

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 10, 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)

\$3,940,000* TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020C

BID OPENING: September 21, 2020, 10:30 A.M., C.T. **CONSIDERATION:** September 21, 2020, 6:30 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$3,940,000* Taxable General Obligation Refunding Bonds, Series 2020C (the "Bonds") of the City of West Bend, Wisconsin (the "City") are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purpose of refunding certain obligations of the City. 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: October 15, 2020

MATURITY: March 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2021	\$710,000	2025	\$425,000	2029	\$100,000
2022	715,000	2026	215,000	2030	100,000
2023	675,000	2027	150,000	2031	45,000
2024	655,000	2028	150,000		

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. 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: March 1, 2021 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on March 1, 2028 and thereafter are subject to call for prior optional redemption on March 1, 2027 and any date thereafter, at a price of par plus accrued interest.

MINIMUM BID: \$3,900,600.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$78,800 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: To be determined by the Issuer.

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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CITY OF WEST BEND COMMON COUNCIL

		<u>Term Expires</u>
Chris Jenkins	Mayor	April 2022
Mark Allen	Aldersperson	April 2021
Brett Bergquist	Aldersperson	April 2022
John Butschlick	Aldersperson	April 2022
Jed Dolnick	Aldersperson	April 2022
Steve Hoogester	Council President	April 2021
Meghann Kennedy	Aldersperson	April 2021
Randall Koehler	Aldersperson	April 2022
Justice Madl	Aldersperson	April 2022

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 \$3,940,000* Taxable General Obligation Refunding Bonds, Series 2020C (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution authorizing the issuance and sale of the Bonds ("Award Resolution") to be adopted by the Common Council on September 21, 2020.

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 October 15, 2020. The Bonds will mature on March 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on March 1 and September 1 of each year, commencing March 1, 2021, 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"). 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 Award Resolution.

The City may select a bank or trust company to act as paying agent (the "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 March 1, 2028 shall be subject to optional redemption prior to maturity on March 1, 2027 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.

*Preliminary, subject to change.

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 refunding certain obligations of the City as shown below:

<u>Issue Being Refunded</u>	<u>Date of Refunded Issue</u>	<u>Call Date</u>	<u>Call Price</u>	<u>Maturities Being Refunded</u>	<u>Interest Rate</u>	<u>Principal to be Refunded</u>	<u>CUSIP base 951427</u>
Taxable General Obligation Community Development Bonds, Series 2010A (the "2010A Bonds")	4/1/10	11/1/20	100%	2022*	4.900%	\$120,000	R62
				2024*	5.100%	145,000	R88
				2026*	5.400%	140,000	S20
				2028*	5.750%	140,000	S46
				2030*	5.900%	150,000	S61
Taxable General Obligation Refunding Bonds, Series 2010D (the "2010D Bonds")	10/19/10	11/1/20	100%	2021	3.600%	\$415,000	X99
				2022	3.750%	440,000	Y23
				2023	3.900%	415,000	Y31
				2024	4.000%	450,000	Y49
				2025	4.200%	245,000	Y56
Taxable General Obligation Refunding Bonds, Series 2012A (the "2012A Bonds")	1/5/12	11/1/20	100%	2021	2.850%	\$160,000	2U6
				2022	3.100%	155,000	2V4
				2023	3.350%	160,000	2W2
				2025*	3.650%	205,000	2X0
				2027*	4.000%	170,000	2Y8
				2031*	4.500%	<u>215,000</u>	<u>2Z5</u>
Total Principal Being Refunded						\$3,810,000	

* Denotes term bonds.

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Bonds	<u>\$3,940,000</u>	
Total Sources		\$3,940,000
Uses		
Total Underwriter's Discount	\$39,400	
Costs of Issuance	65,050	
Deposit to Current Refunding Fund	3,832,767	
Rounding	<u>2,783</u>	
Total Uses		\$3,940,000

*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, irrevocable 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 limitation as to rate or amount.

RATING

General obligation debt of the City, with the exception of any outstanding credit enhanced issues, is currently rated "AA/Stable" by S&P Global Ratings ("S&P").

The City has requested a rating on the Bonds from 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.

The fire equipment lease dated April 15, 2020 was not filed within the 10 business day requirement. The lease was filed along with a failure notice on May 4, 2020. Except to the extent that the preceding is deemed to be material, the City believes it has not failed to comply in the previous five years in all material respects with its prior undertakings under the Rule. The City has reviewed its continuing disclosure responsibilities along with any changes to the Rule, to ensure compliance. Ehlers is currently engaged as dissemination agent for the City.

LEGAL OPINION

An opinion as to the validity of the 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 Preliminary Official Statement, and its assistance in preparing this Preliminary Official Statement should not be construed as a representation that it has independently verified such information.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

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, 2019, 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.

Impact of the Spread of COVID-19: In late 2019, a novel strain of coronavirus (COVID-19) emerged in Wuhan, Hubei Province, China. COVID-19 has spread throughout the world, including to the United States, resulting in the World Health Organization proclaiming COVID-19 to be a pandemic and President Trump declaring a national emergency. In response to the spread of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19. The effects of the spread of COVID-19 and the government and private responses to the spread continue to rapidly evolve. COVID-19 has caused significant disruptions to the global, national and State economy. The extent to which the coronavirus impacts the City and its financial condition will depend on future developments, which are highly uncertain and cannot be predicted by the City, including the duration of the outbreak and measures taken to address the outbreak.

On March 12, 2020, Wisconsin Governor Tony Evers declared a public health emergency in the state in response to the growing threat of COVID-19. That declaration included direction to the state Department of Health Services to use any and all required resources to respond to and contain the outbreak. Governor Evers followed that up with a "safer at home" order on March 24, 2020, closing nonessential businesses, banning gatherings of any size and imposing strict travel restrictions through April 24, 2020. On April 16, 2020, the "safer at home" order (the "Order") was extended from April 24, 2020 through May 26, 2020. Schools remained closed for the duration of the 2019-2020 school year, but certain non-essential businesses were allowed to open operations on a limited basis during this time, including curbside pickup, delivery, mailings and minimum basic operations.

Also on April 16, 2020, President Trump outlined "Guidelines for Opening Up America Again," a three-phased approach to restarting the economy based on public health experts' advice. The guidelines start with a set of criteria that should be met before starting phases one to three. The criteria include a downward trajectory of people with flu-like and COVID-19-like symptoms for 14 days; a downward trajectory of documented cases for 14 days or a downward trajectory of positive tests as a percentage of total tests over a 14-day period; and hospitals with the ability to treat all patients without crisis care and a robust testing program for at-risk healthcare workers.

On April 20, 2020, Governor Evers announced Wisconsin's three-phased approach to reopening the State's economy, based on President Trump's guidelines, including similar criteria to be met before phase one can begin. On April 21, 2020, Republican legislators in the State filed a lawsuit challenging the legality of the Order. On May 13, 2020, the Wisconsin Supreme Court ruled that the State's "safer at home" order is unlawful, invalid and unenforceable because the emergency rulemaking procedures under Section 227.24 of the Wisconsin Statutes and procedures established by the Wisconsin Legislature for rulemaking if criminal penalties were to follow were not followed in connection with the order. The Supreme Court's decision does not invalidate any local health officials' orders or prevent future local health officials' orders related to the COVID-19 pandemic.

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provides for federal payments from the Coronavirus Relief Fund to the State for the discrete purpose of covering expenses directly incurred as a result

of COVID-19 between March 1 and December 30, 2020. On May 27, 2020, Governor Tony Evers announced a program titled, "Routes to Recovery: Local Government Aid Grants," which will distribute \$190 million of the State's Coronavirus Relief Fund monies to all counties, cities, villages and towns across Wisconsin for unbudgeted eligible expenditures incurred due to COVID-19 between March 1 and November 6, 2020. The State allocated funds based on population with a guaranteed minimum allocation of \$5,000. The City's allocation is \$522,225. These funds will be disbursed up to the amount of the allocation after eligible expenditures are reported through the State's cost tracker application.

On July 30, 2020, Governor Evers issued Executive Order #82, declaring a public health emergency in Wisconsin to combat the spread of COVID-19. In conjunction with Executive Order #82, Governor Evers issued Emergency Order #1, requiring most people to wear face coverings when indoors, with certain exemptions in accordance with CDC guidelines. Executive Order #1 went into effect on August 1, 2020, and expires on September 28, 2020.

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

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

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

Assessed Value

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

The economic impact of COVID-19 may impact assessed and equalized valuations of property in the State, including in the City. The City cannot predict the extent of any such changes, but a material decrease in the equalized valuations of property in the City may materially adversely affect the financial condition of the City (see "RISK FACTORS - Impact of the Spread of COVID-19" herein).

CURRENT PROPERTY VALUATIONS

2020 Equalized Value	\$3,200,372,200
2020 Equalized Value Reduced by Tax Increment Valuation	\$2,921,385,700
2019 Assessed Value	\$2,798,588,050

2020 EQUALIZED VALUE BY CLASSIFICATION

	2020 Equalized Value¹	Percent of Total Equalized Value
Residential	\$ 2,087,375,200	65.223%
Commercial	984,493,900	30.762%
Manufacturing	77,212,500	2.413%
Agricultural	89,900	0.003%
Undeveloped	1,815,100	0.057%
Ag Forest	0	0.000%
Forest	256,000	0.008%
Other	349,200	0.011%
Personal Property	48,780,400	1.524%
Total	<u><u>\$ 3,200,372,200</u></u>	<u><u>100.000%</u></u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value ¹	Percent Increase/Decrease in Equalized Value
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%
2020	N/A	3,200,372,200	8.23%

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	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 Value² \$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 Includes tax increment valuation.

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Bonds)* \$ 49,996,375

Lease Obligations

Issue Date	Original Amount	Purpose	Final Maturity	Principal Outstanding
4/15/20	\$ 1,303,912	Fire equipment lease ²	4/15/30	\$ 1,303,912

*Preliminary, subject to change.

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

² Non-general obligation debt has not been included in the debt ratios.

City of West Bend, Wisconsin
 Schedule of Bonded Indebtedness
 General Obligation Debt Secured by Taxes
 (As of 10/15/2020)

Calendar Year Ending	Refunding Bonds Series 2010C		Refunding Bonds Series 2011B		Refunding Bonds Series 2012B		Promissory Notes Series 2012C		Taxable Refunding Bonds Series 2012D	
	Dated Amount	Maturity	Dated Amount	Maturity	Dated Amount	Maturity	Dated Amount	Maturity	Dated Amount	Maturity
2020	0	0	0	0	0	0	0	0	0	0
2021	670,000	17,965	110,000	9,423	785,000	103,569	315,000	6,035	195,000	6,930
2022	275,000	4,125	50,000	7,590	880,000	86,919	320,000	9,235	170,000	2,295
2023			50,000	6,290	930,000	68,819		3,200		
2024			50,000	4,990	970,000	49,819				
2025			50,000	3,565	1,025,000	29,228				
2026			50,000	2,015	815,000	9,169				
2027			40,000	620						
2028										
2029										
2030										
2031										
2032										
2033										
2034										
2035										
2036										
2037										
2038										
2039										
2040										
	945,000	22,090	400,000	34,493	5,405,000	347,522	635,000	18,470	365,000	9,225

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City of West Bend, Wisconsin
 Schedule of Bonded Indebtedness continued
 General Obligation Debt Secured by Taxes
 (As of 10/15/2020)

Calendar Year Ending	State Trust Fund Loan 2012		Corporate Purpose Bonds Series 2013A		Promissory Notes Series 2013B		Taxable Promissory Notes Series 2013C		Police Facility Bonds Series 2014A	
	Dated Amount	Maturity	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020			0	0	0	2,149	0	0	0	0
2021	\$432,400	06/04/2012	47,475	2,891	100,000	3,598	55,000	3,188	75,000	40,875
2022			48,900	1,467	110,000	2,018	60,000	2,078	75,000	39,375
2023					65,000	569	65,000	731	80,000	37,665
2024									80,000	35,745
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										
			96,375	4,358	7,290,000	1,340,738	180,000	5,996	1,325,000	351,148

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City of West Bend, Wisconsin
 Schedule of Bonded Indebtedness continued
 General Obligation Debt Secured by Taxes
 (As of 10/15/2020)

Calendar Year Ending	Promissory Notes Series 2014B		Corporate Purpose Bonds Series 2015A		Corporate Purpose Bonds Series 2016A		Taxable Refunding Bonds Series 2016B		Promissory Notes Series 2016C	
	Dated Amount	Maturity	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020			0	0	0	0	0	0	0	3,409
2021	740,000	02/26/2014	370,000	62,278	475,000	77,525	245,000	7,559	80,000	6,278
2022	400,000	\$6,370,000	375,000	52,496	450,000	68,275	285,000	2,708	80,000	5,198
2023	400,000	02/01	380,000	41,925	465,000	59,125			85,000	4,084
2024	400,000		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										
			1,940,000	84,400	2,355,000	212,904	530,000	10,266	505,000	24,300

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City of West Bend, Wisconsin
 Schedule of Bonded Indebtedness continued
 General Obligation Debt Secured by Taxes
 (As of 10/15/2020)

Calendar Year Ending	Promissory Notes Series 2017A		Promissory Notes Series 2018A		Corporate Purpose Bonds Series 2019A		Taxable Refunding Bonds Series 2019B		Taxable Community Development Bonds, Series 2020A	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
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		\$3,530,000	
Maturity	03/01		05/01		04/01		03/01		02/01	
2020	0	0	0	33,525	0	0	0	0	0	0
2021	235,000	45,453	145,000	64,875	425,000	152,500	400,000	36,295	0	93,230
2022	205,000	38,853	220,000	59,400	460,000	134,800	370,000	26,189	0	93,230
2023	280,000	31,578	300,000	51,600	480,000	116,000	380,000	16,298	50,000	92,780
2024	285,000	23,103	260,000	43,200	460,000	97,200	425,000	5,631	50,000	91,868
2025	285,000	15,906	330,000	34,350	435,000	79,300			80,000	90,645
2026	290,000	9,868	335,000	24,375	445,000	61,700			100,000	88,885
2027	300,000	3,375	335,000	14,325	455,000	45,975			100,000	86,835
2028			310,000	4,650	470,000	32,100			120,000	84,465
2029					485,000	17,775			135,000	81,593
2030					170,000	7,950			155,000	78,219
2031					180,000	2,700			180,000	74,193
2032									200,000	69,488
2033									220,000	64,128
2034									245,000	57,960
2035									265,000	51,009
2036									290,000	43,305
2037									305,000	34,899
2038									325,000	25,840
2039									345,000	16,039
2040									365,000	5,475
		168,134	2,235,000	330,300	4,465,000	748,000	1,575,000	84,413	3,530,000	1,324,083

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**City of West Bend, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 10/15/2020)**

Calendar Year Ending	Corporate Purpose Bonds Series 2020B		Taxable Refunding Bonds Series 2020C		Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
	Dated Amount	Maturity	Principal	Interest				
2020	05/07/2020 \$6,190,000	05/01	0	0	135,243	49,996,375	.00%	2020
2021			180,000	206,859	1,198,596	43,308,900	13.38%	2021
2022			330,000	133,769	994,407	37,090,000	25.81%	2022
2023			415,000	126,319	863,115	31,650,000	36.70%	2023
2024			460,000	117,569	738,244	26,255,000	47.49%	2024
2025			490,000	108,069	616,882	21,250,000	57.50%	2025
2026			495,000	98,219	500,090	16,535,000	66.93%	2026
2027			505,000	88,219	402,039	13,280,000	73.44%	2027
2028			510,000	75,519	322,044	10,335,000	79.33%	2028
2029			515,000	60,144	244,730	7,670,000	84.66%	2029
2030			520,000	44,619	185,859	6,090,000	87.82%	2030
2031			160,000	35,219	150,699	5,125,000	89.75%	2031
2032			165,000	31,969	126,691	4,350,000	91.30%	2032
2033			170,000	28,619	104,496	3,535,000	92.93%	2033
2034			170,000	25,219	85,579	3,000,000	94.00%	2034
2035			175,000	21,769	72,778	2,560,000	94.88%	2035
2036			180,000	18,219	61,524	2,090,000	95.82%	2036
2037			180,000	14,506	49,405	1,605,000	96.79%	2037
2038			185,000	10,628	36,468	1,095,000	97.81%	2038
2039			190,000	6,525	22,564	560,000	98.88%	2039
2040			195,000	2,194	7,669	0	100.00%	2040
			6,190,000	1,254,168	6,919,120	49,996,375		
			3,940,000	154,744	56,915,494			

* 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	\$ 3,200,372,200
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit	\$ 160,018,610
Less: General Obligation Debt (includes the Bonds)*	<u>(49,996,375)</u>
Unused Debt Limit*	<u><u>\$ 110,022,235</u></u>

*Preliminary, subject to change.

OVERLAPPING DEBT¹

Taxing District	2019 Equalized Value²	% In City	Total G.O. Debt³	City's Proportionate Share
Washington County	\$ 16,155,740,400	19.8095%	\$ 11,675,000	\$ 2,312,759
West Bend School District	5,529,323,059	57.8800%	28,945,000	16,753,366
Moraine Park Technical College	28,992,961,054	11.0384%	31,410,000	<u>3,467,161</u>
City's Share of Total Overlapping Debt				<u><u>\$22,533,287</u></u>

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 \$3,200,372,200	Debt/ Per Capita 32,058¹
Total General Obligation Debt (includes the Bonds*)	\$ 49,996,375	1.56%	\$ 1,559.56
City's Share of Total Overlapping Debt	<u>22,533,287</u>	<u>0.70%</u>	<u>702.89</u>
Total*	\$ 72,529,662	2.27%	\$ 2,262.45

* 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 plans to issue approximately \$5.5 million on a general obligation basis in 2021 to finance capital projects.

¹ Preliminary 2020 population estimate.

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
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
2019/20	20,402,865	100%	7.43

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

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

The spread of COVID-19 and responses taken by the United States government, state governments, local governments and private industries have caused significant disruptions to the national and State economy. See "RISK FACTORS - Impact of the Spread of COVID-19" herein. On April 15, 2020, Governor Tony Evers signed into law 2020 Wisconsin Act 185, which provides that for property taxes payable in 2020, a taxation district may, after making a general or case-by-case finding of hardship, choose to waive interest or penalties on property tax installment payments paid after April 1, 2020 but on or before October 1, 2020. In order to take such action, the county board of supervisors must first adopt a resolution authorizing such waiver and determining criteria for determining hardship and the taxation district must subsequently adopt a similar resolution. In the case of a county adopting such a

resolution, the county shall proportionally settle with the taxation districts any taxes, interest and penalties collected on or before July 31, 2020 on August 20, 2020, and settle the remaining unpaid taxes, interest, and penalties on September 20, 2020. The County and the City have not yet adopted such resolutions. The City cannot predict whether and how much payment of property taxes will be impacted by COVID-19 this year or in future years. Any delays or reduction in the receipt of property taxes may materially adversely impact the City's finances and payment of debt obligations, including the Bonds.

PROPERTY TAX RATES

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

Year Levied/ Year Collected	Schools¹	County	Local	Other²	Total
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
2019/20	8.59	2.29	7.43	0.00	18.31

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.

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.

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

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

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other 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. 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 213 full-time, 74 part-time, and 37 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, 2017 ("Fiscal Year 2017"), the fiscal year ended December 31, 2018 ("Fiscal Year 2018") and the fiscal year ended December 31, 2019 ("Fiscal Year 2019"), the City's portion of contributions to WRS (not including any employee contributions) totaled \$1,342,189, \$1,394,234 and \$1,401,971, 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, 2018, the total pension liability of the WRS was calculated as \$100.3 billion and the fiduciary net position of the WRS was calculated as \$96.7 billion, resulting in a net pension liability of \$3.6 billion. The spread of COVID-19 has significantly impacted investment markets, which may impact the funded status of the WRS and future contribution requirements as a result (see "RISK FACTORS - Impact of the Spread of COVID-19" herein).

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2019, the City reported a liability of \$4,674,652 for its proportionate share of the net pension liability of the WRS. The net pension asset was measured as of December 31, 2018 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 0.13139584% of the aggregate WRS net pension liability as of December 31, 2018.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of net pension liability of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see "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	December 31, 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 \$12,113,864 as of December 31, 2018. 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 \$4,522. For Fiscal Year 2019, the City reported a liability of \$605,670 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2018 based on the City's share of contributions to the LRLIF relative to the contributions of all participating employers. The City's proportion was 0.23472500% of the aggregate LRLIF net OPEB liability as of December 31, 2018.

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.

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

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the City or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the 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 July 31, 2020)

Fund	Total Cash and Investments
General Fund	\$ 8,547,631
Debt Service	902,777
Capital Projects	4,131,849
Water Utility	5,523,503
Sewer Utility	11,264,567
Taxi	(162,602)
Library	733,070
BID	207,560
Cable TV	1,037,189
Room Tax	44,836
Park & Rec	79,517
OPEB Trust	1,140,703
County Wide	351,155
Outreach Services	110,130
Library Trust	1,635
TIF 3	463,459
TIF 4	17,222
TIF 5	414,465
TIF 6	44,791
TIF 7	26,665
TIF 8	2,797
TIF 9	(317,841)
TIF 10	478,450
TIF 11	75,408
TIF 12	62,467
TIF 13	143,700
TIF 14	2,941,446
Park Trust	398,103
Economic Development	771,177
FAPS	52,014
Total Funds on Hand	<u><u>\$ 39,487,845</u></u>

ENTERPRISE FUNDS

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

	2017	2018	2019
Water			
Total Operating Revenues	\$4,878,067	\$4,860,605	\$4,823,275
Less: Operating Expenses	<u>(3,624,862)</u>	<u>(3,852,884)</u>	<u>(3,725,101)</u>
Operating Income	\$1,253,205	\$1,007,721	\$1,098,174
Plus: Depreciation	1,023,943	973,038	990,523
Interest Income	<u>32,025</u>	<u>79,697</u>	<u>120,956</u>
Revenues Available for Debt Service	<u><u>\$2,309,173</u></u>	<u><u>\$2,060,456</u></u>	<u><u>\$2,209,653</u></u>
Sewer			
Total Operating Revenues	\$3,639,894	\$3,653,453	\$3,583,596
Less: Operating Expenses	<u>(3,703,034)</u>	<u>(3,597,007)</u>	<u>(4,082,088)</u>
Operating Income	\$ (63,140)	\$ 56,446	\$ (498,492)
Plus: Depreciation	1,261,888	1,271,533	1,294,284
Interest Income	<u>118,134</u>	<u>255,296</u>	<u>343,245</u>
Revenues Available for Debt Service	<u><u>\$1,316,882</u></u>	<u><u>\$1,583,275</u></u>	<u><u>\$1,139,037</u></u>

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 2019 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				2020
	2016 Audited	2017 Audited	2018 Audited	Audited 2019	Adopted Budget ¹
Revenues					
Taxes	\$ 14,097,151	\$ 14,400,793	\$ 14,575,071	\$ 15,286,399	\$ 15,854,572
Intergovernmental	3,713,412	3,654,285	3,883,978	3,905,454	3,664,202
Licenses and permits	821,568	890,385	735,713	836,724	701,455
Penalties and forfeitures	458,038	412,772	434,522	412,815	444,600
Public charges for services	1,545,488	1,843,347	1,836,813	1,847,204	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	17,102	2,000
Investment income	98,802	173,786	268,131	360,636	257,500
Miscellaneous general revenues	300,967	302,178	425,455	309,891	129,028
Total Revenues	\$ 21,477,951	\$ 22,142,241	\$ 22,624,394	\$ 23,412,785	\$ 23,558,566
Expenditures					
Current:					
General government	\$ 4,204,757	\$ 4,453,746	\$ 4,388,187	\$ 4,636,756	\$ 4,688,583
Public safety	10,810,224	11,056,465	11,570,862	11,890,167	12,808,325
Public works	4,072,923	4,569,622	4,541,574	4,699,772	4,686,458
Leisure activities	1,613,828	1,459,749	1,545,041	1,483,938	1,526,387
Conservation and development	381,259	339,768	411,493	664,692	366,958
Capital Outlay/Contingency	0	0	116,776	1,000,814	41,084
Debt Service	0	0	0	10,300	0
Total Expenditures	\$ 21,082,991	\$ 21,879,350	\$ 22,573,933	\$ 24,386,439	\$ 24,117,795
Excess of revenues over (under) expenditures	\$ 394,960	\$ 262,891	\$ 50,461	\$ (973,654)	\$ (559,229)
Other Financing Sources (Uses)					
Sale of property/capital lease	21,657	23,355	29,274	64,330	30,000
Operating transfers in	685,182	665,590	662,585	668,709	670,068
Operating transfers out	(184,138)	(167,408)	(172,208)	(171,945)	(140,839)
Total Other Financing Sources (Uses)	\$ 522,701	\$ 521,537	\$ 519,651	\$ 561,094	\$ 559,229
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ 917,661	\$ 784,428	\$ 570,112	\$ (412,560)	\$ 0
General Fund Balance January 1	6,520,943	7,438,604	8,223,032	8,793,144	8,380,584
Prior Year Adjustment	0	0	0	0	0
General Fund Balance December 31	\$ 7,438,604	\$ 8,223,032	\$ 8,793,144	\$ 8,380,584	\$ 8,380,584
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	1,428,893	1,468,705	1,243,055	1,177,107	
Restricted	288,529	255,244	295,964	335,115	
Committed	0	0	0	0	
Assigned	482,927	765,307	590,212	349,953	
Unassigned	5,238,255	5,733,776	6,663,913	6,518,409	
Total	\$ 7,438,604	\$ 8,223,032	\$ 8,793,144	\$ 8,380,584	

¹ 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 32,058, comprises an area of 30 square miles and is located approximately 35 miles northwest of Milwaukee, Wisconsin. West Bend is the County Seat of Washington County.

