

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 20, 2022

In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended, under existing law interest on the Notes is excludable from gross income and is not an item of tax preference for federal income tax purposes; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code) for taxable years beginning after December 31, 2022. See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Notes. The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

The City will NOT designate the Notes 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 Notes to the extent permitted under prior law.

New Issue

Rating Application Made: Moody's Investors Service, Inc.

CITY OF NEW BERLIN, WISCONSIN (Waukesha County)

\$7,895,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2022A

BID OPENING: September 27, 2022, 10:00 A.M., C.T. **CONSIDERATION:** September 27, 2022, 6:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$7,895,000* General Obligation Promissory Notes, Series 2022A (the "Notes") of the City of New Berlin, Wisconsin (the "City") are being issued pursuant to Section 67.12(12), Wisconsin Statutes, for public purposes, including paying the cost of capital improvement projects, including City buildings and grounds projects, parks and public grounds projects, municipal equipment, street improvement projects, community development projects and equipment of the fire department. The Notes 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 Notes 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 NOTES: October 12, 2022

MATURITY: June 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2023	\$130,000	2027	\$830,000	2031	\$1,030,000
2024	175,000	2028	1,030,000	2032	1,030,000
2025	790,000	2029	1,030,000		
2026	820,000	2030	1,030,000		

MATURITY ADJUSTMENTS: * The City reserves the right to increase or decrease the principal amount of the Notes 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: June 1, 2023 and semiannually thereafter.

OPTIONAL REDEMPTION: Notes maturing on June 1, 2031 and thereafter are subject to call for prior optional redemption on June 1, 2030 or any date thereafter, at a price of par plus accrued interest.

MINIMUM BID: \$7,816,050.

MAXIMUM BID: \$8,250,275.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$157,900 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: A City official or a bank or trust company selected by the City.

BOND COUNSEL: Quarles & Brady LLP.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

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



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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 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 Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This 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 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 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 Notes.

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 Official Statement was prepared for the City for dissemination to potential investors. Its primary purpose is to disclose information regarding the Notes 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 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 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 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 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 Official Statement describes the conditions under which the City is required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Notes, 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 Notes and all times subsequent thereto up to and including the time of the delivery of the Notes, this 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 Notes; (3) a certificate evidencing the due execution of the Notes, 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 Notes, (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 Notes have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the City which indicates that the City does not expect to use the proceeds of the Notes in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

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CITY OF NEW BERLIN COMMON COUNCIL

		<u>Term Expires</u>
David A. Ament	Mayor	April 2025
Chuck Garrigues	Alderman	April 2023
Kenneth Harenda II	Alderman	April 2023
John Hopkins	Alderman	April 2025
Dennis Horbinski	Alderman	April 2023
Charlotte Kroupa	Alderdwoman	April 2025
Dave Maxey	Alderman	April 2025
Joseph Stribl	Alderman	April 2025

ADMINISTRATION

Ralph Chipman, Finance Director

Rubina R. Medina, City Clerk

PROFESSIONAL SERVICES

Mark G. Blum, City Attorney, Waukesha, Wisconsin

Quarles & Brady LLP, Bond Counsel, Milwaukee, Wisconsin

Ehlers and Associates, Inc., Municipal Advisors, Waukesha, Wisconsin
(Other office located in Roseville, Minnesota)

INTRODUCTORY STATEMENT

This Official Statement contains certain information regarding the City of New Berlin, Wisconsin (the "City") and the issuance of its \$7,895,000* General Obligation Promissory Notes, Series 2022A (the "Notes"). Any descriptions or summaries of the Notes, 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 Notes to be included in the resolution authorizing the issuance and sale of the Notes ("Award Resolution") to be adopted by the Common Council on September 27, 2022.

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 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 NOTES

GENERAL

The Notes 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 12, 2022. The Notes will mature on June 1 in the years and amounts set forth on the cover of this Official Statement. Interest will be payable on June 1 and December 1 of each year, commencing June 1, 2023, to the registered owners of the Notes 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 Notes 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 Notes 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 Notes are held under the book-entry system, beneficial ownership interests in the Notes may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Notes 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 Notes shall be payable as provided in the Award Resolution.

The City may select a City official or a bank or trust company, to act as paying agent (the "Paying Agent"). If an outside Paying Agent is selected, 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 Notes maturing on or after June 1, 2031 shall be subject to optional redemption prior to maturity on June 1, 2030 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

*Preliminary, subject to change

Redemption may be in whole or in part of the Notes subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Notes to be redeemed shall be at the discretion of the City. If only part of the Notes 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 Note to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, for public purposes, including paying the cost of capital improvement projects, including City buildings and grounds projects, parks and public grounds projects, municipal equipment, street improvement projects, community development projects and equipment of the fire department.

