

* Preliminary, subject to change.

DEBT LIMIT

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

Equalized Value	$ 2,956,923,800
Multiply by 5%	0.05
Statutory Debt Limit	$ 147,846,190
Less: General Obligation Debt (includes the Bonds)*	(49,892,456)
Unused Debt Limit*	$ 97,953,734

*Preliminary, subject to change.

OVERLAPPING DEBT[1]

Taxing District	2019 Equalized Value[2]	% In City	Total G.O. Debt[3]	City's Proportionate Share
Washington County	$16,155,740,400	18.3026%	$ 14,145,000	$ 2,588,903
West Bend School District	5,529,323,059	53.4771%	33,546,000	17,939,428
Moraine Park Technical College	28,992,961,054	10.1988%	22,985,000	2,344,194
City's Share of Total Overlapping Debt				$ 22,872,525

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

[2] Includes tax increment valuation.

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

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value $2,956,923,800	Debt/ Per Capita 32,122[1]
Total General Obligation Debt (includes the Bonds)*	$ 49,892,456	1.69%	$ 1,553.22
City's Share of Total Overlapping Debt	22,872,525	0.77%	712.05
Total*	$ 72,764,981	2.46%	$ 2,265.27

*Preliminary, subject to change.

DEBT PAYMENT HISTORY

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

FUTURE FINANCING

The City anticipates borrowing approximately $3.3 million for annual capital projects and water projects, plus approximately $2.9 million for TID 14 projects, in 2020. Aside from the preceding, the City has no current plans for additional financing in the next 12 months.

[1] Estimated 2019 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Levy for City Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per $1,000
2014/15	$19,180,219	100%	$8.56
2015/16	19,240,737	100%	8.49
2016/17	19,217,825	100%	8.29
2017/18	19,294,911	100%	7.83
2018/19	19,662,557	100%	7.81

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

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

PROPERTY TAX RATES

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

Year Levied/ Year Collected	Schools[1]	County	Local	Other[2]	Total
2014/15	$9.29	$2.69	$8.56	$0.18	$20.72
2015/16	9.44	2.60	8.49	0.18	20.71
2016/17	9.31	2.58	8.29	0.18	20.36
2017/18	8.80	2.49	7.83	0.00	19.12
2018/19	8.61	2.39	7.81	0.00	18.81

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

LEVY LIMITS

Section 66.0602 of the Wisconsin Statutes, imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of either the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current or zero percent). 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

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

[2] Includes the state reforestation tax which is apportioned to each county on the basis of its full value. Counties, in turn, apportion the tax to the tax districts within their borders on the basis of full value. It also includes taxes levied for special purpose districts such as metropolitan sewerage districts, sanitary districts, and public inland lake protection districts. Tax increment values are not included. State property taxes were eliminated in the State's 2017 - 2019 budget act.

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 exclusions from and adjustments to the tax levy limit. Among the items excluded from the limit are amounts levied for any revenue shortfall for debt service on a revenue bond issued under Section 66.0621. Among the adjustments permitted is an adjustment applicable when a tax increment district terminates, which allows an amount equal to the prior year's allowable levy multiplied by 50% of the political subdivision's percentage growth due to the district's termination.

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

THE ISSUER

CITY GOVERNMENT

The City was incorporated on March 19, 1885 and is governed by a Mayor and an eight-member Common Council. The Mayor does not vote except in the case of a tie. Council President Steve Hoogester is currently serving as Acting Mayor until the April election. The Mayor is elected to a three-year term and the Alderpersons of the Common Council are elected to staggered two-year terms. The appointed staff of an Administrator, Clerk and Finance Administrator/Treasurer are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The City employs a staff of 212 full-time, 84 part-time, and 97 seasonal employees. All eligible employees in the City are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The WRS is a cost-sharing multiple-employer defined benefit pension plan. The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

City employees are generally required to contribute half of the actuarially determined contributions, and the City generally may not pay the employees' required contribution. During the fiscal year ended December 31, 2016 ("Fiscal Year 2016"), the fiscal year ended December 31, 2017 ("Fiscal Year 2017") and the fiscal year ended December 31, 2018 ("Fiscal Year 2018"), the City's portion of contributions to WRS (not including any employee contributions) totaled $1,197,634, $1,342,189 and $1,394,234, respectively.

The City implemented Governmental Accounting Standards Board Statement No. 68 ("GASB 68") for Fiscal Year 2016.

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, 2017, the total pension liability of the WRS was calculated as $101.4 billion and the fiduciary net position of the WRS was calculated as $104.4 billion, resulting in a net pension asset of $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 2018, the City reported an asset of $3,818,008 for its proportionate share of the net pension asset of the WRS. The net pension asset was measured as of December 31, 2017 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 0.12859065% of the aggregate WRS net pension asset as of December 31, 2017.

The calculation of the total pension asset and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of net pension asset of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Recognized and Certified Bargaining Units

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

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

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

The following bargaining units represent employees of the City:

Bargaining Unit	Expiration Date of Current Contract
West Bend Police Protective Association	December 31, 2021
West Bend Police Supervisors Association	December 31, 2021
Local 2025, International Association of Firefighters	December 31, 2021
Dispatcher and Clerical Association, Local 503	March 21, 2020

OTHER POST EMPLOYMENT BENEFITS

The City has obligations for some post-employment benefits for its employees. Accounting for these obligations is dictated by the Statement of Governmental Accounting Standards No. 74 and 75 (SGAS 74 and SGAS 75). The City's most recent actuarial study of its OPEB obligations shows a net OPEB liability of $13,891,992 as of December 31, 2017. The City has been funding these obligations on a pay-as-you-go basis. There are no assets that have been segregated and restricted to provide for retiree medical benefits.

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

In addition, the City provides OPEB through the Local Retiree Life Insurance Fund ("LRLIF"), which is a

cost-sharing multiple-employer defined benefit plan established by Chapter 40. The ETF and the Group Insurance Board have statutory authority for program administration and oversight, including establishing contribution requirements for employers.

For Fiscal Year 2018, the City's portion of contributions to the LRLIF totaled $1,207. For Fiscal Year 2018, the City reported a liability of $679,626 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2017 based on the City's share of contributions to the LRLIF relative to the contributions of all participating employers. The City's proportion was .22589600% of the aggregate LRLIF net OPEB liability as of December 31, 2017.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the net OPEB liability of the LRLIF, which may also cause ETF to change the contribution requirements for employers and employees. For more detailed information, see Note IV. E in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

LITIGATION

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

MUNICIPAL BANKRUPTCY

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

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

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

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

FUNDS ON HAND (as of November 30, 2019)

Fund	Total Cash and Investments
General	$ 8,821,923
Debt Service	146,083
Capital Projects	2,540,968
Water Utility	5,584,135
Sewer Utility	11,515,039
Taxi	(80,022)
Library	428,876
BID	287,671
Cable TV	1,167,716
Room Tax	102,297
Park & Rec.	264,271
County Wide	449,334
Outreach Services	120,520
Library Trust	1,625
TIF 3	288,635
TIF 4	12,526
TIF 5	386,771
TIF 6	44,594
TIF 7	22,983
TIF 8	2,500
TIF 9	(230,988)
TIF 10	559,691
TIF 11	78,164
TIF 12	180,604
TIF 13	52,635
Park Trust	356,585
Economic Development	665,250
FAPS	52,014
Total Funds on Hand	$ 33,822,400

ENTERPRISE FUNDS

Revenues available for debt service for the City's enterprise funds have been as follows as of December 31 each year:

	2016	2017	2018
Water			
Total Operating Revenues	$ 4,882,741	$ 4,878,067	$ 4,860,605
Less: Operating Expenses	(3,292,713)	(3,624,862)	(3,852,884)
Operating Income	$ 1,590,028	$ 1,253,205	$ 1,007,721
Plus: Depreciation	906,665	1,023,943	973,038
Interest Income	16,015	32,025	79,697
Revenues Available for Debt Service	$ 2,512,708	$ 2,309,173	$ 2,060,456
Sewer			
Total Operating Revenues	$ 3,758,111	$ 3,639,894	$ 3,653,453
Less: Operating Expenses	(3,368,956)	(3,703,034)	(3,597,007)
Operating Income	$ 389,155	$ (63,140)	$ 56,446
Plus: Depreciation	1,254,970	1,261,888	1,271,533
Interest Income	92,774	118,134	255,296
Revenues Available for Debt Service	$ 1,736,899	$ 1,316,882	$ 1,583,275

SUMMARY GENERAL FUND INFORMATION

Following are summaries of the revenues and expenditures and fund balances for the City's General Fund. These summaries are not purported to be the complete audited financial statements of the City, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the City. Copies of the complete audited financial statements are available upon request. See Appendix A for the City's 2018 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2016 Audited	2017 Audited	2018 Audited	Unaudited Through 11/30/19[1]	2020 Adopted Budget[2]
Revenues					
Taxes	$ 14,097,151	$ 14,400,793	$ 14,575,071	$ 15,273,766	$ 15,854,572
Intergovernmental	3,713,412	3,654,285	3,883,978	3,535,045	3,664,202
Licenses and permits	821,568	890,385	735,713	782,050	701,455
Penalties and forfeitures	458,038	412,772	434,522	365,450	444,600
Public charges for services	1,545,488	1,843,347	1,836,813	1,891,442	2,059,978
Intergovernmental charges for service	425,000	425,000	428,000	436,560	445,231
Special assessments	17,525	39,695	36,711	5,808	2,000
Investment income	98,802	173,786	268,131	319,885	257,500
Miscellaneous general revenues	300,967	302,178	425,455	203,977	129,028
Total Revenues	$ 21,477,951	$ 22,142,241	$ 22,624,394	$ 22,813,983	$ 23,558,566
Expenditures					
Current:					
General government	$ 4,204,757	$ 4,453,746	$ 4,388,187	$ 4,787,225	$ 4,688,583
Public safety	10,810,224	11,056,465	11,570,862	10,136,776	$ 12,808,325
Public works	4,072,923	4,569,622	4,541,574	3,753,630	4,686,458
Leisure activities	1,613,828	1,459,749	1,545,041	1,466,368	1,526,387
Conservation and development	381,259	339,768	411,493	1,141,344	366,958
Capital Outlay/Contingency	0	0	116,776	0	41,084
Debt Service	0	0	0	0	0
Total Expenditures	$ 21,082,991	$ 21,879,350	$ 22,573,933	$ 21,285,343	$ 24,117,795
Excess of revenues over (under) expenditures	$ 394,960	$ 262,891	$ 50,461	$ 1,528,640	$ (559,229)
Other Financing Sources (Uses)					
Proceeds from sale of property	21,657	23,355	29,274	16,152	30,000
Operating transfers in	685,182	665,590	662,585	6,000	670,068
Operating transfers out	(184,138)	(167,408)	(172,208)	(104,945)	(140,839)
Total Other Financing Sources (Uses)	$ 522,701	$ 521,537	$ 519,651	$ (82,793)	$ 559,229
Excess of revenues and other financing sources over (under) expenditures and other financing uses	$ 917,661	$ 784,428	$ 570,112	$ 1,445,847	$ 0
General Fund Balance January 1	6,520,943	7,438,604	8,223,032	8,793,144	10,238,991
Residual Equity Transfer in (out)	0	0	0	0	
General Fund Balance December 31	$ 7,438,604	$ 8,223,032	$ 8,793,144	$ 10,238,991	$ 10,238,991
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	1,428,893	1,468,705	1,243,055		
Restricted	288,529	255,244	295,964		
Committed	0	0	0		
Assigned	482,927	765,307	590,212		
Unassigned	5,238,255	5,733,776	6,663,913		
Total	$ 7,438,604	$ 8,223,032	$ 8,793,144		

[1] Unaudited data is as of November 30, 2019.

[2] The 2020 budget was adopted on November 11, 2019.

GENERAL INFORMATION

LOCATION

The City, with a 2010 U.S. Census population of 31,078 and a current estimated population of 32,122, comprises an area of 30 square miles and is located approximately 35 miles northwest of Milwaukee, Wisconsin. West Bend is the County Seat of Washington County.

LARGER EMPLOYERS[1]

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
West Bend Mutual Insurance	Property/casualty insurance company	1,319
Froedtert Health Care	Hospital & clinic	1,148[2]
Washington County	County government and services	834
West Bend Joint School District No. 1	Elementary and secondary education	821
Wal-Mart	Retail	600
Serigraph Inc.	Commercial screen and lithograph printing	580
Cedar Community	Nursing and convalescent homes	550[3]
The City	Municipal government and services	393
YMCA Kettle Moraine	Community service, health and fitness	333
Regal Ware, Inc.	Stainless steel & cast aluminum cookware manufacturer	300

Source: *ReferenceUSA, written and telephone survey (January 2020), Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development.*

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[1] This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above. Some employers do not respond to inquiries for employment data.

[2] This includes employees at St. Joseph's Hospital, St. Joseph's Health Center, West Bend Clinic/West Bend Surgery Center/West Bend Rehab

[3] Five locations in the City.

BUILDING PERMITS

	2015	2016	2017	2018	2019[1]
New Single Family Homes					
No. of building permits	28	23	28	22	16
Valuation	$5,937,968	$4,594,765	$6,909,649	$4,664,297	$4,073,120
New Multiple Family Buildings					
No. of building permits	5	8	18	17	13
Valuation	$7,139,100	$2,020,000	$8,244,829	$5,880,000	$7,203,980
New Commercial/Industrial					
No. of building permits	43	14	36	4	40
Valuation	$6,385,023	$33,838,636	$14,520,707	$40,507,766	$33,856,131
All Building Permits *(including additions and remodelings)*					
No. of building permits	660	577	419	380	390
Valuation	$27,539,190	$52,037,282	$37,519,131	$59,796,474	$50,882,803

Source: The City.

[1] As of November 30, 2019.

U.S. CENSUS DATA

Population Trend: The City

2000 U.S. Census		28,152
2010 U.S. Census		31,078
2019 Estimated Population		32,122
Percent of Change 2000 - 2010	+	10.39%

Income and Age Statistics

	The City	Washington County	State of Wisconsin	United States
2018 per capita income	$31,118	$37,631	$32,018	$32,621
2018 median household income	$55,815	$74,062	$59,209	$60,293
2018 median family income	$72,542	$90,303	$75,313	$73,965
2018 median gross rent	$859	$895	$837	$1,023
2018 median value owner occupied units	$169,700	$225,800	$173,600	$204,900
2018 median age	39.7 yrs.	42.9 yrs.	39.3 yrs.	37.9 yrs.

	State of Wisconsin	United States
City % of 2018 per capita income	97.19%	95.39%
City % of 2018 median family income	96.32%	98.08%

Housing Statistics

	The City		
	2010	2018	Percent of Change
All Housing Units	13,593	14,241	4.77%

Source: *2000 and 2010 Census of Population and Housing, and 2018 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (*https://data.census.gov/cedsci).

EMPLOYMENT/UNEMPLOYMENT DATA

	Average Employment		Average Unemployment		
Year	Washington County	The City	Washington County	The City	State of Wisconsin
2015	73,215	16,340	3.7%	4.1%	4.6%
2016	74,774	16,614	3.3%	3.6%	4.0%
2017	75,760	16,677	2.8%	3.0%	3.3%
2018	75,630	16,648	2.5%	2.8%	3.0%
2019, November[1]	75,305	16,577	2.5%	2.8%	2.9%

Source: *Wisconsin Department of Workforce Development*.

[1] Preliminary.

APPENDIX A

FINANCIAL STATEMENTS

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

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

CITY OF WEST BEND

West Bend, Wisconsin

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2018

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

CITY OF WEST BEND

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FINANCE DEPARTMENT

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

June 11, 2019

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

Wisconsin Statutes and the Wisconsin Administrative Code require that municipalities with a population greater than 25,000 publish at the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The attached Comprehensive Annual Financial Report of the City of West Bend for the fiscal year ended December 31, 2018 satisfies these requirements.

Management assumes full responsibility for the completeness and reliability of the information contained in this report. In order to provide a reasonable basis for this representation, management has established and maintained a framework of internal control procedures. These procedures are designed to protect the City's assets and ensure that accurate accounting data is compiled to allow for accurate preparation of financial statements in conformity with GAAP. The objective of internal controls is to provide reasonable assurance that the financial statements are free of any material misstatements. To the best of our knowledge, the presented data is complete and reliable in all material aspects and presents fairly the financial position and results of the City of West Bend for the year ended December 31, 2018.

The City of West Bend retained the services of Baker Tilly Virchow Krause, LLP to perform its annual audit. Baker Tilly Virchow Krause, LLP concluded that the City's financial statements for the year ended December 31, 2018 are fairly presented in accordance with GAAP. The auditor's opinion is located at the front of the Financial Section of this report.

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

PROFILE OF THE CITY OF WEST BEND

The City of West Bend is located in Washington County, approximately 32 miles northwest of the City of Milwaukee, in the southeast corner of Wisconsin. The City of West Bend was incorporated in 1885 and was known as the rest stop as the halfway point for travelers going from Milwaukee to Fond du Lac. The City covers approximately 15.33 square miles and has a population of 31,881 as of January 1, 2018 per the State of Wisconsin Department of Administration.

PROFILE OF THE CITY OF WEST BEND (Continued)

The City of West Bend operates under the Mayor-Council form of government. The eight alderman each represent a district and serve a two-year term that is staggered among the eight alderman. The Mayor is elected to serve a three-year term. The City Administrator is appointed by the Council and is responsible for the day-to-day operations of the City of West Bend.

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

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

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

The City continues to experience moderate and controlled growth in terms of the residential, commercial, and manufacturing sectors. The change in equalized value of property within the City has averaged a 3.4% increase per year since 2014. The increases in equalized value for residential, commercial, and manufacturing class real property averaged 3.6%, 2.6%, and 2.6% respectively over that same period. The value of net new construction as a percentage of total property value in the City has averaged 1.24% over the last five years. This managed growth was supported based on past infrastructure investment with no significant additional expenditures required.

"Post economic slow-down" residential growth has included an average of 89.2 dwelling units per year since 2014. Single and two family residential development have occurred within previously platted subdivisions with 54 dwelling units constructed in 2018. Multifamily residential growth has been focused within the redevelopment portions around the downtown area, with 229 units being constructed within the downtown Tax Increment Districts over the last 7 years. Commercial construction remains strong with $24 million in development in 2017 and doubling to $46 million in development investment in 2018. Despite regional trends, the

Local Economy (Continued)

City has attracted the construction of two 190,000 sq. ft. big-box retail commercial stores (Meijer $22.1M and Fleet Farm $21.8M) over the past three years. Substantial service and retail commercial related construction activity have continued, including a medical center (Froedtert $26.7M), medical offices (WB Medical $2.3M, Affiliated Clinical), restaurants, and other service related businesses (Kwik Trip - 3 locations, Morrie's Honda $10.2M, Darrow Nissan $2.5M). Manufacturing sector investment has continued with expansions/retooling (Metalcraft, Regal, and Badger Packaging) as well as new site construction (Extra Space Storage $5.4M). Industrial development is hampered by an insufficient supply of medium to large scale industrial sites for development. In response, the City has initiated the acquisition and development of a 200+ acre industrial park to meet this need and to continue the long term development of the City's manufacturing employment base.

Public and private investment occurred within the downtown portion of the City continuing the growth in activity and investment of this vibrant economic center. Completion of the Museum of Wisconsin Art Campus, commencement of the restoration of the historic West Bend Theatre ($3.2M), and improvements to the downtown Riverwalk and associated parkways have spurred reinvestment in this traditional downtown environment. Establishment of new or expanded restaurants (Krimmers, Culaccino Bar & Italian, and The Hub), office space (Epic Creative, Quam Engineering, YMCA offices), and other businesses exhibit the increased activity occurring within this greater downtown area.

Financial Planning

The City of West Bend Finance Department and Administration continually update the City's Five-year Financial Plan with assistance from their Financial Advisor, Ehlers. The most current financial plan is published in the City's annual Operating Budget. The financial plan incorporates several financial policies that the City of West Bend Common Council has approved and works to enforce.

The City adopts an annual Capital Budget and publishes a Five-Year Capital Plan in its Operating Budget. The overall goal of the City is to pay down more debt than what is being borrowed annually. Common Council recently approved a revision to the Debt Management Policy, which states that the percentage of debt limit to general obligation debt shall be 10% below the median calculation completed during the annual audit. This guideline limits the annual borrowing for capital projects. The majority of the annual borrowing for capital projects is used towards maintaining roads.

Long-range financial planning involves analysis of future debt, growth in assessed values, general levy prediction, library levy, TID tax increment projection, and estimated allowable levy. All of these factors are used to forecast the City of West Bend's tax rate for the next five years. Management reviews capital planning and the funding of the plan with a combination of borrowing and using funds on hand. The City maintains a rating of Aa3 from Moody's Investors Service. This rating is due to a healthy unrestricted fund balance and conservative financial management of the City of West Bend.

Financial Policies

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

- **Fund Balance** – adopted this policy in 2014 to serve as a guide to improve the unrestricted fund balance. Common Council approved a range of 17% - 30% of the subsequent year's budgeted general fund expenditures. The City is currently at 28% as of December 31, 2018.
- **Debt Management Policy** – adopted in 2014 to reduce the overall City's borrowing over the ensuing years. Common Council limited total general obligation debt to no higher than 20% of non-capital expenditures. Currently, the City of West Bend is higher than the percentage listed, at 25%. The City strives to reduce this percentage to abide by this policy.
- **Balanced Budget Policy** – adopted in 2017 as a recommendation from the Government Finance Officers Association (GFOA) *Building a Better Budget Document* book. This policy states the various ways that the General Fund Operating Budget, Special Revenue Funds Budgets, and Enterprise Budgets are considered balanced.
- **Investment Policy** – This policy serves as a guideline for the framework of the City's daily investment activities. This policy follows the guidelines in the Wisconsin State Statutes and requires collateralization of 102% of the value of the City's investments.
- **Purchasing Policy** – updated in 2015 to incorporate new credit card purchasing guidelines and the new credit card rebate program being implemented. This policy provides guidelines for the City on purchases of goods, purchasing procedures, public works construction, seminars & training reimbursements, petty cash procedures, credit card purchases, and disposal of surplus property.

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

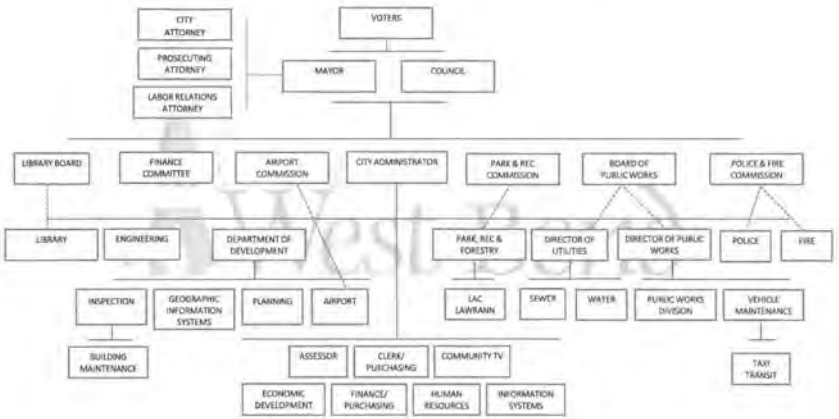
ACKNOWLEDGEMENTS

The preparation of this report was made possible by the dedicated services of the entire staff of the City of West Bend's Finance Department and the advice of the independent auditors, Baker Tilly Virchow Krause, LLP. We would also like to thank the Mayor and the Common Council for their continued support of the financial operations of the City.

Respectfully submitted,

Carrie Winklbauer, CPA
Finance Administrator

CITY OF WEST BEND ORGANIZATIONAL CHART



CITY OF WEST BEND

MEMBERS OF THE COMMON COUNCIL:

John Butschlick Dist 1

Mike Christian Dist 2

Andrew Chevalier Dist 3

Chris Jenkins Dist 4

Rich Kasten Dist 5

Steve Hoogester Dist 6

Justice Madl Dist 7

Roger Kist Dist 8

DEPARTMENT HEADS:

Kraig Sadownikow	Mayor
Jay Shambeau	City Administrator
Amy Ajack	IS Administrator
Padrick Dunn	Director of Community TV
Craig Hoeppner	Park & Rec Director
Michelle Hoey	Human Resources Director
Stephanie Justmann	City Clerk
Gerald Kudek	Fire Chief
Max Marechal	City Engineer
Ken Meuler	Police Chief
Ruth Mueller	Utilities Director
Doug Neumann	Public Works Director
Mark Piotrowicz	Development Director
Amy Salminen	Library Director
Carrie Winklbauer	Finance Administrator
Jeff Yoder	City Assessor

INDEPENDENT AUDITORS' REPORT

To the City Council
City of West Bend
West Bend, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of West Bend, Wisconsin, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City of West Bend's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City of West Bend's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City of West Bend's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of West Bend, Wisconsin, as of December 31, 2018 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.

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Emphasis of Matter

As discussed in Note I, the City of West Bend adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* effective January 1, 2018. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of West Bend's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
June 11, 2019

CITY OF WEST BEND

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018
UNAUDITED

As management of the City of West Bend, we offer readers of the City of West Bend's financial statements this narrative overview and analysis of the financial activities of the City of West Bend for the fiscal year ended December 31, 2018.