LARGER EMPLOYERS¹

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
West Bend Mutual Insurance	Property/casualty insurance company	1,300
Froedtert Health Care	Hospital & clinic	1,148 ²
West Bend Joint School District No. 1	Elementary and secondary education	862
Washington County	County government and services	834
Wal-Mart	Retail	600
Serigraph Inc.	Commercial screen and lithograph printing	580
Cedar Community	Nursing and convalescent homes	550 ³
YMCA Kettle Moraine	Community service, health and fitness	333
The City	Municipal government and services	324
Regal Ware, Inc.	Stainless steel & cast aluminum cookware manufacturer	300

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

¹ This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above. Some employers do not respond to inquiries for employment data. Estimates provided are accurate as of the date noted and may not reflect changes in the number of employees resulting from the current COVID-19 pandemic. (See "RISK FACTORS - Impact of the Spread of COVID-19").

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

	2016	2017	2018	2019	2020 ¹
<u>New Single Family Homes</u>					
No. of building permits	23	28	22	16	25
Valuation	\$4,594,765	\$6,909,649	\$4,644,297	\$4,073,120	\$5,960,161
<u>New Multiple Family Buildings</u>					
No. of building permits	8	18	17	13	5
Valuation	\$2,020,000	\$8,244,829	\$5,880,000	\$7,203,980	\$2,119,800
<u>New Commercial/Industrial</u>					
No. of building permits	14	36	4	42	16
Valuation	\$33,838,636	\$14,520,707	\$40,507,766	\$34,468,906	\$20,319,090
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	577	419	380	417	307
Valuation	\$52,037,282	\$37,519,131	\$59,796,474	\$52,150,134	\$32,437,780

Source: The City.

¹ As of July 31, 2020.

U.S. CENSUS DATA

Population Trend: The City

2000 U.S. Census	28,152
2010 U.S. Census	31,078
2020 Estimated Population	32,058
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

	<u>The City</u>		
	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

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

Year	<u>Average Employment</u>		<u>Average Unemployment</u>		
	Washington County	The City	Washington County	The City	State of Wisconsin
2016	74,739	16,606	3.3%	3.6%	4.0%
2017	75,596	16,641	2.8%	3.0%	3.3%
2018	75,584	16,563	2.5%	2.8%	3.0%
2019	74,950	16,460	2.9%	3.1%	3.3%
2020, July ¹	70,984	15,555	6.5%	7.0%	7.0%

Source: Wisconsin Department of Workforce Development.

¹ Preliminary

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the City's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The City has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this 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, 2019

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

CITY OF WEST BEND

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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
<https://www.ci.west-bend.wi.us>



June 26, 2020

Dear Mayor Jenkins, 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, 2019 satisfies these requirements.

Management assumes full responsibility for the completeness and reliability of the information contained in this report. In order to provide a reasonable basis for this representation, management has established and maintained a framework of internal control procedures.

These procedures are designed to protect the City's assets and ensure that reliable accounting data is compiled to allow for accurate preparation of financial statements in conformity with GAAP. The objective of internal controls is to provide reasonable assurance that the financial statements are free of any material misstatements. To the best of our knowledge, the presented data is complete and reliable in all material aspects and presents fairly the financial position and results of the City of West Bend for the year ended December 31, 2019.

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, 2019 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 15.67 square miles and has a population of 32,122 as of January 1, 2019 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 Common Council consists of eight alderpersons, in which each represents a district and serves a two-year term that is staggered among the eight alderpersons. The Mayor is elected to serve a three-year term. The City Administrator is appointed by the Council and is responsible for the day-to-day operations of the City of West Bend.

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

The City adopts an annual Operating Budget, which serves as the foundation of the City's financial planning and control. Department budgets are prepared on an annual basis by department heads and submitted to Finance and Administration for review in August. The Finance Department then reviews the individual department budgets. A meeting is then scheduled with the City Administrator, Finance Department staff, and respective department to discuss the department budgets in more detail. Adjustments are made at this point during the completion 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 4.4% increase per year since 2015. The increases in equalized value for residential, commercial, and manufacturing class real property averaged 4.6%, 4.8%, and 3.2% respectively over that same period. The value of net new construction as a percentage of total property value in the City has averaged 1.51% over the last five years. This managed growth was based on past infrastructure investment with no significant additional expenditures required.

Residential growth has included an average of 97.6 dwelling units per year since 2015. Single and two family residential development have occurred within previously platted subdivisions with 34 dwelling units constructed in 2019. Multifamily residential growth has been focused within the redevelopment portions around the downtown area, with 239 units being constructed within the downtown Tax Increment Districts over the last eight years.

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Local Economy (Continued)

Commercial construction remains strong with \$46 million in development in 2018 and \$47 million in development investment in 2019. Despite regional trends, the City has completed the construction of a 190,000 sq. ft. big-box retail commercial store (Fleet Farm \$25.6M) during 2019. Substantial service and retail commercial related construction activity have continued, including a medical center (Froedtert \$26.7M), and other service related businesses (Aldi expansion, Lynch Automotive reconstruction, Pet Supplies, and Verizon). Manufacturing sector investment has continued with expansions/retooling (HE Tool & Die, Metalcraft, and Badger Packaging) as well as new site construction (East Side Self Storage). Industrial development is hampered by an insufficient supply of medium to large scale industrial sites for development. In response, the City has acquired and started 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 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. A development commitment for a downtown hotel and office site (Marriot Towne Place Suites in construction in spring 2019) was executed in 2018, continuing the downtown redevelopment effort.

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 is committed to ensuring compliance.

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

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 maintained a rating of Aa3 from Moody's Investors Service in 2019. Standard & Poor (S&P) Global Ratings upgraded the City's bond rating to an AA in early 2020. This rating is due to a healthy undesignated fund balance and conservative financial management of the City of West Bend.

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Financial Policies

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

- **Fund Balance** – adopted this policy in 2014 to serve as a guide to improve the undesignated fund balance. This policy was updated in 2019 to reflect that the fund balance shall be maintained at the GFOA minimum of 17% of the subsequent year's budgeted general fund expenditures to a targeted maximum of 10% above the median value for comparative municipalities in Wisconsin as defined by the policy. The 2018 median value percentage was 32.13%. The City is currently at 26.87% as of December 31, 2019.
- **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 31.12%. The City strives to reduce this percentage to abide by this policy. During 2019 this policy was updated to include the percentage of debt limit to general obligation debt shall be 10% below the median value for comparative municipalities in Wisconsin as defined by the policy. The most recent calculation for this reference median computation was for 2016 at 45%.
- **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.

Impact of COVID-19

The City of West Bend continues to closely monitor the number of confirmed cases of COVID-19 within the city limits and applies updates to policies/procedures according to recommendations from the Washington Ozaukee County Health Department. The effects of COVID-19 on the City's operations are evaluated on a regular basis. The City does anticipate to be below budget for ambulance revenues in 2020. The Fire Department was not transporting as many patients between hospitals during the *Safer at Home Order* and received fewer calls for EMS services

Impact of COVID-19 (Continued)

during this timeframe as well. Municipal court fines are also predicted to be down due to less traffic violations. A decline in permit revenues are anticipated in 2020. Room tax collected by the hotels is also down due to the COVID-19 pandemic. The City cancelled the Dirty Ninja Mud Run this summer as well as many other recreation programs.

The City of West Bend has implemented many updates and changes at City Hall and other municipal locations in order to keep staff and residents entering the buildings safe during the COVID-19 pandemic. Tempered glass shields are being installed at all customer service counters. The City Clerk Department is being relocated to the front area of City Hall to accommodate absentee voting while maintaining social distance spacing. Additional cleaning of all areas in the buildings has been incorporated into the daily routine of maintenance staff. Hand sanitizer stations have been installed around the municipal buildings. Common Council meetings were held virtually. Park and Recreation programs have also started to run virtually for select sports/activities. Library staff implemented curbside pick-up to encourage reading during the pandemic. Each department at the City of West Bend has been collaborating and working together to maintain the safety of staff and residents during the COVID-19 pandemic.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of West Bend for its comprehensive annual financial report for the fiscal year ended December 31, 2018. This was the first year the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of West Bend
Wisconsin**

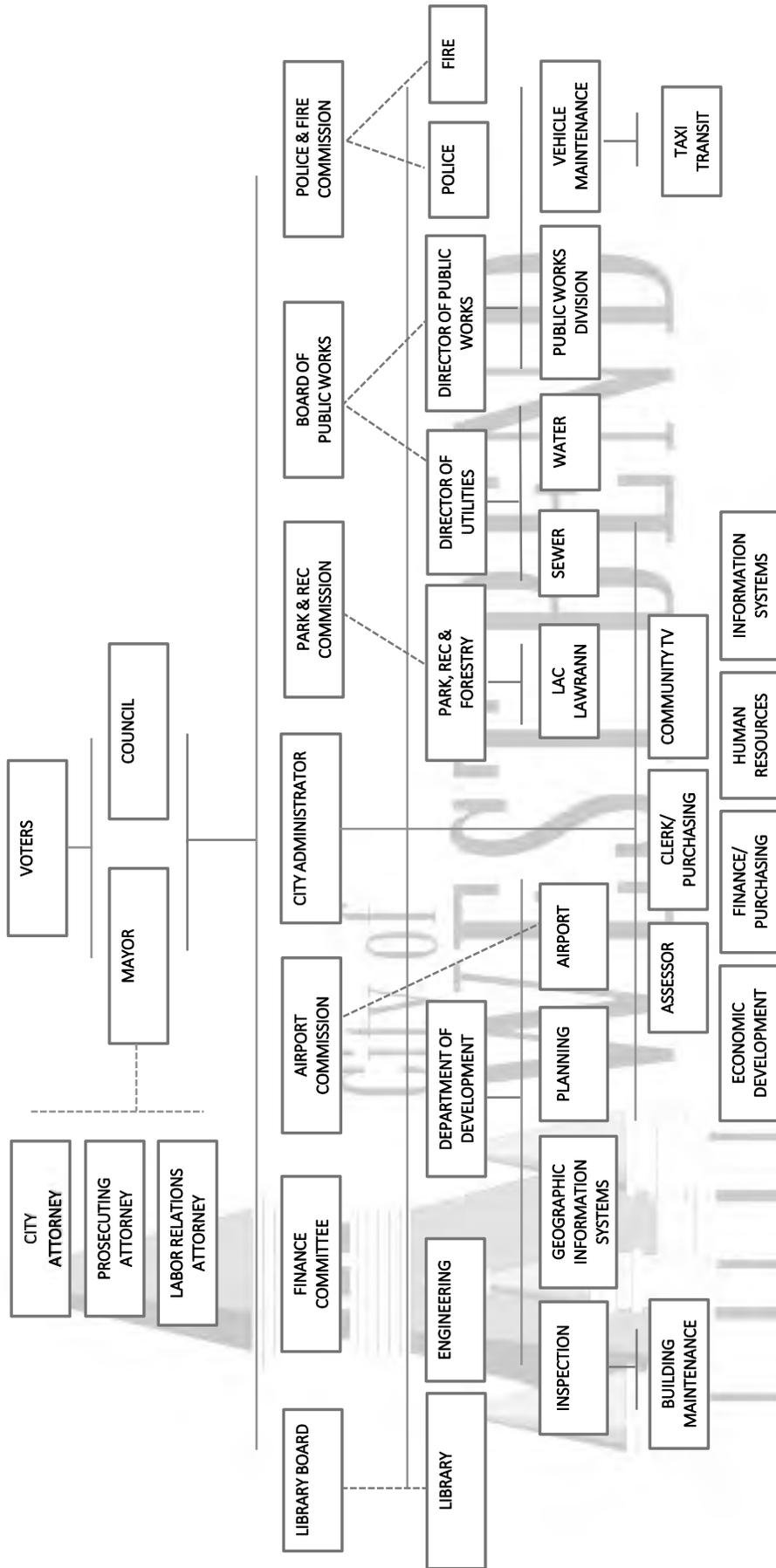
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Merrill

Executive Director/CEO

CITY OF WEST BEND ORGANIZATIONAL CHART



MEMBERS OF THE COMMON COUNCIL (as of May 2020):

John Butschlick Dist 1



Mark Allen Dist 2



Brett Bergquist Dist 3



Randall Koehler Dist 4



Jed Dolnick Dist 5



Steve Hoogester Dist 6



Justice Madl Dist 7



Meghann Kennedy Dist 8



DEPARTMENT HEADS:

Christophe Jenkins
Jay Shambeau
Amy Ajack
Michelle Hoey
Mike Jentsch
Stephanie Justmann
Gerald Kudek
Max Marechal
Ken Meuler
Ruth Mueller
Doug Neumann
Mark Piotrowicz
Amy Salminen
Jessica Wildes
Carrie Winklbauer
Jeff Yoder

Mayor (as of April 2020)
City Administrator
IS Administrator
Human Resources Director
Park & Rec Director
City Clerk
Fire Chief
City Engineer
Police Chief
Utilities Director
Public Works Director
Development Director
Library Director
Marketing & Communications Director
Finance Administrator
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 unit, 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, 2019, 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 unit, each major fund, and the aggregate remaining fund information of the City of West Bend, Wisconsin, as of December 31, 2019 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.

Emphasis of Matters

As discussed in Note I, the City of West Bend adopted the provisions of GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, effective January 1, 2019. Our opinions are not modified with respect to this matter.

As discussed in Note I, the City of West Bend adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, effective January 1, 2019. 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.



Madison, Wisconsin
June 26, 2020

CITY OF WEST BEND

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2019
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, 2019.

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 \$170,790,203 (net position). Of this amount, there is \$12,832,894 of unrestricted net position.
- The City's total net position increased by \$2,544,242.
- At the close of the current fiscal year, the City of West Bend's governmental funds reported combined ending fund balances of \$11,529,517 an increase of \$402,538 from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6,518,409 or 27% of total 2020 budgeted General Fund expenditures.
- The City's General Obligation debt decreased by \$5,074,752 during 2019, and total debt decreased by \$6,150,392.
- The City created an OPEB Trust during 2019 and as a result implemented GASB Statement No. 74 during the year. In addition, the City implemented GASB Statements No. 84 and No. 88 as of January 1, 2019. Details for these standards can be found in Note I.B. to the financial statements.

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).

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CITY OF WEST BEND

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2019
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-six 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-three 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.

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CITY OF WEST BEND

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019
UNAUDITED

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 funds maintained by the City of West Bend include an OPEB Trust fund as well as a Custodial – Tax Collection Fund, which records the tax roll and tax collections for other taxing jurisdictions within the City of West Bend. The accounting used for fiduciary funds is much like that used for governmental funds.

The basic fiduciary fund financial statements can be found on pages 11-12 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 14-65 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 80-87 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 \$170,790,203.

The largest portion of the City of West Bend's net position (\$154,852,838) 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 (\$3,104,471), or resources that are subject to external restrictions on how they may be used. The remaining portion of unrestricted net position is \$12,832,894.

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.

CITY OF WEST BEND

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019
UNAUDITED

There was a decrease of \$4,144,873 in restricted net position. This decrease is due mainly to the shift from a net pension asset in 2018 to a net pension liability in 2019, which no longer results in restricted net position.

The governmental activities' net position increased by \$2,223,034 during the current fiscal year.

City of West Bend Net Position
December 31, 2019 and 2018

	Government Activities		Business-Type Activities		Total	
	2018	2019	2018	2019	2018	2019
Current and Other Assets	\$ 42,782,171	\$ 39,268,641	\$ 24,683,081	\$ 23,585,699	\$ 67,465,252	\$ 62,854,340
Capital Assets	149,469,797	147,902,753	50,948,555	50,835,239	200,418,352	198,737,992
Total Assets	192,251,968	187,171,394	75,631,636	74,420,938	267,883,604	261,592,332
Unamortized loss on refunding	739,108	605,911	-	-	739,108	605,911
Pension related items	6,559,380	11,625,064	596,026	1,105,947	7,155,406	12,731,011
OPEB related items	549,551	680,414	52,571	1,168,399	602,122	1,848,813
Total Deferred Outflows	7,848,039	12,911,389	648,597	2,274,346	8,496,636	15,185,735
Long-term Liabilities	66,934,599	63,483,801	5,198,540	5,183,252	72,133,139	68,670,053
Current and Other Liabilities	2,567,282	3,019,154	799,755	831,959	3,367,037	3,851,113
Total Liabilities	69,501,881	66,502,955	5,998,295	6,018,211	75,500,176	72,521,166
Pension related items	6,942,773	5,888,695	573,803	547,011	7,516,576	6,435,706
OPEB related items	15,142	2,397,895	1,585	102,304	16,727	2,500,199
Unearned revenues	25,100,800	24,530,793	-	-	25,100,800	24,530,793
Total Deferred Inflows	32,058,715	32,817,383	575,388	649,315	32,634,103	33,466,698
Net Investment in Capital Assets	105,895,084	109,112,415	46,834,880	46,689,492	151,604,157	154,852,838
Restricted	5,775,048	2,385,896	1,474,296	718,575	7,249,344	3,104,471
Unrestricted (deficit)	(13,130,721)	(10,735,866)	21,397,374	22,619,691	9,392,460	12,832,894
Total Net Position	\$ 98,539,411	\$ 100,762,445	\$ 69,706,550	\$ 70,027,758	\$ 168,245,961	\$ 170,790,203

CITY OF WEST BEND

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019
UNAUDITED

Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2019	2018	2019	2018	2019
Revenues						
Program revenues:						
Charges for services	\$ 4,858,118	\$ 4,954,696	\$ 8,513,763	\$ 8,408,120	\$ 13,371,881	\$ 13,362,816
Operating grants/contribution	3,175,036	3,036,879	-	-	3,175,036	3,036,879
Capital grants/contribution	2,062,708	2,246,455	-	-	2,062,708	2,246,455
Total Program Revenue	10,095,862	10,238,030	8,513,763	8,408,120	18,609,625	18,646,150
General revenues:						
Property taxes	23,800,128	24,745,400	-	-	23,800,128	24,745,400
Other taxes	137,761	176,412	-	-	137,761	176,412
Intergovernmental revenues	2,137,070	2,066,911	-	-	2,137,070	2,066,911
Investment income	475,894	619,721	334,993	464,201	810,887	1,083,922
Miscellaneous	1,074,815	272,904	9,362	12,701	1,084,177	285,605
Total General revenue	27,625,668	27,881,348	344,355	476,902	27,970,023	28,358,250
Total revenues	37,721,530	38,119,378	8,858,118	8,885,022	46,579,648	47,004,400
Program expenses						
General government	4,799,184	4,839,019	-	-	4,799,184	4,839,019
Public safety	13,670,939	13,474,781	-	-	13,670,939	13,474,781
Public works	8,901,707	9,205,845	-	-	8,901,707	9,205,845
Leisure activities	4,961,761	4,899,901	-	-	4,961,761	4,899,901
Conservation and development	1,166,649	2,893,590	-	-	1,166,649	2,893,590
Interest and fiscal charges	1,469,728	1,222,489	-	-	1,469,728	1,222,489
Water	-	-	3,963,876	3,836,001	3,963,876	3,836,001
Sewer	-	-	3,604,988	4,088,532	3,604,988	4,088,532
Total expenses	34,969,968	36,535,625	7,568,864	7,924,533	42,538,832	44,460,158
Increase (decrease) before transfers	2,751,562	1,583,753	1,289,254	960,489	4,040,816	2,544,242
Transfers	554,304	639,281	(554,304)	(639,281)	-	-
Change in Net Position	3,305,866	2,223,034	734,950	321,208	4,040,816	2,544,242
Net Position – Beginning of Year	95,233,545	98,539,411	68,971,600	69,706,550	164,205,145	168,245,961
Net Position – End of Year	\$ 98,539,411	\$ 100,762,445	\$ 69,706,550	\$ 70,027,758	\$ 168,245,961	\$ 170,790,203

CITY OF WEST BEND

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019
UNAUDITED

Governmental Activities: The net position in the governmental activities increased by \$2,223,034 during the fiscal year. This increase was due to recording pension related items for GASB 68.

Business-type Activities: Business-type activities increased the City of West Bend's net position by \$321,208. This increase was due to recording pension related items for GASB 68.

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 \$11,529,517, an increase of \$402,538. Approximately \$3.1 million of this total fund balance constitutes unassigned fund balance. For 2019, \$349,953 of fund balance was assigned for use in the General Fund budget.

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 \$6,518,409, while total general fund balance was \$8,380,584. Unassigned fund balance represents 27% of total 2020 budgeted general fund expenditures, while total fund balance represents 35% of total 2020 budgeted general fund expenditures.

General Fund revenues and other financing sources were less than expenditures and other financing uses by \$412,560. The Debt Service fund balance at year end was \$146,286, an increase of \$5,420 from the prior year. The Capital Projects fund balance increased by \$1,426,079 from the prior year to \$2,475,398 due primarily to unspent debt proceeds.

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 \$5,543,500 and for the Sewer Utility \$17,076,191. The total increase in net position for the Water Utility was \$483,372. The total decrease in net position for the Sewer Utility was \$162,164.

General Fund Budgetary Highlights

Revenues

- Sale of City property below budget by \$1,594.
- Investment income above budget by \$229,636.
- Building permits revenues below budget by \$27,359.
- Municipal court fines and penalties below budget by \$23,522.
- Ambulance fees below budget by \$42,378.
- Payment in lieu of taxes from Water Utility below budget by \$9,350.
- State Shared Revenue was cut by \$47,452.