ESTIMATED SOURCES AND USES*

Sources

Par Amount of Notes	\$7,895,000	
Estimated Interest Earnings	<u>3,878</u>	
Total Sources		\$7,898,878

Uses

Estimated Underwriter's Discount	\$78,950	
Costs of Issuance	61,700	
Deposit to Project Construction Fund	7,755,000	
Rounding Amount	<u>3,228</u>	
Total Uses		\$7,898,878

*Preliminary, subject to change

SECURITY

For the prompt payment of the Notes 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 Notes when it becomes due and also to pay and discharge the principal on the Notes 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 is currently rated "Aaa" by Moody's Investors Service, Inc. ("Moody's").

The City has requested a rating on the Notes from Moody's, and bidders will be notified as to the assigned rating prior to the sale. Such rating, if any, reflects only the views of such organization and explanations of the significance of such rating may be obtained from Moody's.

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 Notes.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Notes, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the 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 Notes 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 Notes, 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 Notes. However, such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

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

LEGAL OPINION

An opinion as to the validity of the Notes and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City, and will be available at the time of delivery of the Notes. The legal opinion will be issued on the basis of existing law and will state that the Notes are valid and binding general obligations of the City; provided that the rights of the owners of the Notes and the enforceability of the Notes 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 "TAX EXEMPTION" in the Official Statement and the "FORM OF LEGAL OPINION" found in Appendix B of the Official Statement).

TAX EXEMPTION

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

"The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code) for taxable years beginning after December 31, 2022. The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The City has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the City comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Notes."

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

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

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

ORIGINAL ISSUE DISCOUNT

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

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

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

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

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

BOND PREMIUM

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

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

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

NON-QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will NOT designate the Notes as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code, which permits financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

MUNICIPAL ADVISOR

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

MUNICIPAL ADVISOR AFFILIATED COMPANIES

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

INDEPENDENT AUDITORS

The basic financial statements of the City for the fiscal year ended December 31, 2021 have been audited by Baker Tilly US, LLP, Milwaukee, 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 Official Statement.

RISK FACTORS

Following is a description of possible risks to holders of the Notes 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 Notes 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 Notes. 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 Notes for resale prior to maturity.

Tax Exemption: If the federal government taxes all or a portion of the interest on municipal bonds or notes or if the State government increases its tax on interest on bonds and notes, directly or indirectly, or if there is a change in federal or state tax policy, then the value of these Notes may fall for purposes of resale. Noncompliance by the City with the covenants in the Award Resolution relating to certain continuing requirements of the Code may result in inclusion of interest to be paid on the Notes in gross income of the recipient for United States income tax purposes, retroactive to the date of issuance.

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 Notes. 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 Notes in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Notes to the accounts of the Beneficial Owners of the Notes 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 Notes.

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 Notes in the secondary market.

Secondary Market for the Notes: No assurance can be given that a secondary market will develop for the purchase and sale of the Notes or, if a secondary market exists, that such Notes can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Notes at the request of the owners thereof. Prices of the Notes 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 Notes. 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 Notes 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 former President Trump declaring a national emergency. In response to the spread of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19. The effects of the spread of COVID-19 and the government and private responses to the spread continue to evolve. COVID-19 has caused significant disruptions to the global, national and State economy. The extent to which the coronavirus continues to impact the City and its financial condition will depend on future developments, which are uncertain and cannot be predicted by the City, including the duration of the outbreak and future measures taken to address the outbreak.

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 (the "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 Order was extended from April 24, 2020 through May 26, 2020. On April 21, 2020, Republican legislators in the State filed a lawsuit challenging the legality of the Order. On May 13, 2020, the Wisconsin Supreme Court ruled that the State's Order is unlawful, invalid and unenforceable because the emergency rulemaking procedures under Section 227.24 of the Wisconsin Statutes and procedures established by the Wisconsin Legislature for rulemaking if criminal penalties were to follow were not followed in connection with the Order. The Supreme Court's decision does not invalidate any local health officials' orders or prevent future local health officials' orders related to the COVID-19 pandemic.

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provides for federal payments from the Coronavirus Relief Fund to the State for the discrete purpose of covering expenses directly incurred as a result of COVID-19 between March 1 and December 30, 2020. On May 27, 2020, Governor Tony Evers announced a program titled, "Routes to Recovery: Local Government Aid Grants," which distributed \$190 million of the State's Coronavirus Relief Fund monies to all counties, cities, villages and towns across Wisconsin for unbudgeted eligible expenditures incurred due to COVID-19 between March 1 and November 17, 2020. The State allocated funds based on population with a guaranteed minimum allocation of \$5,000. The City's allocation was \$659,991. These funds were disbursed up to the amount of the allocation after eligible expenditures were reported through the State's cost tracker application. On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021, which provides local governments an additional \$130.2 billion through the Coronavirus Local Fiscal Recovery Fund. These funds can be used to mitigate increased expenditures, lost revenue and economic hardship related to the COVID-19 pandemic, with half received in 2021 and half to be received in 2022. The City's allocation is \$4,154,400.