Financial Highlights

- The assets and deferred outflows of resources of the City of West Bend exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $168,245,961 (net position). Of this amount, there is $9,392,460 of unrestricted net position.
- The City's total net position increased by $4,040,816.
- At the close of the current fiscal year, the City of West Bend's governmental funds reported combined ending fund balances of $11,126,979 an increase of $218,888 in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $6,663,913 or 28% of total 2019 budgeted General Fund expenditures.
- The City's General Obligation debt decreased by $5,103,447 during 2018, and total debt decreased by $5,478,447.
- The City adopted GASB Statement No. 75 related to accounting and financial reporting of other postemployment benefits effective January 1, 2018. Comparative tables showing 2017 information within the management's discussion and analysis have not been adjusted for this standard.

Overview of the Financial Statements

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

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

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

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

CITY OF WEST BEND

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018
UNAUDITED

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

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

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

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

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

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

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

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

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

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

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

The basic proprietary fund financial statements can be found on pages 7-10 of this report.

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

The basic agency fund financial statement can be found on page 11 of this report.

Notes to Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14-67 of this report.

Supplementary Information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 72-106 of this report.

Government-wide Financial Analysis. Net position may serve over time as a useful indicator of a government's financial position. At year-end, the City of West Bend's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $168,245,961.

The largest portion of the City of West Bend's net position ($151,604,157) is its net investment in capital assets (land, buildings, machinery, equipment and infrastructure). The City used these capital assets to provide services to citizens and therefore these assets are not available for future spending. Although the City of West Bend's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of West Bend's net position represents restricted net position ($7,249,344), or resources that are subject to external restrictions on how they may be used. The remaining portion of unrestricted net position is $9,392,460.

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

There was an increase of $3,890,461 in restricted net position. This increase is due mainly to the restriction for the net pension asset.

The governmental activities' net position increased by $3,305,866 during the current fiscal year.

City of West Bend Net Position
December 31, 2018 and 2017

	Government Activities		Business-Type Activities		Total	
	2017	**2018**	**2017**	**2018**	**2017**	**2018**
Current and Other Assets	$ 37,794,490	$ 42,782,171	$ 22,784,434	$ 24,683,081	$ 60,578,924	$ 67,465,252
Capital Assets	150,284,030	149,469,797	51,779,091	50,948,555	202,063,121	200,418,352
Total Assets	188,078,520	192,251,968	74,563,525	75,631,636	262,642,045	267,883,604
Unamortized loss on refunding	917,096	739,108	-	-	917,096	739,108
Pension related items	7,536,826	6,559,380	752,820	596,026	8,289,646	7,155,406
Other post-employment benefit items	-	549,551	-	52,571	-	602,122
Total Deferred Outflows	8,453,922	7,848,039	752,820	648,597	9,206,742	8,496,636
Long-term Liabilities	67,431,319	66,934,599	5,306,040	5,198,540	72,737,359	72,133,139
Current and Other Liabilities	2,558,811	2,567,282	529,789	799,755	3,088,600	3,367,037
Total Liabilities	69,990,130	69,501,881	5,835,829	5,998,295	75,825,959	75,500,176
Pension related items	3,005,499	6,942,773	294,958	573,803	3,300,457	7,516,576
Other post-employment benefit items	-	15,142	-	1,585	-	16,727
Unearned revenues	23,879,400	25,100,800	-	-	23,879,400	25,100,800
Total Deferred Inflows	26,884,899	32,058,715	294,958	575,388	27,179,857	32,634,103
Net Investment in Capital Assets	101,944,883	105,895,084	47,492,331	46,834,880	148,238,795	151,604,157
Restricted	2,141,418	5,775,048	1,217,465	1,474,296	3,358,883	7,249,344
Unrestricted (deficit)	(4,428,888)	(13,130,721)	20,475,762	21,397,374	17,245,293	9,392,460
Total Net Position	$ 99,657,413	$ 98,539,411	$ 69,185,558	$ 69,706,550	$168,842,971	$ 168,245,961

Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2018	2017	2018	2017	2018
Revenues						
Program revenues:						
Charges for services	$ 4,949,789	$ 4,858,118	$ 8,522,907	$ 8,513,763	$ 13,472,696	$ 13,371,881
Operating grants/ contribution	3,120,340	3,175,036	-	-	3,120,340	3,175,036
Capital grants/ contribution	1,289,042	2,062,708	743,465	-	2,032,507	2,062,708
Total Program Revenue	9,359,171	10,095,862	9,266,372	8,513,763	18,625,543	18,609,625
General revenues:						
Property taxes	22,993,578	23,800,128	-	-	22,993,578	23,800,128
Other taxes	125,835	137,761	-	-	125,835	137,761
Intergovernmental revenues	2,010,865	2,137,070	-	-	2,010,865	2,137,070
Investment income	282,130	475,894	150,159	334,993	432,289	810,887
Miscellaneous	450,192	1,074,815	3,227	9,362	453,419	1,084,177
Total General revenue	25,862,600	27,625,668	153,386	344,355	26,015,986	27,970,023
Total revenues	35,221,771	37,721,530	9,419,758	8,858,118	44,641,529	46,579,648
Program expenses						
General government	4,644,495	4,799,184	-	-	4,644,495	4,799,184
Public safety	12,994,096	13,670,939	-	-	12,994,096	13,670,939
Public works	9,257,914	8,901,707	-	-	9,257,914	8,901,707
Leisure activities	4,721,860	4,961,761	-	-	4,721,860	4,961,761
Conservation and development	2,319,357	1,166,649	-	-	2,319,357	1,166,649
Interest and fiscal charges	1,558,210	1,469,728	-	-	1,558,210	1,469,728
Water	-	-	3,742,254	3,963,876	3,742,254	3,963,876
Sewer	-	-	3,712,440	3,604,988	3,712,440	3,604,988
Total expenses	35,495,932	34,969,968	7,454,694	7,568,864	42,950,626	42,538,832
Transfers	724,803	554,304	(724,803)	(554,304)	-	-
Change in Net Position	450,642	3,305,866	1,240,261	734,950	1,690,903	4,040,816
Net Position – Beginning of Year (as restated)	99,206,771	95,233,545	67,945,297	68,971,600	167,152,068	164,205,145
Net Position – End of Year	$ 99,657,413	$ 98,539,411	$ 69,185,558	$ 69,706,550	$168,842,971	$ 168,245,961

Governmental Activities. The net position in the governmental activities increased by $3,305,866 during the fiscal year. This increase was due to an increase in funding for the Riverwalk Project and budget controls. Net position has been restated for the beginning of the year for the implementation of GASB 75.

Business-type Activities. Business-type activities increased the City of West Bend's net position by $734,950. This increase was due to an increase in investment income and budget controls. Net position has been restated for the beginning of the year for the implementation of GASB 75.

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

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

As of the end of the current fiscal year, the City of West Bend's governmental funds reported combined ending fund balances of $11,126,979, an increase of $218,888. Approximately $3,444,374 of this total fund balance constitutes unassigned fund balance. For 2018, $590,212 of fund balance was assigned for use in the General Fund budget and for OPEBs.

The general fund is the chief operating fund of the City of West Bend. At the end of the current fiscal year, unassigned fund balance of the general fund was $6,663,913, while total general fund balance was $8,793,144. Unassigned fund balance represents 28% of total 2019 budgeted general fund expenditures, while total fund balance represents 37% of total 2019 budgeted general fund expenditures.

General Fund revenues and other financing sources exceeded expenditures and other financing uses by $570,112. The Debt Service fund balance at year end was $140,866, an increase of $3,823 from the prior year. The Capital Projects fund balance decreased by $757,924 from the prior year to $1,049,319 due primarily to costs associated with the East Riverwalk project.

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

Unrestricted net position of the Water Utility at the end of the year amounted to $4,476,165 and for the Sewer Utility $16,921,209. The total increases in net position for the funds were $357,925, and $377,025, respectively.

General Fund Budgetary Highlights

Revenues

- Sale of City property above budget by $11,770.
- Investment income above budget by $165,131.
- Uncollectible receivable collected was above budget by $62,761.
- Building permits revenues below budget by $69,905.
- Engineering inspection fees above budget by $18,906.
- Municipal court fines and penalties below budget by $38,741.
- Ambulance fees below budget by $79,905.

- Payment in lieu of taxes from Water Utility below budget by $37,321.
- State Shared Revenue was cut by $39,981.

Expenditures

- Health insurance above final budget by $138,128.
- Police costs below budget by $361,513.
- Fire costs below budget by $203,242.
- 2018 Public Works type expenditures within General Fund below budget by $143,046, due to position vacancies and budget controls.
- Within authorized statutory debt limits at 38% at EOY.

Capital Asset and Debt Administration

Capital Assets. The City of West Bend's investment in capital assets for its governmental and business-type activities as of December 31, 2018 amounts to $200,418,352 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, construction in progress, and infrastructure. Infrastructure includes streets, bridges, sidewalks, drainage systems, sewer lines and other infrastructure. Capital assets net of accumulated depreciation decreased $1,644,769 during 2018. The decrease in capital assets was due to current year depreciation costs exceeding asset additions. Please refer to footnote disclosure Note III D for more information regarding capital assets.

City of West Bend's Capital Assets
(Net of Accumulated Depreciation)
December 31, 2018 and 2017

	Governmental Activities		Business-Type Activities		Total	
	2017	2018	2017	2018	2017	2018
Land and Improvements	$17,143,128	$ 17,243,150	$ 552,571	$ 552,571	$ 17,695,699	$ 17,795,721
Right of Way	40,172,594	40,334,490	-	-	40,172,594	40,334,490
Buildings	20,191,604	19,659,997	-	-	20,191,604	19,659,997
Machinery and Equipment	7,037,502	6,920,909	-	-	7,037,502	6,920,909
Infrastructure	65,739,202	65,311,251	-	-	65,739,202	65,311,251
Construction in Progress	-	-	115,675	226,942	115,675	226,942
Water Utility Plant	-	-	26,692,953	26,467,997	26,692,953	26,467,997
Sewer Utility Plant	-	-	24,417,892	23,701,045	24,417,892	23,701,045
Total	$150,284,030	$149,469,797	$51,779,091	$50,948,555	$ 202,063,121	$200,418,352

Long Term Debt. At the end of the current fiscal year, the City of West Bend had total debt outstanding of $53,172,207. Of this amount, $52,077,207 represents general obligation debt, which is secured by the taxing authority of the city. The remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds) in the amount of $1,095,000. The City's total outstanding general obligation debt decreased by $5,103,447. Please refer to footnote disclosure Note III.F. for more information regarding long-term obligations.

Economic Factors

- The unemployment rate for the City of West Bend was 2.7% in December 2018. This compares to the state's average unemployment rate of 3.0%, and the national average rate of 3.9% (no seasonal adjustments to these rates).
- Equalized value increased approximately 3.23% for 2019 levy showing continued increase over the past five years.
- Continued emphasis on downtown/brownfield redevelopment in TIF District Nos. 5, 10, and 12.
- Tax increment levy sharing from TIF District Nos. 4 and 6 to TIF District Nos. 5 and 9 will continue in future years.
- Building permit activity for residential construction continued showing signs of growth along with reasonable activity expected for commercial/industrial construction.
- Approximately $46 million of new construction value expected from 2018 activity to be applied to 2019 tax bills.

2019 Budget Outlook

- The City did not need to use fund balance for 2019 tax rate stabilization and looks to continue the trend of growing the unrestricted fund balance to a healthy level.
- The City looks to reduce overall general obligation debt by 10% below the median calculation completed annually by during the audit.
- Attention to tax rate stabilization will likely continue for future budgets.

Requests for Information. This financial report is designed to provide a general overview of the City of West Bend's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to: Finance Administrator, City of West Bend, 1115 South Main Street, West Bend, Wisconsin, 53095.

CITY OF WEST BEND

STATEMENT OF NET POSITION
As of December 31, 2018

	Primary Government			
	Governmental Activities	Business - type Activities	Totals	Component Units
ASSETS				
Cash and investments	$ 14,039,615	$ 15,082,169	$ 29,121,784	$ 247,328
Taxes receivable	24,716,596	-	24,716,596	107,529
Special assessments receivable	21,210	1,085,581	1,106,791	-
Other receivables (net)	1,907,753	1,661,504	3,569,257	1,024
Loans receivable	949,230	-	949,230	-
Internal balances	(4,579,390)	4,579,390	-	-
Due from component units	1,394	-	1,394	-
Prepaid items and inventories	1,164,174	88,817	1,252,991	-
Land held for resale	800,000	-	800,000	-
Other assets	-	339,006	339,006	-
Restricted assets				
Cash and investments	253,809	1,536,386	1,790,195	-
Net pension asset	3,507,780	310,228	3,818,008	-
Capital Assets				
Land	11,636,702	552,571	12,189,273	-
Right of ways	40,334,490	-	40,334,490	-
Construction in progress	-	226,942	226,942	-
Other capital assets, net of depreciation	97,498,605	50,169,042	147,667,647	-
Total Assets	192,251,968	75,631,636	267,883,604	355,881
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized loss on refunding	739,108	-	739,108	-
Pension related items	6,559,380	596,026	7,155,406	-
Other post-employment benefit items	549,551	52,571	602,122	-
Total Deferred Outflows of Resources	7,848,039	648,597	8,496,636	-
LIABILITIES				
Accounts payable and other current liabilities	2,567,282	786,315	3,353,597	3,716
Due to primary government	-	-	-	1,394
Liabilities payable from restricted assets	-	13,440	13,440	-
Noncurrent liabilities				
Due within one year	8,335,574	789,998	9,125,572	-
Due in more than one year	58,599,025	4,408,542	63,007,567	-
Total Liabilities	69,501,881	5,998,295	75,500,176	5,110
DEFERRED INFLOWS OF RESOURCES				
Pension related items	6,942,773	573,803	7,516,576	-
Other post-employment benefit items	15,142	1,585	16,727	-
Unearned revenues	25,100,800	-	25,100,800	107,529
Total Deferred Inflows of Resources	32,058,715	575,388	32,634,103	107,529
NET POSITION				
Net investment in capital assets	105,895,084	46,834,880	151,604,157	-
Restricted for loans	252,362	-	252,362	-
Restricted for tourism	106,215	-	106,215	-
Restricted for donations	381,545	-	381,545	-
Restricted for future HRA payments	257,355	-	257,355	-
Restricted for library	827,956	-	827,956	-
Restricted for pension	3,507,780	310,228	3,818,008	-
Restricted for debt service	-	168,409	168,409	-
Restricted for replacement	-	995,659	995,659	-
Restricted for TIF related projects	441,835	-	441,835	-
Unrestricted (deficit)	(13,130,721)	21,397,374	9,392,460	243,242
TOTAL NET POSITION	$ 98,539,411	$ 69,706,550	$ 168,245,961	$ 243,242

See accompanying notes to financial statements.

CITY OF WEST BEND

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Totals	Component Units
Primary Government								
Governmental Activities								
General government	$ 4,799,184	$ 468,522	$ 187,866	$ -	$ (4,142,796)	$ -	$ (4,142,796)	$ -
Public safety	13,670,939	2,427,136	34,680	13,100	(11,196,023)	-	(11,196,023)	-
Public works	8,901,707	858,391	2,308,780	1,542,163	(4,192,373)	-	(4,192,373)	-
Leisure activities	4,961,761	490,664	643,710	282,408	(3,544,979)	-	(3,544,979)	-
Conservation and development	1,166,649	613,405	-	225,037	(328,207)	-	(328,207)	-
Interest and fiscal charges	1,469,728	-	-	-	(1,469,728)	-	(1,469,728)	-
Total Governmental Activities	34,969,968	4,858,118	3,175,036	2,062,708	(24,874,106)	-	(24,874,106)	-
Business-type Activities								
Water	3,963,876	4,860,605	-	-	-	896,729	896,729	-
Sewer	3,604,988	3,653,158	-	-	-	48,170	48,170	-
Total Business-type Activities	7,568,864	8,513,763	-	-	-	944,899	944,899	-
Total Primary Government	$ 42,538,832	$ 13,371,881	$ 3,175,036	$ 2,062,708	(24,874,106)	944,899	(23,929,207)	-
Component Units								
Business Improvement District	$ 74,274	$ -	$ 96,148	$ -	-	-	-	21,874
Redevelopment Authority	4,963,716	-	-	-	-	-	-	(4,963,716)
Total Component Units	$ 5,037,990	$ -	$ 96,148	$ -	-	-	-	(4,941,842)
General Revenues								
Taxes								
Property taxes, levied for general purposes					14,489,156	-	14,489,156	-
Property taxes, levied for special revenue funds					1,102,497	-	1,102,497	-
Property taxes, levied for debt service					2,971,253	-	2,971,253	-
Property taxes, levied for TIF					5,237,222	-	5,237,222	-
Other taxes					137,761	-	137,761	-
Intergovernmental revenues not restricted to specific programs					2,137,070	-	2,137,070	-
Investment income					475,894	334,993	810,887	5,391
Miscellaneous					1,074,815	9,362	1,084,177	-
Total General Revenues					27,625,668	344,355	27,970,023	5,391
Transfers					554,304	(554,304)	-	-
Change in Net Position					3,305,866	734,950	4,040,816	(4,936,451)
Net Position - Beginning of Year (as restated)					95,233,545	68,971,600	164,205,145	5,179,693
NET POSITION - END OF YEAR					$ 98,539,411	$ 69,706,550	$ 168,245,961	$ 243,242

See accompanying notes to financial statements.

CITY OF WEST BEND

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2018

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Totals
ASSETS					
Cash and investments	$ 6,321,946	$ 140,866	$ 2,059,825	$ 5,516,978	$ 14,039,615
Receivables					
Taxes	15,592,002	3,118,210	-	6,006,384	24,716,596
Delinquent personal property taxes	12,595	-	-	-	12,595
Accounts (net)	772,984	-	525,000	510,140	1,808,124
Special assessments	21,210	-	-	-	21,210
Delinquent special assessments	66,323	-	-	-	66,323
Accrued interest	20,712	-	-	-	20,712
Loans	-	-	-	949,230	949,230
Due from other funds	2,551,438	-	11,443	-	2,562,881
Due from component units	1,394	-	-	-	1,394
Inventories	913,721	-	-	-	913,721
Prepaid items	250,416	-	-	37	250,453
Advances to other funds	-	-	-	280,000	280,000
Restricted cash and investments	-	-	-	253,809	253,809
TOTAL ASSETS	$ 26,524,741	$ 3,259,076	$ 2,596,268	$ 13,516,578	$ 45,896,663
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	$ 1,038,267	$ -	$ 138,799	$ 169,126	$ 1,346,192
Accrued liabilities	766,127	-	-	54,649	820,776
Deposits	22,547	-	-	-	22,547
Due to other governments	20,829	-	-	-	20,829
Due to other funds	388,986	-	908,150	479,797	1,776,933
Advances from other funds	-	-	-	5,645,338	5,645,338
Total Liabilities	2,236,756	-	1,046,949	6,348,910	9,632,615
Deferred Inflows of Resources					
Unearned revenue	15,473,631	3,118,210	500,000	6,008,959	25,100,800
Unavailable revenue	21,210	-	-	15,059	36,269
Total Deferred Inflows of Resources	15,494,841	3,118,210	500,000	6,024,018	25,137,069
Fund Balances					
Nonspendable	1,243,055	-	-	-	1,243,055
Restricted	295,964	140,866	570,557	2,609,388	3,616,775
Committed	-	-	-	1,753,801	1,753,801
Assigned	590,212	-	478,762	-	1,068,974
Unassigned (deficit)	6,663,913	-	-	(3,219,539)	3,444,374
Total Fund Balances	8,793,144	140,866	1,049,319	1,143,650	11,126,979
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 26,524,741	$ 3,259,076	$ 2,596,268	$ 13,516,578	$ 45,896,663

See accompanying notes to financial statements.

CITY OF WEST BEND

RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
For the Year Ended December 31, 2018

Fund balance - total governmental funds	$ 11,126,979
Amounts reported for governmental activities in the statement of net position are different because:	
Land held for resale used in governmental funds is not a financial resource and, therefore, is not reported in the funds.	800,000
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.	
Land	11,636,702
Right of ways	40,334,490
Other capital assets, net of depreciation	97,498,605
Some receivables that are not currently available are reported as unavailable revenue in the fund financial statements but are recognized as revenue when earned in the government-wide statements. See Note III. B.	36,269
The net pension asset does not related to current financial resources and is not reported in the governmental funds.	3,507,780
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the funds.	6,559,380
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the funds.	(6,942,773)
Deferred outflows of resources related to OPEB do not relate to current financial resources and are not reported in the funds.	549,551
Deferred inflows of resources related to OPEB do not relate to current financial resources and are not reported in the funds.	(15,142)
Some deferred outflows and liabilities, including long-term debt, are not due and payable in the current period and, therefore, not reported in the funds.	
Bonds and notes payable	(48,745,067)
Compensated absences	(3,670,840)
Other post-employment benefits	(14,003,547)
Accrued interest	(356,939)
Unamortized loss on refunding	739,108
Unamortized debt premium	(515,145)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 98,539,411

See accompanying notes to financial statements.

CITY OF WEST BEND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2018

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$ 14,575,071	$ 2,971,253	$ -	$ 6,406,622	$ 23,952,946
Intergovernmental	3,883,978	-	158,036	1,359,451	5,401,465
Licenses and permits	735,713	-	-	419,717	1,155,430
Fines, forfeitures and penalties	434,522	-	-	2,538	437,060
Public charges for services	1,836,813	-	-	858,123	2,694,936
Intergovernmental charges for services	428,000	-	-	149,611	577,611
Special assessments	36,711	-	-	-	36,711
Investment income	268,131	13,903	39,655	154,205	475,894
Miscellaneous	425,455	-	725,960	637,657	1,789,072
Total Revenues	22,624,394	2,985,156	923,651	9,987,924	36,521,125
EXPENDITURES					
Current					
General government	4,388,187	-	-	21,588	4,409,775
Public safety	11,570,862	-	-	-	11,570,862
Public works	4,541,574	-	-	1,107,798	5,649,372
Leisure activities	1,545,041	-	-	2,367,912	3,912,953
Conservation and development	411,493	-	-	8,119	419,612
Capital Outlay	116,776	-	3,858,313	209,749	4,184,838
Debt Service					
Principal retirement	-	2,565,000	-	4,773,447	7,338,447
Interest and fiscal charges	-	550,600	51,912	887,121	1,489,633
Total Expenditures	22,573,933	3,115,600	3,910,225	9,375,734	38,975,492
Excess (deficiency) of revenues over expenditures	50,461	(130,444)	(2,986,574)	612,190	(2,454,367)
OTHER FINANCING SOURCES (USES)					
General obligation debt issued	-	-	2,030,000	-	2,030,000
Premium on debt issued	-	-	59,676	-	59,676
Sale of property	29,274	-	-	1	29,275
Transfers in	662,585	158,729	180,240	743,660	1,745,214
Transfers out	(172,208)	(24,462)	(41,266)	(952,974)	(1,190,910)
Total Other Financing Sources (Uses)	519,651	134,267	2,228,650	(209,313)	2,673,255
Net change in fund balances	570,112	3,823	(757,924)	402,877	218,888
FUND BALANCES - Beginning of Year	8,223,032	137,043	1,807,243	740,773	10,908,091
FUND BALANCES - END OF YEAR	$ 8,793,144	$ 140,866	$ 1,049,319	$ 1,143,650	$ 11,126,979

See accompanying notes to financial statements.

CITY OF WEST BEND

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018

Net change in fund balances - total governmental funds	$ 218,888
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of net position, the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements.	4,184,838
Some items are reported as capital outlay in the fund financial statements but are not capitalized in the government-wide statements.	(1,102,144)
Depreciation is reported in the government-wide statements	(4,656,806)
Net book value of assets retired	(141,901)
Contributed capital assets are reported as revenues in the government-wide statements.	901,780
Receivables not currently available are reported as unavailable revenue in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	(2,053)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Debt issued	(2,030,000)
Principal repaid	7,338,447
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Vested compensated absences	(124,276)
Accrued interest on debt	33,195
Other post-employment benefits	(1,336,243)
Net pension obligation	4,475,418
Deferred outflows of resources related to pensions	(977,446)
Deferred inflows of resources related to pensions	(3,937,274)
Deferred outflows of resources related to OPEB	549,551
Deferred inflows of resources related to OPEB	(15,142)
Governmental funds report debt discount as expenditures and debt premium as revenue. However, in the statement of net position, these are deferred and reported as noncurrent liabilities. These are allocated over the period the debt is outstanding in the statement of activities and are reported as amortization expense. The loss on refunding is reported on the statement of net position as a deferred outflow and also amortized on the statement of activities.	
Premium on long-term debt and other debt related items	105,022
Amortization of loss on refunding	(177,988)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 3,305,866

See accompanying notes to financial statements.