CITY OF WEST BEND

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2019
UNAUDITED

Expenditures

- Health insurance above final budget by \$197,980.
- Police costs below budget by \$353,127 due to position vacancies and overtime savings.
- Fire costs below budget by \$116,807 due to overtime savings.
- 2019 Public Works type expenditures within General Fund below budget by \$233,020, due to unspent project funds in engineering and the airport. There was also a salt savings in 2019.
- Within authorized statutory debt limits at 32% 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, 2019 amounts to \$198,737,992 (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 \$1,680,360 during 2019. 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, 2019 and 2018**

	Governmental Activities		Business-Type Activities		Total	
	2018	2019	2018	2019	2018	2019
Land and Improvements	\$ 17,243,150	\$ 17,071,771	\$ 552,571	\$ 552,571	\$ 17,795,721	\$ 17,624,342
Right of Way	40,334,490	40,346,764	-	-	40,334,490	40,346,764
Buildings	19,659,997	19,129,953	-	-	19,659,997	19,129,953
Machinery and Equipment	6,920,909	7,865,512	-	-	6,920,909	7,865,512
Infrastructure	65,311,251	63,305,812	-	-	65,311,251	63,305,812
Construction in Progress	-	182,941	226,942	495,260	226,942	678,201
Water Utility Plant	-	-	26,467,997	26,564,328	26,467,997	26,564,328
Sewer Utility Plant	-	-	23,701,045	23,223,080	23,701,045	23,223,080
Total	\$ 149,469,797	\$ 147,902,753	\$ 50,948,555	\$ 50,835,239	\$ 200,418,352	\$ 198,737,992

Long Term Debt. At the end of the current fiscal year, the City of West Bend had total debt outstanding of \$47,021,815. Of this amount, \$47,002,455 represents general obligation debt, which is secured by the taxing authority of the city, and \$19,360 represents a capital lease agreement for police equipment. The City's total outstanding general obligation debt decreased by \$5,074,752. The city also paid off all of its revenue debt during 2019. Please refer to footnote disclosure Note III F. for more information regarding long-term obligations.

CITY OF WEST BEND

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2019
UNAUDITED

Economic Factors

- The unemployment rate for the City of West Bend was 2.9% in December 2019. This compares to the state's average unemployment rate of 3.4%, and the national average rate of 3.5% (no seasonal adjustments to these rates).
- Equalized value increased approximately 6.88% for fiscal year 2019 showing continued increase over the past six years.
- Continued emphasis on downtown/brownfield redevelopment in TIF District Nos. 5 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 \$47 million of new construction value expected from 2019 activity to be applied to 2020 tax bills.

In December 2019, a novel strain of coronavirus was reported in Wuhan, Hubei province, China. In the first several months of 2020, the virus, SARS-CoV-2, and resulting disease, COVID-19, spread to the United States, including to areas impacting the city. The city's evaluation of the effects of these events is ongoing; however, we anticipate this situation could impact ambulance revenues, permit revenues, and municipal fines.

The extent of the impact of COVID-19 on the city's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions.

2020 Budget Outlook

- The City did not need to use fund balance for 2020 tax rate stabilization and looks to maintain the unrestricted fund balance at a healthy level.
- The City looks to reduce overall general obligation debt.
- Attention to tax rate stabilization will likely continue for future budgets.

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

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

CITY OF WEST BEND

STATEMENT OF NET POSITION
As of December 31, 2019

	Primary Government			Component Unit
	Governmental Activities	Business - type Activities	Totals	
ASSETS				
Cash and investments	\$ 13,767,656	\$ 15,106,725	\$ 28,874,381	\$ 158,400
Taxes receivable	24,651,265	-	24,651,265	106,744
Special assessments receivable	21,211	952,158	973,369	-
Other receivables (net)	2,267,276	1,814,511	4,081,787	833
Loans receivable	761,582	-	761,582	-
Internal balances	(4,162,300)	4,162,300	-	-
Due from component units	217	-	217	-
Prepaid items and inventories	1,144,902	108,730	1,253,632	-
Land held for resale	461,300	-	461,300	-
Other assets	-	339,006	339,006	-
Restricted assets				
Cash and investments	355,532	1,102,269	1,457,801	-
Capital Assets				
Land	11,636,702	552,571	12,189,273	-
Right of ways	40,346,764	-	40,346,764	-
Construction in progress	182,941	495,260	678,201	-
Other capital assets, net of depreciation	95,736,346	49,787,408	145,523,754	-
Total Assets	187,171,394	74,420,938	261,592,332	265,977
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized loss on refunding	605,911	-	605,911	-
Pension related items	11,625,064	1,105,947	12,731,011	-
OPEB related items	680,414	1,168,399	1,848,813	-
Total Deferred Outflows of Resources	12,911,389	2,274,346	15,185,735	-
LIABILITIES				
Accounts payable and other current liabilities	3,019,154	831,959	3,851,113	3,392
Due to primary government	-	-	-	217
Noncurrent liabilities				
Due within one year	7,438,680	604,539	8,043,219	-
Due in more than one year	39,525,003	3,707,645	43,232,648	-
Net pension liability	4,297,846	376,806	4,674,652	-
OPEB liability	12,222,272	497,262	12,719,534	-
Total Liabilities	66,502,955	6,018,211	72,521,166	3,609
DEFERRED INFLOWS OF RESOURCES				
Pension related items	5,888,695	547,011	6,435,706	-
OPEB related items	2,397,895	102,304	2,500,199	-
Unearned revenues	24,530,793	-	24,530,793	106,744
Total Deferred Inflows of Resources	32,817,383	649,315	33,466,698	106,744
NET POSITION				
Net investment in capital assets	109,112,415	46,689,492	154,852,838	-
Restricted for loans	136,024	-	136,024	-
Restricted for tourism	101,175	-	101,175	-
Restricted for donations	463,244	-	463,244	-
Restricted for future HRA payments	298,942	-	298,942	-
Restricted for library	874,090	-	874,090	-
Restricted for replacement	-	718,575	718,575	-
Restricted for TIF related projects	512,421	-	512,421	-
Unrestricted (deficit)	(10,735,866)	22,619,691	12,832,894	155,624
TOTAL NET POSITION	\$ 100,762,445	\$ 70,027,758	\$ 170,790,203	\$ 155,624

See accompanying notes to financial statements.

CITY OF WEST BEND

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2019

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities		Component Unit
						Totals	Totals	
Primary Government								
Governmental Activities								
General government	\$ 4,839,019	\$ 517,078	\$ 178,412	\$ -	\$ (4,143,529)	\$ -	\$ (4,143,529)	\$ -
Public safety	13,474,781	2,477,944	37,239	2,195	(10,957,403)	-	(10,957,403)	-
Public works	9,205,845	894,637	2,148,253	1,969,260	(4,193,695)	-	(4,193,695)	-
Leisure activities	4,899,901	510,659	672,975	-	(3,716,267)	-	(3,716,267)	-
Conservation and development	2,893,590	554,378	-	275,000	(2,064,212)	-	(2,064,212)	-
Interest and fiscal charges	1,222,489	-	-	-	(1,222,489)	-	(1,222,489)	-
Total Governmental Activities	36,535,625	4,954,696	3,036,879	2,246,455	(26,297,595)	-	(26,297,595)	-
Business-type Activities								
Water	3,836,001	4,823,275	-	-	-	987,274	987,274	-
Sewer	4,088,532	3,584,845	-	-	-	(503,687)	(503,687)	-
Total Business-type Activities	7,924,533	8,408,120	-	-	-	483,587	483,587	-
Total Primary Government	\$ 44,460,158	\$ 13,362,816	\$ 3,036,879	\$ 2,246,455	(26,297,595)	483,587	(25,814,008)	-
Component Units								
Business Improvement District	\$ 201,798	\$ -	\$ 107,529	\$ -	-	-	-	(94,269)
General Revenues								
Taxes								
Property taxes, levied for general purposes					15,221,296	-	15,221,296	-
Property taxes, levied for special revenue funds					1,105,423	-	1,105,423	-
Property taxes, levied for debt service					3,118,210	-	3,118,210	-
Property taxes, levied for TIF					5,300,471	-	5,300,471	-
Other taxes					176,412	-	176,412	-
Intergovernmental revenues not restricted to specific programs					2,066,911	-	2,066,911	-
Investment income					619,721	464,201	1,083,922	6,651
Miscellaneous					272,904	12,701	285,605	-
Total General Revenues					27,881,348	476,902	28,358,250	6,651
Transfers					639,281	(639,281)	-	-
Change in Net Position					2,223,034	321,208	2,544,242	(87,618)
Net Position - Beginning of Year					98,539,411	69,706,550	168,245,961	243,242
NET POSITION - END OF YEAR					\$ 100,762,445	\$ 70,027,758	\$ 170,790,203	\$ 155,624

See accompanying notes to financial statements.

CITY OF WEST BEND

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2019

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Totals
ASSETS					
Cash and investments	\$ 6,456,515	\$ 146,286	\$ 2,214,074	\$ 4,950,781	\$ 13,767,656
Receivables					
Taxes	16,181,652	3,442,319	-	5,027,294	24,651,265
Delinquent personal property taxes	22,539	-	-	-	22,539
Accounts (net)	939,492	-	904,892	332,818	2,177,202
Special assessments	21,211	-	-	-	21,211
Delinquent special assessments	46,722	-	-	-	46,722
Accrued interest	20,814	-	-	-	20,814
Loans	-	-	-	761,582	761,582
Due from other funds	2,326,938	-	11,443	-	2,338,381
Due from component units	217	-	-	-	217
Inventories	916,415	-	-	-	916,415
Prepaid items	191,431	-	-	37,056	228,487
Advances to other funds	-	-	-	268,333	268,333
Restricted cash and investments	-	-	-	355,532	355,532
TOTAL ASSETS	<u>\$ 27,123,946</u>	<u>\$ 3,588,605</u>	<u>\$ 3,130,409</u>	<u>\$ 11,733,396</u>	<u>\$ 45,576,356</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 1,348,484	\$ -	\$ 250,119	\$ 110,538	\$ 1,709,141
Accrued liabilities	911,894	-	-	64,690	976,584
Deposits	24,087	-	-	-	24,087
Due to other governments	951	-	-	-	951
Due to other funds	388,730	-	394,892	599,344	1,382,966
Advances from other funds	-	-	-	5,386,048	5,386,048
Total Liabilities	<u>2,674,146</u>	<u>-</u>	<u>645,011</u>	<u>6,160,620</u>	<u>9,479,777</u>
Deferred Inflows of Resources					
Unearned revenue	16,048,005	3,442,319	10,000	5,030,469	24,530,793
Unavailable revenue	21,211	-	-	15,058	36,269
Total Deferred Inflows of Resources	<u>16,069,216</u>	<u>3,442,319</u>	<u>10,000</u>	<u>5,045,527</u>	<u>24,567,062</u>
Fund Balances					
Nonspendable	1,177,107	-	-	37,056	1,214,163
Restricted	335,115	146,286	1,246,339	2,222,683	3,950,423
Committed	-	-	-	1,711,810	1,711,810
Assigned	349,953	-	1,229,059	-	1,579,012
Unassigned (deficit)	6,518,409	-	-	(3,444,300)	3,074,109
Total Fund Balances	<u>8,380,584</u>	<u>146,286</u>	<u>2,475,398</u>	<u>527,249</u>	<u>11,529,517</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 27,123,946</u>	<u>\$ 3,588,605</u>	<u>\$ 3,130,409</u>	<u>\$ 11,733,396</u>	<u>\$ 45,576,356</u>

See accompanying notes to financial statements.

CITY OF WEST BEND

RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
As of December 31, 2019

Fund balance - total governmental funds	\$ 11,529,517
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.	461,300
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	40,346,764
Construction in progress	182,941
Other capital assets, net of depreciation	95,736,346
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 liability does not related to current financial resources and is not reported in the governmental funds.	(4,297,846)
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the funds.	11,625,064
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the funds.	(5,888,695)
Deferred outflows of resources related to OPEB do not relate to current financial resources and are not reported in the funds.	680,414
Deferred inflows of resources related to OPEB do not relate to current financial resources and are not reported in the funds.	(2,397,895)
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	(42,970,315)
Capital leases	(19,360)
Compensated absences	(3,563,885)
Other post-employment benefits	(12,222,272)
Accrued interest	(308,392)
Unamortized loss on refunding	605,911
Unamortized debt premium	(410,123)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 100,762,445</u>

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, 2019

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 15,286,399	\$ 3,118,210	\$ -	\$ 6,517,203	\$ 24,921,812
Intergovernmental	3,905,454	-	998,103	1,580,589	6,484,146
Licenses and permits	836,724	-	-	417,612	1,254,336
Fines, forfeitures and penalties	412,815	-	-	-	412,815
Public charges for services	1,847,204	-	-	885,342	2,732,546
Intergovernmental charges for services	436,560	-	-	99,587	536,147
Special assessments	17,102	-	-	-	17,102
Investment income	360,636	17,256	58,301	183,528	619,721
Miscellaneous	309,891	-	642,730	146,735	1,099,356
Total Revenues	<u>23,412,785</u>	<u>3,135,466</u>	<u>1,699,134</u>	<u>9,830,596</u>	<u>38,077,981</u>
EXPENDITURES					
Current					
General government	4,636,756	-	-	29,931	4,666,687
Public safety	11,890,167	-	-	-	11,890,167
Public works	4,699,772	-	-	1,337,395	6,037,167
Leisure activities	1,483,938	-	-	2,451,324	3,935,262
Conservation and development	664,692	-	-	73,287	737,979
Capital Outlay	1,000,814	-	2,412,234	727,631	4,140,679
Debt Service					
Principal retirement	10,300	4,290,000	-	6,999,752	11,300,052
Interest and fiscal charges	-	580,167	31,344	807,398	1,418,909
Total Expenditures	<u>24,386,439</u>	<u>4,870,167</u>	<u>2,443,578</u>	<u>12,426,718</u>	<u>44,126,902</u>
Excess (deficiency) of revenues over expenditures	<u>(973,654)</u>	<u>(1,734,701)</u>	<u>(744,444)</u>	<u>(2,596,122)</u>	<u>(6,048,921)</u>
OTHER FINANCING SOURCES (USES)					
General obligation debt issued	-	1,525,000	2,015,000	-	3,540,000
Refunding bonds issued	-	-	-	1,975,000	1,975,000
Premium on debt issued	-	90,642	135,479	-	226,121
Capital lease issued	29,660	-	-	-	29,660
Sale of property	34,670	-	-	6,727	41,397
Transfers in	668,709	127,267	148,053	968,436	1,912,465
Transfers out	(171,945)	(2,788)	(128,009)	(970,442)	(1,273,184)
Total Other Financing Sources (Uses)	<u>561,094</u>	<u>1,740,121</u>	<u>2,170,523</u>	<u>1,979,721</u>	<u>6,451,459</u>
Net Change in Fund Balances	(412,560)	5,420	1,426,079	(616,401)	402,538
FUND BALANCES - Beginning of Year	<u>8,793,144</u>	<u>140,866</u>	<u>1,049,319</u>	<u>1,143,650</u>	<u>11,126,979</u>
FUND BALANCES - END OF YEAR	<u>\$ 8,380,584</u>	<u>\$ 146,286</u>	<u>\$ 2,475,398</u>	<u>\$ 527,249</u>	<u>\$ 11,529,517</u>

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, 2019

Net change in fund balances - total governmental funds	\$	402,538
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of net position, the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.</p>		
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements.		4,140,679
Some items are reported as capital outlay in the fund financial statements but are not capitalized in the government-wide statements.		(888,691)
Depreciation is reported in the government-wide statements		(4,846,431)
Net book value of assets retired		27,399
<p>Land held for resales is reported as an expenditure in the governmental funds when purchased and revenue when sold. However, in the statement of net position, these assets are capitalized at the lower of cost or market and held until the time of sale.</p>		
		(338,700)
<p>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.</p>		
Debt issued		(5,544,660)
Principal repaid		11,300,052
<p>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.</p>		
Vested compensated absences		106,955
Accrued interest on debt		48,547
OPEB liability		1,781,275
Net pension liability		(7,805,626)
Deferred outflows of resources related to pensions		5,065,684
Deferred inflows of resources related to pensions		1,054,078
Deferred outflows of resources related to OPEB		130,863
Deferred inflows of resources related to OPEB		(2,382,753)
<p>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.</p>		
Premium on long-term debt and other debt related items		105,022
Amortization of loss on refunding		(133,197)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>2,223,034</u>

See accompanying notes to financial statements.

CITY OF WEST BEND

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 As of December 31, 2019

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
ASSETS			
Current Assets			
Cash and investments	\$ 4,677,438	\$ 5,169,987	\$ 9,847,425
Interest receivable	13,945	17,082	31,027
Accounts receivable	877,323	906,161	1,783,484
Due from other funds	225,113	161,414	386,527
Inventories	97,978	-	97,978
Prepaid items	7,126	3,626	10,752
Current portion of advances to other funds	-	95,000	95,000
Total Current Assets	<u>5,898,923</u>	<u>6,353,270</u>	<u>12,252,193</u>
Noncurrent Assets			
Restricted Assets			
Replacement account	-	718,575	718,575
Depreciation account	383,694	-	383,694
Capital Assets			
Property and equipment	45,209,804	52,003,102	97,212,906
Accumulated depreciation	(18,128,435)	(28,744,492)	(46,872,927)
Construction work in progress	143,842	351,418	495,260
Other Assets			
Special assessments receivable	257,425	694,733	952,158
Advances to other funds	-	5,022,715	5,022,715
Designated project investments	-	5,259,300	5,259,300
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	<u>28,029,454</u>	<u>35,481,233</u>	<u>63,510,687</u>
Total Assets	<u>33,928,377</u>	<u>41,834,503</u>	<u>75,762,880</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	669,567	436,380	1,105,947
Other post employment benefit items	681,306	487,093	1,168,399
Total Deferred Outflows of Resources	<u>1,350,873</u>	<u>923,473</u>	<u>2,274,346</u>
LIABILITIES			
Current Liabilities			
Accounts payable	168,374	383,865	552,239
Accrued liabilities	183,497	96,223	279,720
Due to other funds	956,810	385,132	1,341,942
Current portion of general obligation debt	525,000	55,000	580,000
Total Current Liabilities	<u>1,833,681</u>	<u>920,220</u>	<u>2,753,901</u>
Long-Term Liabilities Net of Current Maturities			
General obligation debt payable	3,358,606	207,141	3,565,747
Net pension liability	222,656	154,150	376,806
Compensated absences	132,665	33,772	166,437
OPEB liability	428,193	69,069	497,262
Total Long-Term Liabilities	<u>4,142,120</u>	<u>464,132</u>	<u>4,606,252</u>
Total Liabilities	<u>5,975,801</u>	<u>1,384,352</u>	<u>7,360,153</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related items	332,046	214,965	547,011
Other post employment benefit items	86,298	16,006	102,304
Total Deferred Inflows of Resources	<u>418,344</u>	<u>230,971</u>	<u>649,315</u>
NET POSITION			
Net investment in capital assets	23,341,605	23,347,887	46,689,492
Restricted for replacement	-	718,575	718,575
Unrestricted	5,543,500	17,076,191	22,619,691
TOTAL NET POSITION	<u>\$ 28,885,105</u>	<u>\$ 41,142,653</u>	<u>\$ 70,027,758</u>

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, 2019

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
OPERATING REVENUES	<u>\$ 4,823,275</u>	<u>\$ 3,583,596</u>	<u>\$ 8,406,871</u>
OPERATING EXPENSES			
Operation and maintenance	2,734,578	2,787,804	5,522,382
Depreciation	<u>990,523</u>	<u>1,294,284</u>	<u>2,284,807</u>
Total Operating Expenses	<u>3,725,101</u>	<u>4,082,088</u>	<u>7,807,189</u>
Operating Income (Loss)	<u>1,098,174</u>	<u>(498,492)</u>	<u>599,682</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	120,956	343,245	464,201
Interest expense	(109,135)	(6,444)	(115,579)
Amortization of premium net of issuance costs	(1,765)	-	(1,765)
Income from merchandising and jobbing	-	1,249	1,249
Miscellaneous revenues	<u>12,701</u>	<u>-</u>	<u>12,701</u>
Total Nonoperating Revenue (Expenses)	<u>22,757</u>	<u>338,050</u>	<u>360,807</u>
Income (Loss) Before Transfers	<u>1,120,931</u>	<u>(160,442)</u>	<u>960,489</u>
TRANSFERS			
Transfers in	21,311	16,059	37,370
Transfers out	<u>(658,870)</u>	<u>(17,781)</u>	<u>(676,651)</u>
Total Transfers	<u>(637,559)</u>	<u>(1,722)</u>	<u>(639,281)</u>
Change in Net Position	483,372	(162,164)	321,208
NET POSITION – Beginning of Year	<u>28,401,733</u>	<u>41,304,817</u>	<u>69,706,550</u>
NET POSITION – END OF YEAR	<u>\$ 28,885,105</u>	<u>\$ 41,142,653</u>	<u>\$ 70,027,758</u>

See accompanying notes to financial statements.

CITY OF WEST BEND

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 5,066,633	\$ 3,430,671	\$ 8,497,304
Cash paid to suppliers for goods and services	(2,385,829)	(2,350,706)	(4,736,535)
Cash payments to employees for services	(971,329)	(727,624)	(1,698,953)
Net Cash Flows From Operating Activities	1,709,475	352,341	2,061,816
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments sold and matured	-	1,048,055	1,048,055
Investments purchased	-	(1,865,582)	(1,865,582)
Investment income	110,624	297,739	408,363
Net Cash Flows From Investing Activities	110,624	(519,788)	(409,164)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from (to) other funds	3,531	(1,722)	1,809
Advances to (received from) other funds	-	141,868	141,868
Paid to municipality for tax equivalent	(640,861)	-	(640,861)
Net Cash Flows From Noncapital Financing Activities	(637,330)	140,146	(497,184)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(1,411,219)	(801,587)	(2,212,806)
Debt issued and premium	1,350,000	-	1,350,000
Debt issuance costs paid	66,429	-	66,429
Special assessments received	49,469	85,378	134,847
Debt retired	(1,540,000)	(60,000)	(1,600,000)
Interest paid	(114,136)	(6,890)	(121,026)
Net Cash Flows From Capital and Related Financing Activities	(1,599,457)	(783,099)	(2,382,556)
Net Change in Cash and Cash Equivalents	(416,688)	(810,400)	(1,227,088)
CASH AND CASH EQUIVALENTS - Beginning of Year	5,477,820	9,696,924	15,174,744
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 5,061,132	\$ 8,886,524	\$ 13,947,656

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 1,098,174	\$ (498,492)	\$ 599,682
Nonoperating revenue (expense)	12,701	1,249	13,950
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities			
Noncash items included in income			
Depreciation	990,523	1,294,284	2,284,807
Depreciation charged to other accounts	66,513	-	66,513
Changes in assets, liabilities, and deferred outflows/inflows of resources			
Accounts receivable	34,077	(171,095)	(137,018)
Due from other funds	47,436	1,501	48,937
Inventories	(9,461)	-	(9,461)
Prepaid items	(7,126)	(3,326)	(10,452)
Accounts payable	(3,002)	(22,211)	(25,213)
Accrued liabilities	19,319	18,951	38,270
Due to other funds	(27,446)	146,324	118,878
OPEB related assets, liabilities, and deferrals	(610,495)	(475,423)	(1,085,918)
Compensated absences	5,465	3,055	8,520
Pension related assets, liabilities, and deferrals	92,797	57,524	150,321
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 1,709,475	\$ 352,341	\$ 2,061,816
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION ACCOUNTS			
Cash and investments	\$ 4,677,438	\$ 5,169,987	\$ 9,847,425
Replacement account	-	718,575	718,575
Depreciation account	383,694	-	383,694
Designated project investments	-	5,259,300	5,259,300
Total Cash and Investments	5,061,132	11,147,862	16,208,994
Less: Noncash equivalents	-	(2,261,338)	(2,261,338)
CASH AND CASH EQUIVALENTS	\$ 5,061,132	\$ 8,886,524	\$ 13,947,656
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Debt paid by municipality	\$ 145,000	\$ -	\$ 145,000
Interest accrued on advances	\$ 2,828	\$ 41,397	\$ 44,225

See accompanying notes to financial statements.