CITY OF WEST BEND

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
As of December 31, 2018

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
ASSETS			
Current Assets			
Cash and investments	$ 4,598,747	$ 4,985,178	$ 9,583,925
Restricted Assets			
Redemption account	181,849	-	181,849
Interest receivable	3,613	10,820	14,433
Accounts receivable	912,006	735,065	1,647,071
Due from other funds	269,604	164,615	434,219
Inventories	88,517	-	88,517
Prepaid items	-	300	300
Current portion of advances to other funds	145,000	95,000	240,000
Total Current Assets	6,199,336	5,990,978	12,190,314
Noncurrent Assets			
Restricted Assets			
Replacement account	-	657,313	657,313
Depreciation account	338,346	-	338,346
Reserve account	358,878	-	358,878
Net pension asset	187,352	122,876	310,228
Capital Assets			
Property and equipment	44,238,515	51,335,034	95,573,549
Accumulated depreciation	(17,253,477)	(27,598,459)	(44,851,936)
Construction work in progress	37,957	188,985	226,942
Other Assets			
Special assessments receivable	307,171	778,410	1,085,581
Advances to other funds	-	5,125,338	5,125,338
Designated project investments	-	5,498,244	5,498,244
Property held for future use	163,124	-	163,124
Preliminary survey and investigation	-	100,882	100,882
Non-utility property	-	75,000	75,000
Total Noncurrent Assets	28,377,866	36,283,623	64,661,489
Total Assets	34,577,202	42,274,601	76,851,803
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	362,936	233,090	596,026
Other post employment benefit items	47,160	5,411	52,571
Total Deferred Outflows of Resources	410,096	238,501	648,597
LIABILITIES			
Current Liabilities			
Accounts payable	323,343	228,909	552,252
Accrued liabilities	156,345	77,718	234,063
Due to other funds	981,359	238,808	1,220,167
Current portion of general obligation debt	375,000	60,000	435,000
Liabilities Payable From Restricted Assets			
Current portion of revenue bonds payable	345,000	-	345,000
Accrued interest payable on revenue bonds	13,440	-	13,440
Total Current Liabilities	2,194,487	605,435	2,799,922
Long-Term Liabilities Net of Current Maturities			
General obligation debt payable	2,635,000	262,140	2,897,140
Revenue bonds payable	750,000	-	750,000
Unamortized debt premium	45,412	-	45,412
Compensated absences	127,200	30,717	157,917
OPEB obligation	489,841	78,230	568,071
Total Long-Term Liabilities	4,047,453	371,087	4,418,540
Total Liabilities	6,241,940	976,522	7,218,462
DEFERRED INFLOWS OF RESOURCES			
Pension related items	342,626	231,177	573,803
Other post employment benefit items	999	586	1,585
Total Deferred Inflows of Resources	343,625	231,763	575,388
NET POSITION			
Net investment in capital assets	23,231,461	23,603,419	46,834,880
Restricted for debt service	168,409	-	168,409
Restricted for replacement	338,346	657,313	995,659
Restricted for pension	187,352	122,876	310,228
Unrestricted	4,476,165	16,921,209	21,397,374
TOTAL NET POSITION	$ 28,401,733	$ 41,304,817	$ 69,706,550

See accompanying notes to financial statements.

CITY OF WEST BEND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2018

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
OPERATING REVENUES	$ 4,860,605	$ 3,653,453	$ 8,514,058
OPERATING EXPENSES			
Operation and maintenance	2,879,846	2,325,474	5,205,320
Depreciation	973,038	1,271,533	2,244,571
Total Operating Expenses	3,852,884	3,597,007	7,449,891
Operating Income	1,007,721	56,446	1,064,167
NONOPERATING REVENUES (EXPENSES)			
Investment income	79,697	255,296	334,993
Interest expense	(108,756)	(7,981)	(116,737)
Amortization of premium	(2,236)	-	(2,236)
Income from merchandising and jobbing	-	(295)	(295)
Miscellaneous revenues	8,234	1,128	9,362
Total Nonoperating Revenue (Expenses)	(23,061)	248,148	225,087
Income Before Transfers	984,660	304,594	1,289,254
TRANSFERS			
Transfers in	41,994	89,963	131,957
Transfers out	(668,729)	(17,532)	(686,261)
Total Transfers	(626,735)	72,431	(554,304)
Change in Net Position	357,925	377,025	734,950
NET POSITION – Beginning of Year (as restated)	28,043,808	40,927,792	68,971,600
NET POSITION – END OF YEAR	$ 28,401,733	$ 41,304,817	$ 69,706,550

See accompanying notes to financial statements.

CITY OF WEST BEND

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2018

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 4,931,937	$ 3,652,617	$ 8,584,554
Cash paid to suppliers for goods and services	(1,905,920)	(1,655,979)	(3,561,899)
Cash payments to employees for services	(936,941)	(701,866)	(1,638,807)
Net Cash Flows From Operating Activities	2,089,076	1,294,772	3,383,848
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments sold and matured	307,270	4,588,134	4,895,404
Investments purchased	(319,025)	(4,615,690)	(4,934,715)
Investment income	78,425	218,196	296,621
Net Cash Flows From Investing Activities	66,670	190,640	257,310
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from (to) other funds	31,905	72,431	104,336
Advances to (received from) other funds	-	119,876	119,876
Paid to municipality for tax equivalent	(658,640)	-	(658,640)
Net Cash Flows From Noncapital Financing Activities	(626,735)	192,307	(434,428)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(589,181)	(652,868)	(1,242,049)
Debt issued and premium	544,948	-	544,948
Debt issuance costs paid	(13,503)	-	(13,503)
Special assessments received	56,458	142,717	199,175
Debt retired	(505,000)	(60,000)	(565,000)
Interest paid	(110,808)	(8,402)	(119,210)
Net Cash Flows From Capital and Related Financing Activities	(617,086)	(578,553)	(1,195,639)
Net Change in Cash and Cash Equivalents	911,925	1,099,166	2,011,091
CASH AND CASH EQUIVALENTS - Beginning of Year	3,653,757	5,425,879	9,079,636
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 4,565,682	$ 6,525,045	$ 11,090,727

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	$ 1,007,721	$ 56,446	$ 1,064,167
Nonoperating revenue (expense)	8,234	(295)	7,939
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities			
Noncash items included in income			
Depreciation	973,038	1,271,533	2,244,571
Depreciation charged to other accounts	64,510	-	64,510
Changes in assets, liabilities, and deferred outflows/inflows of resources			
Accounts receivable	(4,849)	(15,389)	(20,238)
Due from other funds	6,789	14,262	21,051
Inventories	(2,645)	-	(2,645)
Accounts payable	(23,753)	48,192	24,439
Accrued liabilities	8,730	6,117	14,847
Due to other funds	43,785	626	44,411
OPEB obligation	(16,562)	(107,399)	(123,961)
Compensated absences	-	1,167	1,167
Pension related assets, liabilities, and deferrals	24,078	19,512	43,590
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ 2,089,076	$ 1,294,772	$ 3,383,848
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION ACCOUNTS			
Cash and investments	$ 4,598,747	$ 4,985,178	$ 9,583,925
Redemption account	181,849	-	181,849
Replacement account	-	657,313	657,313
Reserve account	358,878	-	358,878
Depreciation account	338,346	-	338,346
Designated project investments	-	5,498,244	5,498,244
Total Cash and Investments	5,477,820	11,140,735	16,618,555
Less: Noncash equivalents	(912,138)	(4,615,690)	(5,527,828)
CASH AND CASH EQUIVALENTS	$ 4,565,682	$ 6,525,045	$ 11,090,727
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Debt paid by municipality	$ 135,000	$ -	$ 135,000
Interest accrued on advances	$ 8,221	$ 39,245	$ 47,466
Amortization of premium	$ 2,236	$ -	$ 2,236

See accompanying notes to financial statements.

CITY OF WEST BEND

STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUND
As of December 31, 2018

	Agency Fund Tax Collection Fund
ASSETS	
Cash and investments	$ 24,079,306
Taxes receivable	3,733,218
TOTAL ASSETS	$ 27,812,524
LIABILITIES	
Due to other taxing units	$ 27,704,995
Due to component unit	107,529
TOTAL LIABILITIES	$ 27,812,524

See accompanying notes to financial statements.

CITY OF WEST BEND

STATEMENT OF NET POSITION
COMPONENT UNITS
As of December 31, 2018

	Business Improvement District	Redevelopment Authority	Totals
ASSETS			
Cash and investments	$ 247,328	$ -	$ 247,328
Taxes receivable	107,529	-	107,529
Delinquent taxes receivable	1,024	-	1,024
Total Assets	355,881	-	355,881
LIABILITIES			
Accounts payable	3,716	-	3,716
Due to primary government	1,394	-	1,394
Total Liabilities	5,110	-	5,110
DEFERRED INFLOWS OF RESOURCES			
Unearned revenues	107,529	-	107,529
Total Deferred Inflows of Resources	107,529	-	107,529
NET POSITION			
Unrestricted	243,242	-	243,242
TOTAL NET POSITION	$ 243,242	$ -	$ 243,242

See accompanying notes to financial statements.

CITY OF WEST BEND

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
COMPONENT UNITS
For the Year Ended December 31, 2018

	Business Improvement District	Redevelopment Authority	Totals
OPERATING REVENUES	$ 96,148	$ -	$ 96,148
OPERATING EXPENSES			
Operation and maintenance	74,274	4,963,716	5,037,990
OPERATING INCOME (LOSS)	21,874	(4,963,716)	(4,941,842)
NONOPERATING REVENUES			
Investment income	5,391	-	5,391
CHANGE IN NET POSITION	27,265	(4,963,716)	(4,936,451)
NET POSITION – Beginning of Year	215,977	4,963,716	5,179,693
NET POSITION – END OF YEAR	$ 243,242	$ -	$ 243,242

See accompanying notes to financial statements.

CITY OF WEST BEND

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As of and for the Year Ended December 31, 2018

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CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

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

Discretely Presented Component Units

Business Improvement District

In 2000, the city created a business improvement district ("district"). The district is a legally separate organization. The board of the district is appointed by the mayor, subject to approval of the city council, of West Bend. Wisconsin Statutes provide for circumstances whereby the city can impose its will on the district, and also create a potential financial benefit to or burden on the city. See Note III. I. As a component unit, the district's financial statements have been presented as a discrete column in the financial statements. The information presented is for the year ended December 31, 2018. The district does not issue separate financial statements.

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. REPORTING ENTITY (cont.)

Discretely Presented Component Units (cont.)

Redevelopment Authority of the City of West Bend

In 2001, the city created the Redevelopment Authority of the City of West Bend ("redevelopment authority"). The redevelopment authority is a legally separate organization. The board of the redevelopment authority is appointed by the mayor, subject to approval of the city council, of West Bend. Wisconsin statutes provide for circumstances whereby the city can impose its will on the redevelopment authority, and also create a potential financial benefit to or burden on the city. The financial information of the redevelopment authority for the year ended December 31, 2018 is included in the government-wide financial statements as a discretely presented component unit. See Note III. I. The redevelopment authority does not issue separate financial statements.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In June 2015, the GASB issued statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*. This standard was implemented January 1, 2018.

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

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

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

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

The city reports the following major governmental funds:

General Fund – accounts for the city's primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.
Debt Service Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs other than Tax Incremental Financing (TIF) District or enterprise debt.
Capital Projects Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The city reports the following major enterprise funds:

Water Utility – accounts for operations of the water system.
Sewer Utility – accounts for operations of the sewer system.

The city reports the following nonmajor governmental funds:

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

Taxi Transit System	Economic Development
Public Library	Park Development
Room Tax	Library
Cable TV	EMS FAPS Grant
Revolving Loan	Recreation

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

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

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

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

Library

In addition, the city reports the following fund type:

Agency funds are used to account for and report assets held by the city in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Tax Collection 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, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and unearned revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements

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

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

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

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues. Delinquent special assessments being held for collection by the county are reported as receivables and nonspendable fund balance in the general fund. At December 31, 2018, there were $2,067,215 of unrecorded unearned special assessments, which are not receivables because collection is subject to certain events occurring in the future. No formal repayment schedule has been established.

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

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

All Financial Statements

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

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:

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

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

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

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

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

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

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

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2018, the fair value of the city's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note III. A. for further information.

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 deferred revenues and due to other taxing units on the accompanying statement of fiduciary net position.

Property tax calendar – 2018 tax roll:

Lien date and levy date	December 2018
Tax bills mailed	December 2018
Payment in full, or	January 31, 2019
First installment due	January 31, 2019
Second installment due	July 31, 2019
Personal property taxes in full	January 31, 2019
Tax sale – 2018 delinquent real estate taxes	October 2021

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION OR EQUITY (cont.)

2. Receivables (cont.)

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

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

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

3. Inventories and Prepaid Items

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

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

4. Restricted Assets

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION OR EQUITY (cont.)

5. Capital Assets

Government-Wide Statements

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

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

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	50 Years
Land Improvements	50 Years
Machinery and Equipment	5-50 Years
Utility System	4-77 Years
Infrastructure	20-100 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 as in the government-wide statements.

6. Other Assets

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

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION OR EQUITY (cont.)

7. Deferred Outflows of Resources

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

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

8. Compensated Absences

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

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

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2018, are determined on the basis of current salary rates and include salary related payments.

9. Long-Term Obligations/Conduit Debt

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

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

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

The city has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the city. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRBs outstanding at the end of the year is approximately $4,005,983 made up of two issues.

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION OR EQUITY (cont.)

10. Deferred Inflows of Resources

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

11. Equity Classifications

Government–Wide Statements

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

a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position – Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

	Governmental Activities	Business-type Activities	Adjustment	Total
Net investment in capital assets	$ 105,895,084	$ 46,834,880	$ (1,125,807)	$ 151,604,157
Unrestricted (deficit)	(13,130,721)	21,397,374	1,125,807	9,392,460

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.

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION OR EQUITY (cont.)

11. Equity Classifications (cont.)

Fund Financial Statements

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

a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.

b. Restricted - Consists of fund balances with constraints placed on their use either by :1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the city council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the city council that originally created the commitment.

d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following: 1) The council may take official action to assign amounts; and 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.

e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

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

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

The city has a formal fund balance policy. The policy requires that unassigned fund balance shall be maintained as of December 31 of each year equal to the current GFOA recommended minimum of 17% of the ensuing year's general fund expenditures, with a targeted maximum of 30%. Actual unassigned general fund balance was 28% of the 2019 budgeted general fund expenditures at December 31, 2018.

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION OR EQUITY (cont.)

12. Basis for Existing Rates

Current water rates were approved by the PSCW effective April 1, 2011.

Current sewer rates were approved by the city council on December 1, 2006.

13. Pension

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

14. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, the City OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

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

NOTE II – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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

NOTE II – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

B. EXCESS EXPENDITURES AND OTHER FINANCING USES OVER APPROPRIATIONS

Fund	Budgeted Expenditures and Other Financing Uses	Actual Expenditures and Other Financing Uses	Excess Expenditures and Other Financing Uses Over Budget
Public Library	$ 1,535,176	$ 1,565,900	$ 30,724
Recreation	223,764	229,190	5,426
TIF District No. 3	861,240	891,413	30,173
TIF District No. 5	1,074,145	1,079,417	5,272
TIF District No. 10	995,917	1,004,126	8,209
TIF District No. 11	287,131	369,096	81,965

C. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year-end. As of December 31, 2018, the following individual funds held a deficit balance:

Taxi Transit System	$ 98,011	Uncovered costs
TIF District No. 3	1,491,396	Uncovered costs
TIF District No. 4	30,893	Uncovered costs
TIF District No. 8	70,713	Uncovered costs
TIF District No. 9	175,784	Uncovered costs
TIF District No. 12	1,352,742	Uncovered costs

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

D. LIMITATIONS ON THE CITY'S TAX LEVY

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

NOTE III – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

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

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

	Carrying Value	Bank Balance	Associated Risks
Demand deposits	$ 7,746,318	$ 6,959,992	Custodial credit risk
Certificates of deposit – negotiable	4,691,863	4,691,863	Custodial credit risk, credit risk, concentration of credit risk, interest rate risk
U.S. agencies – implicitly guaranteed	3,834,385	3,834,385	Custodial credit risk, credit risk, concentration of credit risk, interest rate risk
Municipal bonds	262,961	262,961	Custodial credit risk, credit risk, concentration of credit risk, interest rate risk
LGIP	38,445,857	38,445,857	Credit risk
Petty cash	9,900	-	N/A
Total Cash and Investments	$ 54,991,285	$ 54,195,058	

Reconciliation to financial statements	
Per statement of net position	
Unrestricted cash and investments	$ 29,121,784
Restricted cash and investments	1,790,195
Per statement of assets and liabilities - agency fund	24,079,306
Total Cash and Investments	$ 54,991,285

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

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

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

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

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

The city maintains a collateral agreement with its banks. At December 31, 2018, the banks had pledged various government securities in the amount of $6,056,388 to secure the city's deposits.

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

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

> Quoted prices for similar assets in active markets
> Yield scales and bond evaluation models for similar assets that have recently traded

	December 31, 2018			
Investment Type	Level 1	Level 2	Level 3	Total
Certificates of deposit – negotiable	$ -	$ 4,691,863	$ -	$ 4,691,863
U.S. agencies – implicitly guaranteed	-	3,834,385	-	3,834,385
Municipal bonds	-	262,961	-	262,961
Totals	$ -	$ 8,789,209	$ -	$ 8,789,209

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk

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

The city does not have any deposits exposed to custodial credit risk.

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

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

Credit Risk

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

As of December 31, 2018, the city's investments were rated as follows:

Investment Type	Standard & Poor's	Moody's Investor Service
U.S. agencies – implicitly guaranteed	AA+, A-1+	Aaa
Municipal bonds	AA+, AA, A+	Aaa, Aa2

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

Interest Rate Risk

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

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk (cont.)

As of December 31, 2018, the city's investments were as follows:

		Maturity (In Years)		
Investment Type	Fair Value	Less than 1 year	1 - 4	More than 4 years
US agencies - implicitly guaranteed	$ 3,834,385	$ 2,010,594	$ 1,823,791	$ -
Municipal bonds	262,961	115,283	-	147,678
Certificates of deposit	4,691,863	4,691,863	-	-
Totals	$ 8,789,209	$ 6,817,740	$ 1,823,791	$ 147,678

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

B. RECEIVABLES

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

General fund	$ 78,918
Nonmajor governmental funds	949,230
Total Amount Not Due Within One Year	$ 1,028,148

An allowance for doubtful accounts has been established in the amount of $190,615, which relates to ambulance billings reported in the general fund.

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES (cont.)

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

	Unavailable	Unearned
Property taxes receivable for subsequent year	$ -	$ 24,354,543
Developer payments receivable	15,059	-
Special assessments receivable	21,210	-
Subsequent period prepayments	-	746,257
Total Unavailable/Unearned Revenue for Governmental Funds	$ 36,269	$ 25,100,800

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

Redemption – Used to segregate resources accumulated for debt service payments over the next twelve months.

Reserve – Used to report resources set aside to make up potential future deficiencies in the redemption account.

Depreciation – Used to report resources set aside to fund plant renewals and replacement or make up potential future deficiencies in the redemption account.

Equipment Replacement Account

The city established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

Net Pension Asset

Restricted assets have been reported in connection with the pension asset balance since this balance must be used to fund employee benefits.

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

C. RESTRICTED ASSETS (cont.)

The following calculations support the amount of restricted net position:

Water Utility	
Restricted Assets	
Redemption account	$ 181,849
Reserve account	358,878
Depreciation account	338,346
Net pension asset	187,352
Total Restricted Assets	1,066,425
Less: Restricted Assets Not Funded by Revenues	
Reserve from borrowing	(358,878)
Current Liabilities Payable from Restricted Assets	(13,440)
Total Restricted Net Position as Calculated	$ 694,107
Sewer Utility	
Restricted Assets	
Replacement account	$ 657,313
Net pension asset	122,876
Total Restricted Assets	780,189
Total Restricted Net Position as Calculated	$ 780,189

There are also restricted assets $253,809 reported in the nonmajor governmental funds for the parkland acquisition trust.

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	$ 11,365,301	$ 271,401	$ -	$ 11,636,702
Right of ways	40,172,594	237,609	75,713	40,334,490
Total Capital Assets Not Being Depreciated	51,537,895	509,010	75,713	51,971,192
Capital assets being depreciated				
Land improvements	8,939,578	-	-	8,939,578
Buildings	29,214,505	-	-	29,214,505
Machinery and equipment	20,528,107	1,046,086	723,687	20,850,506
Streets	80,740,898	1,678,558	219,200	82,200,256
Bridges	4,601,166	96,777	12,000	4,685,943
Traffic signals	2,818,264	21,544	-	2,839,808
Dams	650,000	-	-	650,000
Storm water system	32,554,293	632,499	53,380	33,133,412
Street lights	542,000	-	-	542,000
Other	1,411,000	-	79,200	1,331,800
Total Capital Assets Being Depreciated	181,999,811	3,475,464	1,087,467	184,387,808
Less: Accumulated depreciation for				
Land improvements	(3,161,751)	(171,379)	-	(3,333,130)
Buildings	(9,022,901)	(531,607)	-	(9,554,508)
Machinery and equipment	(13,490,605)	(1,099,851)	650,859	(13,929,597)
Streets	(38,603,465)	(2,055,007)	219,200	(40,439,272)
Bridges	(2,212,496)	(93,719)	8,640	(2,297,575)
Traffic signals	(1,469,818)	(94,566)	-	(1,564,384)
Dams	(373,000)	(13,000)	-	(386,000)
Storm water system	(13,707,696)	(553,328)	53,380	(14,207,644)
Street lights	(542,000)	-	-	(542,000)
Other	(669,944)	(44,349)	79,200	(635,093)
Total Accumulated Depreciation	(83,253,676)	(4,656,806)	1,021,279	(86,889,203)
Net Capital Assets Being Depreciated	98,746,135	(672,332)	141,901	97,498,605
Total Governmental Activities Capital Assets, Net of Depreciation	$ 150,284,030	$ (163,322)	$ 217,614	$ 149,469,797

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	$ 292,390
Public safety	376,279
Public works, including infrastructure assets	3,268,927
Leisure activities	714,791
Conservation and development	4,419
Total Governmental Activities Depreciation Expense	$ 4,656,806

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciated				
Land	$ 552,571	$ -	$ -	$ 552,571
Construction in progress	115,675	1,025,041	913,774	226,942
Total Capital Assets Not Being Depreciated	668,246	1,025,041	913,774	779,513
Capital assets being depreciated				
Water utility plant	43,050,953	808,916	138,395	43,721,474
Sewer utility plant	50,877,078	554,924	132,498	51,299,504
Total Capital Assets Being Depreciated	93,928,031	1,363,840	270,893	95,020,978
Less: Accumulated depreciation for				
Water utility plant	(16,357,998)	(1,040,574)	145,095	(17,253,477)
Sewer utility plant	(26,459,186)	(1,271,771)	132,498	(27,598,459)
Total Accumulated Depreciation	(42,817,184)	(2,312,345)	277,593	(44,851,936)
Net Capital Assets Being Depreciated	51,110,847	(948,505)	(6,700)	50,169,042
Total Business-type Activities Capital Assets, Net of Depreciation	$ 51,779,093	$ 76,536	$ 907,074	$ 50,948,555

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Business-type Activities	
Water	$ 973,038
Sewer	1,271,533
Total Business-Type Activities Depreciation Expense	$ 2,244,571

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

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES, 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
General	Water utility	$ 981,359
General	Sewer utility	182,132
General	Nonmajor governmental funds	479,797
General	Capital projects	908,150
Capital projects	General	11,443
Water utility	General	212,928
Water utility	Sewer utility	56,676
Sewer utility	General	164,615
Subtotal – Fund Financial Statements		2,997,100
Less: Fund eliminations		(1,456,066)
Less: Government-wide eliminations		(755,086)
Less: Interfund advances		(5,365,338)
Total Internal Balances – Government-Wide Statement of Net Position		$ (4,579,390)

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES, AND TRANSFERS (cont.)

Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	$ 1,163,491
Business-type Activities	Governmental Activities	(5,742,881)
Total Government-Wide Financial Statements		$ (4,579,390)

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

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amounts Not Due Within One Year
Cable TV	Economic Development	$ 280,000	$ 268,333
Water utility	TIF District No. 3	85,000	-
Water utility	TIF District No. 4	40,000	-
Water utility	TIF District No. 6	20,000	-
Sewer utility	TIF District No. 3	1,758,780	1,758,780
Sewer utility	TIF District No. 8	82,684	82,684
Sewer utility	TIF District No. 9	54,179	54,179
Sewer utility	TIF District No. 10	494,695	494,695
Sewer utility	TIF District No. 12	1,750,000	1,700,000
Sewer utility	Economic Development	1,080,000	1,035,000
	Sub-total - Interfund Advances	5,645,338	$ 5,393,671
	Less: Fund eliminations	(280,000)	
	Total – Interfund Advances	$ 5,365,338	

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES, AND TRANSFERS (cont.)

The sewer utility is advancing funds to the TIF Districts No. 3, No. 8, No. 10, and No. 12. The sewer utility is charging these funds interest on the advance based on the average outstanding advance balance during the year. The rate varies from year to year. 2018's rate was 1.70%. No repayment schedules have been established for these advances. The sewer utility has also advanced funds to TIF Districts No. 5, No. 7, No. 9, No. 11, No. 12 and No. 13; however, these advances were determined to be uncollectible in 2013, with the exception of $54,179 advanced to TIF No. 9 in 2015 and $1,750,000 advanced to TIF No. 12 in 2017. An allowance is set up in the amount of $2,840,857. The sewer utility is also advancing funds to the economic development fund. The economic development fund is paying $45,000 annually in principal over a 30-year period which began in 2013 plus interest calculated at 0.69%.

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

The water utility is advancing funds to TIF Districts No. 3, No. 4 and No. 6. The water utility is charging the TIF districts interest on the advance of 4.20 to 4.875% based on the following repayment schedules established during the borrowing of the 2008 mortgage revenue bonds.

Year	TIF District No. 3	TIF District No. 4	TIF District No. 6
2019	$ 86,658	$ 40,780	$ 20,390
Sub-totals	86,658	40,780	20,390
Amount representing interest	(6,658)	(780)	(390)
Principal Balance	$ 80,000	$ 40,000	$ 20,000

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES, AND TRANSFERS (cont.)

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General	Water utility	$ 658,640	Payment in lieu of taxes
General	Nonmajor governmental funds	3,945	Refer to general note
Debt service	Nonmajor governmental funds	107,374	Refer to general note
Debt service	Capital projects	41,266	Refer to general note
Debt service	Water utility	10,089	Refer to general note
Nonmajor governmental funds	General	115,963	Refer to general note
Nonmajor governmental funds	Nonmajor governmental funds	627,697	Increment sharing
Capital projects	General	56,245	Refer to general note
Capital projects	Nonmajor governmental funds	123,995	Refer to general note
Sewer utility	Nonmajor governmental funds	89,963	Refer to general note
Water utility	Debt service	24,462	Refer to general note
Water utility	Sewer utility	17,532	Refer to general note
Subtotal - Fund Financial Statements		1,877,171	
Less: Fund eliminations		(1,094,017)	
Less: Government-wide eliminations		(228,850)	
Total Transfers - Government-Wide Statement of Activities		$ 554,304	

Fund Transferred To	Fund Transferred From	Amount
Governmental Activities	Business-type Activities	$ 658,640
Business-type Activities	Governmental Activities	(104,336)
Total Government-wide Financial Statements		$ 554,304

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

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2018 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds and Notes Payable					
General obligation debt	$ 53,993,514	$ 2,030,000	$ 7,278,447	$ 48,745,067	$ 7,154,750
Other notes and loans	60,000	-	60,000	-	-
Unamortized debt premiums	620,167	59,676	164,698	515,145	-
Total Bonds and Notes Payable	54,673,681	2,089,676	7,503,145	49,260,212	7,154,750
Other Liabilities					
Vested compensated absences					
Sick leave	2,585,952	295,699	260,582	2,621,069	131,053
Vacation	816,996	885,169	816,997	885,168	885,168
Compensatory time	143,616	225,571	204,584	164,603	164,603
OPEB obligation	8,243,436	5,760,111	-	14,003,547	-
Total Other Liabilities	11,790,000	7,166,550	1,282,163	17,674,387	1,180,824
Total Governmental Activities Long-Term Liabilities	$ 66,463,681	$ 9,256,226	$ 8,785,308	$ 66,934,599	$ 8,335,574
BUSINESS-TYPE ACTIVITIES					
Bonds and Notes Payable					
General obligation debt	$ 3,187,140	$ 530,000	$ 385,000	$ 3,332,140	$ 435,000
Revenue bonds	1,410,000	-	315,000	1,095,000	345,000
Unamortized bond premium	41,731	14,948	11,267	45,412	9,998
Total Bonds and Notes Payable	4,638,871	544,948	711,267	4,472,552	789,998
Other Liabilities					
Compensated absences	158,260	22,523	22,866	157,917	-
OPEB obligation	427,088	568,071	427,088	568,071	-
Total Other Liabilities	585,348	590,594	449,954	725,988	-
Total Business-type Activities Long-Term Liabilities	$ 5,224,219	$ 1,135,542	$ 1,161,221	$ 5,198,540	$ 789,998

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt

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

In accordance with Wisconsin Statutes, total general obligation indebtedness of the city may not exceed 5% of the equalized value of taxable property within the city's jurisdiction. The debt limit as of December 31, 2018 was $138,333,075. Total general obligation debt outstanding at year-end was $52,077,207.

	Date of Issue	Due Date	Interest Rates	Original Indebtedness	Balance 12/31/18
Governmental Activities					
General Obligation Debt					
General obligation notes	4/7/09	3/1/19	1.60-3.90%	$ 3,505,000	$ 230,000
General obligation bonds	4/1/10	3/1/30	3.00-5.90%	1,120,000	805,000
General obligation refunding bonds	10/19/10	4/1/22	0.75-3.00%	6,800,000	2,230,000
General obligation taxable refunding bonds	10/19/10	3/1/26	2.00-4.25%	9,390,000	5,572,860
General obligation bonds	4/12/11	3/1/31	2.00-4.15%	2,505,000	1,820,000
General obligation refunding bonds	12/21/11	4/1/27	0.50-3.10%	1,840,000	735,000
General obligation taxable refunding bonds	1/5/12	4/1/31	0.50-4.50%	3,530,000	1,365,000
General obligation taxable refunding bonds	5/9/12	3/1/22	0.55-2.70%	1,620,000	740,000
General obligation notes	5/9/12	5/1/22	0.35-2.00%	2,955,000	1,240,000
General obligation refunding bonds	5/9/12	4/1/26	2.00-2.25%	6,570,000	6,000,000
State trust fund loan	6/4/12	3/15/22	3.00%	432,400	187,207
General obligation refunding bonds – 2013 A	6/6/13	5/1/33	1.00-3.00%	9,060,000	7,945,000
General obligation refunding notes – 2013 C	6/6/13	4/1/23	0.30-2.25%	5,980,000	1,725,000

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

	Date of Issue	Due Date	Interest Rates	Original Indebtedness	Balance 12/31/18
Governmental Activities					
General Obligation Debt (cont.)					
General obligation notes – 2013 B	6/6/13	5/1/23	0.40-1.75%	$ 820,000	$ 455,000
General obligation bonds – 2014 A	2/26/14	2/1/34	0.50-4.00%	1,740,000	1,470,000
General obligation notes – 2014 B	2/26/14	2/1/24	2.00-2.75%	6,210,000	3,365,000
General obligation notes – 2014 C	7/9/14	4/1/20	2.00-3.00%	2,350,000	860,000
General obligation refunding bonds – 2014 D	12/30/14	10/1/20	3.00-4.00%	4,110,000	280,000
General obligation bonds – 2015 A	6/10/15	4/1/26	1.50-3.00%	3,730,000	3,150,000
General obligation bonds – 2016 A	3/29/16	3/1/30	2.60-2.50%	4,750,000	4,150,000
General obligation refunding bonds– 2016 B	3/29/16	4/1/22	0.90-1.90%	1,135,000	860,000
General obligation notes – 2017 A	5/11/17	3/1/27	2.03%	1,530,000	1,530,000
General obligation notes – 2018 A	5/3/18	11/1/28	3.00%	2,030,000	2,030,000
Total Governmental Activities – General Obligation Debt					$ 48,745,067

	Date of Issue	Due Date	Interest Rates	Original Indebtedness	Balance 12/31/18
Business-type Activities					
General Obligation Debt					
General obligation taxable refunding bonds	10/19/10	3/1/26	4.29%	$ 500,080	$ 77,140
General obligation bonds	4/12/11	3/1/31	2.00-4.15%	310,000	230,000
General obligation refunding bonds	5/9/12	4/1/26	2.00-2.25%	235,000	215,000
General obligation refunding notes	7/9/14	4/1/20	2.00%	785,000	270,000
General obligation bonds	6/10/15	4/1/26	1.50-3.00%	120,000	30,000
General obligation refunding bonds	3/29/16	3/1/30	2.60-2.50%	775,000	680,000
General obligation notes	6/1/16	6/1/26	1.35%	800,000	660,000
General obligation notes	5/11/17	3/1/27	2.03%	700,000	640,000
General obligation notes	5/3/18	5/1/28	3.00%	530,000	530,000
Total Business-type Activities - General Obligation Debt					$ 3,332,140

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

	Governmental Activities		Business-type Activities	
Years	Principal	Interest	Principal	Interest
2019	$ 7,154,750	$ 1,201,823	$ 435,000	$ 74,328
2020	6,101,082	1,051,024	445,000	63,779
2021	5,845,335	904,468	322,140	54,589
2022	5,308,900	765,097	295,000	47,351
2023	4,445,000	635,123	310,000	40,425
2024 - 2028	15,795,000	1,588,753	1,335,000	98,314
2029 - 2033	3,975,000	258,225	190,000	6,970
2034	120,000	2,400	-	-
Totals	$ 48,745,067	$ 6,406,913	$ 3,332,140	$ 385,756

Revenue Debt

Business-type revenue bonds are payable only from revenues derived from the operation of the water utility. The city has pledged future water utility revenues, net of specified operating expenses, to repay $3.745 million in revenue bonds issued during 2008 through 2009. Proceeds from the bonds provided financing for water infrastructure. The bonds are payable solely from water utility revenues and are payable through 2024. Annual principal and interest payments on the bonds are expected to require 13% of net revenues on average. The total principal and interest remaining to be paid on the bonds is $1,210,955. Principal and interest paid for the current year and total customer net revenues as defined were $367,091 and $2,060,456, respectively.

Revenue debt payable at December 31, 2018 consists of the following:

Business-type Activities Revenue Debt

	Date of Issue	Due Date	Interest Rates	Original Indebtedness	Balance 12/31/18
Water Utility					
Revenue bonds	4/24/08	3/1/23	2.70-4.20%	$ 2,725,000	$ 615,000
Revenue bonds	4/7/09	3/1/24	4.00-4.50%	1,020,000	480,000
Total Business-type Activities Revenue Debt					$ 1,095,000

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

	Business-type Activities Revenue Debt	
Years	Principal	Interest
2019	$ 345,000	$ 39,073
2020	155,000	28,920
2021	160,000	22,320
2022	165,000	15,425
2023	175,000	8,079
2024	95,000	2,138
Totals	$ 1,095,000	$ 115,955

Other Debt Information

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

Bond Covenant Disclosures

Debt Coverage

Under terms of the resolutions providing for the issuance of revenue bonds, certain utility revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.25 times the highest annual debt service on the bonds. The coverage only includes revenue debt. The coverage requirement was met as follows:

Operating revenues	$ 4,860,605
Investment income	79,697
Less: Operation and maintenance expenses	(2,879,846)
	$ 2,060,456
Minimum required earnings:	
Highest annual debt service	$ 384,073
Coverage factor	1.25
Minimum Required Earnings	$ 480,091
Actual Debt Coverage	5.36

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Bond Covenant Disclosures (cont.)

Number of Customers and Billed Volumes - Water Utility

	Number of Customers	Sales (000 gals)
Residential	10,873	474,532
Multifamily residential	186	91,430
Commercial	794	145,765
Industrial	80	77,154
Public authority	70	41,354
Totals	12,003	830,235

G. NET POSITION/FUND BALANCES

Governmental activities net position reported on the government-wide statement of net position at December 31, 2018 includes the following:

Governmental Activities

Net investment in capital assets	
Land	$ 11,636,702
Right of ways	40,334,490
Other capital assets, net of accumulated depreciation	97,498,605
Less: Capital related long-term debt outstanding	(45,552,341)
Less: Unamortized premiums	(515,145)
Plus: Unamortized loss on refunding	739,108
Plus: Unspent capital related debt proceeds	1,753,665
Total Net Investment in Capital Assets	$ 105,895,084

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

G. NET POSITION/FUND BALANCES (cont.)

Governmental Activities (cont.)

Governmental fund balances reported on the fund financial statements at December 31, 2018 include the following:

	Major Funds			Nonmajor	
	General Fund	Debt Service	Capital Projects	Funds	Totals
Fund Balance					
Nonspendable					
Inventories	$ 913,721	$ -	$ -	$ -	$ 913,721
Prepaid items	250,416	-	-	-	250,416
Delinquent personal property taxes	12,595	-	-	-	12,595
Delinquent special assessments	66,323	-	-	-	66,323
Restricted for:					
Debt service	-	140,866	-	-	140,866
Library purposes	-	-	-	827,956	827,956
Fire department equipment funds	7,352	-	-	-	7,352
Fire department training funds	8,461	-	-	-	8,461
Rescue squad	4,416	-	-	-	4,416
Parks and recreation	12,680	-	-	291,851	304,531
Park impact fee	5,700	-	-	-	5,700
EMS	-	-	-	51,085	51,085
Loans	-	-	-	252,362	252,362
Future HRA payments	257,355	-	-	-	257,355
Tourism	-	-	-	106,215	106,215
TIF related projects	-	-	-	1,079,919	1,079,919
Future capital related projects (unspent proceeds)	-	-	570,557	-	570,557
Committed to:					
Cable TV	-	-	-	1,548,120	1,548,120
Recreation programs	-	-	-	205,681	205,681
Assigned to:					
Carryforwards	540,212	-	-	-	540,212
Future capital projects	-	-	478,762	-	478,762
OPEB	50,000	-	-	-	50,000
Unassigned (deficit)	6,663,913	-	-	(3,219,539)	3,444,374
Total Fund Balances	$ 8,793,144	$ 140,866	$ 1,049,319	$ 1,143,650	$ 11,126,979

Business-type Activities

Invested in capital assets, net of related debt	
Land	$ 552,571
Construction in progress	226,942
Other capital assets, net of accumulated depreciation	50,169,042
Less: related long-term debt outstanding	(4,427,141)
Less: unamortized debt premium	(45,412)
Plus: unspent capital related debt proceeds	358,878
Total Net Investment in Capital Assets	$ 46,834,880

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

H. RESTATEMENT OF NET POSITION

Net position has been restated to implement GASB 75. Refer to Note 1. B. for additional information related to this standard. The details of this restatement are as follows:

	Governmental Activities	Business-type Activities	Water Utility	Sewer Utility
Net Position – December 31, 2017 (as reported)	$ 99,657,413	$ 69,185,558	$ 28,215,214	$ 40,970,344
Less: Health insurance related OPEB liability	(3,969,158)	(139,858)	(128,623)	(11,235)
Less: Life insurance related OPEB liability	(454,710)	(74,100)	(42,783)	(31,317)
Net Position – December 31, 2017 (as restated)	$ 95,233,545	$ 68,971,600	$ 28,043,808	$ 40,927,792

I. COMPONENT UNITS

This report contains the Business Improvement District (BID) and the Redevelopment Authority of the City of West Bend (redevelopment authority), which are included as component units. Financial information is presented as a discrete column in the statement of net position and statement of activities.

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

a. Basis of Accounting/Measurement Focus

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

b. Deposits and Investments

The component units' cash and investments at year-end were comprised of the following:

	Carrying Value	Bank Balance
Demand deposits	$ 247,328	$ 247,328

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

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

I. COMPONENT UNITS (cont.)

Custodial Credit Risk

Custodial credit risk is associated with the demand deposits.

See Note III. A. for a description of custodial credit risk.

As of December 31, 2018, the component unit's bank balance of $247,328 was commingled with City of West Bend funds. Custodial credit risk related to the redevelopment authority and BID funds cannot be determined.

The city has adopted an investment policy, which is also followed by the redevelopment authority and BID.

c. Transactions with the Primary Government

At December 31, 2018, the Business Improvement District has a receivable of $107,529 from the city's tax collection fund for the subsequent year's annual assessment.

NOTE IV – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

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

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at http://etf.wi.gov/publications/cafr.htm.

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.

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2008	6.6%	0%
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4.0

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. Starting January 1, 2016, the Executives and Elected Officials category merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized $1,342,189 in contributions from the city.

Contribution rates for the plan year reported as of December 31, 2018 are:

Employee Category	Employee	Employer
General (Executives & Elected Officials)	6.8%	6.8%
Protective with Social Security	6.8%	10.6%
Protective without Social Security	6.8%	14.9%

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

At December 31, 2018, the city reported an asset of $3,818,008 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The city's proportion of the net pension asset was based on the city's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017, the city's proportion was .12859065%, which was an increase of .00126600% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the city recognized pension expense of $1,825,082.

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

At December 31, 2018, 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
Differences between expected and actual experience	$ 4,850,875	$ 2,269,078
Changes of actuarial assumptions	754,364	-
Net differences between projected and actual earnings on pension plan investments	-	5,247,498
Changes in proportion and differences between employer contributions and proportionate share of contributions	155,933	-
Employer contributions – January 1, 2018 to end of current fiscal year	1,394,234	-
Total	$ 7,155,406	$ 7,516,576

$1,394,234 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, 2019. Other amounts reported as deferred outflows of resources and deferred outflows (inflows) of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2019	$ 496,862
2020	23,011
2021	(1,296,827)
2022	(987,632)
2023	9,182
Thereafter	-

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Actuarial assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2016
Measurement Date of Net Pension Liability	December 31, 2017
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*:	2.1%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 – 2014. The total pension liability for December 31, 2017 is based upon a roll-forward of the liability calculated from the December 31, 2016 actuarial valuation.

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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:

Core Fund Asset Class	Current Asset Allocation %	Destination Target Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	50%	45%	8.2%	5.3%
Fixed Income	24.5	37	4.24	1.4
Inflation Sensitive Assets	15.5	20	3.8	1.0
Real Estate	8	7	6.5	3.6
Private Equity/Debt	8	7	9.4	6.5
Multi-Asset	4	4	6.5	3.6
Total Core Fund	110	120	7.3	4.4
Variable Fund Asset Class				
U.S. Equities	70	70	7.5	4.6
International Equities	30	30	7.8	4.9
Total Variable Fund	100	100	7.9	5.0

New England Pension Consultants Long-Term US CPI (Inflation) Forecast: 2.75%
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Single discount rate. A single discount rate of 7.20% was used to measure the total pension liability (asset). This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.31%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% 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 long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

Sensitivity of the city's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the city's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20 percent, as well as what the city's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
City's proportionate share of the Net pension liability (asset)	$ 9,878,492	$ (3,818,008)	$ (14,227,774)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at http://etf.wi.gov/publications/cafr.htm and reference report number 15-11.

At December 31, 2018, the city reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

NOTE IV – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT

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

Self Insurance

For health claims, the uninsured risk of loss is $90,000 per incident and $3,730,842 in the aggregate for a policy year. The city has purchased commercial insurance for claims in excess of those amounts. There have been no significant reductions in coverage compared to the prior year, and settled claims have not exceeded the commercial coverage in any of the past three years.

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

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. An amount for claims that have been incurred but not reported (IBNR) has not been recorded as it is not material to these financial statements at December 31, 2018. The city does not allocate overhead costs or other nonincremental costs to the claims liability. Changes in the current claims liability, which is recorded in the general fund follows:

Claims Liability

	Prior Year	Current Year
Unpaid claims - Beginning of Year	$ 214,618	$ 215,295
Current year claims and changes in estimates	3,235,991	3,151,182
Claim payments	(3,235,314)	(3,114,674)
Unpaid Claims - End of Year	$ 215,295	$ 251,803

C. COMMITMENTS AND CONTINGENCIES

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

Under the terms of stipulation orders issued by the State of Wisconsin Department of Industry, Labor and Human Relations, the city is making monthly payments to a former police officer and a former fireman of the city.

NOTE IV – OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

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

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

The city council approved a Real Estate Purchase Agreement on August 6, 2018 agreeing to acquire approximately 64.25 acres at a cost of $12,000 per acre, for an estimated cost of $771,000. As of December 31, 2018, $10,000 of non-refundable earnest money has been remitted to the Earnest Money Holder and is applicable to the purchase price. The city has a due-diligence period of 365 days from the execution of the purchase agreement and may elect to exercise an option to extend the due-diligence period for an additional 60-day period. Funding for the acquisition cost remains to be determined as part of the financial analysis during the due-diligence period.

D. JOINT VENTURE

Mid-Moraine Municipal Court

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

Municipality	% Fines
City of West Bend	21.50%
Village of Germantown	9.48
City of Hartford	10.47
Village of Kewaskum	3.22
Village of Slinger	6.98
Village of Jackson	5.16
City of Port Washington	6.99
Village of Grafton	6.74
Village of Saukville	4.94
Town of Hartford	0.41
Town of Trenton	1.95
Village of Newburg	0.51
City of Cedarburg	3.40
Village of Fredonia	0.46
Village of Thiensville	4.04
City of Mequon	13.75
Total	100.00%

NOTE IV – OTHER INFORMATION (cont.)

D. JOINT VENTURE (cont.)

Mid-Moraine Municipal Court (cont.)

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

Financial information of the court as of December 31, 2018 is available directly from the municipal court in West Bend, Wisconsin.

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

E. OTHER POSTEMPLOYMENT BENEFITS

General Information About the OPEB Plan

Plan description. The city's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides health insurance for eligible retirees and their spouses through the city's group health insurance plan, which covers both active and retired members. RBP is a single-employer defined benefit OPEB plan administered by the city. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75.

Benefits provided. RBP provides health insurance benefits for retirees and their spouses. The benefit terms provide for payment of 50 percent of health insurance premiums for non-Medicare-eligible retirees except for police union members. Police union retirees are allowed to remain on the plan until they reach Medicare eligibility, but must contribute 100% of the premium.

Employees covered by benefit terms. At December 31, 2018, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	30
Active plan members	159
	189

Total OPEB Liability

The city's total OPEB liability of $13,891,992 was measured as of December 31, 2017, and was determined by an actuarial valuation as of that date.

NOTE IV – OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Total OPEB Liability (cont.)

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	3% annually
Healthcare cost trend rates	7.903% for 2018 decreasing to an ultimate rate of 4.6% over 68 years
Retirees' share of benefit-related costs	50% nonpolice union, 100% police union

The discount rate was based on 20-year municipal AA bond rate.

Mortality rates are based on the Wisconsin Retirement System (WRS) 2009-11 Experience Rates.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of the WRS experience study for the period 2009-2011.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at December 31, 2017	$ 13,347,999
Changes for the Year:	
Service cost	740,648
Interest	379,621
Differences between projected and actual experience	(7,816)
Benefit payments	(568,460)
Net Changes	543,993
Balances at December 31, 2018	$ 13,891,992

There were no changes in assumptions.

NOTE IV – OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Changes in the Total OPEB Liability (cont.)

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 1-percentage-point lower (1.75 percent) or 1-percentage-point higher (3.75 percent) than the current discount rate:

	1% Decrease (1.75%)	Discount Rate (2.75%)	1% Increase (3.75%)
Net OPEB liability	$ 15,252,099	$ 13,891,992	$ 12,642,865

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the city, as well as what the city's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.90 percent decreasing to 3.6 percent) or 1-percentage-point higher (8.90 percent decreasing to 5.6 percent) than the current healthcare cost trend rates of 7.9% decreasing to 4.6%:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB liability	$ 12,097,598	$ 13,891,992	$ 16,062,402

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

For the year ended December 31, 2018, the city recognized OPEB expense of $1,119,604. At December 31, 2018, the city reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experiences	$ -	$ 7,151
Employer contributions – subsequent to measurement date	510,764	-
Total	$ 510,764	$ 7,151

NOTE IV – OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

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

Amounts reported as deferred outflows of resources will be recognized as OPEB expense in 2019. Deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:	
2018	$ 665
2019	665
2020	665
2021	665
2022	665
Thereafter	3,826

Local Retiree Life Insurance Fund (LRLIF)

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

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at http://etf.wi.gov/publications/cafr.htm.

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 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. The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Contributions. The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

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

NOTE IV – OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Local Retiree Life Insurance Fund (LRLIF) (cont.)

Contribution rates for the plan year reported as of December 31, 2018 are:

Coverage Type	Employer Contribution
50% Post Retirement Coverage	40% of employee contribution
25% Post Retirement Coverage	20% of employee contribution

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

Life Insurance Employee Contribution Rates For the Plan Year

Attained Age	Basic
Under 30	$0.05
30-34	0.06
34-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

During the reporting period, the LRLIF recognized $1,207 in contributions from the employer.

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

At December 31, 2018, the city reported a liability of $679,626 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The city's proportion of the net OPEB liability was based on the city's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2017, the city's proportion was 0.22589600%, which was a decrease of 0.00632100% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the city recognized OPEB expense of $73,323.

NOTE IV – OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Local Retiree Life Insurance Fund (LRLIF) (cont.)

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

At December 31, 2018, the city reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	$ -	$ 9,576
Net differences between projected and actual earnings on OPEB plan investments	7,826	-
Changes in assumptions	65,674	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	13,309	-
Employer contributions subsequent to the measurement date	4,549	-
Total	$ 91,358	$ 9,576

$4,549 reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2018	$ 12,585
2019	12,585
2020	12,585
2021	12,585
2022	10,629
Thereafter	16,264

NOTE IV – OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Local Retiree Life Insurance Fund (LRLIF) (cont.)