CITY OF WEST BEND

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 As of December 31, 2019

	OPEB Trust	Custodial Fund Tax Collection Fund
ASSETS		
Cash and investments	\$ -	\$ 28,446,851
Taxes receivable	-	1,545,803
Restricted assets		
Cash	1,076	-
Certificates of deposit - negotiable	<u>1,160,000</u>	<u>-</u>
 Total Assets	 <u>\$ 1,161,076</u>	 <u>\$ 29,992,654</u>
LIABILITIES		
Due to other taxing units	\$ -	\$ 29,885,910
Due to component unit	<u>-</u>	<u>106,744</u>
 Total Liabilities	 <u>\$ -</u>	 <u>\$ 29,992,654</u>
NET POSITION		
Restricted for OPEB	<u>\$ 1,161,076</u>	<u>\$ -</u>
 TOTAL NET POSITION	 <u><u>\$ 1,161,076</u></u>	 <u><u>\$ -</u></u>

See accompanying notes to financial statements.

CITY OF WEST BEND

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

For the Year Ended December 31, 2019

	OPEB Trust	Custodial Fund Tax Collection Fund
ADDITIONS		
Employer contributions	\$ 1,160,000	\$ -
Property taxes collected for county	-	4,592,301
Property taxes collected for technical college	-	1,220,061
Property taxes collected for school district	-	15,298,605
Net investment income	1,076	-
Total Additions	1,161,076	21,110,967
DEDUCTIONS		
Property taxes collected for county	-	4,592,301
Property taxes collected for technical college	-	1,220,061
Property taxes collected for school district	-	15,298,605
Total Deletions	-	21,110,967
Net Increase in Net Position	1,161,076	-
NET POSITION - Beginning	-	-
NET POSITION - ENDING	\$ 1,161,076	\$ -

See accompanying notes to financial statements.

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

CITY OF WEST BEND

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As of and for the Year Ended December 31, 2019

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CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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. However, the redevelopment authority had no financial transactions during 2019 which are material to these financial statements. Also, the redevelopment authority does not own any assets nor is it liable for any debt. Therefore, no financial statements are presented in this report. The redevelopment authority does not issue separate financial statements.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In June 2015, the GASB issued Statement No. 74 – *Financial Reporting for Postemployment Benefit Plans Other Than Pensions Plans*. This statement establishes requirements for financial reporting and disclosures for governments that have defined benefit and defined contribution other postemployment benefit plans administered through a trust. This standard was implemented January 1, 2019.

In January 2017, the GASB issued statement No. 84 – *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities and the accounting and reporting requirements for those fiduciary activities. This standard was implemented January 1, 2019.

In March 2018, the GASB issued statement No. 88 - *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement defines debt for purposes of disclosure in the notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings and direct placements. This standard was implemented January 1, 2019.

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.

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

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

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.

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.

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

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

Fund Financial Statements (cont.)

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

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	TIF District No. 14

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

Library

In addition, the city reports the following fund type:

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

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

Tax Collection Fund – Custodial Fund

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

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.

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, 2019, there were \$2,055,492 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.

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

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

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

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

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

All Financial Statements

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

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.

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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.)

- 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.

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 Z5. 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, 2019, 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.

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

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 – 2019 tax roll:

Lien date and levy date	December 2019
Tax bills mailed	December 2019
Payment in full, or	January 31, 2020
First installment due	January 31, 2020
Second installment due	July 31, 2020
Personal property taxes in full	January 31, 2020
Tax sale – 2019 delinquent real estate taxes	October 2022

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.

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.)

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.

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.

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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.)

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.

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, 2019, 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.

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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.)

9. Long-Term Obligations/Conduit Debt (cont.)

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 \$3,596,651 made up of two issues.

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		Business-type		Total	
	Activities		Activities	Adjustment		
Net investment in capital assets	\$	109,112,415	\$	46,689,492	\$ (949,069)	\$ 154,852,838
Unrestricted (deficit)		(10,735,866)		22,619,691	949,069	12,832,894

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

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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 10% above the median value for comparable municipalities in Wisconsin as defined by the policy. Actual unassigned general fund balance was 27% of the 2020 budgeted general fund expenditures at December 31, 2019.

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's 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, Revolving loan fund, Park Development special revenue fund, EMS – FAPS Grant fund, the Library special revenue fund, the Library permanent fund, and TIF District No. 14. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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
TIF District No. 3	\$ 550,333	\$ 581,768	\$ 31,435
TIF District No. 8	2,213	3,123	910
TIF District No. 11	373,645	389,702	16,057
TIF District No. 12	473,402	726,197	252,795

C. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year-end. As of December 31, 2019, the following individual funds held a deficit balance:

Fund	Amount	Reason
Taxi Transit System	\$ 28,448	Uncovered costs
TIF District No. 3	1,484,644	Uncovered costs
TIF District No. 8	48,705	Uncovered costs
TIF District No. 9	281,916	Uncovered costs
TIF District No. 12	1,542,771	Uncovered costs
TIF District No. 14	57,816	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.

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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 held 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	\$ 12,865,449	\$ 7,710,322	Custodial credit risk
Certificates of deposit – negotiable	6,812,079	6,812,079	Custodial credit risk, credit risk, concentration of credit risk, interest rate risk
U.S. agencies – implicitly guaranteed	2,310,060	2,310,060	Custodial credit risk, credit risk, concentration of credit risk, interest rate risk
Municipal bonds	393,340	393,340	Custodial credit risk, credit risk, concentration of credit risk, interest rate risk
LGIP	37,547,936	37,547,936	Credit risk
Petty cash	11,245	-	N/A
Total Cash and Investments	\$ 59,940,109	\$ 54,773,737	

Reconciliation to financial statements

Per statement of net position		
Unrestricted cash and investments	\$ 28,874,381	
Restricted cash and investments	1,457,801	
Per statement of fiduciary net position	29,607,927	
Total Cash and Investments	\$ 59,940,109	

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). 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.

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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, 2019, the banks had pledged various government securities in the amount of \$5,996,772 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

Investment Type	December 31, 2019			Total
	Level 1	Level 2	Level 3	
Certificates of deposit – negotiable	\$ -	\$ 6,812,079	\$ -	\$ 6,812,079
U.S. agencies – implicitly guaranteed	-	2,310,060	-	2,310,060
Municipal bonds	-	393,340	-	393,340
Totals	\$ -	\$ 9,515,479	\$ -	\$ 9,515,479

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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, 2019, the city's investments were rated as follows:

Investment Type	Standard & Poor's	Moody's Investor Service
U.S. agencies – implicitly guaranteed	AA+	Aaa
Municipal bonds	AA+, AA, AA-	Aaa, Aa2, Aa3

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.

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

A. DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk (cont.)

As of December 31, 2019, the city's investments were as follows:

Type of Investment	Fair Value	Investment Maturities (in Years)		
		Less than 1 year	1-4	More than 4 years
U.S. Agencies – implicitly guaranteed	\$ 2,310,060	\$ 989,418	\$ 1,320,642	\$ -
Municipal bonds	393,340	-	206,059	187,281
Certificates of deposit	6,812,079	6,812,079	-	-
Totals	\$ 9,515,479	\$ 7,801,497	\$ 1,526,701	\$ 187,281

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	\$ 69,261
Nonmajor governmental funds	761,582
Total Amount Not Due Within One Year	\$ 830,843

An allowance for doubtful accounts has been established in the amount of \$238,132, which relates to ambulance billings reported in the general fund.

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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	\$ -	\$ 24,283,979
Developer payments receivable	15,058	-
Special assessments receivable	21,211	-
Subsequent period prepayments	-	246,814
Total Unavailable/Unearned Revenue for Governmental Funds	\$ 36,269	\$ 24,530,793

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. The Sewer Utility reported \$718,575 in restricted assets for the replacement account at December 31, 2019.

There are also restricted assets \$355,532 reported in the nonmajor governmental funds for the parkland acquisition trust.

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 11,636,702	\$ -	\$ -	\$ 11,636,702
Right of ways	40,334,490	114,351	102,077	40,346,764
Construction in progress	-	182,941	-	182,941
Total Capital Assets Not Being Depreciated	<u>51,971,192</u>	<u>297,292</u>	<u>102,077</u>	<u>52,166,407</u>
Capital assets being depreciated				
Land improvements	8,939,578	-	-	8,939,578
Buildings	29,214,505	-	-	29,214,505
Machinery and equipment	20,850,506	2,271,826	654,137	22,468,195
Streets	82,200,256	498,492	66,976	82,631,772
Bridges	4,685,943	-	-	4,685,943
Traffic signals	2,839,808	15,381	-	2,855,189
Dams	650,000	-	-	650,000
Storm water system	33,133,412	168,997	32,591	33,269,818
Street lights	542,000	-	-	542,000
Other	1,331,800	-	-	1,331,800
Total Capital Assets Being Depreciated	<u>184,387,808</u>	<u>2,954,696</u>	<u>753,704</u>	<u>186,588,800</u>
Less: Accumulated depreciation for				
Land improvements	(3,333,130)	(171,379)	-	(3,504,509)
Buildings	(9,554,506)	(530,044)	-	(10,084,552)
Machinery and equipment	(13,929,597)	(1,286,622)	593,536	(14,602,683)
Streets	(40,439,272)	(2,065,794)	51,457	(42,453,609)
Bridges	(2,297,575)	(93,719)	-	(2,391,294)
Traffic signals	(1,564,384)	(95,078)	-	(1,659,462)
Dams	(386,000)	(13,000)	-	(399,000)
Storm water system	(14,207,644)	(555,606)	21,387	(14,741,863)
Street lights	(542,000)	(10,840)	216,800	(336,040)
Other	(635,093)	(44,349)	-	(679,442)
Total Accumulated Depreciation	<u>(86,889,203)</u>	<u>(4,846,431)</u>	<u>883,180</u>	<u>(90,852,454)</u>
Net Capital Assets Being Depreciated	<u>97,498,605</u>	<u>(1,891,735)</u>	<u>(129,476)</u>	<u>95,736,346</u>
Total Governmental Activities Capital Assets, Net of Depreciation	<u>\$ 149,469,797</u>	<u>\$ (1,594,443)</u>	<u>\$ 27,399</u>	<u>\$ 147,902,753</u>

In 2019, the city adjusted the street lights useful life to 50 years. This change was incorporated in the deletions column above.

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
General government			\$ 320,011	
Public safety			463,306	
Public works, including infrastructure assets			3,328,060	
Leisure activities			716,225	
Conservation and development			18,829	
Total Governmental Activities Depreciation Expense			<u>\$ 4,846,431</u>	
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 552,571	\$ -	\$ -	\$ 552,571
Construction in progress	226,942	1,699,291	1,430,973	495,260
Total Capital Assets Not Being Depreciated	<u>779,513</u>	<u>1,699,291</u>	<u>1,430,973</u>	<u>1,047,831</u>
Capital assets being depreciated				
Water utility plant	43,721,474	1,155,035	183,746	44,692,763
Sewer utility plant	51,299,504	816,319	148,251	51,967,572
Total Capital Assets Being Depreciated	<u>95,020,978</u>	<u>1,971,354</u>	<u>331,997</u>	<u>96,660,335</u>
Less: Accumulated depreciation for				
Water utility plant	(17,253,477)	(1,066,386)	191,428	(18,128,435)
Sewer utility plant	(27,598,459)	(1,294,284)	148,251	(28,744,492)
Total Accumulated Depreciation	<u>(44,851,936)</u>	<u>(2,360,670)</u>	<u>339,679</u>	<u>(46,872,927)</u>
Net Capital Assets Being Depreciated	<u>50,169,042</u>	<u>(389,316)</u>	<u>(7,682)</u>	<u>49,787,408</u>
Total Business-type Activities Capital Assets, Net of Depreciation	<u>\$ 50,948,555</u>	<u>\$ 1,309,975</u>	<u>\$ 1,423,291</u>	<u>\$ 50,835,239</u>

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Business-type Activities	
Water	\$ 990,523
Sewer	1,294,284
	<u>2,284,807</u>
Total Business-Type Activities	
Depreciation Expense	\$ 2,284,807

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

Interfund Receivables/Payables

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	\$ 956,810
General	Sewer utility	375,892
General	Nonmajor governmental funds	599,561
General	Capital projects	394,892
Capital projects	General	11,443
Water utility	General	215,873
Sewer utility	General	161,414
Subtotal – Fund Financial Statements		<u>2,715,885</u>
Less: Fund eliminations		(1,005,679)
Less: Government-wide eliminations		(754,791)
Less: Interfund advances		<u>(5,117,715)</u>
Total Internal Balances – Government-Wide Statement of Net Position		<u>\$ (4,162,300)</u>

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

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

Interfund Receivables/Payables (cont.)

Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	\$ 1,332,702
Business-type Activities	Governmental Activities	<u>(5,495,002)</u>
Total Government-wide Financial Statements		<u>\$ (4,162,300)</u>

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

Advances

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amounts Not Due Within One Year
Cable TV	Economic Development	\$ 268,333	\$ 256,667
Sewer utility	TIF District No. 3	1,773,679	1,773,679
Sewer utility	TIF District No. 8	51,208	51,208
Sewer utility	TIF District No. 9	54,179	54,179
Sewer utility	TIF District No. 10	503,649	503,649
Sewer utility	TIF District No. 12	1,700,000	1,650,000
Sewer utility	Economic Development	1,035,000	990,000
Subtotal - Interfund Advances		5,386,048	<u>\$ 5,279,382</u>
Less: Fund eliminations		(268,333)	
Total – Interfund Advances		<u>\$ 5,117,715</u>	

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. 2019's rate was 1.81%. 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 \$2,824,797. 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%.

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

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

Advances (cont.)

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.

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General	Water utility	\$ 658,870	Payment in lieu of taxes
General	Nonmajor governmental funds	9,839	Refer to general note
Debt service	Capital projects	127,267	Refer to general note
Nonmajor governmental funds	General	161,945	Refer to general note
Nonmajor governmental funds	Nonmajor governmental funds	806,491	Increment sharing
Capital projects	General	10,000	Refer to general note
Capital projects	Nonmajor governmental funds	138,053	Refer to general note
Sewer utility	Nonmajor governmental funds	16,059	Refer to general note
Water utility	Debt service	2,788	Refer to general note
Water utility	Capital projects	742	Refer to general note
Water utility	Sewer utility	17,781	Refer to general note
Subtotal - Fund Financial Statements		1,949,835	
Less: Fund eliminations		(1,271,376)	
Less: Government-wide eliminations		(39,178)	
Total Transfers - Government-Wide Statement of Activities		\$ 639,281	

Fund Transferred To	Fund Transferred From	Amount
Governmental Activities	Business-type Activities	\$ 658,870
Business-type Activities	Governmental Activities	(19,589)
Total Government-wide Financial Statements		\$ 639,281

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

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2019 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds and Notes Payable	\$ 48,557,880	\$ 5,515,000	\$ 11,245,000	\$ 42,827,880	\$ 6,230,000
General obligation debt					
General obligation notes from direct borrowings or direct placements	187,207	-	44,752	142,455	46,082
Unamortized debt premiums	515,145	-	105,022	410,123	-
Total Bonds and Notes Payable	49,260,212	5,515,000	11,394,774	43,380,438	6,276,082
Other Liabilities					
Vested compensated absences	2,621,069	270,791	354,373	2,537,487	126,874
Sick leave	885,168	867,850	885,168	867,850	867,850
Vacation	164,603	209,670	215,725	158,548	158,548
Compensatory time	-	29,660	10,300	19,360	9,326
Capital lease payable	3,670,840	1,377,971	1,465,566	3,583,245	1,162,596
Total Other Liabilities	5,271,680	1,487,292	1,676,362	5,082,610	1,964,314
Total Governmental Activities Long-Term Liabilities	\$ 52,931,052	\$ 6,892,971	\$ 12,860,340	\$ 46,963,683	\$ 7,438,690
BUSINESS-TYPE ACTIVITIES					
Bonds and Notes Payable	\$ 3,332,140	\$ 1,350,000	\$ 650,000	\$ 4,032,140	\$ 580,000
General obligation debt	1,095,000	-	1,095,000	-	-
Revenue bonds	45,412	87,429	19,234	113,607	24,539
Unamortized bond premium	4,472,552	1,437,429	1,764,234	4,145,747	604,539
Total Bonds and Notes Payable	5,945,104	1,874,858	3,518,468	4,301,493	1,209,078
Other Liabilities					
Compensated absences	157,917	27,591	19,071	166,437	-
Total Other Liabilities	157,917	27,591	19,071	166,437	-
Total Business-type Activities Long-Term Liabilities	\$ 4,630,469	\$ 1,465,020	\$ 1,783,305	\$ 4,312,184	\$ 604,539

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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, 2019 was \$147,846,190. Total general obligation debt outstanding at year-end was \$47,002,455.

	Date of Issue	Due Date	Interest Rates	Original Indebtedness	Balance 12/31/19
Governmental Activities					
General Obligation Debt					
General obligation bonds	4/1/10	3/1/30	3.00-5.90%	\$ 1,120,000	\$ 750,000
General obligation refunding bonds	10/19/10	4/1/22	0.75-3.00%	6,800,000	1,600,000
General obligation taxable refunding bonds	10/19/10	3/1/26	2.00-4.25%	9,390,000	2,382,860
General obligation refunding bonds	12/21/11	4/1/27	0.50-3.10%	1,840,000	570,000
General obligation taxable refunding bonds	1/5/12	4/1/31	0.50-4.50%	3,530,000	1,220,000
General obligation taxable refunding bonds	5/9/12	3/1/22	0.55-2.70%	1,620,000	550,000
General obligation notes	5/9/12	5/1/22	0.35-2.00%	2,955,000	940,000
General obligation refunding bonds	5/9/12	4/1/26	2.00-2.25%	6,570,000	5,820,000
State trust fund loan *	6/4/12	3/15/22	3.00%	432,400	142,455
General obligation refunding bonds – 2013 A	6/6/13	5/1/33	1.00-3.00%	9,060,000	7,620,000
General obligation refunding notes – 2013 C	6/6/13	4/1/23	0.30-2.25%	5,980,000	230,000

* debt issue is a direct borrowing or direct placement

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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 12/31/19
Governmental Activities					
General Obligation Debt					
(cont.)					
General obligation notes – 2013 B	6/6/13	5/1/23	0.40-1.75%	\$ 820,000	\$ 375,000
General obligation bonds – 2014 A	2/26/14	2/1/34	0.50-4.00%	1,740,000	1,400,000
General obligation notes – 2014 B	2/26/14	2/1/24	2.00-2.75%	6,210,000	2,575,000
General obligation notes – 2014 C	7/9/14	4/1/20	2.00-3.00%	2,350,000	435,000
General obligation refunding bonds – 2014 D	12/30/14	10/1/20	3.00-4.00%	4,110,000	145,000
General obligation bonds – 2015 A	6/10/15	4/1/26	1.50-3.00%	3,730,000	2,720,000
General obligation bonds – 2016 A	3/29/16	3/1/30	2.60-2.50%	4,750,000	3,760,000
General obligation refunding bonds – 2016 B	3/29/16	4/1/22	0.90-1.90%	1,135,000	705,000
General obligation notes – 2017 A	5/11/17	3/1/27	2.03%	1,530,000	1,485,000
General obligation notes – 2018 A	5/3/18	11/1/28	3.00%	2,030,000	2,030,000
General obligation notes – 2019 A	4/3/19	4/1/31	3.00-4.00%	3,540,000	3,540,000
General obligation refunding bonds – 2019 B	4/3/19	3/1/24	2.625-2.65%	1,975,000	1,975,000
Total Governmental Activities – General Obligation Debt					<u>\$42,970,315</u>

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

F. LONG-TERM OBLIGATIONS (cont.)
General Obligation Debt (cont.)

Business-type Activities	Date of Issue	Due Date	Interest Rates	Original Indebtedness	Balance 12/31/19
General obligation debt refunding loans	10/19/10	3/1/26	4.29%	\$ 500,080	\$ 52,140
General obligation refunding bonds	5/9/12	4/1/26	2.00-2.25%	235,000	210,000
General obligation refunding notes	7/9/14	4/1/20	2.00%	785,000	135,000
General obligation refunding bonds	3/29/16	3/1/30	2.60-2.50%	775,000	630,000
General obligation notes	6/1/16	6/1/26	1.35%	800,000	585,000
General obligation notes	5/11/17	3/1/27	2.03%	700,000	580,000
General obligation notes	5/3/18	5/1/28	3.00%	530,000	490,000
General obligation notes	4/3/19	4/1/31	3.00-4.00%	1,350,000	1,350,000
Total Business-type Activities – General Obligation Debt					\$ 4,032,140

Debt service requirements to maturity are as follows:

Years	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 6,230,000	\$ 1,072,216	\$ 580,000	\$ 103,219
2021	5,927,860	921,855	457,140	88,479
2022	5,335,000	781,206	445,000	75,410
2023	4,475,000	652,466	465,000	62,271
2024	4,425,000	531,061	440,000	49,399
2025-2029	14,035,000	1,222,917	1,540,000	99,977
2030-2034	2,400,000	145,919	105,000	2,012
Total	\$ 42,827,860	\$ 5,327,640	\$ 4,032,140	\$ 480,767

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

F. LONG-TERM OBLIGATIONS (cont.)
General Obligation Debt (cont.)

Years	Governmental Activities	
	Principal	Interest
2020	\$ 46,082	\$ 4,285
2021	47,473	2,891
2022	48,900	1,467
Totals	\$ 142,455	\$ 8,643

Current Refunding

On April 3, 2019, bonds in the amount of \$2,060,000 were issued with an average interest rate of 2.25% to refund \$2,675,000 of outstanding 2008 and 2009 revenue bonds, and 2011 general obligation bonds with an average interest rate of 3.6%. The net proceeds were used to prepay the outstanding debt service requirements on the old bonds.

The cash flow requirements on the old bonds prior to the current refunding were \$3,305,878 from 2019 through 2031. The cash flow requirements on the new bonds are \$2,678,661 from 2019 through 2031. The current refunding resulted in an economic gain of \$563,260.

Other Debt Information

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

The city entered into a lease agreement during 2019 for police equipment. Principal and interest due on the capital lease as of December 31, 2019, are as follows:

Years	Capital Lease Payable	
	Principal	Interest
2020	\$ 9,326	\$ 1,463
2021	10,034	756
Totals	\$ 19,360	\$ 2,219

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

G. NET POSITION/FUND BALANCES

Governmental activities net position reported on the government-wide statement of net position at December 31, 2019 includes the following:

Governmental Activities

Net investment in capital assets	
Land	\$ 11,636,702
Right of ways	40,346,764
Construction in progress	182,941
Other capital assets, net of accumulated depreciation	95,736,346
Less: Capital related long-term debt outstanding	(40,924,052)
Less: Unamortized premiums	(410,123)
Plus: Unamortized loss on refunding	605,911
Plus: Unspent capital related debt proceeds	1,937,926
	<u> </u>
Total Net Investment in Capital Assets	\$ 109,112,415

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

G. NET POSITION/FUND BALANCES (cont.)

Governmental fund balances reported on the fund financial statements at December 31, 2019 include the following:

	General Fund	Major Funds	Capital Projects	Nonmajor Funds	Totals
		Debt Service			
Fund Balance					
Nonspendable	\$ 916,415	\$ -	\$ -	\$ -	\$ 916,415
Inventories	191,431	-	-	37,056	228,487
Prepaid items	22,539	-	-	-	22,539
Delinquent personal property taxes	46,722	-	-	-	46,722
Delinquent special assessments	-	146,286	-	-	146,286
Restricted for:					
Debt service	-	-	-	874,090	874,090
Library purposes	-	-	-	-	-
Fire department equipment funds	7,352	-	-	-	7,352
Fire department training funds	4,425	-	-	-	4,425
Rescue squad	4,616	-	-	-	4,616
Parks and recreation	12,680	-	-	375,057	387,737
Park impact fee	7,100	-	-	-	7,100
EMS	-	-	-	52,014	52,014
Loans	-	-	-	136,024	136,024
Future HRA payments	298,942	-	-	-	298,942
Tourism	-	-	-	101,175	101,175
TIF related projects	-	-	-	684,323	684,323
Future capital related projects (unspent proceeds)	-	-	1,246,339	-	1,246,339
Committed to:					
Cable TV	-	-	-	1,459,882	1,459,882
Recreation programs	-	-	-	251,928	251,928
Assigned to:					
Carryforwards	349,953	-	-	-	349,953
Future capital projects	-	-	1,229,059	-	1,229,059
Unassigned (deficit)	6,518,409	-	-	(3,444,300)	3,074,109
	<u> </u>				
Total Fund Balances	\$ 8,380,584	\$ 146,286	\$ 2,475,398	\$ 527,249	\$ 11,529,517

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

G. NET POSITION/FUND BALANCES (cont.)

Governmental Activities (cont.)