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

Actuarial assumptions. The total OPEB liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2017
Measurement Date of Net OPEB Liability:	December 31, 2017
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	3.44%
Long-Term Expected Rate of Return:	5.0%
Discount Rate:	3.63%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Morality:	Wisconsin 2012 Mortality Table

NOTE IV – OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Local Retiree Life Insurance Fund (LRLIF) (cont.)

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

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

Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2017

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Government Bonds	Barclays Government	1%	1.13%
U.S. Credit Bonds	Barclays Credit	65	2.61
U.S. Long Credit Bonds	Barclays Long Credit	3	3.08
U.S. Mortgages	Barclays MBS	31	2.19
Inflation			2.3
Long-Term Expected Rate of Return			5.0

Single discount rate. A single discount rate of 3.63% was used to measure the total OPEB liability. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient.

NOTE IV – OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Local Retiree Life Insurance Fund (LRLIF) (cont.)

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

Sensitivity of the city's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the city's proportionate share of the net OPEB liability calculated using the discount rate of 3.63 percent, as well as what the city's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.63 percent) or 1-percentage-point higher (4.63 percent) than the current rate:

	1% Decrease to Discount Rate (2.63%)	Current Discount Rate (3.63%)	1% Increase to Discount Rate (4.63%)
City's proportionate share of the net OPEB liability	$ 960,570	$ 679,626	$ 464,031

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

F. RELATED ORGANIZATION

Housing Authority

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

G. SUBSEQUENT EVENTS

In March 2019, the city issued $4,890,000 in general obligation corporate purpose bonds, Series 2019A, for capital projects. Interest rate is 4.0% with final maturity in 2031.

In March 2019, the city issued $1,975,000 in taxable general obligation refunding bonds, Series 2019B, for capital projects. Interest rate is 2.625 – 2.650% with final maturity in 2024.

On March 18, 2019, the City approved a resolution to enter into a cooperative agreement relating to the "Wisconsin Investment Series Cooperative" and authorize participation in the investment programs of the fund.

H. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

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

> Statement No. 83, *Certain Asset Retirement Obligations*
> Statement No. 84, *Fiduciary Activities*
> Statement No. 87, *Leases*

NOTE IV – OTHER INFORMATION (cont.)

H. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS (cont.)

> Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
> Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
> Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WEST BEND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 14,545,986	$ 14,545,986	$ 14,575,071	$ 29,085
Intergovernmental	3,666,417	3,751,946	3,883,978	132,032
Licenses and permits	763,340	765,319	735,713	(29,606)
Fines, forfeitures and penalties	497,100	498,200	434,522	(63,678)
Public charges for services	1,778,738	1,804,202	1,836,813	32,611
Intergovernmental charges for services	425,000	425,000	428,000	3,000
Special assessments	4,955	24,935	36,711	11,776
Investment income	103,000	103,000	268,131	165,131
Miscellaneous revenues	218,526	321,764	425,455	103,691
Total Revenues	22,003,062	22,240,352	22,624,394	384,042
EXPENDITURES				
Current				
General government	4,368,610	4,461,365	4,388,187	73,178
Public safety	11,913,047	12,189,636	11,570,862	618,774
Public works	4,500,529	4,684,620	4,541,574	143,046
Leisure activities	1,548,791	1,670,714	1,545,041	125,673
Conservation and development	342,388	462,759	411,493	51,266
Capital outlay	-	165,444	116,776	48,668
Total Expenditures	22,673,365	23,634,538	22,573,933	1,060,605
Excess (Deficiency) of Revenues Over Expenditures	(670,303)	(1,394,186)	50,461	1,444,647
OTHER FINANCING SOURCES (USES)				
Sale of property	13,500	17,504	29,274	11,770
Transfers in	695,961	699,906	662,585	(37,321)
Transfers out	(39,158)	(39,158)	(172,208)	(133,050)
Total Other Financing Sources (Uses)	670,303	678,252	519,651	(158,601)
Net change in fund balances	-	(715,934)	570,112	1,286,046
FUND BALANCES - Beginning of Year	8,223,032	8,223,032	8,223,032	-
FUND BALANCES - END OF YEAR	$ 8,223,032	$ 7,507,098	$ 8,793,144	$ 1,286,046

See independent auditor's report and accompanying notes to required supplementary information.

CITY OF WEST BEND

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) - WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2018

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/18	0.12859065%	$ (3,818,008)	$ 13,712,222	27.84%	102.93%
12/31/17	0.12732465%	1,049,459	13,332,848	7.87%	99.12%
12/31/16	0.12885040%	2,093,794	13,590,193	15.41%	98.20%
12/31/15	0.13330900%	(3,274,434)	13,505,764	24.24%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2018

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/18	$ 1,394,234	$ 1,394,234	$ -	$ 14,256,588	9.78%
12/31/17	1,342,189	1,342,189	-	13,281,145	10.11%
12/31/16	1,197,637	1,197,637	-	13,332,848	8.98%
12/31/15	1,227,987	1,227,987	-	13,590,193	9.04%

SCHEDULE OF PROPORTIONATE SHARE OF THE NET LIFE INSURANCE OPEB LIABILITY
LOCAL RETIREE LIFE INSURANCE FUND
For the Year Ended December 31, 2018

Fiscal Year Ending	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/18	0.22589600%	$ 679,626	$ 9,499,573	7.15%	44.81%

See independent auditor's report and accompanying notes to required supplementary information.

CITY OF WEST BEND

SCHEDULE OF CHANGES IN EMPLOYER'S TOTAL OPEB LIABILITY AND RELATED RATIOS
HEALTH INSURANCE
December 31, 2018

Total OPEB Liability	**2018**
Service cost	$ 740,648
Interest	379,621
Changes of benefit terms	-
Differences between expected and actual experience	(7,816)
Changes of assumptions	-
Benefit payments	(568,460)
Net Change in Total OPEB Liability	543,993
Total OPEB Liability - Beginning	13,347,999
Total OPEB Liability - Ending	$ 13,891,992
Covered payroll	$ 13,712,222
Total OPEB liability as a percentage of covered payroll	101.31%

Notes to Schedule:
Benefit changes. There were no changes to the benefits.
Changes of assumptions. There were no changes in assumptions.

Valuation date:
Actuarially determined contribution rates are calculated as of December 31, 2017, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine the total OPEB liability:

Actuarial cost method	Entry age normal
Amortization method	Average remaining member service life
Amortization period	11.75 years
Asset valuation method	N/A
Inflation	2.75 percent
Healthcare cost trend rates	7.903% for 2018 decreasing to an ultimate rate of 4.6 percent over 68 years
Salary increases	3% annually
Investment rate of return	N/A
Retirement age	Based upon rates from the WRS 2009-11 Experience Study
Mortality	Assumed life expectancies were based on the WRS 2009-11 Experience Rates

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.
The city implemented GASB Statement No. 75 in 2018. Information prior to 2018 is not available.

Note: this schedule is to show information for 10 years. However, accounting standards allow the presentation

See independent auditor's report.

CITY OF WEST BEND

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2018

NOTE 1 – BUDGETARY INFORMATION

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

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

Appropriations lapse at year-end unless specifically carried over. Carryovers to the following year were $540,212. Budgets are adopted at the function level of expenditure.

NOTE 2 – WISCONSIN RETIREMENT SYSTEM

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

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

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

Changes in Assumptions. There were no changes in assumptions.

NOTE 3 – LOCAL RETIREE LIFE INSURANCE FUND

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

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

Changes in assumptions. There were no changes in assumptions.

SUPPLEMENTARY INFORMATION

CITY OF WEST BEND

GENERAL FUND
DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES (MAJOR FUND)
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
TAXES				
General property tax	$ 14,485,800	$ 14,485,800	$ 14,489,156	$ 3,356
Mobile home taxes	72	72	51	(21)
Taxes from housing authority	40,300	40,300	41,639	1,339
Taxes from cell towers	9,444	9,444	12,707	3,263
Delinquent personal property chargebacks	3,870	3,870	2,025	(1,845)
Real estate chargebacks	-	-	20,519	20,519
Interest on taxes	6,500	6,500	8,974	2,474
TOTALS	$ 14,545,986	$ 14,545,986	$ 14,575,071	$ 29,085
INTERGOVERNMENTAL REVENUES				
Shared taxes from state	$ 1,684,037	$ 1,684,037	$ 1,644,056	$ (39,981)
Fire insurance tax from state	128,000	128,000	130,279	2,279
State aid - emergency medical services	-	-	44,534	44,534
Federal aid - transportation	-	-	133,009	133,009
State aid - service to state facilities	123,368	123,368	115,224	(8,144)
State aid - police training	9,600	24,427	27,301	2,874
State aid - road allotment	1,369,850	1,369,850	1,368,763	(1,087)
State aid - exempt computer aid	109,447	109,447	109,447	-
State aid - connecting streets	129,870	129,870	129,870	-
State aid - recycling assistance	108,245	108,245	108,251	6
State aid - fire training	4,000	4,000	2,542	(1,458)
State aid - emerald ash borer grant	-	25,000	25,000	-
Façade improvements grant	-	37,032	37,032	-
WCMA graduate internship grant	-	4,000	4,000	-
State aid - summer picnic program NRPA	-	4,670	4,670	-
TOTALS	$ 3,666,417	$ 3,751,946	$ 3,883,978	$ 132,032
LICENSES AND PERMITS				
Liquor and malt beverage licenses	$ 46,400	$ 46,400	$ 71,330	$ 24,930
Operators' licenses	26,505	26,505	26,162	(343)
Weights and measures	16,135	16,135	15,470	(665)
Cigarette licenses	3,400	3,400	4,000	600
Bicycle licenses	1,400	1,400	1,875	475
Dog licenses	19,200	19,200	20,048	848
Amusement device licenses	9,230	9,230	7,580	(1,650)
Cat licenses	3,500	3,500	3,736	236
Other miscellaneous licenses	10,640	10,640	10,251	(389)
Building permits	250,000	250,000	180,095	(69,905)
State building permits	2,080	2,080	1,520	(560)
Electrical permits	50,000	50,000	56,062	6,062
Plumbing permits	75,000	75,000	71,019	(3,981)

CITY OF WEST BEND

GENERAL FUND
DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES (MAJOR FUND) (cont.)
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
LICENSES AND PERMITS (cont.)				
Erosion control	$ 13,800	$ 13,800	$ 20,800	$ 7,000
Occupancy permits	16,400	16,400	7,640	(8,760)
Heating permits	45,000	45,000	38,284	(6,716)
Sign permits	10,000	10,000	14,950	4,950
Sidewalk permits	4,000	4,000	6,895	2,895
Street opening permits applied	17,000	17,000	7,020	(9,980)
Zoning	12,250	12,250	16,125	3,875
Yardwaste drop permits	63,000	63,000	63,235	235
Storm water management permits	500	500	3,180	2,680
Plan examination fees	32,000	32,000	30,923	(1,077)
Engineering inspection fees	35,000	36,979	55,885	18,906
Plan handling fees	650	650	1,600	950
Other regulatory permits / fees	250	250	28	(222)
TOTALS	$ 763,340	$ 765,319	$ 735,713	$ (29,606)
FINES, FORFEITURES AND PENALTIES				
Parking violations	$ 103,100	$ 103,100	$ 79,558	$ (23,542)
Municipal court fines and penalties	387,000	387,000	348,259	(38,741)
Awards and damages	7,000	8,100	6,705	(1,395)
TOTALS	$ 497,100	$ 498,200	$ 434,522	$ (63,678)
PUBLIC CHARGES FOR SERVICES				
Copy revenue	$ 530	$ 530	$ 554	$ 24
GIS map sales	120	120	140	20
Clerk fees	220	220	1,608	1,388
Treasurer fees	13,825	13,825	14,658	833
NSF charges	1,600	1,600	2,440	840
License publication fees	1,201	1,201	2,272	1,071
Assessor fees	75	75	225	150
Payroll processing fees	65	65	168	103
Miscellaneous departmental revenue	4,600	13,604	19,722	6,118
Police department fees	95,000	96,641	122,025	25,384
Registration suspension fees	3,500	3,500	3,630	130
False alarm assessments	8,450	8,450	11,300	2,850
Fire department fees	18,000	19,397	24,545	5,148
Ambulance fees	1,374,500	1,374,500	1,294,595	(79,905)
Snow and ice control	1,000	1,000	351	(649)
Airport	50,244	50,244	49,690	(554)
Sale of street materials and services	7,000	9,088	20,240	11,152

CITY OF WEST BEND

GENERAL FUND
DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES (MAJOR FUND) (cont.)
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
PUBLIC CHARGES FOR SERVICES (cont.)				
Sale of materials and services - sanitation	$ 1,000	$ 1,000	$ 9,599	$ 8,599
Outside services	86,500	86,500	60,971	(25,529)
Other recreation revenues	56,941	56,941	62,474	5,533
Weed control	1,000	1,000	4,541	3,541
Subdivision fees	4,000	4,000	3,750	(250)
Site plan revenue	10,900	10,900	12,060	1,160
Refuse and garbage collection	250	250	-	(250)
Lac Lawrann Conservancy revenues	10,717	10,717	11,108	391
Street tree revenue	-	11,334	11,334	-
Use value penalty	-	-	2,552	2,552
Uncollectible receivable collected	27,500	27,500	90,261	62,761
TOTALS	$ 1,778,738	$ 1,804,202	$ 1,836,813	$ 32,611
INTERGOVERNMENTAL CHARGES FOR SERVICES				
Local fire protection services	$ 425,000	$ 425,000	$ 428,000	$ 3,000
SPECIAL ASSESSMENTS				
Street construction	$ 651	$ 651	$ 651	$ -
Curb and gutter	118	118	118	-
Sidewalks	-	19,980	19,980	-
Storm sewer	308	308	308	-
Street lights	138	138	138	-
Vehicle maintenance recovery	18	18	18	-
Sanitary sewers and laterals	-	-	9,334	9,334
Administrative fees	3,722	3,722	6,164	2,442
TOTALS	$ 4,955	$ 24,935	$ 36,711	$ 11,776
INVESTMENT INCOME				
Investment income on temporary investments	$ 100,000	$ 100,000	$ 267,018	$ 167,018
Interest on special assessments	3,000	3,000	1,113	(1,887)
TOTALS	$ 103,000	$ 103,000	$ 268,131	$ 165,131

CITY OF WEST BEND

GENERAL FUND
DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES (MAJOR FUND) (cont.)
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
MISCELLANEOUS REVENUES				
Rent of city property	$ 27,861	$ 27,861	$ 30,827	$ 2,966
Rent of airport property	55,135	55,135	55,135	-
Rent of mutual mall	52,930	52,930	52,913	(17)
Sale of materials	3,100	3,100	5,682	2,582
Insurance recoveries	29,500	118,595	88,691	(29,904)
Miscellaneous donations	-	14,143	14,258	115
Commercial card rebate	40,000	40,000	78,256	38,256
Insurance rebate	10,000	10,000	99,693	89,693
TOTALS	$ 218,526	$ 321,764	$ 425,455	$ 103,691
OTHER FINANCING SOURCES				
Sale of city property	$ 13,500	$ 17,504	$ 29,274	$ 11,770
Transfers in	-	3,945	3,945	-
Transfers in - tax equivalent	695,961	695,961	658,640	(37,321)
TOTALS	$ 709,461	$ 717,410	$ 691,859	$ (25,551)
TOTAL REVENUES AND OTHER FINANCING SOURCES	$ 22,712,523	$ 22,957,762	$ 23,316,253	$ 358,491

CITY OF WEST BEND

GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES (MAJOR FUND)
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
GENERAL GOVERNMENT				
Council	$ 40,712	$ 40,712	$ 40,372	$ 340
Mayor	13,442	13,442	14,131	(689)
Administrator	90,605	88,889	65,099	23,790
Clerk -				
Legislative support	171,886	171,886	174,477	(2,591)
Elections	46,434	46,594	44,314	2,280
Personnel -				
Recruitment	151,918	151,918	134,608	17,310
Financial administration -				
Treasury	341,753	341,753	310,265	31,488
Assessment of property	280,692	303,703	293,780	9,923
Independent auditing	34,323	34,323	34,323	-
Legal counseling	94,098	102,239	99,270	2,969
Municipal buildings	539,649	602,808	535,447	67,361
Risk management	535,302	535,302	475,764	59,538
Health insurance	1,771,259	1,771,259	1,909,387	(138,128)
GIS	25,958	25,958	24,239	1,719
Information systems	208,953	208,953	201,766	7,187
Other general government	21,626	21,626	30,945	(9,319)
TOTALS	$ 4,368,610	$ 4,461,365	$ 4,388,187	$ 73,178
PUBLIC SAFETY				
Police -				
Patrol	$ 6,265,173	$ 6,334,057	$ 6,031,147	$ 302,910
Criminal and juvenile investigation	816,616	825,480	786,033	39,447
Crossing guards	122,198	122,198	103,042	19,156
Fire -				
Administration	711,410	828,413	802,431	25,982
Suppression	2,498,630	2,499,630	2,366,002	133,628
Prevention	170,670	182,170	170,142	12,028
Training	357,118	363,454	342,265	21,189
Rescue	717,385	754,282	743,867	10,415
Building inspection	163,995	190,100	143,851	46,249
Sealer of weights and measures	10,800	10,800	10,800	-
Hydrant rental	32,527	32,527	29,789	2,738
Communications system	46,525	46,525	41,493	5,032
TOTALS	$ 11,913,047	$ 12,189,636	$ 11,570,862	$ 618,774

CITY OF WEST BEND

GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES (MAJOR FUND) (cont.)
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
PUBLIC WORKS				
Garage	$ 378,442	$ 384,186	$ 340,403	$ 43,783
Public works administration	102,681	102,681	79,464	23,217
Engineering	335,435	435,231	320,524	114,707
Streets and related facilities	12,500	12,500	6,777	5,723
Street maintenance	979,915	980,003	1,096,106	(116,103)
Snow and ice control	483,041	483,041	456,145	26,896
Traffic control	53,015	100,378	118,942	(18,564)
Street lighting	821,106	832,206	793,281	38,925
Storm sewers	49,620	49,620	48,902	718
Airport	104,564	124,564	66,225	58,339
Garbage and refuse collection	97,631	97,631	160,583	(62,952)
Recycling	571,946	571,946	510,331	61,615
Sanitary landfill	510,633	510,633	543,891	(33,258)
TOTALS	$ 4,500,529	$ 4,684,620	$ 4,541,574	$ 143,046
LEISURE ACTIVITIES				
Recreation administration	$ 297,833	$ 304,718	$ 287,534	$ 17,184
Other summer recreation	-	45,541	10,237	35,304
Parks	688,461	688,461	651,969	36,492
Public areas	562,497	631,994	595,301	36,693
TOTALS	$ 1,548,791	$ 1,670,714	$ 1,545,041	$ 125,673
CONSERVATION AND DEVELOPMENT				
Forestry	$ 50,028	$ 136,207	$ 122,617	$ 13,590
Lac Lawrann Conservancy	38,558	35,558	34,451	1,107
Urban development	196,899	197,059	189,829	7,230
Economic development	56,903	93,935	64,596	29,339
TOTALS	$ 342,388	$ 462,759	$ 411,493	$ 51,266
CAPITAL OUTLAY				
Highway equipment	$ -	$ 97,645	$ 93,977	$ 3,668
Parks	-	57,799	12,799	45,000
Economic development	-	10,000	10,000	-
TOTALS	$ -	$ 165,444	$ 116,776	$ 48,668
OTHER FINANCING USES				
Transfers out	$ 39,158	$ 39,158	$ 172,208	$ (133,050)
TOTAL EXPENDITURES AND OTHER FINANCING USES	$ 22,712,523	$ 23,673,696	$ 22,746,141	$ 927,555

CITY OF WEST BEND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND (MAJOR FUND)
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 2,971,253	$ 2,971,253	$ 2,971,253	$ -
Investment income	-	-	13,903	13,903
Total Revenues	2,971,253	2,971,253	2,985,156	13,903
EXPENDITURES				
Debt service				
Principal	2,565,000	2,565,000	2,565,000	-
Interest and fiscal charges	513,826	596,076	550,600	45,476
Total Expenditures	3,078,826	3,161,076	3,115,600	45,476
Excess (deficiency) of revenues over expenditures	(107,573)	(189,823)	(130,444)	59,379
OTHER FINANCING SOURCES (USES)				
Transfers in	107,573	158,727	158,729	2
Transfers out	-	(27,250)	(24,462)	2,788
Total Other Financing Sources (Uses)	107,573	131,477	134,267	2,790
Net Change in Fund Balance	-	(58,346)	3,823	62,169
FUND BALANCE - Beginning	137,043	137,043	137,043	-
FUND BALANCE - ENDING	$ 137,043	$ 78,697	$ 140,866	$ 62,169

CITY OF WEST BEND

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of December 31, 2018

	Special Revenue Funds				
	Taxi Transit System	Public Library	Room Tax	Cable TV	Revolving Loan
ASSETS					
Cash and investments	$ -	$ 873,176	$ 52,234	$ 1,208,336	$ 136,869
Taxes receivable	-	716,985	-	-	-
Accounts receivable	159,936	39,027	87,115	104,164	-
Loans receivable	-	-	-	-	-
Prepaid items	-	37		-	-
Advances to other funds	-	-	-	280,000	-
Restricted cash and investments	-	-	-	-	-
TOTAL ASSETS	$ 159,936	$ 1,629,225	$ 139,349	$ 1,592,500	$ 136,869
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	$ 96,304	$ 39,366	$ 1,993	$ 7,130	$ -
Accrued liabilities	1,912	36,675	5,888	7,398	-
Due to other funds	159,731	131,492	25,253	29,852	-
Advances from other funds	-	-	-	-	-
Total Liabilities	257,947	207,533	33,134	44,380	-
Deferred Inflows of Resources					
Unearned revenue	-	716,985	-	-	-
Unavailable	-	-	-	-	-
Total Deferred Inflows of Resources	-	716,985	-	-	-
Fund Balances (Deficit)					
Restricted	-	704,707	106,215	-	136,869
Committed	-	-	-	1,548,120	-
Unassigned (deficit)	(98,011)	-	-	-	-
Total Fund Balances (Deficit)	(98,011)	704,707	106,215	1,548,120	136,869
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 159,936	$ 1,629,225	$ 139,349	$ 1,592,500	$ 136,869

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CITY OF WEST BEND

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of December 31, 2018

	Special Revenue Funds					Capital Project Funds	
	Economic Develop-ment	Park Develop-ment	Library	EMS FAPS Grant	Recreation	TIF District No. 3	TIF District No. 4
ASSETS							
Cash and investments	$ 528,113	$ 52,959	$ 81,823	$ 51,085	$ 219,592	$ 302,384	$ 9,107
Taxes receivable	-	-	-	-	-	554,637	1,319,424
Accounts receivable	-	-	-	-	-	50,000	-
Loans receivable	949,230	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-
Restricted cash and investments	-	253,809	-	-	-	-	-
TOTAL ASSETS	$ 1,477,343	$ 306,768	$ 81,823	$ 51,085	$ 219,592	$ 907,021	$ 1,328,531
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities							
Accounts payable	$ 1,850	$ 12,342	$ -	$ -	$ 1,940	$ -	$ -
Accrued liabilities	-	-	-	-	2,776	-	-
Due to other funds	-	-	-	-	9,195	-	-
Advances from other funds	1,360,000	-	-	-	-	1,843,780	40,000
Total Liabilities	1,361,850	12,342	-	-	13,911	1,843,780	40,000
Deferred Inflows of Resources							
Unearned revenue	-	2,575	-	-	-	554,637	1,319,424
Unavailable	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	2,575	-	-	-	554,637	1,319,424
Fund Balances (Deficit)							
Restricted	115,493	291,851	81,823	51,085	-	-	-
Committed	-	-	-	-	205,681	-	-
Unassigned (deficit)	-	-	-	-	-	(1,491,396)	(30,893)
Total Fund Balances (Deficit)	115,493	291,851	81,823	51,085	205,681	(1,491,396)	(30,893)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 1,477,343	$ 306,768	$ 81,823	$ 51,085	$ 219,592	$ 907,021	$ 1,328,531

	Capital Project Funds				
	TIF District No. 5	TIF District No. 6	TIF District No. 7	TIF District No. 8	TIF District No. 9
ASSETS					
Cash and investments	$ 369,741	$ 42,104	$ 21,330	$ 11,971	$ -
Taxes receivable	625,208	833,150	242,771	24,599	30,567
Accounts receivable	12,691	-	-	-	20,586
Loans receivable	-	-	-	-	-
Prepaid items		-	-	-	-
Advances to other funds	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-
TOTAL ASSETS	$ 1,007,640	$ 875,254	$ 264,101	$ 36,570	$ 51,153
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	$ -	$ -	$ -	$ -	$ 2,858
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	124,274
Advances from other funds	-	20,000	-	82,684	54,179
Total Liabilities	-	20,000	-	82,684	181,311
Deferred Inflows of Resources					
Unearned revenue	625,208	833,150	242,771	24,599	30,567
Unavailable	-	-	-	-	15,059
Total Deferred Inflows of Resources	625,208	833,150	242,771	24,599	45,626
Fund Balances (Deficit)					
Restricted	382,432	22,104	21,330	-	-
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	(70,713)	(175,784)
Total Fund Balances (Deficit)	382,432	22,104	21,330	(70,713)	(175,784)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 1,007,640	$ 875,254	$ 264,101	$ 36,570	$ 51,153

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Capital Project Funds					
TIF District No. 10	TIF District No. 11	TIF District No. 12	TIF District No. 13	Permanent Fund Library	Total Nonmajor Funds
$ 1,017,148	$ 85,120	$ 402,601	$ 9,859	$ 41,426	$ 5,516,978
787,008	366,311	400,152	105,572	-	6,006,384
-	-	-	36,621	-	510,140
-	-	-	-	-	949,230
-	-	-	-	-	37
-	-	-	-	-	280,000
-	-	-	-	-	253,809
$ 1,804,156	$ 451,431	$ 802,753	$ 152,052	$ 41,426	$ 13,516,578
$ -	$ -	$ 5,343	$ -	$ -	$ 169,126
-	-	-	-	-	54,649
-	-	-	-	-	479,797
494,695	-	1,750,000	-	-	5,645,338
494,695	-	1,755,343	-	-	6,348,910
787,008	366,311	400,152	105,572	-	6,008,959
-	-	-	-	-	15,059
787,008	366,311	400,152	105,572	-	6,024,018
522,453	85,120	-	46,480	41,426	2,609,388
-	-	-	-	-	1,753,801
-	-	(1,352,742)	-	-	(3,219,539)
522,453	85,120	(1,352,742)	46,480	41,426	1,143,650
$ 1,804,156	$ 451,431	$ 802,753	$ 152,052	$ 41,426	$ 13,516,578

CITY OF WEST BEND

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2018

	Special Revenue Funds				
	Taxi Transit System	Public Library	Room Tax	Cable TV	Revolving Loan
REVENUES					
Taxes	$ -	$ 713,418	$ 389,079	$ -	$ -
Intergovernmental	701,896	559,039	-	-	-
Licenses and permits	-	-	-	400,850	-
Fines, forfeitures and penalties	-	2,538	-	-	-
Public charges for services	429,933	62,051	-	-	-
Intergovernmental charges for services	-	149,611	-	-	-
Investment income (loss)	-	23,747	696	25,047	2,543
Miscellaneous	-	4,851	7,500	-	-
Total Revenues	1,131,829	1,515,255	397,275	425,897	2,543
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public works	1,107,798	-	-	-	-
Leisure activities	-	1,454,958	362,110	298,713	-
Conservation and development	-	-	-	-	-
Capital Outlay		3,568	-	50,096	-
Debt Service			-		
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	1,107,798	1,458,526	362,110	348,809	-
Excess (deficiency) of revenues over expenditures	24,031	56,729	35,165	77,088	2,543
OTHER FINANCING SOURCES (USES)					
Sale of property	-	-	-	-	-
Transfers in	115,963	-	-	-	-
Transfers out	-	(107,374)	-	-	-
Total Other Financing Sources (Uses)	115,963	(107,374)	-	-	-
Net change in fund balances	139,994	(50,645)	35,165	77,088	2,543
FUND BALANCES (DEFICIT) - Beginning of Year	(238,005)	755,352	71,050	1,471,032	134,326
FUND BALANCES (DEFICIT) - END OF YEAR	$ (98,011)	$ 704,707	$ 106,215	$ 1,548,120	$ 136,869

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	Special Revenue Funds					Capital Project Funds	
	Economic Develop-ment	Park Develop-ment	Library	EMS FAPS Grant	Recreation	TIF District No. 3	TIF District No. 4
	$ -	$ -	$ -	$ -	$ -	$ 774,618	$ 1,187,188
	-	-	-	7,264	-	11,622	10,894
	-	18,867	-	-	-	-	-
	-	-	-	-	-	-	-
	-	93,012	-	-	273,127	-	-
	-	-	-	-	-	-	-
	35,584	4,923	460	-	4,040	9,072	2,484
	-	24,666	9,119	-	-	150,000	-
	35,584	141,468	9,579	7,264	277,167	945,312	1,200,566
	-	-	-	-	-	1,962	1,962
	-	-	-	-	-	-	-
	-	16,474	6,467	-	229,190	-	-
	8,119	-	-	-	-	-	-
	-	-	35,710	-	-	1,026	208
	-	-	-	-	-	800,165	900,000
	9,384	-	-	-	-	88,260	38,689
	17,503	16,474	42,177	-	229,190	891,413	940,859
	18,081	124,994	(32,598)	7,264	47,977	53,899	259,707
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	(93,945)	-	-	-	-	(217,229)
	-	(93,945)	-	-	-	-	(217,229)
	18,081	31,049	(32,598)	7,264	47,977	53,899	42,478
	97,412	260,802	114,421	43,821	157,704	(1,545,295)	(73,371)
	$ 115,493	$ 291,851	$ 81,823	$ 51,085	$ 205,681	$ (1,491,396)	$ (30,893)

CITY OF WEST BEND

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2018

	Capital Project Funds			
	TIF District No. 5	TIF District No. 6	TIF District No. 7	TIF District No. 8
REVENUES				
Taxes	$ 853,062	$ 776,353	$ 235,605	$ 24,016
Intergovernmental	1,259	3,903	3,961	
Licenses and permits	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Public charges for services				-
Intergovernmental charges for services	-	-	-	-
Investment income (loss)	8,914	1,631	1,021	571
Miscellaneous	-	-	-	-
Total Revenues	863,235	781,887	240,587	24,587
EXPENDITURES				
Current				
General government	1,963	1,963	1,963	1,963
Public works	-	-	-	-
Leisure activities	-	-	-	-
Conservation and development	-	-		-
Capital Outlay	5,592	179	211	16,151
Debt Service				
Principal retirement	976,722	340,000	215,546	
Interest and fiscal charges	95,140	7,650	21,846	1,382
Total Expenditures	1,079,417	349,792	239,566	19,496
Excess (deficiency) of revenues over expenditures	(216,182)	432,095	1,021	5,091
OTHER FINANCING SOURCES (USES)				
Sale of property	-	-	-	-
Transfers in	217,229	-	-	-
Transfers out	-	(410,468)	-	-
Total Other Financing Sources (Uses)	217,229	(410,468)	-	-
Net change in fund balances	1,047	21,627	1,021	5,091
FUND BALANCES (DEFICIT) - Beginning of Year	381,385	477	20,309	(75,804)
FUND BALANCES (DEFICIT) - END OF YEAR	$ 382,432	$ 22,104	$ 21,330	$ (70,713)

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Capital Project Funds						
TIF District No. 9	TIF District No. 10	TIF District No. 11	TIF District No. 12	TIF District No. 13	Permanent Fund Library	Total Nonmajor Funds
$ 84,202	$ 522,643	$ 340,470	$ 400,006	$ 105,962	$ -	$ 6,406,622
137	51	1,068	58,310	47	-	1,359,451
-	-	-	-	-	-	419,717
-	-	-	-	-	-	2,538
-	-	-	-	-	-	858,123
-	-	-	-	-	-	149,611
1,793	20,787	2,949	8,093	954	(1,104)	154,205
4,900	400,000	-	-	36,621	-	637,657
91,032	943,481	344,487	466,409	143,584	(1,104)	9,987,924
1,963	1,960	1,963	1,963	1,963	-	21,588
-	-	-	-	-	-	1,107,798
-	-	-	-	-	-	2,367,912
-	-	-	-	-	-	8,119
2,966	219	242	27,939	65,642	-	209,749
428,048	750,945	170,000	162,962	29,059	-	4,773,447
153,739	251,002	106,928	109,275	3,826	-	887,121
586,716	1,004,126	279,133	302,139	100,490	-	9,375,734
(495,684)	(60,645)	65,354	164,270	43,094	(1,104)	612,190
1	-	-	-	-	-	1
410,468	-	-	-	-	-	743,660
(33,995)	-	(89,963)	-	-	-	(952,974)
376,474	-	(89,963)	-	-	-	(209,313)
(119,210)	(60,645)	(24,609)	164,270	43,094	(1,104)	402,877
(56,574)	583,098	109,729	(1,517,012)	3,386	42,530	740,773
$ (175,784)	$ 522,453	$ 85,120	$ (1,352,742)	$ 46,480	$ 41,426	$ 1,143,650

CITY OF WEST BEND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - TAXI TRANSIT SYSTEM FUND
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 612,232	$ 612,232	$ 701,896	$ 89,664
Public charges for services	500,000	500,000	429,933	(70,067)
Total Revenues	1,112,232	1,112,232	1,131,829	19,597
EXPENDITURES				
Current				
Public works	1,141,390	1,141,390	1,107,798	33,592
Excess (deficiency) of revenues over expenditures	(29,158)	(29,158)	24,031	53,189
OTHER FINANCING SOURCES				
Transfers in	29,158	29,158	115,963	86,805
Net Change in Fund Balance	-	-	139,994	139,994
FUND BALANCE (DEFICIT) - Beginning	(238,005)	(238,005)	(238,005)	-
FUND BALANCE (DEFICIT) - ENDING	$ (238,005)	$ (238,005)	$ (98,011)	$ 139,994

CITY OF WEST BEND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - PUBLIC LIBRARY FUND
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 713,418	$ 713,418	$ 713,418	$ -
Intergovernmental	571,042	571,042	559,039	(12,003)
Fines, forfeitures and penalties	-	-	2,538	2,538
Public charges for services	63,805	65,556	62,051	(3,505)
Intergovernmental charges for service	43,996	151,370	149,611	(1,759)
Investment income	-	-	23,747	23,747
Miscellaneous	2,000	4,936	4,851	(85)
Total Revenues	1,394,261	1,506,322	1,515,255	8,933
EXPENDITURES				
Current				
Leisure activities	1,389,261	1,422,802	1,454,958	32,156
Capital Outlay	5,000	5,000	3,568	(1,432)
Total Expenditures	1,394,261	1,427,802	1,458,526	(30,724)
Excess of revenues over expenditures	-	78,520	56,729	(21,791)
OTHER FINANCING USES				
Transfers out	(107,374)	(107,374)	(107,374)	-
Net Change in Fund Balance	(107,374)	(28,854)	(50,645)	(21,791)
FUND BALANCE - Beginning	755,352	755,352	755,352	-
FUND BALANCE - ENDING	$ 647,978	$ 726,498	$ 704,707	$ (21,791)

CITY OF WEST BEND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - ROOM TAX FUND
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 384,720	$ 384,720	$ 389,079	$ 4,359
Investment income	-	-	696	696
Miscellaneous	7,500	7,500	7,500	-
Total Revenues	392,220	392,220	397,275	5,055
EXPENDITURES				
Current				
Leisure activities	371,720	371,720	362,110	9,610
Net Change in Fund Balance	20,500	20,500	35,165	14,665
FUND BALANCE - Beginning	71,050	71,050	71,050	-
FUND BALANCE - ENDING	$ 91,550	$ 91,550	$ 106,215	$ 14,665

CITY OF WEST BEND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - CABLE TV FUND
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Licenses and permits	$ 428,000	$ 428,000	$ 400,850	$ (27,150)
Investment income	1,000	1,000	25,047	24,047
Total Revenues	429,000	429,000	425,897	(3,103)
EXPENDITURES				
Current				
Leisure activities	387,000	359,561	298,713	60,848
Capital outlay	42,000	69,439	50,096	19,343
Total Expenditures	429,000	429,000	348,809	80,191
Net Change in Fund Balance	-	-	77,088	77,088
FUND BALANCE - Beginning	1,471,032	1,471,032	1,471,032	-
FUND BALANCE - ENDING	$ 1,471,032	$ 1,471,032	$ 1,548,120	$ 77,088

CITY OF WEST BEND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - REVOLVING LOAN FUND
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Investment income	$ 1,000	$ 1,000	$ 2,543	$ 1,543
EXPENDITURES				
Current				
Conservation and development	-	-	-	-
Net Change in Fund Balance	1,000	1,000	2,543	1,543
FUND BALANCE - Beginning	134,326	134,326	134,326	-
FUND BALANCE - ENDING	$ 135,326	$ 135,326	$ 136,869	$ 1,543

CITY OF WEST BEND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - ECONOMIC DEVELOPMENT FUND
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Investment income	$ 30,753	$ 30,753	$ 35,584	$ 4,831
EXPENDITURES				
Current				
Conservation and development	8,300	8,300	8,119	181
Debt service				
Interest and fiscal charges	9,776	9,776	9,384	392
Total Expenditures	18,076	18,076	17,503	573
Net Change in Fund Balance	12,677	12,677	18,081	5,404
FUND BALANCE - Beginning	97,412	97,412	97,412	-
FUND BALANCE - ENDING	$ 110,089	$ 110,089	$ 115,493	$ 5,404

CITY OF WEST BEND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - RECREATION FUND
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Public charges for services	$ 223,764	$ 223,764	$ 273,127	49,363
Investment income	-	-	4,040	4,040
Total Revenues	223,764	223,764	277,167	53,403
EXPENDITURES				
Current				
Leisure activities	223,764	223,764	229,190	(5,426)
Net Change in Fund Balance	-	-	47,977	47,977
FUND BALANCE - Beginning	157,704	157,704	157,704	-
FUND BALANCE - ENDING	$ 157,704	$ 157,704	$ 205,681	$ 47,977

CITY OF WEST BEND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - TIF DISTRICT NO. 3 FUND
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 774,617	$ 774,617	$ 774,618	$ 1
Intergovernmental	11,622	11,622	11,622	-
Investment income	-	-	9,072	9,072
Miscellaneous	150,000	150,000	150,000	-
Total Revenues	936,239	936,239	945,312	9,073
EXPENDITURES				
Current				
General government	1,963	1,963	1,962	1
Capital Outlay	253	253	1,026	(773)
Debt Service				
Principal retirement	800,165	800,165	800,165	-
Interest and fiscal charges	58,859	58,859	88,260	(29,401)
Total Expenditures	861,240	861,240	891,413	(30,173)
Net Change in Fund Balance	74,999	74,999	53,899	(21,100)
FUND BALANCE (DEFICIT) - Beginning	(1,545,295)	(1,545,295)	(1,545,295)	-
FUND BALANCE (DEFICIT) - ENDING	$ (1,470,296)	$ (1,470,296)	$ (1,491,396)	$ (21,100)

CITY OF WEST BEND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - TIF DISTRICT NO. 4 FUND
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 1,187,188	$ 1,187,188	$ 1,187,188	$ -
Intergovernmental	10,894	10,894	10,894	-
Investment income	-	-	2,484	2,484
Total Revenues	1,198,082	1,198,082	1,200,566	2,484
EXPENDITURES				
Current				
General government	1,963	1,963	1,962	1
Capital Outlay	201	201	208	(7)
Debt Service				
Principal retirement	900,000	900,000	900,000	-
Interest and fiscal charges	38,689	38,689	38,689	-
Total Expenditures	940,853	940,853	940,859	(6)
Excess of revenues over expenditures	257,229	257,229	259,707	2,478
OTHER FINANCING USES				
Transfers out	(217,229)	(217,229)	(217,229)	-
Net Change in Fund Balance	40,000	40,000	42,478	2,478
FUND BALANCE (DEFICIT) - Beginning	(73,371)	(73,371)	(73,371)	-
FUND BALANCE (DEFICIT) - ENDING	$ (33,371)	$ (33,371)	$ (30,893)	$ 2,478

CITY OF WEST BEND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - TIF DISTRICT NO. 5 FUND
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 855,657	$ 855,657	$ 853,062	$ (2,595)
Intergovernmental	1,259	1,259	1,259	-
Investment income	-	-	8,914	8,914
Total Revenues	856,916	856,916	863,235	6,319
EXPENDITURES				
Current				
General government	1,963	1,963	1,963	-
Capital Outlay	322	322	5,592	(5,270)
Debt Service				
Principal retirement	976,722	976,722	976,722	-
Interest and fiscal charges	95,138	95,138	95,140	(2)
Total Expenditures	1,074,145	1,074,145	1,079,417	(5,272)
Excess (deficiency) of revenues over expenditures	(217,229)	(217,229)	(216,182)	1,047
OTHER FINANCING SOURCES				
Transfers in	217,229	217,229	217,229	-
Net Change in Fund Balance	-	-	1,047	1,047
FUND BALANCE - Beginning	381,385	381,385	381,385	-
FUND BALANCE - ENDING	$ 381,385	$ 381,385	$ 382,432	$ 1,047

CITY OF WEST BEND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - TIF DISTRICT NO. 6 FUND
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 776,353	$ 776,353	$ 776,353	$ -
Intergovernmental	3,904	3,904	3,903	(1)
Investment income	-	-	1,631	1,631
Total Revenues	780,257	780,257	781,887	1,630
EXPENDITURES				
Current				
General government	1,963	1,963	1,963	-
Capital Outlay	176	176	179	(3)
Debt Service				
Principal retirement	340,000	340,000	340,000	-
Interest and fiscal charges	7,650	7,650	7,650	-
Total Expenditures	349,789	349,789	349,792	(3)
Excess of revenues over expenditures	430,468	430,468	432,095	1,627
OTHER FINANCING USES				
Transfers out	(410,468)	(410,468)	(410,468)	-
Net Change in Fund Balance	20,000	20,000	21,627	1,627
FUND BALANCE - Beginning	477	477	477	-
FUND BALANCE - ENDING	$ 20,477	$ 20,477	$ 22,104	$ 1,627

CITY OF WEST BEND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - TIF DISTRICT NO. 7 FUND
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 235,604	$ 235,604	$ 235,605	$ 1
Intergovernmental	3,960	3,960	3,961	1
Investment income	-	-	1,021	1,021
Total Revenues	239,564	239,564	240,587	1,023
EXPENDITURES				
Current				
General government	1,963	1,963	1,963	-
Capital Outlay	209	209	211	(2)
Debt Service				
Principal retirement	215,546	215,546	215,546	-
Interest and fiscal charges	21,846	21,846	21,846	-
Total Expenditures	239,564	239,564	239,566	(2)
Net Change in Fund Balance	-	-	1,021	1,021
FUND BALANCE - Beginning	20,309	20,309	20,309	-
FUND BALANCE - ENDING	$ 20,309	$ 20,309	$ 21,330	$ 1,021

CITY OF WEST BEND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - TIF DISTRICT NO. 8 FUND
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 24,016	$ 24,016	$ 24,016	$ -
Investment income	-	-	571	571
Total Revenues	24,016	24,016	24,587	571
EXPENDITURES				
Current				
General government	1,963	1,963	1,963	-
Capital Outlay	22,053	22,053	16,151	5,902
Debt Service				
Interest and fiscal charges	-	-	1,382	(1,382)
Total Expenditures	24,016	24,016	19,496	4,520
Net Change in Fund Balance	-	-	5,091	5,091
FUND BALANCE (DEFICIT) - Beginning	(75,804)	(75,804)	(75,804)	-
FUND BALANCE (DEFICIT) - ENDING	$ (75,804)	$ (75,804)	$ (70,713)	$ 5,091

CITY OF WEST BEND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - TIF DISTRICT NO. 9 FUND
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 238,554	$ 238,554	$ 84,202	$ (154,352)
Intergovernmental	137	137	137	-
Investment income	-	-	1,793	1,793
Miscellaneous	-	4,900	4,900	-
Total Revenues	238,691	243,591	91,032	(152,559)
EXPENDITURES				
Current				
General government	1,963	1,963	1,963	-
Capital Outlay	65,411	70,311	2,966	67,345
Debt Service				
Principal retirement	428,048	428,048	428,048	-
Interest and fiscal charges	153,737	153,737	153,739	(2)
Total Expenditures	649,159	654,059	586,716	67,343
Excess (deficiency) of revenues over expenditures	(410,468)	(410,468)	(495,684)	(85,216)
OTHER FINANCING SOURCES (USES)				
Sale of property	-	-	1	1
Transfers in	410,468	410,468	410,468	-
Transfers out	-	(33,995)	(33,995)	-
Total Other Financing Sources (Uses)	410,468	376,473	376,474	1
Net Change in Fund Balance	-	(33,995)	(119,210)	(85,215)
FUND BALANCE (DEFICIT) - Beginning	(56,574)	(56,574)	(56,574)	-
FUND BALANCE (DEFICIT) - ENDING	$ (56,574)	$ (90,569)	$ (175,784)	$ (85,215)

CITY OF WEST BEND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - TIF DISTRICT NO. 10 FUND
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 522,643	$ 522,643	$ 522,643	$ -
Intergovernmental	51	51	51	-
Investment income	-	-	20,787	20,787
Miscellaneous	400,000	400,000	400,000	-
Total Revenues	922,694	922,694	943,481	20,787
EXPENDITURES				
Current				
General government	1,963	1,963	1,960	3
Capital Outlay	277	277	219	58
Debt Service				
Principal retirement	750,945	750,945	750,945	-
Interest and fiscal charges	242,732	242,732	251,002	(8,270)
Total Expenditures	995,917	995,917	1,004,126	(8,209)
Net Change in Fund Balance	(73,223)	(73,223)	(60,645)	12,578
FUND BALANCE - Beginning	583,098	583,098	583,098	-
FUND BALANCE - ENDING	$ 509,875	$ 509,875	$ 522,453	$ 12,578

CITY OF WEST BEND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - TIF DISTRICT NO. 11 FUND
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 340,470	$ 340,470	$ 340,470	$ -
Intergovernmental	1,068	1,068	1,068	-
Investment income	-	-	2,949	2,949
Total Revenues	341,538	341,538	344,487	2,949
EXPENDITURES				
Current				
General government	1,963	1,963	1,963	-
Capital Outlay	8,241	8,241	242	7,999
Debt Service				
Principal retirement	170,000	170,000	170,000	-
Interest and fiscal charges	106,927	106,927	106,928	(1)
Total Expenditures	287,131	287,131	279,133	7,998
Excess (deficiency) of revenues over expenditures	54,407	54,407	65,354	10,947
OTHER FINANCING USES				
Transfers out	-	-	(89,963)	(89,963)
Net Change in Fund Balance	54,407	54,407	(24,609)	(79,016)
FUND BALANCE - Beginning	109,729	109,729	109,729	-
FUND BALANCE - ENDING	$ 164,136	$ 164,136	$ 85,120	$ (79,016)

CITY OF WEST BEND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - TIF DISTRICT NO. 12 FUND
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 398,864	$ 398,864	$ 400,006	$ 1,142
Intergovernmental	58,311	58,311	58,310	(1)
Investment income	-	-	8,093	8,093
Total Revenues	457,175	457,175	466,409	9,234
EXPENDITURES				
Current				
General government	1,963	1,963	1,963	-
Capital Outlay	185,507	185,507	27,939	157,568
Debt Service				
Principal retirement	162,962	162,962	162,962	-
Interest and fiscal charges	109,275	109,275	109,275	-
Total Expenditures	459,707	459,707	302,139	157,568
Net Change in Fund Balance	(2,532)	(2,532)	164,270	166,802
FUND BALANCE (DEFICIT) - Beginning	(1,517,012)	(1,517,012)	(1,517,012)	-
FUND BALANCE (DEFICIT) - ENDING	$ (1,519,544)	$ (1,519,544)	$ (1,352,742)	$ 166,802

CITY OF WEST BEND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - TIF DISTRICT NO. 13 FUND
For the Year Ended December 31, 2018

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Taxes	$ 105,962	$ 105,962	$ 105,962	$ -
Intergovernmental	47	47	47	-
Investment income	-	-	954	954
Miscellaneous	-	-	36,621	36,621
Total Revenues	106,009	106,009	143,584	37,575
EXPENDITURES				
Current				
General government	1,963	1,963	1,963	-
Conservation and development	71,161	71,161	65,642	5,519
Debt Service				
Principal retirement	29,059	29,059	29,059	-
Interest and fiscal charges	3,826	3,826	3,826	-
Total Expenditures	106,009	106,009	100,490	5,519
Net Change in Fund Balance	-	-	43,094	43,094
FUND BALANCE - Beginning	3,386	3,386	3,386	-
FUND BALANCE - ENDING	$ 3,386	$ 3,386	$ 46,480	$ 43,094

CITY OF WEST BEND

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
As of December 31, 2018

TAX COLLECTION FUND	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
ASSETS				
Cash and investments	$ 26,359,548	$ 24,079,306	$ 26,359,548	$ 24,079,306
Taxes receivable	1,575,567	3,733,218	1,575,567	3,733,218
Total Assets	$ 27,935,115	$ 27,812,524	$ 27,935,115	$ 27,812,524
LIABILITIES				
Due to other taxing units	$ 27,838,967	$ 27,704,995	$ 27,838,967	$ 27,704,995
Due to component unit	96,148	107,529	96,148	107,529
Total Liabilities	$ 27,935,115	$ 27,812,524	$ 27,935,115	$ 27,812,524

CITY OF WEST BEND

STATEMENT OF CASH FLOWS
COMPONENT UNIT
For the Year Ended December 31, 2018

	Redevelopment Authority
CASH FLOWS FROM OPERATING ACTIVITIES	$ -
CASH FLOWS FROM INVESTING ACTIVITIES	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Contributions to the City	(471,333)
Net Cash Flows from Noncapital Financing Activities	(471,333)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	-
Net Decrease in Cash and Cash Equivalents	(471,333)
CASH AND CASH EQUIVALENTS - Beginning of Year	471,333
CASH AND CASH EQUIVALENTS - END OF YEAR	$ -

NONCASH FINANCING ACTIVITY
None

CITY OF WEST BEND

INTRODUCTION TO THE STATISTICAL SECTION
December 31, 2018

STATISTICAL SECTION

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

CONTENTS — Page

Financial Trends – Schedules 1 - 4 — 108 - 112
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity – Schedules 5 - 8 — 113 - 116
These schedules contain information to help the reader assess the factors affecting the City's most significant revenue source, property taxes.