Business-type Activities

Invested in capital assets, net of related debt	\$ 552,571
Land	495,260
Construction in progress	49,787,408
Other capital assets, net of accumulated depreciation	(4,032,141)
Less: Unrelated long-term debt outstanding	(113,606)
Less: Unamortized debt premium	\$ 46,689,492
Total Amount Not Due Within One Year	<u>\$ 46,689,492</u>

H. COMPONENT UNIT

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

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

a. Basis of Accounting/Measurement Focus

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

b. Deposits and Investments

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

	Carrying Value	Bank Balance
Demand deposits	\$ 158,400	\$ 158,400

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).

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

H. COMPONENT UNIT (cont.)

b. Deposits and Investments (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, 2019, the component unit's bank balance of \$158,400 was commingled with city 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 BID.

c. Transactions with the Primary Government

At December 31, 2019, the Business Improvement District has a receivable of \$106,744 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.

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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, if hired on or before December 31, 2016) are entitled to retirement benefit based on a formula factor, their average earnings, and creditable services.

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

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

The WRS also provides death and disability benefits for employees.

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2009	(2.1)%	(42.0)%
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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 \$1,394,234 in contributions from the city.

Contribution rates for the plan year reported as of December 31, 2019 are:

Employee Category	Employee	Employer
General (Executives & Elected Officials)	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%

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

At December 31, 2019, the city reported a liability of \$4,674,652 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The city's proportion of the net pension liability was based on the city's share of contributions to the pension plan relative to the contributions of all participating employees. At December 31, 2018, the city's proportion was .13139584%, which was an increase of .00280519% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the city recognized pension expense of \$3,230,419.

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

At December 31, 2019, 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	\$ 3,640,846	\$ 6,435,706
Changes of actuarial assumptions	787,975	-
Net differences between projected and actual earnings on pension plan investments	6,827,009	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	73,210	-
Employer contributions – January 1, 2019 to end of current fiscal year	1,401,971	-
Total	\$ 12,731,011	\$ 6,435,706

\$1,401,971 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, 2020. 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)
2020	\$ 1,800,526
2021	452,858
2022	769,005
2023	1,870,945

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Actuarial assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2017
Measurement Date of Net Pension Liability	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*:	1.9%

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

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

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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		Long-Term Expected		Long-Term Expected Real Rate of Return %
		Target Allocation %	Allocation %	Nominal Rate of Return %	Real Rate of Return %	
Global Equities	49%	45%		8.1%		5.5%
Fixed Income	24.5	37		4.0		1.5
Inflation Sensitive Assets	15.5	20		3.8		1.3
Real Estate	9	7		6.5		3.9
Private Equity/Debt	8	7		9.4		6.7
Multi-Asset	4	4		6.7		4.1
Total Core Fund	110	120		7.3		4.7

Variable Fund Asset Class

U.S. Equities	70	70		7.6		5.0
International Equities	30	30		8.5		5.9
Total Variable Fund	100	100		8.0		5.4

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

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Single discount rate. A single discount rate of 7.00% 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 7.00% and a long-term bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

City's proportionate share of the Net pension liability (asset)	1% Decrease to Discount Rate	Current Discount Rate	1% Increase to Discount Rate
	(6.00%)	(7.00%)	(8.00%)
	\$ 18,577,557	\$ 4,674,652	\$ (5,663,236)

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://efr.wi.gov/publications/cafr.htm> and reference report number 15-11.

At December 31, 2019, the city reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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, 2019. 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:

	Prior Year	Current Year
Unpaid claims - Beginning of Year	\$ 215,295	\$ 251,803
Current year claims and changes in estimates	3,151,182	3,911,097
Claim payments	(3,114,674)	(3,892,645)
Unpaid Claims - End of Year	<u>\$ 251,803</u>	<u>\$ 270,255</u>

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 of the city.

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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.

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	19.81%
Village of Germantown	9.31
City of Hartford	8.73
Village of Kewaskum	2.84
Village of Slinger	9.14
Village of Jackson	5.23
City of Port Washington	8.51
Village of Grafton	5.98
Village of Saukville	5.48
Town of Hartford	0.37
Town of Trenton	1.76
Village of Newburg	0.68
City of Cedarburg	4.38
Village of Fredonia	0.55
Village of Thiensville	3.21
City of Mequon	14.02
Total	<u><u>100.00%</u></u>

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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, 2019 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 as of the measurement date reported for the plan.

Benefits provided. RBP provides health insurance benefits for retirees and their spouses. The benefit terms provide for payment of 100 percent of health insurance premiums for eligible police and fire employees for a defined period of years or until Medicare-eligibility. Eligible non-union employees hired on or before December 31, 2011, will be provided with 100 percent of health insurance premiums for up to 3 years or until Medicare-eligibility. In addition, other eligible employees are allowed to remain on the city's health plan at a blended rate prior to becoming Medicare eligible. These retirees are responsible for 100 percent of the health care premium, but are receiving an implicit benefit due to the blended rate.

Employees covered by benefit terms. At December 31, 2019, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	45
Active plan members	<u>207</u>
	<u>252</u>

Total OPEB Liability

The city's total OPEB liability of \$12,113,864 was measured as of December 31, 2018, and was determined by an actuarial valuation as of that date.

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3% inflation plus 0.4%-4.8% merit
Healthcare cost trend rates	7.50% for 2018 decreasing to an ultimate rate of 5.0% thereafter
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 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied 60%).

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

Changes in the Total OPEB Liability

Balances at December 31, 2018	<u>\$ 13,891,992</u>
Changes for the Year:	
Service cost	783,846
Interest	385,785
Differences between projected and actual experience	186,171
Changes in assumptions*	(2,623,166)
Benefit payments	<u>(510,764)</u>
Net Changes	<u>(1,778,128)</u>
Balances at December 31, 2019	<u>\$ 12,113,864</u>

*Changes in assumptions included an updated discount rate, WRS decrement assumptions, medical trend rate, marriage assumption, and medical plan participation assumptions.

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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 (3.00 percent) or 1-percentage-point higher (5.00 percent) than the current discount rate:

	1% Decrease (3.00%)	Discount Rate (4.00%)	1% Increase (5.00%)
Total OPEB liability	\$ 13,179,677	\$ 12,113,864	\$ 11,136,736

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the city, as well as what the city's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.50 percent decreasing to 4.0 percent) or 1-percentage-point higher (8.50 percent decreasing to 6.0 percent) than the current healthcare cost trend rates of 7.5% decreasing to 5.0%:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 10,870,479	\$ 12,113,864	\$ 13,566,608

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

For the year ended December 31, 2019, the city recognized OPEB expense of \$898,189. At December 31, 2019, 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	\$ 165,485	\$ 6,486
Changes of actuarial assumptions	-	2,331,703
Employer contributions – subsequent to measurement date	<u>1,574,387</u>	<u>-</u>
Total	<u>\$ 1,739,872</u>	<u>\$ 2,338,189</u>

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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.)

Deferred outflows of \$1,574,387 related to OPEB resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB Liability in the year ended December 31, 2020.

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)
2020	\$ 271,442
2021	271,442
2022	271,442
2023	271,442
2024	271,442
Thereafter	815,494

Plan Description – OPEB Trust

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

The benefit terms provide for payment of 100 percent of health insurance premiums for eligible police and fire employees for a defined period of years or until Medicare-eligibility. Eligible non-union employees hired on or before December 31, 2011, will be provided with 100 percent of health insurance premiums for up to 3 years or until Medicare-eligibility. In addition, other eligible employees are allowed to remain on the city's health plan at a blended rate prior to becoming Medicare eligible. These retirees are responsible for 100 percent of the health care premium, but are receiving an implicit benefit due to the blended rate.

Employees covered by benefit terms. At December 31, 2019, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	45
Active plan members	<u>207</u>
Total	<u>252</u>

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE IV – OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Plan Description – OPEB Trust (cont.)

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

Investments

Investment policy. RBP follows the investment policies of the city.

Concentrations. The investments of the trust are concentrated within various negotiable certificates of deposit as follows:

CFB Bank	13.8%
CIBC Bank	13.8%
Western Alliance Bank	13.8%
SONA Bank	18.1%
First Internet Bank of Indiana	18.1%
KS State Bank of Manhattan	18.1%

Rate of return. For the year ended December 31, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 2.434% percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability

The components of the net OPEB liability of the city at December 31, 2019, were as follows:

Total OPEB liability	\$ 14,014,888
Less: plan fiduciary net position	<u>(1,161,076)</u>
City's Net OPEB Liability	<u>\$ 12,853,812</u>

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

8.28%

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE IV – OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Net OPEB Liability (cont.)

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.00% inflation plus 0.4%-4.8% merit
Investment Rate of Return	2.75%

Healthcare cost trend rates 7.50% for 2019 decreasing to an ultimate rate of 5.0% thereafter

Mortality rates were based on the Wisconsin 2018 Mortality Table as the base table and project future improvements with MP-2018 generational improvement scale (multiplied by 60%).

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period 2015 – 2017 performed by the actuary for the Wisconsin Retirement System during 2018.

The Plan assets are held as fixed income, therefore, the long-term expected rate of return on OPEB plan investments was based on the 20-year Municipal Bond Index.

Discount rate. The discount rate used to measure the total OPEB liability was 2.75 percent. The projection of cash flows used to determine the discount rate assumed that the city contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position will be available to make all projected future benefit payments of current plan members. Therefore, the discount was based on the long-term expected rate of return on OPEB plan investments to determine the total OPEB liability.

The city's net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019.

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% Decrease (3.75%)
Net OPEB liability	\$ 14,047,085	\$ 12,853,812	\$ 11,751,046

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE IV – OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Net OPEB Liability (cont.)

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-percent-age-point lower (6.5 percent decreasing to 4.0 percent) or 1-percent-age-point higher (8.5 percent decreasing to 6.0 percent) than the current healthcare cost trend rates (7.5% decreasing to 5.0 percent):

	1% Decrease	Trend Rates	1% Decrease
Net OPEB liability	\$ 11,275,955	\$ 12,853,812	\$ 14,713,141

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

Local Retiree Life Insurance Fund (LRLIF)

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

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

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.

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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, 2019 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 \$4,522 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, 2019, the city reported a liability of \$605,670 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The city's proportion of the net 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, 2018, the city's proportion was 0.23472500%, which was an increase of 0.00882900% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the city recognized OPEB expense of \$65,445.

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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, 2019, 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	\$ -	\$ 30,725
Net differences between projected and actual earnings on OPEB plan investments	14,475	-
Changes in assumptions	57,790	131,285
Changes in proportion and differences between employer contributions and proportionate share of contributions	31,970	
Employer contributions subsequent to the measurement date	4,705	
Total	<u>\$ 108,940</u>	<u>\$ 162,010</u>

\$4,705 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)
2020	\$ (6,516)
2021	(6,516)
2022	(6,516)
2023	(8,549)
2024	(10,643)
Thereafter	(19,035)

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2018
Measurement Date of Net OPEB Liability:	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	4.10%
Long-Term Expected Rate of Return:	5.0%
Discount Rate:	4.22%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

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 Securitan, 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.

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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.)

Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2018

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Government Bonds	Barclays Government	1%	1.44%
U.S. Credit Bonds	Barclays Credit	40	2.69
U.S. Long Credit Bonds	Barclays Long Credit	4	3.01
U.S. Mortgages	Barclays MBS	54	2.25
Inflation			2.30
Long-Term Expected Rate of Return			5.0

Single discount rate. A single discount rate of 4.22% 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.

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 4.22 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 (3.22 percent) or 1-percentage-point higher (5.22 percent) than the current rate:

	1% Decrease to Discount Rate (3.22%)	Current Discount Rate (4.22%)	1% Increase to Discount Rate (5.22%)
City's proportionate share of the net OPEB liability	\$ 861,605	\$ 605,670	\$ 408,274

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://efr.wi.gov/publications/cafr.htm>.

CITY OF WEST BEND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE IV – OTHER INFORMATION (cont.)

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

The city approved a sewer rate increase of 11.92% effective January 1, 2020.

In February 2020, the city issued \$3,530,000 in taxable general obligation community development bonds, Series 2020A, for TID No. 14. Interest rate is 1.8 - 3.0% with final maturity in 2040.

On April 15, 2020, the city approved a resolution to enter into a lease agreement with PNC Equipment Finance, LLC, for a new ladder truck for a total amount of \$1,303,913. Interest rate is 2.85% with final maturity in 2030.

In May 2020, the city issued \$6,190,000 in general obligation corporate purpose bonds, Series 2020B, for capital projects and TID No. 14. Interest rate is 2.0 - 3.0% with final maturity in 2040.

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

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

- > Statement No. 87, Leases
- > Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- > Statement No. 91, Conduit Debt Obligations
- > Statement No. 92, Omnibus
- > Statement No. 93, Replacement of Interbank Offered Rates
- > Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements

The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance*, with the exception of Statement No. 87, which was postponed by one and a half years.

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

CITY OF WEST BEND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 15,268,496	\$ 15,268,496	\$ 15,266,399	\$ 17,903
Intergovernmental	3,601,720	3,894,390	3,903,454	11,064
Licenses and permits	778,516	826,335	836,724	10,389
Fines, forfeitures and penalties	431,400	416,970	412,815	(4,155)
Public charges for services	1,872,206	1,890,322	1,847,204	(43,118)
Intergovernmental charges for services	431,000	431,000	436,560	5,560
Special assessments	3,925	6,676	17,102	10,426
Investment income	131,000	131,000	360,636	229,636
Miscellaneous revenues	195,706	311,871	309,891	(1,980)
Total Revenues	22,713,969	23,177,060	23,412,785	235,725
EXPENDITURES				
Current				
General government	4,549,696	4,492,078	4,636,756	(144,678)
Public safety	12,255,118	12,372,070	11,890,167	481,903
Public works	4,581,360	4,932,792	4,699,772	233,020
Leisure activities	1,560,221	1,629,243	1,483,938	145,305
Conservation and development	360,849	696,982	664,692	32,290
Capital outlay	-	984,871	1,000,814	(15,943)
Debt service - principal	-	-	10,300	(10,300)
Total Expenditures	23,307,244	25,106,036	24,386,439	721,597
Excess (Deficiency) of Revenues Over Expenditures	(593,275)	(1,930,976)	(973,654)	957,322
OTHER FINANCING SOURCES (USES)				
Sale of property	30,000	36,264	34,670	(1,594)
Capital lease issued	-	-	29,660	-
Transfers in	668,220	678,059	668,709	(9,350)
Transfers out	(104,945)	(104,945)	(171,945)	(67,000)
Total Other Financing Sources (Uses)	593,275	609,378	561,094	(77,944)
Net change in fund balances	-	(1,321,598)	(412,560)	879,378
FUND BALANCES - Beginning of Year	8,793,144	8,793,144	8,793,144	-
FUND BALANCES - END OF YEAR	\$ 8,793,144	\$ 7,471,546	\$ 8,380,584	\$ 879,378

REQUIRED SUPPLEMENTARY INFORMATION

See independent auditor's report and accompanying notes to required supplementary information.
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CITY OF WEST BEND
SCHEDULE OF CHANGES IN EMPLOYERS TOTAL OPEB LIABILITY AND RELATED RATIOS
HEALTH INSURANCE
December 31, 2019

	2019	2018
Total OPEB Liability	\$ 783,846	\$ 740,648
Service cost	385,785	379,621
Interest	-	-
Changes of benefit terms	186,171	(7,816)
Differences between expected and actual experience	(2,623,166)	-
Changes of assumptions	(510,764)	(568,460)
Benefit payments	(1,778,128)	543,993
Net Change in Total OPEB Liability	13,891,992	13,347,999
Total OPEB Liability - Beginning	\$12,113,864	\$13,891,992
Total OPEB Liability - Ending	\$ 783,846	\$ 740,648
Covered payroll	\$ 13,139,385	\$ 13,712,222
Total OPEB liability as a percentage of covered payroll	92.20%	101.31%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of the calendar year end prior to the fiscal year reported.

Benefit changes. There were no changes to the benefits.

Changes of assumptions. Updated discount rate, WRS decrement assumptions, medical trend rate, marriage assumption, and medical plan participation assumptions.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75 as of December 31, 2018.

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

CITY OF WEST BEND
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) -
WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2019

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 the Total Pension Liability	
				Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/19	0.13330900%	\$ 4,674,652	\$ 14,256,587	32.79%	96.45%
12/31/18	0.12859065%	(3,818,008)	13,712,222	27.84%	102.93%
12/31/17	0.12732465%	1,049,459	13,332,848	7.87%	99.12%
12/31/16	0.12885040%	2,093,794	13,590,193	15.41%	98.20%
12/31/15	0.13330900%	(3,274,434)	13,505,764	24.24%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM

For the Year Ended December 31, 2019

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)		Contributions as a Percentage of Covered Payroll	
			Required	Actual	Required	Actual
12/31/19	\$ 1,401,971	\$ 1,401,971	\$ -	\$ 14,443,039	9.71%	9.71%
12/31/18	1,394,234	1,394,234	-	14,256,588	9.78%	9.78%
12/31/17	1,342,189	1,342,189	-	13,281,145	10.11%	10.11%
12/31/16	1,197,637	1,197,637	-	13,332,848	8.98%	8.98%
12/31/15	1,227,987	1,227,987	-	13,590,193	9.04%	9.04%

SCHEDULE OF PROPORTIONATE SHARE OF THE NET LIFE INSURANCE OPEB LIABILITY

LOCAL RETIREE LIFE INSURANCE FUND

For the Year Ended December 31, 2019

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 the Total OPEB Liability	
			Required	Actual	Required	Actual
12/31/19	0.23472500%	\$ 605,670	\$ 13,771,000	4.40%	\$ 48,693	48.69%
12/31/18	0.22589600%	679,626	9,499,573	7.15%	44,811	44.81%

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

See independent auditor's report.

CITY OF WEST BEND

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
OPEB TRUST
Last 10 Fiscal Years*

	2019
Total OPEB Liability	
Service cost	\$ 464,261
Interest on the total OPEB liability	485,574
Changes of assumptions or other inputs	1,364,500
Benefit payments	(413,311)
Net change in the total OPEB liability	<u>\$ 1,901,024</u>
Total OPEB liability, beginning	\$12,113,864
Total OPEB liability, ending (a)	\$14,014,888
Fiduciary Net Position	
Employer contributions	\$ 1,160,000
Net investment income	<u>1,076</u>
Net change in plan fiduciary net position	<u>\$ 1,161,076</u>
Total fiduciary net position, beginning	<u>-</u>
Total fiduciary, ending (b)	<u>\$ 1,161,076</u>
Net OPEB liability, ending = (a) - (b)	\$12,853,812
Covered payroll	13,139,385
Net OPEB liability as a percent of covered payroll	97.83%

Notes to the Schedule:

Benefit changes: No changes in benefits

Changes in assumptions: The discount rate was updated to 2.75%.

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

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

CITY OF WEST BEND

SCHEDULE OF INVESTMENT RETURNS - OPEB TRUST
Last 10 Fiscal Years*

	2019
Annual money-weighted rate of return, net of investment expense	2.434%

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

See independent auditor's report.

See independent auditors' report.

CITY OF WEST BEND

SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB TRUST
Last 10 Fiscal Years*

	2019
Actuarially Determined Contribution (ADC)	\$ 1,183,377
Contributions in Relation to the ADC	<u>1,160,000</u>
Contribution Deficiency / (Excess)	\$ <u>23,377</u>
Covered-Employee Payroll	\$ 13,139,385
Contributions as a percentage of Covered-Employee Payroll	8.83%

Notes to the Schedule:

Actuarial cost method
Asset valuation method
Amortization method
Discount rate
Amortization growth rate
Inflation

Entry Age Normal
Market Value
30-year Level Dollar
4.00%
3.00%
2.50%

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

See independent auditors' report.
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CITY OF WEST BEND

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2019

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 \$349,953. 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. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015-2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop the Total Pension Liability changed, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates.

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. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015-2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop the Total OPEB Liability changed, including the discount rate, wage inflation rate, mortality and separation rates.

See independent auditors' report.
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CITY OF WEST BEND

GENERAL FUND
 DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES (MAJOR FUND)
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
TAXES				
General property tax	\$ 15,202,421	\$ 15,202,421	\$ 15,221,296	\$ 18,875
Mobile home taxes	50	50	54	4
Taxes from housing authority	41,700	41,700	38,241	(3,459)
Taxes from cell towers	12,937	12,937	15,433	2,496
Delinquent personal property chargebacks	4,888	4,888	2,513	(2,375)
Interest on taxes	6,500	6,500	8,862	2,362
TOTALS	\$ 15,268,496	\$ 15,268,496	\$ 15,286,399	\$ 17,903
INTERGOVERNMENTAL REVENUES				
Shared taxes from state	\$ 1,633,388	\$ 1,633,388	\$ 1,585,936	\$ (47,452)
Fire insurance tax from state	130,000	130,000	141,354	11,354
State aid - emergency medical services	-	-	47,602	47,602
State aid - personal property aid	62,829	62,829	62,829	-
State aid - service to state facilities	115,206	115,206	110,544	(4,662)
State aid - police training	9,600	24,744	27,370	2,626
State aid - road allotment	1,296,570	1,296,570	1,295,975	(595)
State aid - exempt computer aid	112,095	112,095	112,095	-
State aid - connecting streets	128,781	128,781	128,781	-
State aid - recycling assistance	108,251	108,251	108,368	117
State aid - fire training	4,000	4,000	6,074	2,074
State aid - emerald ash borer grant	-	-	25,000	25,000
State aid - WEDC Grant	-	250,000	250,000	-
State aid - summer picnic program NRPA	-	2,526	2,526	-
TOTALS	\$ 3,601,720	\$ 3,894,390	\$ 3,905,454	\$ 11,064
LICENSES AND PERMITS				
Liquor and malt beverage licenses	\$ 49,455	\$ 49,455	\$ 51,771	\$ 2,316
Operators' licenses	29,925	29,925	28,462	(1,463)
Weights and measures	15,640	15,640	15,514	(126)
Cigarette licenses	3,400	3,400	3,800	400
Bicycle licenses	1,400	1,400	1,362	(38)
Dog licenses	18,550	18,550	20,080	1,530
Amusement device licenses	7,995	7,995	8,180	185
Cat licenses	3,530	3,530	3,496	(34)
Other miscellaneous licenses	11,066	11,066	10,010	(1,056)
Building permits	250,000	250,000	222,641	(27,359)
State building permits	2,080	2,080	1,000	(1,080)
Electrical permits	50,000	50,000	58,191	8,191
Plumbing permits	75,000	75,000	74,822	(178)

SUPPLEMENTARY INFORMATION

CITY OF WEST BEND

GENERAL FUND
 DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES (MAJOR FUND) (cont.)
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
LICENSES AND PERMITS (cont.)				
Erosion control	\$ 13,800	\$ 13,800	\$ 15,800	\$ 2,000
Occupancy permits	16,400	16,400	9,220	(7,180)
Heating permits	45,000	45,000	45,070	70
Sign permits	10,000	10,000	18,940	8,940
Sidewalk permits	7,000	7,000	6,090	(910)
Street opening permits applied	18,000	18,000	27,226	9,226
Zoning	11,075	11,075	16,750	5,675
Yardwaste drop permits	63,000	63,000	64,450	1,450
Storm water management permits	1,500	1,500	6,634	5,134
Plan examination fees	32,000	32,000	30,331	(1,669)
Engineering inspection fees	42,000	89,819	94,753	4,934
Plan handling fees	650	650	2,060	1,410
Other regulatory permits / fees	50	50	71	21
TOTALS	\$ 778,516	\$ 826,335	\$ 836,724	\$ 10,389

FINES, FORFEITURES AND PENALTIES

Parking violations	\$ 91,400	\$ 91,400	\$ 94,130	\$ 2,730
Municipal court fines and penalties	333,000	333,000	309,478	(23,522)
Awards and damages	7,000	(7,430)	9,207	16,637
TOTALS	\$ 431,400	\$ 416,970	\$ 412,815	\$ (4,155)

PUBLIC CHARGES FOR SERVICES

Copy revenue	\$ 480	\$ 480	\$ 440	\$ (40)
Clerk fees	180	180	2,578	2,398
Treasurer fees	14,300	14,300	12,975	(1,325)
NSF charges	2,000	2,000	1,640	(360)
License publication fees	1,660	1,660	1,865	205
Assessor fees	150	150	135	(15)
Payroll processing fees	130	130	197	67
Miscellaneous departmental revenue	5,100	7,785	6,200	(1,585)
Police department fees	167,500	167,500	162,662	(4,838)
Registration suspension fees	3,500	3,500	2,990	(510)
False alarm assessments	8,450	8,450	18,450	10,000
Fire department fees	20,000	20,000	36,008	16,008
Ambulance fees	1,349,500	1,349,500	1,307,122	(42,378)
Snow and ice control	1,000	1,000	120	(880)
Airport	51,589	51,589	52,051	462
Sale of street materials and services	7,000	15,114	28,320	13,206

CITY OF WEST BEND

GENERAL FUND
 DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES (MAJOR FUND) (cont.)
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
PUBLIC CHARGES FOR SERVICES (cont.)				
Sale of materials and services - sanitation	\$ 1,000	\$ 1,000	\$ 3,620	\$ 2,620
Outside services	75,000	75,000	49,454	(25,546)
Other recreation revenues	56,341	56,341	59,624	3,283
Weed control	1,000	1,000	3,186	2,186
Subdivision fees	3,750	3,750	6,670	2,920
Site plan revenue	11,500	11,500	18,550	7,050
Refuse and garbage collection	250	250	-	(250)
Lac Lawrann Conservancy revenues	10,826	10,826	12,280	1,434
Street tree revenue	-	7,317	7,317	-
Use value penalty	-	-	5,557	5,557
Uncollectible receivable collected	80,000	80,000	47,213	(32,787)
TOTALS	\$ 1,872,206	\$ 1,890,322	\$ 1,847,204	\$ (43,118)

INTERGOVERNMENTAL CHARGES

Local fire protection services	\$ 431,000	\$ 431,000	\$ 436,560	\$ 5,560
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SPECIAL ASSESSMENTS

Street construction	\$ 651	\$ 651	\$ 651	\$ -
Curb and gutter	118	118	118	-
Sidewalks	-	2,751	2,751	-
Storm sewer	308	308	308	-
Street lights	138	138	138	-
Vehicle maintenance recovery	-	-	1,439	1,439
Administrative fees	2,710	2,710	11,697	8,987
TOTALS	\$ 3,925	\$ 6,676	\$ 17,102	\$ 10,426

INVESTMENT INCOME

Investment income on temporary investments	\$ 130,000	\$ 130,000	\$ 360,165	\$ 230,165
Interest on special assessments	1,000	1,000	471	(529)
TOTALS	\$ 131,000	\$ 131,000	\$ 360,636	\$ 229,636

CITY OF WEST BEND

GENERAL FUND
 DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES (MAJOR FUND) (cont.)
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
MISCELLANEOUS REVENUES				
Rent of city property	\$ 30,827	\$ 30,827	\$ 31,087	\$ 270
Rent of airport property	63,731	63,731	63,731	-
Rent of mutual mall	26,448	26,448	27,421	973
Sale of materials	3,200	3,200	9,475	6,275
Insurance recoveries	29,500	55,538	31,038	(24,500)
Miscellaneous donations	-	90,127	90,327	200
Commercial card rebate	42,000	42,000	56,802	14,802
TOTALS	\$ 195,706	\$ 311,871	\$ 309,891	\$ (1,980)
OTHER FINANCING SOURCES				
Sale of property	\$ 30,000	\$ 36,264	\$ 34,670	\$ (1,594)
Capital lease issued	-	-	29,660	-
Transfers in	-	9,839	9,839	-
Transfers in - tax equivalent	668,220	668,220	658,870	(9,350)
TOTALS	\$ 698,220	\$ 714,323	\$ 733,039	\$ (10,944)
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 23,412,189	\$ 23,891,383	\$ 24,145,824	\$ 224,781

CITY OF WEST BEND

GENERAL FUND
 DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES (MAJOR FUND)
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
GENERAL GOVERNMENT				
Council	\$ 40,711	\$ 40,711	\$ 41,102	\$ (391)
Mayor	13,421	13,421	12,954	467
Administrator	127,941	77,065	87,630	(10,565)
Clerk -				
Legislative support	174,681	174,681	175,057	(376)
Elections	31,112	22,912	14,980	7,932
Personnel -				
Recruitment	140,629	140,629	140,960	(331)
Financial administration -				
Treasury	330,952	331,380	319,472	11,908
Assessment of property	304,204	305,234	299,547	5,687
Independent auditing	35,869	35,869	35,865	4
Legal counseling	94,098	94,098	96,381	(2,283)
Municipal buildings	494,053	494,053	488,073	5,980
Risk management	528,526	528,526	462,943	65,583
Health insurance	1,976,379	1,976,379	2,174,359	(197,980)
GIS	26,254	26,254	23,273	2,981
Information systems	209,240	209,240	191,513	17,727
Contribution to OPEB trust	-	-	50,046	(50,046)
Other general government	21,626	21,626	22,601	(975)
TOTALS	\$ 4,549,696	\$ 4,492,078	\$ 4,636,756	\$ (144,678)

PUBLIC SAFETY

Police -				
Patrol	\$ 6,476,375	\$ 6,542,424	\$ 6,264,833	\$ 277,591
Criminal and juvenile investigation	831,949	838,679	777,975	60,904
Crossing guards	108,121	108,121	93,489	14,632
Fire -				
Administration	730,223	747,334	713,345	33,989
Suppression	2,567,925	2,543,153	2,489,237	53,916
Prevention	175,275	179,469	170,925	8,544
Training	365,340	371,450	358,437	13,013
Rescue	735,382	776,693	771,348	7,345
Building inspection	179,196	179,196	174,363	4,833
Sealer of weights and measures	10,800	10,800	10,800	-
Hydrant rental	32,507	32,526	30,556	1,970
Communications system	40,025	40,025	34,859	5,166
TOTALS	\$ 12,255,118	\$ 12,372,070	\$ 11,890,167	\$ 481,903

CITY OF WEST BEND

GENERAL FUND
 DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES (MAJOR FUND) (cont.)
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
PUBLIC WORKS				
Garage	\$ 366,188	\$ 366,188	\$ 333,978	\$ 32,210
Public works administration	103,026	103,210	82,329	20,881
Engineering	306,228	514,485	352,953	161,532
Streets and related facilities	12,300	12,300	10,170	2,130
Street maintenance	1,031,208	1,065,905	1,073,943	(6,036)
Snow and ice control	495,748	495,748	393,829	101,919
Traffic control	51,120	71,209	89,586	(18,377)
Street lighting	805,000	805,000	774,274	30,726
Storm sewers	49,470	49,470	48,329	1,141
Storm sewers	115,093	203,273	53,303	149,970
Airport	93,781	93,781	134,546	(40,765)
Garbage and refuse collection	581,797	581,822	486,018	95,804
Recycling	570,401	570,401	866,514	(296,113)
Sanitary landfill				
TOTALS	\$ 4,581,360	\$ 4,932,792	\$ 4,699,772	\$ 233,020
LEISURE ACTIVITIES				
Recreation administration	\$ 301,071	\$ 307,140	\$ 277,685	\$ 29,455
Other summer recreation	-	39,169	9,480	29,689
Parks	691,962	694,037	645,176	48,861
Public areas	567,188	588,897	551,597	37,300
TOTALS	\$ 1,560,221	\$ 1,629,243	\$ 1,483,938	\$ 145,305
CONSERVATION AND DEVELOPMENT				
Forestry	\$ 50,028	\$ 102,839	\$ 70,519	\$ 32,320
Lac Lawrann Conservancy	39,135	39,135	33,571	5,564
Urban development	201,310	201,876	197,515	4,361
Economic development	70,378	353,132	363,087	(9,955)
TOTALS	\$ 360,849	\$ 696,982	\$ 664,692	\$ 32,290
CAPITAL OUTLAY				
Airport	\$ -	\$ 21,808	\$ 21,933	\$ (125)
Parks	-	109,017	106,348	2,669
Economic development	-	845,846	834,673	11,173
Other	-	8,200	37,860	(29,660)
TOTALS	\$ -	\$ 984,871	\$ 1,000,814	\$ (15,943)
DEBT SERVICE				
Principal payment	\$ -	\$ -	\$ 10,300	\$ (10,300)
OTHER FINANCING USES				
Transfers out	\$ 104,945	\$ 104,945	\$ 171,945	\$ (67,000)
TOTALS	\$ 104,945	\$ 104,945	\$ 171,945	\$ (67,000)
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 23,412,189	\$ 25,212,981	\$ 24,558,384	\$ 654,597

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 3,118,210	\$ 3,118,210	\$ 3,118,210	\$ -
Investment income	1,400	1,400	17,256	15,856
Total Revenues	3,119,610	3,119,610	3,135,466	15,856
EXPENDITURES				
Debt service				
Principal	2,580,000	4,290,000	4,290,000	-
Interest and fiscal charges	539,610	585,880	580,167	5,713
Total Expenditures	3,119,610	4,875,880	4,870,167	5,713
Excess (Deficiency) of Revenues Over Expenditures	-	(1,756,270)	(1,734,701)	21,569
OTHER FINANCING SOURCES (USES)				
General obligation debt issued	-	1,525,000	1,525,000	-
Premium on debt issued	-	90,642	90,642	-
Transfers in	-	127,267	127,267	-
Transfers out	-	(2,788)	(2,788)	-
Total Other Financing Sources (Uses)	-	1,740,121	1,740,121	-
Net Change in Fund Balance	-	(16,149)	5,420	21,569
FUND BALANCE - Beginning	140,866	140,866	140,866	-
FUND BALANCE - ENDING	\$ 140,866	\$ 124,717	\$ 146,286	\$ 21,569

CITY OF WEST BEND
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
 As of December 31, 2019

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	Special Revenue Funds				
	Taxi Transit System	Public Library	Room Tax	Cable TV	
ASSETS					
Cash and investments	\$ -	\$ 901,251	\$ 44,498	\$ 1,145,938	
Taxes receivable	-	716,985	-	-	
Accounts receivable	66,157	43,739	90,265	102,883	
Loans receivable	-	-	-	-	
Prepaid items	-	-	-	37,066	
Advances to other funds	-	-	-	268,333	
Restricted cash and investments	-	-	-	-	
TOTAL ASSETS	\$ 66,157	\$ 1,661,975	\$ 134,763	\$ 1,553,910	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 50,303	\$ 35,547	\$ 3,678	\$ 2,227	
Accrued liabilities	2,371	44,082	7,373	5,917	
Due to other funds	41,931	113,105	22,537	48,828	
Advances from other funds	-	-	-	-	
Total Liabilities	94,605	192,734	33,588	56,972	
Deferred Inflows of Resources					
Unearned revenue	-	716,985	-	-	
Unavailable	-	-	-	-	
Total Deferred Inflows of Resources	-	716,985	-	-	
Fund Balances (Deficit)					
Nonspendable	-	-	-	37,066	
Restricted	-	752,266	101,175	-	
Committed	-	-	-	1,459,882	
Unassigned (deficit)	(28,448)	-	-	-	
Total Fund Balances (Deficit)	(28,448)	752,266	101,175	1,496,938	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 66,157	\$ 1,661,975	\$ 134,763	\$ 1,553,910	

	Special Revenue Funds				Capital Project Funds	
	Economic Develop- ment	Park Develop- ment	Library	EMS FAPS Grant	Recreation	TIF District No. 3
\$ 679,187	\$ 22,952	\$ 77,161	\$ 52,014	\$ 286,300	\$ 289,035	\$ 12,544
-	-	-	-	-	496,941	1,133,996
761,582	-	-	-	-	-	-
-	-	-	-	-	-	-
-	355,552	-	-	-	-	-
\$ 1,440,769	\$ 378,484	\$ 77,161	\$ 52,014	\$ 286,300	\$ 785,976	\$ 1,146,540
\$ 1,412	\$ 252	\$ -	\$ -	\$ 2,496	\$ -	\$ -
-	-	-	-	4,947	-	-
1,303,333	-	-	-	6,929	-	-
-	-	-	-	-	1,773,679	-
1,304,745	252	-	-	14,372	1,773,679	-
-	3,175	-	-	-	496,941	1,133,996
-	-	-	-	-	-	-
-	3,175	-	-	-	496,941	1,133,996
-	-	-	-	-	-	-
136,024	375,057	77,161	52,014	-	-	12,544
-	-	-	-	251,928	-	-
136,024	375,057	77,161	52,014	251,928	(1,484,644)	12,544
\$ 1,440,769	\$ 378,484	\$ 77,161	\$ 52,014	\$ 286,300	\$ 785,976	\$ 1,146,540

CITY OF WEST BEND
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of December 31, 2019

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	Capital Project Funds				Total Major Funds
	TIF District No. 5	TIF District No. 6	TIF District No. 7	TIF District No. 8	
ASSETS					
Cash and investments	\$ 387,260	\$ 44,656	\$ 23,015	\$ 2,503	\$ 457,434
Taxes receivable	175,107	619,158	230,429	19,747	1,034,461
Accounts receivable	11,072	-	-	-	11,072
Loans receivable	-	-	-	-	-
Prepaid items	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-
TOTAL ASSETS	\$ 573,439	\$ 663,814	\$ 253,444	\$ 22,250	\$ 1,452,947

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Advances from other funds	-	-	-	51,208	51,208
Total Liabilities					
Deferred Inflows of Resources	175,107	619,158	230,429	19,747	1,034,461
Unearned revenue	-	-	-	-	-
Unavailable	-	-	-	-	-
Total Deferred Inflows of Resources	175,107	619,158	230,429	19,747	1,034,461

Fund Balances (Deficit)					
Nonspendable	-	-	-	-	-
Restricted	398,332	44,656	23,015	-	465,993
Committed	-	-	-	-	-
Unassigned (deficit)	(398,332)	(44,656)	(23,015)	(48,705)	(494,708)
Total Fund Balances (Deficit)					
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 573,439	\$ 663,814	\$ 253,444	\$ 22,250	\$ 1,452,947

	Capital Project Funds								Total Major Funds
	TIF District No. 9	TIF District No. 10	TIF District No. 11	TIF District No. 12	TIF District No. 13	TIF District No. 14	Permanent Fund Library		
\$ 77,317	\$ 560,455	\$ 78,272	\$ 171,352	\$ 70,688	\$ -	\$ 44,673	\$ 4,950,781	\$ 5,027,294	
23,084	651,323	498,925	355,486	105,133	-	-	332,818	761,562	
18,702	-	-	-	-	-	-	37,056	268,333	
-	-	-	-	-	-	-	288,333	358,552	
-	-	-	-	-	-	-	-	-	
\$ 119,083	\$ 1,211,778	\$ 578,197	\$ 526,838	\$ 175,831	\$ -	\$ 44,673	\$ 11,733,396	\$ 11,733,396	

\$ 500	\$ -	\$ -	\$ 14,123	\$ -	\$ -	\$ -	\$ 110,538	\$ 64,690
308,198	-	-	-	-	-	-	596,344	5,886,048
54,179	503,649	-	1,700,000	-	57,816	-	-	-
362,877	503,649	-	1,714,123	-	57,816	-	6,160,620	-
23,084	651,323	498,925	355,486	105,133	-	-	5,030,469	15,058
15,058	-	-	-	-	-	-	-	-
38,122	651,323	498,925	355,486	105,133	-	-	5,045,527	-

(281,916)	56,806	78,272	(1,542,771)	70,688	(57,816)	44,673	37,056	2,222,683
(281,916)	56,806	78,272	(1,542,771)	70,688	(57,816)	44,673	37,056	2,222,683
\$ 119,083	\$ 1,211,778	\$ 578,197	\$ 526,838	\$ 175,831	\$ -	\$ 44,673	\$ 11,733,396	\$ 11,733,396

CITY OF WEST BEND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2019**

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	Special Revenue Funds					Capital Project Funds						
	Taxi Transit System	Public Library	Room Tax	Cable TV	Revolving Loan	Economic Develop- ment	Park Develop- ment	Library	EMS FAPS Grant	Recreation	TIF District No. 3	TIF District No. 4
REVENUES												
Taxes	-	-	716,985	388,438	-	-	-	-	-	-	554,037	1,319,424
Intergovernmental	803,730	603,993	-	-	-	-	-	-	8,169	-	23,036	25,247
Licenses and permits	-	-	-	400,662	-	-	-	-	-	-	-	-
Fees, forfeitures and penalties	-	-	-	-	-	-	-	-	-	-	-	-
Public charges for services	434,557	62,187	-	-	-	-	-	-	-	275,795	-	-
Intergovernmental charges for services	-	99,567	-	-	-	-	-	-	-	-	-	-
Investment income	-	27,778	1,601	27,429	834	-	-	2,102	-	5,478	10,847	3,379
Miscellaneous	-	7,272	7,500	-	-	-	-	7,489	-	-	-	-
Total Revenues	1,238,287	1,517,802	397,539	428,091	834	36,146	143,446	9,601	8,169	281,273	588,520	1,346,050
EXPENDITURES												
Current												
General government	-	-	-	-	-	-	-	-	7,240	-	2,064	2,064
Public works	1,337,395	-	-	-	-	-	-	-	-	-	-	-
Leisure activities	-	1,453,262	402,579	302,543	-	-	-	7,863	-	235,026	-	-
Conservation and development	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	16,991	-	176,730	-	-	-	6,400	-	-	169	149
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	1,337,395	1,470,253	402,579	479,273	-	9,383	50,051	14,263	7,240	235,026	581,768	986,000
Excess (Deficiency) of Revenues Over Expenditures	(99,108)	47,549	(5,040)	(51,182)	834	15,615	93,395	(4,662)	929	46,247	6,752	357,214
OTHER FINANCING SOURCES (USES)												
Refunding bonds issued	-	-	-	-	-	-	-	-	-	-	-	-
Sale of property	6,726	-	-	-	-	-	-	-	-	-	-	-
Transfers in	161,945	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(137,703)	-	(10,189)	-	-	-	-	(313,777)
Total Other Financing Sources (Uses)	168,671	-	-	-	(137,703)	-	(10,189)	-	-	-	-	(313,777)
Net change in fund balances	69,563	47,549	(5,040)	(51,182)	(136,869)	20,531	83,206	(4,662)	929	46,247	6,752	43,437
FUND BALANCES (DEFICIT) - Beginning of Year	(98,011)	704,707	106,215	1,548,120	136,869	115,493	291,851	81,823	51,085	205,681	(1,491,396)	(30,893)
FUND BALANCES (DEFICIT) - END OF YEAR	\$(28,448)	\$752,256	\$101,175	\$1,496,938	\$-	\$136,024	\$375,057	\$77,161	\$52,014	\$251,928	\$(1,484,644)	\$12,544

	Capital Project Funds				Total Nominal Funds
	TIF District No. 5	TIF District No. 6	TIF District No. 7	TIF District No. 8	
REVENUES					
Taxes	\$ 630,280	\$ 833,150	\$ 242,771	\$ 24,599	\$ 1,560,989
Intergovernmental	2,791	9,634	11,577	138	417,612
Licenses and permits	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-
Public charges for services	-	-	-	-	-
Intergovernmental charges for services	12,874	2,521	1,685	394	865,342
Investment income	-	-	-	-	99,387
Miscellaneous	651,945	845,305	256,033	25,131	1,833,528
Total Revenues	\$ 1,049,822	\$ 1,685,005	\$ 500,416	\$ 50,253	\$ 2,245,596
EXPENDITURES					
Current					
General government	2,063	2,063	2,063	2,063	29,931
Public works	-	-	-	-	1,337,395
Leisure activities	-	-	-	-	2,451,324
Conservation and development	-	-	-	-	73,287
Capital Outlay	281	148	250	150	727,631
Debt Service	971,924	325,000	235,713	-	6,999,752
Principal retirement	75,554	2,828	16,322	910	807,398
Interest and fiscal charges	1,049,822	330,039	254,348	3,123	12,426,718
Total Expenditures	(397,877)	515,266	1,685	22,008	(2,596,122)
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,447,699	\$ 1,169,739	\$ 296,011	\$ 28,245	\$ 1,975,000
OTHER FINANCING SOURCES (USES)					
Refunding bonds issued	-	-	-	-	6,727
Sale of property	413,777	-	-	-	968,436
Transfers in	-	(492,714)	-	-	(970,442)
Transfers out	413,777	(492,714)	-	-	1,979,721
Total Other Financing Sources (Uses)	\$ 827,554	\$ (92,714)	\$ -	\$ -	\$ 616,401
Net change in fund balances	\$ 1,570,253	\$ 1,077,025	\$ 296,011	\$ 28,245	\$ 1,143,650
FUND BALANCES (DEFICIT) - Beginning of Year	\$ 382,432	\$ 22,104	\$ 21,330	\$ (70,713)	\$ 44,673
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 3,398,332	\$ 44,656	\$ 23,015	\$ (48,705)	\$ 527,249

	Capital Project Funds								Total Nominal Funds
	TIF District No. 9	TIF District No. 10	TIF District No. 11	TIF District No. 12	TIF District No. 13	TIF District No. 14	Permanent Fund Library		
	\$ 94,443	\$ 787,008	\$ 366,311	\$ 447,585	\$ 105,572	\$ -	\$ -	\$ -	\$ 6,517,203
	576	3,078	12,658	75,817	145	-	-	-	1,560,989
	-	-	-	-	-	-	-	-	417,612
	-	-	-	-	-	-	-	-	-
	1,970	19,620	3,885	12,765	2,120	-	3,247	-	865,342
	4,500	94,739	-	17,985	-	-	-	-	99,387
	101,889	904,445	382,854	536,167	125,822	-	3,247	-	1,833,528
									146,235
									9,830,596
	2,059	2,063	2,063	2,063	2,063	-	-	-	29,931
	-	-	-	-	-	-	-	-	1,337,395
	-	-	-	-	-	-	-	-	2,451,324
	-	-	-	-	67,055	-	-	-	73,287
	2,382	562	243	465,380	-	57,816	-	-	727,631
	453,290	3,080,973	270,000	153,351	29,181	-	-	-	6,999,752
	143,024	261,494	101,337	105,403	3,305	-	-	-	807,398
	600,735	3,346,092	373,643	726,197	101,604	57,816	-	-	12,426,718
	(488,846)	(2,440,647)	9,211	(190,030)	24,218	(57,816)	3,247	-	(2,596,122)
	-	1,975,000	-	-	-	-	-	-	1,975,000
	392,714	-	(16,059)	1	-	-	-	-	6,727
	392,714	1,975,000	(16,059)	1	-	-	-	-	968,436
	(106,132)	(465,647)	(6,848)	(190,029)	24,218	(57,816)	3,247	-	(970,442)
	(175,784)	522,453	85,120	(1,352,742)	46,480	-	41,426	-	1,143,650
	\$ (281,916)	\$ 56,806	\$ 78,272	\$ (1,542,771)	\$ 70,698	\$ (57,816)	\$ 44,673	\$ -	\$ 527,249