Debt Capacity – Schedules 9 - 13 — 117 - 121
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information – Schedules 14 - 15 — 122 - 123
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

Operating Information – Schedules 16 - 17 — 124 - 125
These schedules contain information about the City's operations and infrastructure data to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

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

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental Activities										
Net investment in capital assets	$ 105,895,084	$ 101,944,883	$ 99,393,906	$ 95,819,111	$ 85,393,669	$ 91,034,382	$ 89,219,651	$ 87,062,063	$ 89,812,084	$ 88,869,984
Restricted	5,775,048	2,141,418	2,189,500	4,974,965	3,334,477	3,607,106	1,740,727	2,106,898	1,721,246	1,494,968
Unrestricted (deficit)	(13,130,721)	(4,428,888)	(2,376,635)	(4,466,775)	(4,596,980)	(12,099,346)	(11,550,745)	(14,118,728)	(15,326,823)	(12,117,846)
Total governmental activities net position	$ 98,539,411	$ 99,657,413	$ 99,206,771	$ 96,327,301	$ 84,131,166	$ 82,542,142	$ 79,409,633	$ 75,050,233	$ 76,206,507	$ 78,247,106
Business-Type Activities										
Net investment in capital assets	$ 46,834,880	$ 47,492,331	$ 47,672,108	$ 48,458,824	$ 48,480,803	$ 49,534,396	$ 47,211,028	$ 44,356,180	$ 41,971,760	$ 43,804,269
Restricted	1,474,296	1,217,465	919,046	997,956	744,835	991,906	620,012	1,845,722	3,342,747	3,466,954
Unrestricted	21,397,374	20,475,762	19,354,143	17,192,216	16,404,781	15,087,379	19,224,734	22,950,393	22,296,743	20,623,221
Total business-type activities net position	$ 69,706,550	$ 69,185,558	$ 67,945,297	$ 66,648,996	$ 65,630,419	$ 65,613,681	$ 67,055,774	$ 69,152,295	$ 67,611,250	$ 67,894,444
Primary Government										
Net investment in capital assets	$ 151,604,157	$ 148,238,795	$ 145,792,548	$ 142,948,419	$ 132,482,613	$ 138,400,260	$ 134,178,269	$ 129,330,496	$ 129,312,376	$ 130,158,442
Restricted	7,249,344	3,358,883	3,108,546	5,972,921	4,079,312	4,599,012	2,360,739	3,952,620	5,063,993	4,961,922
Unrestricted	9,392,460	17,245,293	18,250,974	14,054,957	13,199,660	5,156,551	9,926,399	10,919,412	9,441,388	11,021,186
Total primary government activities net position	$ 168,245,961	$ 168,842,971	$ 167,152,068	$ 162,976,297	$ 149,761,585	$ 148,155,823	$ 146,465,407	$ 144,202,528	$ 143,817,757	$ 146,141,550

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

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

PRIMARY GOVERNMENT	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
EXPENSES										
Governmental activities										
General government	$ 4,799,184	$ 4,644,495	$ 4,574,441	$ 5,138,982	$ 4,309,948	$ 4,264,520	$ 1,685,601	$ 2,464,001	$ 2,847,911	$ 2,769,513
Public safety	13,670,939	12,994,096	12,550,970	11,712,386	11,232,203	12,032,009	14,717,547	14,137,929	13,605,274	13,432,427
Public works	8,901,707	9,257,914	8,718,819	9,648,833	9,692,674	10,078,108	9,110,517	10,124,653	12,108,114	9,372,095
Leisure activities	4,961,761	4,721,860	3,718,113	4,584,932	4,984,803	4,039,921	4,428,537	4,215,723	4,729,188	5,394,363
Conservation and development	1,166,649	2,319,357	1,500,299	1,003,390	335,282	551,805	1,729,039	1,839,649	1,709,243	763,603
Interest and fiscal charges	1,469,728	1,558,210	1,914,244	2,051,479	2,532,321	3,653,553	3,080,235	3,469,939	4,017,784	3,804,783
Total governmental activities expenses	34,969,968	35,495,932	32,976,886	34,140,002	33,087,231	34,619,916	34,751,476	36,251,894	39,017,514	35,536,784
Business-type activities										
Water	3,963,876	3,742,254	3,414,123	3,978,363	3,670,703	3,396,658	3,242,994	4,076,008	3,755,054	4,077,856
Sewer	3,604,988	3,712,440	3,382,506	3,546,561	3,640,908	3,494,088	3,575,504	3,316,690	3,446,724	3,404,716
Parking Authority	-	-	-	-	-	54,981	80,055	91,636	68,288	78,734
Total business-type activities expenses	7,568,864	7,454,694	6,796,629	7,524,924	7,311,611	6,945,727	6,898,553	7,484,334	7,270,066	7,561,306
Total primary government expenses	$ 42,538,832	$ 42,950,626	$ 39,773,515	$ 41,664,926	$ 40,398,842	$ 41,565,643	$ 41,650,029	$ 43,736,228	$ 46,287,580	$ 43,098,090
PROGRAM REVENUES										
Governmental activities										
Charges for services										
General government	$ 468,522	$ 573,225	$ 476,081	$ 463,076	$ 355,085	$ 252,047	$ 245,762	$ 229,460	$ 227,136	$ 164,983
Public safety	2,427,136	2,416,754	2,210,067	2,355,629	2,282,217	2,201,695	2,193,413	1,981,964	1,882,055	1,763,865
Public works	858,391	906,232	866,148	853,318	795,550	1,038,934	969,868	978,141	1,245,935	1,123,725
Leisure activities	490,664	428,970	440,452	362,331	331,124	357,607	440,326	528,646	513,088	514,585
Conservation and development	613,405	624,608	607,622	560,848	527,361	580,506	585,915	622,415	544,469	554,557
Operating grants and contributions	3,175,036	3,120,340	3,188,661	3,117,376	2,228,156	2,467,140	2,718,259	2,752,063	3,677,862	3,932,929
Capital grants and contributions	2,062,708	1,289,042	1,911,908	6,544,988	394,099	944,450	1,821,542	284,121	-	825,313
Total governmental activities program revenues	10,095,862	9,359,171	9,700,939	14,257,566	6,913,592	7,842,379	8,975,085	7,376,810	8,090,545	8,879,957
Business-type activities										
Charges for services										
Water	4,860,605	4,878,067	4,882,741	4,876,578	4,780,032	4,928,810	5,074,512	4,733,307	4,367,643	4,378,773
Sewer	3,653,158	3,644,840	3,761,959	3,775,384	3,653,125	3,677,556	3,766,506	3,479,122	3,440,979	3,476,344
Parking Authority	-	-	-	-	-	20,865	11,633	17,240	18,572	9,608
Operating grants and contributions	-	-	3,807	13,544	13,849	14,510	15,658	17,288	-	-
Capital grants and contributions	-	743,465	-	9,075	13,598	86,299	63,207	306,266	184,125	469,561
Total business-type activities program revenues	8,513,763	9,266,372	8,648,507	8,674,581	8,460,604	8,728,040	8,931,516	8,553,223	8,011,319	8,334,286
Total primary government program revenues	$ 18,609,625	$ 18,625,543	$ 18,349,446	$ 22,932,147	$ 15,374,196	$ 16,570,419	$ 17,906,601	$ 15,930,033	$ 16,101,864	$ 17,214,243

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

PRIMARY GOVERNMENT	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
NET (EXPENSE)/REVENUE										
Governmental activities	$ (24,874,106)	$ (26,136,761)	$ (23,275,947)	$ (19,882,436)	$ (26,173,639)	$ (26,777,537)	$ (25,776,391)	$ (28,875,084)	$ (30,926,969)	$ (26,656,827)
Business-type activities	944,899	1,811,678	1,851,878	1,149,657	1,148,993	1,782,313	2,032,963	1,068,889	741,253	772,980
Total primary government net (expense)/revenue	(23,929,207)	(24,325,083)	(21,424,069)	(18,732,779)	(25,024,646)	(24,995,224)	(23,743,428)	(27,806,195)	(30,185,716)	(25,883,847)
GENERAL REVENUES										
Governmental activities										
Taxes										
Property taxes, levied for general purposes	$ 14,489,156	$ 14,343,742	$ 13,572,471	$ 13,681,619	$ 13,367,419	$ 13,783,210	$ 13,113,097	$ 13,950,145	$ 13,214,137	$ 12,906,804
Property taxes, levied for special revenue funds	1,102,497	1,095,588	985,546	624,454	620,899	617,055	625,542	755,810	695,066	677,405
Property taxes, levied for debt service	2,971,253	3,017,168	2,939,595	3,053,568	3,443,807	3,137,142	3,563,288	3,783,699	4,929,885	4,952,335
Property taxes, levied for TIF districts	5,237,222	4,537,080	4,891,775	4,911,561	5,025,078	5,059,421	4,469,057	4,399,503	4,067,804	3,264,007
Other taxes	137,761	125,835	594,792	479,704	434,985	493,834	473,612	379,765	353,189	314,003
Intergovernmental revenues not restricted	2,137,070	2,010,865	2,023,133	2,046,326	3,068,832	2,838,542	2,707,200	3,172,610	3,087,431	2,720,038
Investment income	475,894	282,130	183,854	85,605	58,722	39,183	80,526	116,651	150,500	251,761
Gain on disposal of assets	-	-	-	-	66,958	40,638	35,122	35,870	344,929	94,815
Miscellaneous	1,074,815	450,192	283,330	177,560	149,284	152,061	175,444	473,448	628,327	141,616
Transfers, internal	554,304	724,803	680,921	843,140	1,526,679	3,748,960	4,892,903	651,309	1,415,102	599,342
Total governmental activities general revenues	28,179,972	26,587,403	26,155,417	25,903,537	27,762,663	29,910,046	30,135,791	27,718,810	28,886,370	25,922,126
Business-type activities										
Property taxes, levied for general purposes	-	-	-	-	-	69,171	69,589	78,067	30,447	28,928
Investment income	334,993	150,159	108,789	89,995	127,012	18,204	213,066	174,438	332,078	364,248
Gain on disposal of assets	-	-	-	-	-	14,152	-	-	-	-
Gain on asset impairment	-	-	-	-	246,231	421,734	478,064	866,781	-	-
Miscellaneous	9,362	3,227	16,555	-	21,181	1,293	2,700	4,179	28,130	8,318
Transfers, internal	(554,304)	(724,803)	(680,921)	(843,140)	(1,526,679)	(3,748,960)	(4,892,903)	(651,309)	(1,415,102)	(599,342)
Total business-type activities general revenues	(209,949)	(571,417)	(555,577)	(753,145)	(1,132,255)	(3,224,406)	(4,129,484)	472,156	(1,024,447)	(197,848)
Total primary government general revenue	$ 27,970,023	$ 26,015,986	$ 25,599,840	$ 25,150,392	$ 26,630,408	$ 26,685,640	$ 26,006,307	$ 28,190,966	$ 27,861,923	$ 25,724,278
CHANGE IN NET POSITION										
Governmental activities	$ 3,305,866	$ 450,642	$ 2,879,470	$ 6,021,101	$ 1,589,024	$ 3,132,509	$ 4,359,400	$ (1,156,274)	$ (2,040,599)	$ (734,701)
Business-type activities	734,950	1,240,261	1,296,301	396,512	16,738	(1,442,093)	(2,096,521)	1,541,045	(283,194)	575,132
Total primary government change in net position	$ 4,040,816	$ 1,690,903	$ 4,175,771	$ 6,417,613	$ 1,605,762	$ 1,690,416	$ 2,262,879	$ 384,771	$ (2,323,793)	$ (159,569)

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund										
Nonspendable	$ 1,243,055	$ 1,468,705	$ 1,428,893	$ 1,619,263	$ 1,693,884	$ 751,405	$ 969,408	$ 956,318	$ -	$ -
Restricted	295,964	255,244	288,529	221,023	246,992	33,225	32,775	32,490	-	-
Assigned	590,212	765,307	482,927	602,573	309,307	1,160,398	172,519	568,780	-	-
Unassigned	6,663,913	5,733,776	5,238,255	4,078,084	3,558,917	3,092,494	2,476,948	2,568,678	-	-
Reserved	-	-	-	-	-	-	-	-	1,098,572	810,252
Unreserved	-	-	-	-	-	-	-	-	4,336,733	3,787,302
Total general fund	8,793,144	8,223,032	7,438,604	6,520,943	5,809,100	5,037,522	3,651,650	4,126,266	5,435,305	4,597,554
All Other Governmental Funds										
Restricted	3,320,811	3,546,367	3,805,037	5,400,277	7,703,730	5,150,544	3,875,726	5,840,996	-	-
Committed	1,753,801	1,628,736	1,635,326	1,450,711	1,295,023	1,407,609	1,269,229	1,030,598	-	-
Assigned	478,762	1,016,017	802,107	607,959	1,603,740	1,370,289	4,929,622	2,734,374	-	-
Unassigned (deficit)	(3,219,539)	(3,506,061)	(2,135,391)	(2,022,088)	(398,565)	(1,937,473)	(2,853,556)	(1,824,550)	-	-
Reserved	-	-	-	-	-	-	-	-	9,697,027	938,783
Unreserved	-	-	-	-	-	-	-	-	5,058,672	4,910,157
Total all other governmental funds	$ 2,333,835	$ 2,685,059	$ 4,107,079	$ 5,436,859	$ 10,203,928	$ 5,990,969	$ 7,221,021	$ 7,781,418	$ 14,755,699	$ 5,848,940

Note: The City implemented GASB Statement No. 54-Fund Balance Reporting and Governmental Fund Type Definitions in 2011. This statement established new fund balance classifications, which are based primarily on the extent to which the City is bound to observe constraints on the use of the resources reported in governmental funds. As a result of implementing this standard, the fund balance categories used beginning in 2011 are not directly comparable to the fund balance categories used prior to 2011.

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
Taxes	$ 23,952,946	$ 23,119,415	$ 22,984,180	$ 22,750,907	$ 22,892,190	$ 22,869,591	$ 22,078,197	$ 23,096,429	$ 23,083,203	$ 21,925,634
Intergovernmental	5,401,465	4,991,479	5,522,612	5,493,738	5,082,106	5,739,544	5,577,134	6,008,556	6,863,254	6,588,786
Licenses and permits	1,155,430	1,315,514	1,284,209	1,134,872	1,072,395	1,255,251	1,079,873	1,183,537	1,147,342	1,064,278
Fines, forfeitures, and penalties	437,060	412,772	458,038	469,913	494,588	398,497	419,075	456,985	503,148	440,104
Public charges for services	2,694,936	2,649,941	2,309,997	2,260,554	2,024,960	2,028,400	2,058,737	1,937,978	1,763,737	1,575,044
Intergovernmental charges for services	577,611	578,438	578,249	577,809	587,959	576,215	599,373	604,563	617,164	672,488
Special assessments	36,711	39,695	17,525	113,061	53,693	58,892	194,444	90,718	351,144	233,952
Investment income	475,894	282,134	183,852	85,608	58,719	36,700	78,446	113,613	148,220	235,451
Miscellaneous	1,789,072	1,176,176	1,037,445	1,297,074	825,724	957,384	1,830,935	811,469	1,494,189	938,767
Total Revenues	36,521,125	34,565,564	34,376,107	34,183,536	33,092,334	33,920,474	33,916,214	34,303,848	35,971,401	33,674,504
Expenditures										
Current										
General government	4,409,775	4,476,591	4,228,918	4,667,544	4,110,870	3,807,061	1,993,365	2,049,658	2,279,946	2,202,377
Public safety	11,570,862	11,056,465	10,810,330	10,719,881	10,633,805	10,778,263	12,848,343	12,801,944	11,953,551	11,622,390
Health and social services	-	-	-	-	-	-	-	-	-	41,555
Public works	5,649,372	5,701,207	5,169,974	4,915,320	4,621,480	4,868,988	5,465,243	6,053,907	5,801,030	5,601,140
Leisure activities	3,912,953	3,738,258	4,223,584	3,526,730	3,676,215	3,526,524	3,745,655	3,713,864	3,682,790	3,601,186
Conservation and development	419,612	418,303	510,429	449,052	320,426	150,242	426,067	270,724	289,897	277,863
Capital outlay	4,184,838	3,911,785	3,307,461	3,511,622	4,876,887	11,088,288	7,207,582	5,317,263	5,935,966	8,850,058
Debt service										
Principal retirement	7,338,447	6,712,181	10,280,928	13,279,761	13,208,603	10,750,273	11,976,647	15,942,537	7,151,172	8,378,297
Interest and fiscal charges	1,489,633	1,515,465	1,806,619	1,984,796	2,188,417	2,314,285	2,842,199	3,480,388	3,620,945	3,538,664
Debt issuance costs	-	-	-	-	223,025	700,430	251,294	80,496	303,927	97,681
Total expenditures	38,975,492	37,530,255	40,338,243	43,054,706	43,859,728	47,984,354	46,756,395	49,710,781	41,019,224	44,211,211
Excess (deficiency) of revenues over expenditures	(2,454,367)	(2,964,691)	(5,962,136)	(8,871,170)	(10,767,394)	(14,063,880)	(12,840,181)	(15,406,933)	(5,047,823)	(10,536,707)
Other Financing Sources (Uses)										
General obligation debt issued	2,030,000	1,530,000	1,515,000	-	4,285,000	6,095,000	3,387,400	4,613,700	4,624,005	5,160,000
Promissory note issued	-	-	-	-	-	-	-	-	-	500,000
Refunding bonds issued	-	-	4,370,000	3,730,000	10,125,000	9,765,000	11,720,000	1,840,000	16,190,000	-
Premium on debt issued	59,676	48,941	113,661	220,302	530,489	184,338	11,093	-	24,267	-
Payment to refunded bond escrow agent	-	-	(1,186,394)	-	-	(5,514,509)	(8,217,388)	-	(6,716,113)	-
Sale of property	29,275	23,355	56,829	35,984	63,146	23,701	11,160	18,604	32,293	85,968
Transfers in	1,745,214	1,535,982	1,182,032	1,359,513	1,511,631	4,149,011	5,124,125	2,856,839	975,765	2,798,011
Transfers out	(1,190,910)	(811,179)	(501,111)	(529,855)	(763,335)	(482,841)	(231,222)	(2,205,530)	(337,884)	(2,199,795)
Total other financing sources (uses)	2,673,255	2,327,099	5,550,017	4,815,944	15,751,931	14,219,700	11,805,168	7,123,613	14,792,333	6,344,184
Net change in fund balances	$ 218,888	$ (637,592)	$ (412,119)	$ (4,055,226)	$ 4,984,537	$ 155,820	$ (1,035,013)	$ (8,283,320)	$ 9,744,510	$ (4,192,523)
Ratio of total debt service expenditures to total noncapital expenditures*	25.37%	24.47%	25.93%	27.24%	26.26%	29.00%	29.62%	29.84%	31.57%	33.98%

*Total noncapital expenditures excludes reconciling items found on page 6 of CAFR.

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

Levy Year	Fiscal Year	Real Property							Personal Property	Total Assessed Value (1)	Total Equalized Value (2)	Total Direct Tax Rate	Ratio of Assessed to Equalized
		Residential	Commercial	Manufacturing	Agricultural	Undeveloped	Forest	Other					
2018	2019	$ 1,842,407,200	$ 808,885,300	$ 72,966,900	$ 89,400	$ 152,600	$ 90,200	$ 300,200	$ 46,223,050	$ 2,771,114,850	$ 2,766,661,500	$ 7.7943	100.16%
2017	2018	1,621,930,300	720,336,900	65,605,400	83,400	152,600	90,200	300,200	56,041,300	2,464,540,300	2,680,139,500	8.5100	91.96%
2016	2017	1,611,711,420	690,631,300	63,484,000	91,900	123,600	90,200	300,200	55,049,700	2,421,482,320	2,485,727,800	8.5083	97.42%
2015	2016	1,606,305,800	687,420,300	63,865,800	91,900	123,600	90,200	300,200	53,140,250	2,411,338,050	2,418,080,000	8.5146	99.72%
2014	2015	1,602,950,200	676,616,800	65,504,600	89,400	123,600	90,200	300,200	57,133,300	2,402,808,300	2,388,773,200	8.5121	100.59%
2013	2014	1,600,997,600	678,101,600	63,494,600	91,900	123,800	90,200	300,200	62,023,150	2,405,223,050	2,378,068,900	8.5143	101.14%
2012	2013	1,619,966,600	677,224,100	63,541,600	91,000	118,000	90,200	300,200	62,585,050	2,423,916,750	2,412,368,200	8.5156	100.48%
2011	2012	1,615,263,200	643,509,801	62,938,900	56,000	33,500	46,100	-	58,450,450	2,380,297,951	2,453,201,000	8.4646	97.03%
2010	2011	1,711,678,800	655,805,600	64,564,300	55,800	33,500	46,100	-	63,346,600	2,495,530,700	2,523,621,500	8.4841	98.89%
2009	2010	1,701,285,500	649,420,100	62,470,200	55,600	33,300	46,100	-	59,998,250	2,473,309,050	2,660,841,400	8.5357	92.95%

Source: Statement of Assessment for the City of West Bend

1 - Total assessed values do not include exempt properties. The City of West Bend Assessor's Office does not assess property classified as exempt. Assessed values are established by City Assessor on all property except manufacturing property as of January 1 of each year. The Wisconsin Department of Revenue determines manufacturing property assessed values as of January 1 of each year. A revaluation of all property was completed in 2005, 2011, and 2018.

2 - Equalized values are determined by the Wisconsin Department of Revenue.

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

		City Direct Rates					Overlapping Rates					
Levy Year	Budget Year	General Fund	Debt Service Fund	Non-Major Fund	TID Apportionment	Total Direct	West Bend School District	Washington County	Moraine Park Technical College	State of Wisconsin (1)	State School Credit	Net Tax Rate
2018	2019	$ 5.4860	$ 1.3508	$ 0.2587	$ 0.6987	$ 7.7943	$ 7.9585	$ 2.3892	$ 0.6347	$ -	$ (1.3860)	$ 17.3906
2017	2018	5.8777	1.6619	0.2895	0.6810	8.5100	8.8643	2.7080	0.7061	-	(1.5577)	19.2308
2016	2017	5.9222	1.7211	0.2932	0.5719	8.5083	8.8802	2.6460	0.6732	0.1742	(1.4659)	19.4161
2015	2016	5.6273	1.9433	0.4087	0.5353	8.5146	8.7881	2.6092	0.6737	0.1702	(1.4831)	19.2726
2014	2015	5.6927	2.0299	0.2599	0.5296	8.5121	8.5631	2.6762	0.6707	0.1687	(1.3211)	19.2698
2013	2014	5.5563	2.1890	0.2582	0.5109	8.5143	9.0638	2.8309	1.5513	0.1678	(1.3093)	20.8188
2012	2013	5.5939	2.0104	0.3742	0.5372	8.5156	8.5793	2.8653	1.5333	0.1689	(1.2934)	20.3690
2011	2012	5.4391	2.2179	0.3619	0.4457	8.4646	8.6960	2.9444	1.5264	0.1749	(1.2843)	20.5220
2010	2011	5.5164	2.0992	0.4033	0.4653	8.4841	8.4871	2.8899	1.4723	0.1716	(1.1856)	20.3195
2009	2010	5.2700	2.4019	0.3649	0.4990	8.5357	8.0410	2.9867	1.4907	0.1826	(1.1660)	20.0707

Source: Annual City of West Bend Adopted Operating Budget

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

Schedule 7
City of West Bend
Principal Property Taxpayers
2018 and Nine Years Ago

	2018			2009		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
West Bend Mutual Insurance	$ 67,420,450	1	2.43%	$ 67,994,250	1	2.75%
River Shores-Cast Iron Condo	30,665,000	2	1.11%			
Meijer Stores	22,139,900	3	0.80%			
Manitou Equipment (GEHL Co.)	17,971,700	4	0.65%	17,116,900	2	0.69%
Ireit West Bend Main (Pick N Save-S)	17,412,150	5	0.63%			
Froedtert Health, Inc.	16,350,850	6	0.59%	13,977,200	3	0.57%
Paradise Pavillion (Kohl's & Hobby Lobby)	15,035,200	7	0.54%	12,411,600	6	0.50%
Wal-Mart Stores	14,578,450	8	0.53%	13,944,450	4	0.56%
Delta Ventures, LLC	13,473,250	9	0.49%			
Welltower (Lighthouse)	13,466,500	10	0.49%			
Boston Store/Pier 1				12,531,650	5	0.51%
Menard, Inc.				10,591,550	7	0.43%
Aurora Medical Group				7,992,850	8	0.32%
WB Acquisition, LLC				7,893,300	9	0.32%
WB Comm Warehouse				7,741,050	10	0.31%
Total	$ 228,513,450		8.26%	$ 172,194,800		6.96%

Source: City of West Bend Assessor's Office

Note: Assessed values include real and personal property.