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 633,200	\$ 822,801	\$ 803,730	\$ (19,071)
Public charges for services	445,000	445,000	434,557	(10,443)
Total Revenues	1,078,200	1,267,801	1,238,287	(29,514)
EXPENDITURES				
Current				
Public works	1,173,145	1,439,038	1,337,395	101,643
Excess (Deficiency) of Revenues Over Expenditures	(94,945)	(171,237)	(99,108)	72,129
OTHER FINANCING SOURCES				
Sale of property	-	6,726	6,726	-
Transfers in	94,945	161,945	161,945	-
Total Other Financing Sources (Uses)	94,945	168,671	168,671	-
Net Change in Fund Balance	-	(2,566)	69,563	72,129
FUND BALANCE (DEFICIT) - Beginning	(98,011)	(98,011)	(98,011)	-
FUND BALANCE (DEFICIT) - ENDING	(98,011)	(100,577)	(28,448)	72,129

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 716,985	\$ 716,985	\$ 716,985	\$ -
Intergovernmental	607,959	607,959	603,993	(3,966)
Public charges for services	64,515	64,515	62,187	(2,328)
Intergovernmental charges for service	44,092	97,779	99,587	1,808
Investment income	15,000	15,000	27,778	12,778
Miscellaneous	1,750	6,635	7,272	637
Total Revenues	1,450,301	1,508,873	1,517,802	8,929
EXPENDITURES				
Current				
Leisure activities	1,425,601	1,489,147	1,453,262	(35,885)
Capital Outlay	24,700	98,387	16,991	(81,396)
Total Expenditures	1,450,301	1,587,534	1,470,253	117,281
Net Change in Fund Balance	-	(78,661)	47,549	126,210
FUND BALANCE - Beginning	704,707	704,707	704,707	-
FUND BALANCE - ENDING	704,707	626,046	752,256	126,210

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 375,000	\$ 375,000	\$ 388,438	\$ 13,438
Investment income	600	600	1,601	1,001
Miscellaneous	7,500	7,500	7,500	-
Total Revenues	383,100	383,100	397,539	14,439
EXPENDITURES				
Current				
Leisure activities	383,100	417,100	402,579	14,521
Net Change in Fund Balance	-	(34,000)	(5,040)	28,960
FUND BALANCE - Beginning	106,215	106,215	106,215	-
FUND BALANCE - ENDING	\$ 106,215	\$ 72,215	\$ 101,175	\$ 28,960

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses and permits	\$ 428,000	\$ 428,000	\$ 400,662	\$ (27,338)
Investment income	14,000	14,000	27,429	13,429
Total Revenues	442,000	442,000	428,091	(13,909)
EXPENDITURES				
Current				
Leisure activities	395,596	395,596	302,543	93,053
Capital outlay	162,800	190,105	176,730	13,375
Total Expenditures	558,396	585,701	479,273	106,428
Net Change in Fund Balance	(116,396)	(143,701)	(51,182)	92,519
FUND BALANCE - Beginning	1,471,032	1,471,032	1,548,120	77,088
FUND BALANCE - ENDING	\$ 1,354,636	\$ 1,327,331	\$ 1,496,938	\$ 169,607

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ 28,254	\$ 28,254	\$ 36,146	\$ 7,892
EXPENDITURES				
Current				
Conservation and development	8,400	8,400	6,232	2,168
Debt service				
Interest and fiscal charges	9,384	9,384	9,383	1
Total Expenditures	17,784	17,784	15,615	2,169
Net Change in Fund Balance	10,470	10,470	20,531	10,061
FUND BALANCE - Beginning	115,493	115,493	115,493	-
FUND BALANCE - ENDING	\$ 125,963	\$ 125,963	\$ 136,024	\$ 10,061

CITY OF WEST BEND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - RECREATION FUND
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Public charges for services	\$ 240,000	\$ 240,000	\$ 275,795	\$ 35,795
Investment income	1,500	1,500	5,478	3,978
Total Revenues	241,500	241,500	281,273	39,773
EXPENDITURES				
Current				
Leisure activities	241,500	241,500	235,026	6,474
Net Change in Fund Balance	-	-	46,247	46,247
FUND BALANCE - Beginning	205,681	205,681	205,681	-
FUND BALANCE - ENDING	\$ 205,681	\$ 205,681	\$ 251,928	\$ 46,247

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, 2019

	Budgeted Amounts		Actual	Variance with	
	Original	Final		Final Budget	Final Budget
REVENUES					
Taxes	\$ 554,637	\$ 554,637	\$ 554,637	\$ -	-
Intergovernmental	23,036	23,036	23,036	-	-
Investment income	-	-	10,847	10,847	10,847
Miscellaneous	56,665	56,665	-	(56,665)	(56,665)
Total Revenues	634,338	634,338	588,520	(45,818)	(45,818)
EXPENDITURES					
Current					
General government	2,063	2,063	2,064	2,064	(1)
Capital Outlay	270	270	169	169	101
Debt Service					
Principal retirement	515,320	515,320	515,320	515,320	-
Interest and fiscal charges	32,680	32,680	64,215	64,215	(31,535)
Total Expenditures	550,333	550,333	581,768	581,768	(31,435)
Net Change in Fund Balance	84,005	84,005	6,752	6,752	(77,253)
FUND BALANCE (DEFICIT) - Beginning	(1,491,396)	(1,491,396)	(1,491,396)	(1,491,396)	-
FUND BALANCE (DEFICIT) - ENDING	(1,407,391)	(1,407,391)	(1,484,644)	(1,484,644)	(77,253)

CITY OF WEST BEND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - TIF DISTRICT NO. 4 FUND
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with	
	Original	Final		Final Budget	Final Budget
REVENUES					
Taxes	\$ 1,319,424	\$ 1,319,424	\$ 1,319,424	\$ -	-
Intergovernmental	25,247	25,247	25,247	-	-
Investment income	-	-	3,379	3,379	3,379
Total Revenues	1,344,671	1,344,671	1,348,050	3,379	3,379
EXPENDITURES					
Current					
General government	2,063	2,063	2,064	2,064	(1)
Capital Outlay	208	208	149	149	59
Debt Service					
Principal retirement	965,000	965,000	965,000	965,000	-
Interest and fiscal charges	23,623	23,623	23,623	23,623	-
Total Expenditures	990,894	990,894	990,836	990,836	58
Excess of Revenues Over Expenditures	353,777	353,777	357,214	357,214	3,437
OTHER FINANCING USES					
Transfers out	(313,777)	(313,777)	(313,777)	(313,777)	-
Net Change in Fund Balance	40,000	40,000	43,437	43,437	3,437
FUND BALANCE (DEFICIT) - Beginning	(30,893)	(30,893)	(30,893)	(30,893)	-
FUND BALANCE - ENDING	9,107	9,107	12,544	12,544	3,437

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 633,062	\$ 633,062	\$ 636,280	\$ 3,218
Intergovernmental	2,791	2,791	2,791	-
Investment income	-	-	12,874	12,874
Total Revenues	<u>635,853</u>	<u>635,853</u>	<u>651,945</u>	<u>16,092</u>
EXPENDITURES				
Current				
General government	2,063	2,063	2,063	-
Capital Outlay	284	284	281	3
Debt Service				
Principal retirement	971,924	971,924	971,924	-
Interest and fiscal charges	75,552	75,552	75,554	(2)
Total Expenditures	<u>1,049,823</u>	<u>1,049,823</u>	<u>1,049,822</u>	<u>1</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(413,970)</u>	<u>(413,970)</u>	<u>(397,877)</u>	<u>16,093</u>
OTHER FINANCING SOURCES				
Transfers in	413,777	413,777	413,777	-
Net Change in Fund Balance	(193)	(193)	15,900	16,093
FUND BALANCE - Beginning	382,432	382,432	382,432	-
FUND BALANCE - ENDING	<u>\$ 382,239</u>	<u>\$ 382,239</u>	<u>\$ 398,332</u>	<u>\$ 16,093</u>

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 833,150	\$ 833,150	\$ 833,150	\$ -
Intergovernmental	9,634	9,634	9,634	-
Investment income	-	-	2,521	2,521
Total Revenues	<u>842,784</u>	<u>842,784</u>	<u>845,305</u>	<u>2,521</u>
EXPENDITURES				
Current				
General government	2,063	2,063	2,063	-
Capital Outlay	180	180	148	32
Debt Service				
Principal retirement	325,000	325,000	325,000	-
Interest and fiscal charges	2,827	2,827	2,828	(1)
Total Expenditures	<u>330,070</u>	<u>330,070</u>	<u>330,039</u>	<u>31</u>
Excess of Revenues Over Expenditures	<u>512,714</u>	<u>512,714</u>	<u>515,266</u>	<u>2,552</u>
OTHER FINANCING USES				
Transfers out	(492,714)	(492,714)	(492,714)	-
Net Change in Fund Balance	20,000	20,000	22,552	2,552
FUND BALANCE - Beginning	22,104	22,104	22,104	-
FUND BALANCE - ENDING	<u>\$ 42,104</u>	<u>\$ 42,104</u>	<u>\$ 44,656</u>	<u>\$ 2,552</u>

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 242,771	\$ 242,771	\$ 242,771	\$ -
Intergovernmental	11,577	11,577	11,577	-
Investment income	-	-	1,685	1,685
Total Revenues	<u>254,348</u>	<u>254,348</u>	<u>256,033</u>	<u>1,685</u>
EXPENDITURES				
Current				
General government	2,063	2,063	2,063	-
Capital Outlay	250	250	250	-
Debt Service	-	-	-	-
Principal retirement	235,713	235,713	235,713	-
Interest and fiscal charges	16,322	16,322	16,322	-
Total Expenditures	<u>254,348</u>	<u>254,348</u>	<u>254,348</u>	<u>-</u>
Net Change in Fund Balance	-	-	1,685	1,685
FUND BALANCE - Beginning	21,330	21,330	21,330	-
FUND BALANCE - ENDING	\$ 21,330	\$ 21,330	\$ 23,015	\$ 1,685

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 24,599	\$ 24,599	\$ 24,599	\$ -
Intergovernmental	-	-	138	138
Investment income	-	-	394	394
Total Revenues	<u>24,599</u>	<u>24,599</u>	<u>25,131</u>	<u>532</u>
EXPENDITURES				
Current				
General government	2,063	2,063	2,063	-
Capital Outlay	150	150	150	-
Debt Service	-	-	-	-
Interest and fiscal charges	-	-	910	(910)
Total Expenditures	<u>2,213</u>	<u>2,213</u>	<u>3,123</u>	<u>(910)</u>
Net Change in Fund Balance	22,386	22,386	22,008	(378)
FUND BALANCE (DEFICIT) - Beginning	(70,713)	(70,713)	(70,713)	-
FUND BALANCE (DEFICIT) - ENDING	\$ (48,327)	\$ (48,327)	\$ (48,705)	\$ (378)

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 245,497	\$ 245,497	\$ 94,443	\$ (151,054)
Intergovernmental	576	576	576	-
Investment income	-	-	1,970	1,970
Miscellaneous	-	4,900	4,900	-
Total Revenues	246,073	250,973	101,889	(149,084)
EXPENDITURES				
Current				
General government	2,063	2,063	2,059	4
Capital Outlay	40,412	45,312	2,362	42,950
Debt Service				
Principal retirement	453,290	453,290	453,290	-
Interest and fiscal charges	143,022	143,022	143,024	(2)
Total Expenditures	638,787	643,687	600,735	42,952
Excess (Deficiency) of Revenues Over Expenditures	(392,714)	(392,714)	(498,846)	(106,132)
OTHER FINANCING SOURCES				
Transfers in	392,714	392,714	392,714	-
Net Change in Fund Balance	-	-	(106,132)	(106,132)
FUND BALANCE (DEFICIT) - Beginning	(175,784)	(175,784)	(175,784)	-
FUND BALANCE (DEFICIT) - ENDING	\$ (175,784)	\$ (175,784)	\$ (281,916)	\$ (106,132)

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 787,008	\$ 787,008	\$ 787,008	\$ -
Intergovernmental	3,078	3,078	3,078	-
Investment income	-	-	19,620	19,620
Miscellaneous	94,739	94,739	94,739	-
Total Revenues	884,825	884,825	904,445	19,620
EXPENDITURES				
Current				
General government	2,063	2,063	2,063	-
Capital Outlay	166	166	562	(396)
Debt Service				
Principal retirement	655,973	3,080,973	3,080,973	-
Interest and fiscal charges	226,623	276,710	281,494	15,216
Total Expenditures	884,825	3,359,912	3,345,092	14,820
Excess (Deficiency) of Revenues Over Expenditures	-	(2,475,087)	(2,440,647)	34,440
OTHER FINANCING SOURCES				
Refunding bonds issued	-	1,975,000	1,975,000	-
Net Change in Fund Balance	-	(500,087)	(465,647)	34,440
FUND BALANCE - Beginning	522,453	522,453	522,453	-
FUND BALANCE - ENDING	\$ 522,453	\$ 22,366	\$ 56,806	\$ 34,440

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 366,311	\$ 366,311	\$ 366,311	\$ -
Intergovernmental	12,658	12,658	12,658	-
Investment income	-	-	3,885	3,885
Total Revenues	<u>378,969</u>	<u>378,969</u>	<u>382,854</u>	<u>3,885</u>
EXPENDITURES				
Current				
General government	2,063	2,063	2,063	-
Capital Outlay	245	245	243	2
Debt Service				
Principal retirement	270,000	270,000	270,000	-
Interest and fiscal charges	101,337	101,337	101,337	-
Total Expenditures	<u>373,645</u>	<u>373,645</u>	<u>373,643</u>	<u>2</u>
Excess of Revenues Over Expenditures	<u>5,324</u>	<u>5,324</u>	<u>9,211</u>	<u>3,887</u>
OTHER FINANCING USES				
Transfers out	-	-	(16,059)	(16,059)
Net Change in Fund Balance	5,324	5,324	(6,848)	(12,172)
FUND BALANCE - Beginning	85,120	85,120	85,120	-
FUND BALANCE - ENDING	<u>\$ 90,444</u>	<u>\$ 90,444</u>	<u>\$ 78,272</u>	<u>\$ (12,172)</u>

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 400,152	\$ 447,585	\$ 447,585	\$ -
Intergovernmental	75,817	75,817	75,817	-
Investment income	-	-	12,765	12,765
Total Revenues	<u>475,969</u>	<u>523,402</u>	<u>536,167</u>	<u>12,765</u>
EXPENDITURES				
Current				
General government	2,063	2,063	2,063	-
Capital Outlay	165,153	212,586	465,380	(252,794)
Debt Service				
Principal retirement	153,351	153,351	153,351	-
Interest and fiscal charges	105,402	105,402	105,403	(1)
Total Expenditures	<u>425,969</u>	<u>473,402</u>	<u>726,197</u>	<u>(252,795)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>50,000</u>	<u>50,000</u>	<u>(190,030)</u>	<u>(240,030)</u>
OTHER FINANCING SOURCES				
Sale of city property	-	-	1	1
Net Change in Fund Balance	50,000	50,000	(190,029)	(240,029)
FUND BALANCE (DEFICIT) - Beginning	(1,352,742)	(1,352,742)	(1,352,742)	-
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (1,302,742)</u>	<u>\$ (1,302,742)</u>	<u>\$ (1,542,771)</u>	<u>\$ (240,029)</u>

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, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 105,572	\$ 105,572	\$ 105,572	\$ -
Intergovernmental	145	145	145	-
Investment income	-	-	2,120	2,120
Miscellaneous	-	-	17,985	17,985
Total Revenues	<u>105,717</u>	<u>105,717</u>	<u>125,822</u>	<u>20,105</u>
EXPENDITURES				
Current				
General government	2,063	2,063	2,063	-
Conservation and development	71,168	71,168	67,055	4,113
Debt Service				
Principal retirement	29,181	29,181	29,181	-
Interest and fiscal charges	3,305	3,305	3,305	-
Total Expenditures	<u>105,717</u>	<u>105,717</u>	<u>101,604</u>	<u>4,113</u>
Net Change in Fund Balance	-	-	24,218	24,218
FUND BALANCE - Beginning	<u>3,386</u>	<u>3,386</u>	<u>46,480</u>	<u>43,094</u>
FUND BALANCE - ENDING	<u>\$ 3,386</u>	<u>\$ 3,386</u>	<u>\$ 70,698</u>	<u>\$ 67,312</u>

**CITY OF WEST BEND
INTRODUCTION TO THE STATISTICAL SECTION
December 31, 2019**

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.

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<u>Financial Trends</u> – Schedules 1 – 4 These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	107 – 111
<u>Revenue Capacity</u> – Schedules 5 - 8 These schedules contain information to help the reader assess the factors affecting the City's most significant revenue source, property taxes.	112 – 115
<u>Debt Capacity</u> – Schedules 9 - 13 These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	116 – 120
<u>Demographic and Economic Information</u> – Schedules 14 - 15 These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	121 – 122
<u>Operating Information</u> – Schedules 16 - 17 These schedules contain information about the City's operations and infrastructure data to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	123 – 124

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)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental Activities										
Net investment in capital assets	\$ 109,112,415	\$ 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
Restricted	2,385,896	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
Unrestricted (deficit)	(10,735,866)	(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)
Total governmental activities net position	\$ 100,762,445	\$ 98,539,411	\$ 99,657,411	\$ 99,206,771	\$ 96,327,301	\$ 84,131,166	\$ 82,542,142	\$ 79,409,633	\$ 75,050,233	\$ 76,206,507
Business-Type Activities										
Net investment in capital assets	\$ 46,689,492	\$ 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
Restricted	718,575	1,474,296	1,217,465	919,046	997,956	744,835	991,906	620,012	1,845,722	3,342,747
Unrestricted (deficit)	22,619,691	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
Total business-type activities net position	\$ 70,027,758	\$ 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
Primary Government										
Net investment in capital assets	\$ 154,852,838	\$ 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
Restricted	3,104,471	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
Unrestricted (deficit)	12,832,894	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
Total primary government activities net position	\$ 170,790,203	\$ 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

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)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
PRIMARY GOVERNMENT										
EXPENSES										
<u>Governmental activities</u>										
General government	\$ 4,839,019	\$ 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
Public safety	13,474,781	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
Public works	9,205,845	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
Leisure activities	4,899,901	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
Conservation and development	2,893,590	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
Interest and fiscal charges	1,222,489	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
Total governmental activities expenses	36,535,625	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
<u>Business-type activities</u>										
Water	3,836,001	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
Sewer	4,088,532	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
Parking Authority	-	-	-	-	-	-	54,981	80,055	91,636	68,288
Total business-type activities expenses	7,924,533	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
Total primary government expenses	\$ 44,460,158	\$ 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
PROGRAM REVENUES										
<u>Governmental activities</u>										
Charges for services	\$ 517,078	\$ 468,522	\$ 573,225	\$ 476,081	\$ 463,076	\$ 355,085	\$ 252,047	\$ 245,762	\$ 229,460	\$ 227,136
General government	2,477,944	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
Public safety	894,637	858,391	906,232	866,148	853,318	795,550	1,038,934	969,868	978,141	1,245,935
Public works	510,659	490,664	428,970	440,452	362,331	331,124	357,607	440,326	528,646	513,088
Leisure activities	554,378	613,405	624,608	607,622	560,848	527,361	580,506	585,915	622,415	544,469
Conservation and development	3,036,879	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
Operating grants and contributions	2,246,455	2,062,708	1,289,042	1,911,908	6,544,988	394,099	944,450	1,821,542	284,121	-
Capital grants and contributions	10,238,030	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
Total governmental activities program revenues	4,823,275	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
<u>Business-type activities</u>										
Charges for services	3,584,845	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
Water	-	-	-	-	-	-	20,865	11,633	17,240	18,572
Sewer	-	-	-	-	-	-	-	-	-	-
Parking Authority	-	-	-	3,807	13,544	13,849	14,510	15,658	17,288	-
Operating grants and contributions	-	-	-	-	9,075	13,598	86,299	63,207	306,266	184,125
Capital grants and contributions	8,408,120	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
Total business-type activities program revenues	\$ 18,646,150	\$ 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

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

PRIMARY GOVERNMENT

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<u>NET (EXPENSE)/REVENUE</u>										
Governmental activities	\$ (26,297,595)	\$ (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)
Business-type activities	483,587	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
Total primary government net (expense)/revenue	<u>\$ (25,814,008)</u>	<u>\$ (23,929,207)</u>	<u>\$ (24,325,083)</u>	<u>\$ (21,424,069)</u>	<u>\$ (18,732,779)</u>	<u>\$ (25,024,646)</u>	<u>\$ (24,995,224)</u>	<u>\$ (23,743,428)</u>	<u>\$ (27,806,195)</u>	<u>\$ (30,185,716)</u>

GENERAL REVENUES

Governmental activities

Taxes

Property taxes, levied for general purposes	\$ 15,221,296	\$ 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
Property taxes, levied for special revenue funds	1,105,423	1,102,497	1,095,588	985,546	624,454	620,899	617,055	625,542	755,810	695,066
Property taxes, levied for debt service	3,118,210	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
Property taxes, levied for TIF districts	5,300,471	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
Other taxes	176,412	137,761	125,835	594,792	479,704	434,985	493,834	473,612	379,765	353,189
Intergovernmental revenues not restricted	2,066,911	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
Investment income	619,721	475,894	282,130	183,854	85,605	58,722	39,183	80,526	116,651	150,500
Gain on disposal of assets	-	-	-	-	-	66,958	40,638	35,122	35,870	344,929
Miscellaneous	272,904	1,074,815	450,192	283,330	177,560	149,284	152,061	175,444	473,448	628,327
Transfers, internal	639,281	554,304	724,803	680,921	843,140	1,526,679	3,748,960	4,892,903	651,309	1,415,102
Total governmental activities general revenues	<u>28,520,629</u>	<u>28,179,972</u>	<u>26,587,403</u>	<u>26,155,417</u>	<u>25,903,537</u>	<u>27,762,663</u>	<u>29,910,046</u>	<u>30,135,791</u>	<u>27,718,810</u>	<u>28,886,370</u>

Business-type activities

Property taxes, levied for general purposes	-	-	-	-	-	-	69,171	69,589	78,067	30,447
Investment income	464,201	334,993	150,159	108,789	89,995	127,012	18,204	213,066	174,438	332,078
Gain on disposal of assets	-	-	-	-	-	-	14,152	-	-	-
Gain on asset impairment	-	-	-	-	-	246,231	421,734	478,064	866,781	-
Miscellaneous	12,701	9,362	3,227	16,555	-	21,181	1,293	2,700	4,179	28,130
Transfers, internal	(639,281)	(554,304)	(724,803)	(680,921)	(843,140)	(1,526,679)	(3,748,960)	(4,892,903)	(651,309)	(1,415,102)
Total business-type activities general revenues	<u>(162,379)</u>	<u>(209,949)</u>	<u>(571,417)</u>	<u>(555,577)</u>	<u>(753,145)</u>	<u>(1,132,255)</u>	<u>(3,224,406)</u>	<u>(4,129,484)</u>	<u>472,156</u>	<u>(1,024,447)</u>
Total primary government general revenue	<u>\$ 28,358,250</u>	<u>\$ 27,970,023</u>	<u>\$ 26,015,986</u>	<u>\$ 25,599,840</u>	<u>\$ 25,150,392</u>	<u>\$ 26,630,408</u>	<u>\$ 26,685,640</u>	<u>\$ 26,006,307</u>	<u>\$ 28,190,966</u>	<u>\$ 27,861,923</u>

CHANGE IN NET POSITION

Governmental activities	\$ 2,223,034	\$ 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)
Business-type activities	321,208	734,950	1,240,261	1,296,301	396,512	16,738	(1,442,093)	(2,096,521)	1,541,045	(283,194)
Total primary government change in net position	<u>\$ 2,544,242</u>	<u>\$ 4,040,816</u>	<u>\$ 1,690,903</u>	<u>\$ 4,175,771</u>	<u>\$ 6,417,613</u>	<u>\$ 1,605,762</u>	<u>\$ 1,690,416</u>	<u>\$ 2,262,879</u>	<u>\$ 384,771</u>	<u>\$ (2,323,793)</u>

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<u>General Fund</u>										
Nonspendable	\$ 1,177,107	\$ 1,243,055	\$ 1,468,705	\$ 1,428,893	\$ 1,619,263	\$ 1,693,884	\$ 751,405	\$ 969,408	\$ 956,318	\$ -
Restricted	335,115	295,964	255,244	288,529	221,023	246,992	33,225	32,775	32,490	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	349,953	590,212	765,307	482,927	602,573	309,307	1,160,398	172,519	568,780	-
Unassigned	6,518,409	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
Unreserved	-	-	-	-	-	-	-	-	-	4,336,733
Total general fund	8,380,584	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
<u>All Other Governmental Funds</u>										
Nonspendable	37,056	-	-	-	-	-	-	-	-	-
Restricted	3,615,308	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	1,711,810	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	1,229,059	478,762	1,016,017	802,107	607,959	1,603,740	1,370,289	4,929,622	2,734,374	-
Unassigned (deficit)	(3,444,300)	(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
Unreserved	-	-	-	-	-	-	-	-	-	5,058,672
Total all other governmental funds	\$ 3,148,933	\$ 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

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, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues										
Taxes	\$ 24,921,812	\$ 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
Intergovernmental	6,484,146	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
Licenses and permits	1,254,336	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
Fines, forfeitures, and penalties	412,815	437,060	412,772	458,038	469,913	494,588	398,497	419,075	456,985	503,148
Public charges for services	2,732,546	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
Intergovernmental charges for services	536,147	577,611	578,438	578,249	577,809	587,959	576,215	599,373	604,563	617,164
Special assessments	17,102	36,711	39,695	17,525	113,061	53,693	58,892	194,444	90,718	351,144
Investment income	619,721	475,894	282,134	183,852	85,608	58,719	36,700	78,446	113,613	148,220
Miscellaneous	1,099,356	1,789,072	1,176,176	1,037,445	1,297,074	825,724	957,384	1,830,935	811,469	1,494,189
Total Revenues	38,077,981	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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenditures										
Current										
General government	4,666,687	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
Public works	11,890,167	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
Public safety	6,037,167	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
Leisure activities	3,935,262	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
Conservation and development	737,979	419,612	418,303	510,429	449,052	320,426	150,242	426,067	270,724	289,897
Capital outlay	4,140,679	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
Debt service										
Principal retirement	11,300,052	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
Interest and fiscal charges	1,418,909	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
Debt issuance costs						223,025	700,430	251,294	80,496	303,927
Total expenditures	44,126,902	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

Excess (deficiency) of revenues over expenditures	(6,048,921)	(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)
Other Financing Sources										
General obligation debt issued	3,540,000	2,030,000	1,530,000	1,515,000	-	4,285,000	6,095,000	3,387,400	4,613,700	4,624,005
Refunding bonds issued	1,975,000	-	-	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	226,121	59,676	48,941	113,661	220,302	530,489	184,338	11,093	-	24,267
Capital lease issued	29,660	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	(1,186,394)	-	-	(5,514,509)	(8,217,388)	-	(6,716,113)
Sale of property	41,397	29,275	23,355	56,829	35,984	63,146	23,701	11,160	18,604	32,293
Transfers in	1,912,465	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
Transfers out	(1,273,184)	(1,190,910)	(811,179)	(501,111)	(529,855)	(763,335)	(482,841)	(231,222)	(2,205,530)	(337,884)
Total other financing sources (uses)	6,451,459	2,673,255	2,327,099	4,815,944	4,815,944	15,751,931	14,219,700	11,805,168	7,123,613	14,792,333

Net change in fund balances	\$ 402,538	\$ 218,888	\$ (637,592)	\$ (412,119)	\$ (4,055,226)	\$ 4,984,537	\$ 155,820	\$ (1,035,013)	\$ (8,283,320)	\$ 9,744,510
Ratio of total debt service expenditures to total noncapital expenditures	31.12%	24.60%	23.35%	32.99%	36.40%	37.36%	32.73%	35.42%	41.48%	27.94%

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								
2019	2020	\$ 1,857,702,600	\$ 825,103,700	\$ 71,228,400	\$ 82,900	\$ 278,200	\$ 90,200	\$ 300,200	\$ 43,801,850	\$ 2,798,588,050	\$ 2,956,923,800	\$ 7.8504	94.65%			
2018	2019	1,842,407,200	808,885,300	72,966,900	89,400	152,600	90,200	300,200	46,223,050	2,771,114,850	2,766,661,500	7.7943	100.16%			
2017	2018	1,621,930,300	720,336,900	65,605,400	83,400	152,600	90,200	300,200	56,041,300	2,464,540,300	2,680,139,500	8.5100	91.96%			
2016	2017	1,611,711,420	690,631,300	63,484,000	91,900	123,600	90,200	300,200	55,049,700	2,421,482,320	2,485,727,800	8.5083	97.42%			
2015	2016	1,606,305,800	687,420,300	63,865,800	91,900	123,600	90,200	300,200	53,140,250	2,411,338,050	2,418,080,000	8.5146	99.72%			
2014	2015	1,602,950,200	676,616,800	65,504,600	89,400	123,600	90,200	300,200	57,133,300	2,402,808,300	2,388,773,200	8.5121	100.59%			
2013	2014	1,600,997,600	678,101,600	63,494,600	91,900	123,800	90,200	300,200	62,023,150	2,405,223,050	2,378,068,900	8.5143	101.14%			
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%			

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

Levy Year	Budget Year	City Direct Rates					Overlapping Rates					Net Tax Rate
		General Fund	Debt Service Fund	Non-Major Fund	TID Apportionment	Total Direct	West Bend School District	Washington County	Moraine Park Technical College	State of Wisconsin (1)	School Credit	
2019	2020	\$ 5.6443	\$ 1.3899	\$ 0.2562	\$ 0.5600	\$ 7.8504	\$ 8.4246	\$ 2.4228	\$ 0.6518	\$ -	\$ (1.3649)	\$ 17.9847
2018	2019	5.4860	1.3508	0.2587	0.6987	7.7943	7.9585	2.3892	0.6347	-	(1.3860)	17.3906
2017	2018	5.8777	1.6619	0.2895	0.6810	8.5100	8.8643	2.7080	0.7061	-	(1.5577)	19.2308
2016	2017	5.9222	1.7211	0.2932	0.5719	8.5083	8.8802	2.6460	0.6732	0.1742	(1.4659)	19.4161
2015	2016	5.6273	1.9433	0.4087	0.5353	8.5146	8.7881	2.6092	0.6737	0.1702	(1.4831)	19.2726
2014	2015	5.6927	2.0299	0.2599	0.5296	8.5121	8.5631	2.6762	0.6707	0.1687	(1.3211)	19.2698
2013	2014	5.5563	2.1890	0.2582	0.5109	8.5143	9.0638	2.8309	1.5513	0.1678	(1.3093)	20.8188
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

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
2019 and Nine Years Ago

Taxpayer	2019				2010			
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Percentage of Total City Taxable Assessed Value	
West Bend Mutual Insurance	\$ 67,691,850	1	2.42%	\$ 68,169,800	1	2.73%		
River Shores-Cast Iron Condo	30,660,200	2	1.10%					
Meijer Stores	21,383,400	3	0.76%					
Froedtert Health, Inc.	19,043,800	4	0.68%	13,977,200	3	0.56%		
Manitou Equipment (GEHL Co.)	18,075,300	5	0.65%	21,469,700	2	0.86%		
Ireit West Bend Main (Pick N Save-S)	17,178,200	6	0.61%					
Paradise Pavillion (Kohl's & Hobby Lobby)	15,035,200	7	0.54%	12,411,600	6	0.50%		
Delta Ventures, LLC	13,646,950	8	0.49%					
Welltower (Lighthouse)	13,460,300	9	0.48%					
Realty Income Properties (Wal-Mart Stores)	12,585,800	10	0.45%	13,955,950	4	0.56%		
Boston Store/Pier 1				12,531,300	5	0.50%		
Menard, Inc.				10,534,200	7	0.42%		
WB Acquisition, LLC				8,101,800	8	0.32%		
Aurora Medical Group				7,949,400	9	0.32%		
WB Comm Warehouse				7,720,500	10	0.31%		
Total	\$ 228,761,000		8.18%	\$ 176,821,450		7.08%		

Source: City of West Bend Assessor's Office

Note: Assessed values include real and personal property.

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

Levy Year	Budget Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections of the Levy in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2019	2020	\$ 54,643,919	\$ 28,446,851	52.06%	\$ -	\$ 28,446,851	52.06%
2018	2019	52,563,416	24,079,306	45.81%	15,975,391	40,054,697	76.20%
2017	2018	51,827,357	26,359,548	50.86%	13,488,001	39,847,549	76.89%
2016	2017	51,046,940	25,483,797	49.92%	13,532,507	39,016,304	76.43%
2015	2016	50,504,267	24,101,878	47.72%	14,052,797	38,154,675	75.55%
2014	2015	50,049,421	24,868,426	49.69%	20,093,111	44,961,537	89.83%
2013	2014	53,879,167	24,856,013	46.13%	23,724,396	48,580,409	90.17%
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%

Source: City Finance Department records and Tax Settlements

Note: The City of West Bend used a new tax software for the 2015 levy year, which implemented a two installment plan for tax collection. For levy years 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

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds/Notes	Other Notes and Loans	Capital Leases	General Obligation Bonds/Notes	City of West Bend Water Revenue Bonds	General Obligation Bonds/Notes	City of West Bend Water Revenue Bonds	Total Primary Government			
2019	\$ 42,970,315	\$ -	\$ 19,360	\$ 4,032,140	\$ -	\$ -	\$ -	\$ 47,021,815	2.33%	\$ 1,464	
2018	48,745,067	-	-	3,332,140	1,095,000	-	-	53,172,207	2.85%	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	

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

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

Fiscal Year	General		Restricted Debt		Net		Equalized Valuation	Percent of Net Debt to Equalization	Estimated Population	Debt Per Capita
	Outstanding Debt		Service	Obligation Debt	General					
2019	\$ 47,002,455	\$	146,286	\$ 46,856,169	\$	2,956,923,800	1.58%	32,122	\$ 1,463	
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	

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

Schedule 11
City of West Bend
Computation of Direct and Overlapping Debt
December 31, 2019

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	\$ 42,970,315	100%	\$ 42,970,315
Overlapping Debt			
Washington County	14,145,000	17.12%	2,422,323
West Bend School District	33,546,000	50.04%	16,785,134
Moraine Park Technical College	<u>28,370,000</u>	9.54%	<u>2,707,215</u>
Total Overlapping Debt	<u>76,061,000</u>		<u>21,914,672</u>
Total Direct and Overlapping Debt	<u>\$ 119,031,315</u>		<u>\$ 64,884,987</u>

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

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Equalized Value (1)	\$ 2,956,923,800	\$ 2,766,661,500	\$ 2,680,139,500	\$ 2,485,727,800	\$ 2,418,080,000	\$ 2,388,773,200	\$ 2,378,068,900	\$ 2,412,368,200	\$ 2,453,201,000	\$ 2,523,621,500
Debt Limit (2)	147,846,190	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
Total General Obligation Debt	47,002,455	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
Amount of Debt Applicable to Debt Limitation										
Total Debt Applicable to Debt Limit	47,002,455	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
Less: Assets in Debt Service Fund Available for Payment of Principal	146,286	140,866	137,043	66,540	52,530	1,404,634	8,586	93,856	1,272,798	9,360,977
Net Debt Applicable to Debt Limit	46,856,169	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
Remaining Legal Debt Margin	100,990,021	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
Total Debt Applicable to the Limit as a Percentage of Debt Limit	31.69%	37.54%	42.57%	49.82%	55.31%	63.05%	62.97%	58.58%	60.15%	58.89%

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

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

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

1- Total operating revenues plus interest income and interest subsidy

2 - Operating expenses do not include depreciation

3 - The Water Utility Revenue Bonds were refinanced in 2019 as a General Obligation Debt

Schedule 14

City of West Bend

Demographic and Economic Statistics

Last Ten Fiscal Years

Year	Population (1)	Personal Income (2)	Per Capita Personal Income (3)		Unemployment Rates (4)		
			Washington County	State of Wisconsin	City of West Bend	Washington County	State of Wisconsin
2019	32,122	\$ 2,014,402,742	\$ 62,711	\$ 53,583	2.90%	2.70%	3.40%
2018	31,881	1,868,258,481	58,601	50,756	2.70%	2.50%	3.00%
2017	31,546	1,727,458,960	54,760	48,941	3.00%	2.80%	3.30%
2016	31,676	1,648,767,476	52,051	47,275	3.70%	3.50%	4.20%
2015	31,599	1,615,024,890	51,110	45,942	4.10%	3.80%	4.60%
2014	31,531	1,559,617,853	49,463	44,414	4.90%	4.60%	5.40%
2013	31,425	1,514,747,850	48,202	42,728	7.80%	5.70%	6.70%
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%

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 (2019 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
2019 and Nine Years Ago

Taxpayer	2019				2010			
	Employees	Rank	Percentage of Total City Employment		Employees	Rank	Percentage of Total City Employment	
West Bend Mutual Insurance	1,319	1	8.03%		782	3	5.06%	
Froedtert Health Care	1,148	2	6.99%					
Washington County	834	3	5.08%		867	2	5.61%	
West Bend Joint School District No. 1	821	4	5.00%		1,049	1	6.79%	
Wal-Mart	600	5	3.65%		409	7	2.65%	
Serigraph Inc.	580	6	3.53%					
Cedar Community	550	7	3.35%					
City of West Bend	393	8	2.39%		410	6	2.65%	
YMCA Kettle Moraine	333	9	2.03%		386	8	2.50%	
Regal Ware, Inc.	300	10	1.83%		236	10	1.53%	
West Bend Clinic					634	4	4.10%	
St. Joseph's Community Hospital					547	5	3.54%	
Pick N Save					283	9	1.83%	
Total	6,878		41.88%		5,603		36.26%	

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

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

Function/ Program	Full Time Equivalent Employees									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<u>General Government</u>										
Council (8 Council Members)										
Mayor	1.25	1.25	1.25	1.25	1.25	1.00	1.00	1.00	1.00	1.00
Attorney	-	-	-	-	-	-	0.05	2.25	3.00	3.00
Administration	1.25	1.25	1.25	1.25	1.25	1.25	3.00	2.35	2.61	2.61
Clerk	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Human Resources	2.00	2.00	2.00	2.00	2.00	2.00	2.25	2.25	2.82	2.82
Elections	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies
Finance	7.30	7.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Assessor	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00
Municipal Building Maintenance	4.75	5.75	5.35	5.35	4.84	4.00	6.10	6.06	7.98	6.54
Information Systems	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00
GIS	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	4.00	4.00
Emergency Government	-	-	-	-	-	-	0.35	0.63	0.63	0.41
<u>Public Safety</u>										
Police	77.00	75.00	75.00	75.00	75.00	75.00	76.00	74.00	77.00	77.00
Fire	40.70	40.70	40.70	40.70	40.70	40.70	40.50	40.00	35.00	35.00
Building Inspection	2.25	2.00	2.00	3.00	2.70	3.50	4.02	4.45	4.00	4.00
<u>Public Works</u>										
Public Works	14.95	14.95	14.60	15.60	16.60	15.98	15.73	16.95	16.95	18.15
Engineering	3.00	3.00	4.00	4.00	3.00	3.00	14.75	14.75	14.75	14.75
Vehicle Maintenance	4.95	4.95	4.95	3.95	3.95	4.60	4.60	4.60	4.60	4.60
Airport	0.37	0.58	1.50	1.50	1.50	0.58	0.58	0.58	0.58	0.58
<u>Leisure Activities</u>										
Parks	20.65	20.65	19.65	19.65	19.65	20.71	30.00	33.50	37.00	37.00
Tourism	-	-	-	1.06	1.06	-	-	-	-	-
<u>Conservation and Development</u>										
Economic Development	1.50	1.50	-	-	-	-	-	-	-	-
Department of Development	3.50	3.50	4.00	4.00	4.00	5.00	6.00	7.00	7.00	7.00
<u>Enterprise Funds</u>										
Sewer Utility	8.50	8.50	8.50	8.00	8.00	8.00	8.00	8.00	8.00	7.00
Water Utility	16.90	16.90	16.90	16.90	16.90	18.35	17.98	17.87	19.32	21.85
<u>Other Non-Major Special Revenue Funds</u>										
Taxi	1.10	1.10	1.10	1.10	0.48	-	-	-	-	-
Library	19.23	18.83	19.05	19.05	19.43	20.88	19.25	18.75	21.00	22.30
Community TV	3.25	3.25	2.50	2.50	2.75	2.75	2.25	1.60	1.60	1.60
Recreation	7.50	7.50	7.50	7.50	7.50	7.50	-	-	-	-
Room Tax	1.06	1.06	1.06	-	-	-	-	-	-	-
Total	252.0	250.2	249.9	250.4	251.6	253.8	272.4	276.6	286.8	289.2

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Public Safety										
Police										
Calls for Service	14,258	14,391	14,877	14,599	15,339	14,873	13,390	13,721	14,505	14,359
Other Police Activities	53,452	55,692	58,479	58,479	57,020	56,031	51,340	47,302	45,298	51,448
Arrests (1)	1,115	1,187	2,309	2,511	2,925	3,206	2,513	2,437	1,730	1,796
Citations (2)	4,183	5,087	4,318	5,366	5,643	6,030	5,573	4,847	6,860	7,186
Patrol Vehicles	13	13	13	13	13	13	13	13	13	13
Fire Department										
Fire Calls	464	463	400	441	400	472	443	449	383	401
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	3,809	3,789	3,682	3,452	3,465	3,381	3,167	3,094	2,741	2,295
Public Works										
Refuse/ Recycling										
Units Collected	9,944	9,913	9,861	9,803	9,787	9,757	9,729	9,703	9,651	9,706
Recycle Cost per Unit	\$ 3.05	\$ 2.98	\$ 2.91	\$ 2.84	\$ 2.78	\$ 2.72	\$ 2.66	\$ 2.60	\$ 3.07	\$ 3.10
Recycling Tonnage	2,535.60	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
Refuse Tonnage	7,155.08	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
Streets (lane miles)	535	525	525	525	525	525	525	525	525	525
Street Lights (City owned)	282	276	276	276	276	276	276	276	276	276
Street Signs	7,007	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	37	36	36	36	36	36	36
Acreage of Park Land	1,425	1,425	1,425	1,425	1,285	1,285	1,285	1,285	1,285	1,285
Recreation Programs	40	39	36	39	40	41	35	36	32	31
Lac Lawrann Programs	8	14	15	14	11	12	8	9	9	9
Beach Attendance	17,973	18,102	19,264	20,545	21,478	17,894	16,725	24,388	25,415	30,158
Special Events	60	59	55	52	51	47	40	36	33	32
Shelter Reservations	479	503	459	448	415	385	333	274	147	117
Library										
Circulation	459,608	498,524	501,628	494,226	502,327	543,221	558,919	570,205	578,059	598,115
User Visits	208,619	216,713	220,513	226,648	227,682	246,901	252,954	275,102	Unavailable	Unavailable
Registered Borrowers	41,560	41,255	46,947	45,201	62,530	61,496	60,257	58,653	56,753	55,094
Water Utility										
Number of Customers	12,049	12,003	11,845	11,797	11,861	11,835	11,734	11,680	11,723	11,565
Gallons Sold	802,834,938	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
Hydrants Flushed	610	625	570	448	660	528	431	518	467	589
Number of Hydrants	1,436	1,441	1,435	1,427	1,425	1,422	1,418	1,417	1,415	1,413
Miles of Water Main	145	145	145	144.5	144.5	144.5	144	144	144	144
Sewer Utility										
Number of Customers	11,703	11,703	11,553	11,538	11,348	11,522	11,398	11,344	11,322	11,278
Gal Treated (Avg Millions Gal/Day)	4.82	4.25	4.33	4.35	3.84	4.87	5.40	3.87	4.27	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.

FORM OF LEGAL OPINION

(See following pages)

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

October 15, 2020

Re: City of West Bend, Wisconsin ("Issuer")
\$3,940,000 Taxable General Obligation Refunding Bonds, Series 2020C,
dated October 15, 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 March 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2021	\$710,000	___%
2022	715,000	___
2023	675,000	___
2024	655,000	___
2025	425,000	___
2026	215,000	___
2027	150,000	___
2028	150,000	___
2029	100,000	___
2030	100,000	___
2031	45,000	___

Interest is payable semi-annually on March 1 and September 1 of each year commencing on March 1, 2021.

The Bonds maturing on March 1, 2028 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on March 1, 2027 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

BOOK-ENTRY-ONLY SYSTEM

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

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

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of West Bend, Washington County, Wisconsin (the "Issuer") in connection with the issuance of \$3,940,000 Taxable General Obligation Refunding Bonds, Series 2020C, dated October 15, 2020 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on September 21, 2020 (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 September 22, 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 ending December 31, 2020, 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 15th day of October, 2020.

(SEAL)

Christophe E. Jenkins
Mayor

Stephanie Justmann
City Clerk

APPENDIX E

NOTICE OF SALE

\$3,940,000* TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020C CITY OF WEST BEND, WISCONSIN

Bids for the purchase of \$3,940,000* Taxable General Obligation Refunding Bonds, Series 2020C (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 September 21, 2020, at which time they will be opened, read and tabulated. The bids will be presented to the Common Council for consideration for award by resolution at a meeting to be held at 6:30 P.M., Central Time, on the same date. The bid offering to purchase the Bonds upon the terms specified herein and most favorable to the City will be accepted unless all bids are rejected.

PURPOSE

The Bonds are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purpose of refunding certain obligations of the City. 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 October 15, 2020, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on March 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2021	\$710,000	2025	\$425,000	2029	\$100,000
2022	715,000	2026	215,000	2030	100,000
2023	675,000	2027	150,000	2031	45,000
2024	655,000	2028	150,000		

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. 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 March 1 and September 1 of each year, commencing March 1, 2021, 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. 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 select a bank or trust company to act as paying agent (the "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 March 1, 2028 shall be subject to optional redemption prior to maturity on March 1, 2027 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 October 15, 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 \$3,900,600 plus accrued interest on the principal sum of \$3,940,000 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 \$78,800 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.

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
City of West Bend, Wisconsin

September 21, 2020

RE: \$3,940,000* Taxable General Obligation Refunding Bonds, Series 2020C (the "Bonds")
DATED: October 15, 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 \$3,900,600) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____ % due	2021	_____ % due	2025	_____ % due	2029
_____ % due	2022	_____ % due	2026	_____ % due	2030
_____ % due	2023	_____ % due	2027	_____ % due	2031
_____ % due	2024	_____ % due	2028		

* 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. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000. All 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 \$78,800 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 October 15, 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 October 15, 2020 of the above bid is \$_____ and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted by and on behalf of the Common Council of the City of West Bend, Wisconsin, on September 21, 2020.

By: _____ By: _____
Title: _____ Title: _____