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

Levy Year	Budget Year	Total Tax Levy	Collected within the Fiscal Year of the Levy: Amount	Collected within the Fiscal Year of the Levy: Percentage of Levy	Collections of the Levy in Subsequent Years	Total Collections to Date: Amount	Total Collections to Date: Percentage of Levy
2018	2019	$ 52,563,416	$ 24,079,306	45.81%	$ -	$ 24,079,306	45.81%
2017	2018	51,827,357	26,359,548	50.86%	13,488,001	39,847,549	76.89%
2016	2017	51,046,940	25,483,797	49.92%	13,532,507	39,016,304	76.43%
2015	2016	50,504,267	24,101,878	47.72%	14,052,797	38,154,675	75.55%
2014	2015	50,049,421	24,868,426	49.69%	20,093,111	44,961,537	89.83%
2013	2014	53,879,167	24,856,013	46.13%	23,724,396	48,580,409	90.17%
2012	2013	53,180,186	26,032,965	48.95%	21,499,230	47,532,195	89.38%
2011	2012	52,554,970	26,234,247	49.92%	20,969,851	47,204,098	89.82%
2010	2011	54,357,770	27,636,845	50.84%	21,145,447	48,782,292	89.74%
2009	2010	53,412,271	25,415,974	47.58%	22,465,033	47,881,007	89.64%

Source: City of West Bend Finance Department records and Tax Settlements

Note: The City of West Bend used a new tax software for the 2015 levy year, which implemented a two installment plan for tax collection. For levy years 2009 through 2014, the City of West Bend collected tax payments until July 31st using a four installment payment plan.
In addition to property taxes for the City of West Bend, the City collects and remits taxes for Washington County, the West Bend School District, and Moraine Park Technical College. Tax settlements to the other entities are made in January, for taxes collected through December 31st, and in February, for taxes collected as of January 31st. All unpaid real estate taxes are forwarded to Washington County for further collection. Washington County makes a final tax settlement in August to the various taxing entities for the balance of their respective tax levies.

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

	Governmental Activities			Business-Type Activities				
Fiscal Year	General Obligation Bonds/Notes	Other Notes and Loans	Capital Leases	General Obligation Bonds/Notes	City of West Bend Water Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
2018	$ 48,745,067	$ -	$ -	$ 3,332,140	$ 1,095,000	$ 53,172,207	2.90%	$ 1,668
2017	53,993,514	60,000	-	3,187,140	1,410,000	58,650,654	3.40%	1,859
2016	59,120,695	115,000	-	2,862,140	1,725,000	63,822,835	3.87%	2,015
2015	64,566,623	170,000	-	2,362,141	2,030,000	69,128,764	4.28%	2,188
2014	74,061,384	225,000	-	2,652,141	2,325,000	79,263,525	5.08%	2,514
2013	72,809,987	275,000	-	2,077,141	3,825,000	78,987,128	5.21%	2,514
2012	68,465,260	325,000	4,315,000	2,282,141	4,230,000	79,617,401	5.28%	2,537
2011	72,468,393	561,112	4,440,000	2,584,944	4,695,000	84,749,449	5.91%	2,714
2010	81,096,118	1,297,224	4,565,000	2,577,094	5,155,000	94,690,436	7.06%	3,047
2009	74,264,393	1,033,336	4,690,000	1,196,039	5,700,000	86,883,768	6.71%	2,858

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.
Note: General Obligations Bonds/Notes exclude related premium.

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

Fiscal Year	General Outstanding Debt	Restricted Debt Service	Net General Obligation Debt	Equalized Valuation[1]	Percent of Net Debt to Equalization	Estimated Population	Debt Per Capita
2018	$ 52,077,207	$ 140,866	$ 51,936,341	$ 2,766,661,500	1.88%	31,881	$ 1,633
2017	57,180,654	137,043	57,043,611	2,680,139,500	2.13%	31,546	1,813
2016	61,982,835	66,540	61,916,295	2,485,727,800	2.49%	31,676	1,957
2015	66,928,764	52,530	66,876,234	2,418,080,000	2.77%	31,599	2,118
2014	76,713,525	1,404,634	75,308,891	2,388,773,200	3.15%	31,531	2,433
2013	74,887,128	8,586	74,878,542	2,378,068,900	3.15%	31,425	2,383
2012	70,747,401	93,856	70,653,545	2,412,368,200	2.93%	31,380	2,255
2011	75,053,337	1,272,798	73,780,539	2,453,201,000	3.01%	31,227	2,403
2010	83,673,212	9,360,977	74,312,235	2,523,621,500	2.94%	31,078	2,692
2009	75,460,432	271,083	75,189,349	2,660,841,400	2.83%	30,400	2,482

Source: City of West Bend Finance Department

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

1 - Wisconsin uses equalized value for calculating legal debt limit. Equalized value is set at January 1 of the calendar year.

Note: General Obligations Bonds/Notes exclude related premium.

Schedule 11
City of West Bend
Computation of Direct and Overlapping Debt
December 31, 2018

Jurisdiction	General Obligation Debt Outstanding	Percent Applicable to City of West Bend	Amount Applicable to City of West Bend
Direct Debt			
City of West Bend	$ 48,745,067	100%	$ 48,745,067
Overlapping Debt			
Washington County	17,010,000	18.08%	3,075,028
West Bend School District	34,431,000	53.09%	18,280,113
Moraine Park Technical College	26,720,000	10.05%	2,685,737
Total Overlapping Debt	78,161,000		24,040,878
Total Direct and Overlapping Debt	$ 126,906,067		$ 72,785,945

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

Note: General Obligation Debt Outstanding excludes related premium.

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Equalized Value (1)	$ 2,766,661,500	$ 2,680,139,500	$ 2,485,727,800	$ 2,418,080,000	$ 2,388,773,200	$ 2,378,068,900	$ 2,412,368,200	$ 2,453,201,000	$ 2,523,621,500	$ 2,660,841,400
Debt Limit (2)	138,333,075	134,006,975	124,286,390	120,904,000	119,438,660	118,903,445	120,618,410	122,660,050	126,181,075	133,042,070
Total General Obligation Debt	52,077,207	57,180,654	61,982,835	66,928,764	76,713,525	74,887,128	70,747,401	75,053,337	83,673,212	75,460,432
Amount of Debt Applicable to Debt Limitation										
Total Debt Applicable to Debt Limit	52,077,207	57,180,654	61,982,835	66,928,764	76,713,525	74,887,128	70,747,401	75,053,337	83,673,212	75,460,432
Less: Assets in Debt Service Fund Available for Payment of Principal	140,866	137,043	66,540	52,530	1,404,634	8,586	93,856	1,272,798	9,360,977	271,083
Net Debt Applicable to Debt Limit	51,936,341	57,043,611	61,916,295	66,876,234	75,308,891	74,878,542	70,653,545	73,780,539	74,312,235	75,189,349
Remaining Legal Debt Margin	86,396,734	76,963,364	62,370,095	54,027,766	44,129,769	44,024,903	49,964,865	48,879,511	51,868,840	57,852,721
Total Debt Applicable to the Limit as a Percentage of Debt Limit	37.54%	42.57%	49.82%	55.31%	63.05%	62.97%	58.58%	60.15%	58.89%	56.52%

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

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

Fiscal Year	Direct Operating Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
2018	$ 4,940,302	$ 2,879,846	$ 2,060,456	$ 345,000	$ 39,073	$ 384,073	5.36
2017	4,910,092	2,600,919	2,309,173	345,000	39,073	384,073	6.01
2016	4,902,563	2,386,048	2,516,515	345,000	39,073	384,073	6.55
2015	4,898,018	2,897,098	2,000,920	345,000	39,073	384,073	5.21
2014	4,827,770	2,544,925	2,282,845	345,000	39,073	384,073	5.94
2013	4,945,220	2,185,072	2,760,148	445,000	130,059	575,059	4.80
2012	5,093,856	2,243,685	2,850,171	445,000	130,059	575,059	4.96
2011	4,755,812	2,950,944	1,804,868	465,000	176,946	641,946	2.81
2010	4,397,267	2,736,948	1,660,319	460,000	194,175	654,175	2.54
2009	4,387,941	2,931,279	1,456,662	545,000	213,324	758,324	1.92

1- Total operating revenues plus interest income and interest subsidy
2 - Operating expenses do not include depreciation

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

			Per Capita Personal Income (3)		Unemployment Rates (4)		
Year	Population (1)	Personal Income (2)	Washington County	State of Wisconsin	City of West Bend	Washington County	State of Wisconsin
2018	31,881	$ 1,836,664,410	$ 57,610	$ 50,756	2.70%	2.50%	3.00%
2017	31,546	1,727,458,960	54,760	48,941	3.00%	2.80%	3.30%
2016	31,676	1,648,767,476	52,051	47,275	3.70%	3.50%	4.20%
2015	31,599	1,615,024,890	51,110	45,942	4.10%	3.80%	4.60%
2014	31,531	1,559,617,853	49,463	44,414	4.90%	4.60%	5.40%
2013	31,425	1,514,747,850	48,202	42,728	7.80%	5.70%	6.70%
2012	31,380	1,507,620,720	48,044	42,537	8.30%	6.10%	7.00%
2011	31,227	1,434,193,656	45,928	40,749	9.60%	6.90%	7.80%
2010	31,078	1,341,388,636	43,162	38,597	11.40%	8.10%	8.70%
2009	30,400	1,294,280,000	42,575	38,012	12.70%	8.70%	8.60%

1 - Source: Department of Administration, State of Wisconsin

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

3 - Source: Bureau of Economic Analysis (2018 Washington County is an estimate)

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

Schedule 15
City of West Bend
Principal Employers
2018 and Nine Years Ago

	2018			2009		
Taxpayer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
West Bend Mutual Insurance	1,268	1	7.62%	786	3	5.25%
Washington County	834	2	5.01%	925	2	6.17%
West Bend Joint School District No. 1	821	3	4.93%	1,043	1	6.96%
St. Joseph's Hospital	766	4	4.60%			
Wal-Mart	600	5	3.60%	404	6	2.70%
Serigraph Inc.	580	6	3.48%			
Cedar Community	550	7	3.30%			
City of West Bend	498	8	2.99%	476	5	3.18%
YMCA Kettle Moraine	333	9	2.00%	393	7	2.62%
West Bend Clinic	311	10	1.87%	569	4	3.80%
Regal Ware, Inc.				270	8	1.80%
Samaritan Health Center				190	9	1.27%
Gehl Co.				160	10	1.07%
Total	6,561		39.40%	5,216		34.82%

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

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

	Full Time Equivalent Employees									
Function/ Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government										
Council (8 Council Members)	-	-	-	-	-	-	-	-	-	-
Mayor	1.25	1.25	1.25	1.25	1.00	1.00	1.00	1.00	1.00	1.00
Attorney	-	-	-	-	-	0.05	2.25	3.00	3.00	3.00
Administration	1.25	1.25	1.25	1.25	1.25	3.00	2.35	2.61	2.61	2.36
Clerk	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Human Resources	2.00	2.00	2.00	2.00	2.00	2.25	2.25	2.82	2.82	3.06
Elections	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies
Finance	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Assessor	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Municipal Building Maintenance	4.75	5.35	5.35	4.84	4.00	6.10	6.06	7.98	6.54	6.82
Information Systems	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00
GIS	1.00	1.00	1.00	2.00	2.00	2.00	2.00	4.00	4.00	4.00
Emergency Government	-	-	-	-	-	0.35	0.63	0.63	0.41	0.63
Public Safety										
Police	75.00	75.00	75.00	75.00	75.00	76.00	74.00	77.00	77.00	77.00
Fire	40.70	40.70	40.70	40.70	40.70	40.50	40.00	35.00	35.00	35.00
Building Inspection	2.25	2.00	3.00	2.70	3.50	4.02	4.45	4.00	4.00	5.00
Public Works										
Public Works	14.95	14.60	15.60	16.60	15.98	15.73	16.95	16.95	18.15	18.35
Engineering	4.00	4.00	4.00	3.00	3.00	14.75	14.75	14.75	14.75	17.00
Vehicle Maintenance	4.95	4.95	3.95	3.95	4.60	4.60	4.60	4.60	4.60	4.60
Airport	1.50	1.50	1.50	1.50	0.58	0.58	0.58	0.58	0.58	0.58
Leisure Activities										
Parks	19.65	19.65	19.65	19.65	20.71	30.00	33.50	37.00	37.00	37.00
Tourism	-	-	1.06	1.06	-	-	-	-	-	-
Conservation and Development										
Economic Development	1.50	-	-	-	-	-	-	-	-	-
Department of Development	3.50	4.00	4.00	4.00	5.00	6.00	7.00	7.00	7.00	7.00
Enterprise Funds										
Sewer Utility	8.50	8.50	8.00	8.00	8.00	8.00	8.00	8.00	7.00	7.00
Water Utility	16.90	16.90	16.90	16.90	18.35	17.98	17.87	19.32	21.85	21.85
Other Non-Major Special Revenue Funds										
Taxi	1.10	1.10	1.10	0.48	-	-	-	-	-	-
Library	18.80	19.05	19.05	19.43	20.88	19.25	18.75	21.00	22.30	22.30
Community TV	3.25	2.50	2.50	2.75	2.75	2.25	1.60	1.60	1.60	1.17
Recreation	7.50	7.50	7.50	7.50	7.50	-	-	-	-	-
Room Tax	1.06	1.06	-	-	-	-	-	-	-	-
Total	251.4	249.9	250.4	251.6	253.8	272.4	276.6	286.8	289.2	292.7

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Public Safety										
Police										
Calls for Service	14,391	14,877	14,599	15,339	14,873	13,390	13,721	14,505	14,359	13,819
Other Police Activities	55,692	58,452	58,479	57,020	56,031	51,340	47,302	45,298	51,448	47,782
Arrests (1)	1,187	2,309	2,511	2,925	3,206	2,513	2,437	1,730	1,796	1,643
Citations (2)	5,087	4,318	5,366	5,643	6,030	5,573	4,847	6,860	7,186	5,389
Patrol Vehicles	13	13	13	13	13	13	13	13	13	13
Fire Department										
Fire Calls	463	400	441	400	472	443	449	383	401	388
Fire Stations	3	3	3	3	3	3	3	3	3	3
Fire Apparatus	18	18	18	18	18	18	18	18	18	18
Ambulances	4	4	4	4	4	4	4	4	4	4
EMS Responses	3,789	3,682	3,452	3,465	3,381	3,167	3,094	2,741	2,295	2,091
Public Works										
Refuse/ Recycling[1]										
Units Collected	9,913	9,861	9,803	9,787	9,757	9,729	9,703	9,651	9,706	9,600
Recycle Cost per Unit	$ 2.98	$ 2.91	$ 2.84	$ 2.78	$ 2.72	$ 2.66	$ 2.60	$ 3.07	$ 3.10	$ 2.92
Recycling Tonnage	2,767.13	2,786.09	2,643.57	2,680.07	2,808.16	2,864.49	2,840.28	2,732.29	2,592.92	2,736.31
Refuse Tonnage	7,382.39	7,374.68	7,007.28	7,021.97	6,961.27	6,879.86	6,856.58	7,253.59	7,780.67	7,607.62
Streets (lane miles)	525	525	525	525	525	525	525	525	525	525
Street Lights (City owned)	276	276	276	276	276	276	276	276	276	276
Street Signs	7,237	7,237	7,237	7,237	7,237	7,237	7,237	7,237	7,237	7,237
Parks and Recreation										
Number of Parks	37	37	37	36	36	36	36	36	36	36
Acreage of Park Land	1,425	1,425	1,425	1,285	1,285	1,285	1,285	1,285	1,285	1,267
Recreation Programs	39	36	39	40	41	35	36	32	31	31
Lac Lawrann Programs	14	15	14	11	12	8	9	9	9	9
Beach Attendance	18,102	19,264	20,545	21,478	17,894	16,725	24,388	25,415	30,158	16,123
Special Events	59	55	52	51	47	40	36	33	32	32
Shelter Reservations	503	459	448	415	385	333	274	147	117	Unavailable
Library										
Circulation	498,524	501,628	494,226	502,327	543,221	558,919	570,205	578,059	598,115	630,548
User Visits	216,713	220,513	226,648	227,682	246,901	252,954	275,102	Unavailable	Unavailable	Unavailable
Registered Borrowers	41,255	46,947	45,201	62,530	61,496	60,257	58,653	56,753	55,094	53,297
Water Utility										
Number of Customers	12,003	11,845	11,797	11,861	11,835	11,734	11,680	11,723	11,565	11,468
Gallons Sold	830,235,000	833,025,000	844,547,000	863,002,000	835,029,000	879,530,000	925,062,000	851,455,000	858,945,000	892,159,000
Hydrants Flushed	625	570	448	660	528	431	518	467	589	647
Number of Hydrants	1,441	1,435	1,427	1,425	1,422	1,418	1,417	1,415	1,413	1,408
Miles of Water Main	145	145	144.5	144.5	144.5	144	144	144	144	144
Sewer Utility										
Number of Customers	11,703	11,553	11,538	11,348	11,522	11,398	11,344	11,322	11,278	11,217
Gal Treated (Avg Millions Gal/Day)	4.25	4.33	4.35	3.84	4.87	5.40	3.87	4.27	4.08	4.08
Miles of Sanitary Sewer	137	137	137	137	137	137	137	137	137	137

Source: City of West Bend respective department and annual budget

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

2 - In 2010 and 2011, the citation totals included releasable equipment violations. All other years equipment violations that were corrected and citations released are not included in the total of citations.

APPENDIX B

FORM OF LEGAL OPINION

(See following pages)

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

February 5, 2020

Re: City of West Bend, Wisconsin ("Issuer")
$3,600,000 Taxable General Obligation Community Development Bonds, Series 2020A, dated February 5, 2020 ("Bonds")

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

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

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

Year	Principal Amount	Interest Rate
2023	$ 50,000	___%
2024	100,000	___
2025	100,000	___
2026	100,000	___
2027	100,000	___
2028	120,000	___
2029	135,000	___
2030	155,000	___
2031	180,000	___
2032	200,000	___
2033	220,000	___
2034	245,000	___
2035	265,000	___
2036	290,000	___
2037	305,000	___
2038	325,000	___
2039	345,000	___
2040	365,000	___

Interest is payable semi-annually on February 1 and August 1 of each year commencing on August 1, 2020.

The Bonds maturing on February 1, 2030 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on February 1, 2029 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and

within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

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

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

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

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

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

3. The interest on the Bonds is included for federal income tax purposes in the gross income of the owners of the Bonds.

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

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

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

QUARLES & BRADY LLP

APPENDIX C

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

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

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.

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

11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of West Bend, Washington County, Wisconsin (the "Issuer") in connection with the issuance of $3,600,000 Taxable General Obligation Community Development Bonds, Series 2020A, dated February 5, 2020 (the "Securities"). The Securities are being issued pursuant to resolutions adopted on December 16, 2019, as supplemented by a Certificate Approving the Preliminary Official Statement and Details of Taxable General Obligation Community Development Bonds, Series 2020A, dated January __, 2020 (collectively, the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

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

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

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

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

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

"Final Official Statement" means the Final Official Statement dated January __, 2020 delivered in connection with the Securities, which is available from the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include

municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

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

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

"Issuer Contact" means the City Clerk of the Issuer who can be contacted at City Hall, 1115 South Main Street, West Bend, Wisconsin 53095-4658, phone (262) 335-5103, fax (262) 335-5164.

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

"SEC" means the Securities and Exchange Commission.

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

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year ended December 31, 2019, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the

MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

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

1. DEBT - DIRECT DEBT
2. DEBT - DEBT LIMIT
3. VALUATIONS - CURRENT PROPERTY VALUATIONS
4. TAX LEVIES AND COLLECTIONS - TAX LEVIES AND COLLECTIONS

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

Section 5. Reporting of Listed Events.

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

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;

7. Modification to rights of holders of the Securities, if material;

8. Securities calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution or sale of property securing repayment of the Securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;

13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 5th day of February, 2020.

_____
Steve Hoogester
Acting Mayor

(SEAL)

_____
Stephanie Justmann
City Clerk

APPENDIX E

NOTICE OF SALE

$3,600,000* TAXABLE GENERAL OBLIGATION COMMUNITY DEVELOPMENT BONDS, SERIES 2020A
CITY OF WEST BEND, WISCONSIN

Bids for the purchase of $3,600,000* Taxable General Obligation Community Development Bonds, Series 2020A (the "Bonds") of the City of West Bend, Wisconsin (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the City, until 10:30 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:30 A.M. Central Time, on January 21, 2020, at which time they will be opened, read and tabulated. The Common Council adopted a resolution on December 16, 2019 (the "Parameters Resolution") which authorized the City Administrator or the City Treasurer/Finance Administrator to accept bids for the Bonds if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on January 21, 2020, neither the City Administrator nor the City Treasurer/Finance Administrator will have the authority to accept a bid for the Bonds, and all bids for the Bonds will be rejected.

PURPOSE

The Bonds are being issued pursuant to Section 67.04,Wisconsin Statutes, for the public purpose of paying the cost of providing financial assistance to community development projects under Section 66.1105 of the Wisconsin Statutes, by paying tax incremental district project costs. The Bonds are general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount.

DATES AND MATURITIES

The Bonds will be dated February 5, 2020, will be issued as fully registered Bonds in the denomination of $5,000 each, or any integral multiple thereof, and will mature on February 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2023	$50,000	2029	$135,000	2035	$265,000
2024	100,000	2030	155,000	2036	290,000
2025	100,000	2031	180,000	2037	305,000
2026	100,000	2032	200,000	2038	325,000
2027	100,000	2033	220,000	2039	345,000
2028	120,000	2034	245,000	2040	365,000

ADJUSTMENT OPTION

* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of $5,000 each, up to a maximum of $75,000 per maturity. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

TERM BOND OPTION

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

INTEREST PAYMENT DATES AND RATES

Interest will be payable on February 1 and August 1 of each year, commencing August 1, 2020, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2025 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

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

PAYING AGENT

The City may designate a City officer or select a bank or trust company to act as paying agent (the "Paying Agent"). If a bank or trust company is selected as Paying Agent, the City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after February 1, 2030 shall be subject to optional redemption prior to maturity on February 1, 2029 or any date thereafter, at a price of par plus accrued interest.

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

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

DELIVERY

On or about February 5, 2020, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL OPINION

An opinion as to the validity of the Bonds will be furnished by Quarles & Brady LLP, of Milwaukee, Wisconsin, bond counsel to the City. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding).

SUBMISSION OF BIDS

Bids must not be for less than $3,555,000 nor more than $3,744,000 plus accrued interest on the principal sum of $3,600,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

1) Electronically to bondsale@ehlers-inc.com; or

2) Electronically via **PARITY** in accordance with this Notice of Sale until 10:30 A.M. Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone (212) 849-5021.

Bids must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of bids. Each bid must be unconditional except as to legality. Neither the City nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit ("Deposit") in the amount of $72,000 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

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

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

AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The City reserves the right to reject any and all bids and to waive any informality in any bid. **The Bonds will not be awarded if the TIC (taking the purchaser's compensation into account) exceeds 4.0% or if the other conditions set forth in the Parameters Resolution are not satisfied.**

BOND INSURANCE

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

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

CUSIP NUMBERS

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

NON-QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the City will enter into an undertaking for the benefit of the holders of the Bonds. A description of the details and terms of the undertaking is set forth in Appendix D of the Official Statement.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Bonds prior to the bid opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The Syndicate Manager will be provided with an electronic copy of the Final Official Statement within seven business days of the bid acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of $10.00 per copy.

Information for bidders and bid forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the Common Council

Jay Shambeau, City Administrator
City of West Bend, Wisconsin

BID FORM

The Common Council **January 21, 2020**
City of West Bend, Wisconsin

RE: $3,600,000* Taxable General Obligation Community Development Bonds, Series 2020A (the "Bonds")
DATED: February 5, 2020

For all or none of the above Bonds, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you $_____ (not less than $3,555,000 nor more than $3,744,000) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____	% due	2023	_____	% due	2029	_____	% due	2035
_____	% due	2024	_____	% due	2030	_____	% due	2036
_____	% due	2025	_____	% due	2031	_____	% due	2037
_____	% due	2026	_____	% due	2032	_____	% due	2038
_____	% due	2027	_____	% due	2033	_____	% due	2039
_____	% due	2028	_____	% due	2034	_____	% due	2040

* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of $5,000 each, up to a maximum of $75,000 per maturity. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2025 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.) All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of $72,000 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about February 5, 2020.

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

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

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

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

Account Manager: _____ By: _____
Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from February 5, 2020 of the above bid is $_____and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted on behalf of the City of West Bend, Wisconsin, on January 21, 2020.

By: _____

Title: _____