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Notes. 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.

CURRENT PROPERTY VALUATIONS

2022 Equalized Value	\$7,105,119,400
2022 Equalized Value Reduced by Tax Increment Valuation	\$7,053,233,800
2021 Assessed Value ¹	\$5,418,276,199

2022 EQUALIZED VALUE BY CLASSIFICATION

	2022 Equalized Value²	Percent of Total Equalized Value
Residential	\$5,219,761,300	73.465%
Commercial	1,487,223,900	20.932%
Manufacturing	239,263,700	3.367%
Agricultural	27,684,800	0.390%
Undeveloped	1,638,000	0.023%
Forest	5,106,200	0.072%
Other	16,553,700	0.233%
Personal Property	107,887,800	1.518%
Total	<u><u>\$7,105,119,400</u></u>	<u><u>100.000%</u></u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value¹	Percent Increase/Decrease in Equalized Value
2017	\$4,853,415,200	\$5,186,499,700	4.62%
2018	5,285,311,300	5,408,747,900	4.29%
2019	5,331,769,100	5,714,405,700	5.65%
2020	5,390,625,400	5,849,283,800	2.36%
2021	5,418,276,199	6,270,870,100	7.21%
2022	n/a	7,105,119,400	13.30%

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

¹ 2022 Assessed Values are not yet available.

² Includes tax increment valuation.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2021 Equalized Value¹	Percent of City's Total Equalized Value
Individual	Apartments	\$76,820,737	1.23%
Froedtert Health	Health Care	42,895,756	0.68%
Clark Building Joint Venture	Commercial	32,959,235	0.53%
Buy Seasons	Distribution	31,393,663	0.50%
Sanctuary of Woodshire	Apartments	27,629,110	0.44%
Wyndridge Nominee LLC	Apartments	25,411,602	0.41%
James Campbell Company	Industrial	23,580,855	0.38%
FXG, Inc. - FED Ex	Packaging Distribution	21,563,675	0.34%
Costco	Retail	20,354,757	0.32%
Stag Industrial	Industrial	20,251,698	0.32%
Total		\$322,861,088	5.15%

City's Total 2021 Equalized Value² \$6,270,870,100

Source: The City.

¹ Calculated by dividing the 2021 Assessed Values by the 2021 Aggregate Ratio of assessment for the City. 2022 assessed values for individual parcels are not available at this time.

² Includes tax increment valuation.

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Notes)*	<u><u>\$70,025,000</u></u>
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Revenue Debt (see schedules following)

Total revenue debt secured by water revenues	<u><u>\$2,638,690</u></u>
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*Preliminary, subject to change.

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

City of New Berlin, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 10/12/2022)

Street Improvement Bonds			Promissory Notes Series 2013A		Promissory Notes Series 2013B		Promissory Notes Series 2016A		Promissory Notes Series 2017A		Promissory Notes Series 2018A		Promissory Notes Series 2019A	
Dated	10/30/2013	10/30/2013	10/30/2013	10/30/2013	10/30/2013	10/30/2013	09/14/2016	09/14/2017	09/20/2018	09/18/2019				
Amount	\$4,685,000	\$6,635,000	\$6,635,000	\$6,635,000	\$6,635,000	\$6,635,000	\$7,735,000	\$8,215,000	\$9,060,000	\$8,095,000				
Maturity	06/01	06/01	06/01	06/01	06/01	06/01	06/01	06/01	06/01	06/01				
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	0	32,656	0	1,800	0	34,955	0	0	0	0	0	54,195	0	54,195
2023	320,000	60,513	120,000	1,800	1,110,000	58,810	1,065,000	1,065,000	1,065,000	1,065,000	525,000	103,140	525,000	103,140
2024	330,000	50,763			1,110,000	40,218	1,065,000	74,450	1,170,000	185,450	535,000	92,540	535,000	92,540
2025	340,000	40,713			1,115,000	24,363	1,065,000	53,150	1,450,000	150,888	615,000	81,040	615,000	81,040
2026	355,000	30,066			1,000,000	8,000	1,065,000	31,850	1,455,000	109,125	675,000	68,140	675,000	68,140
2027	365,000	18,588					1,060,000	10,600	1,455,000	65,475	900,000	54,190	900,000	54,190
2028	375,000	6,328							1,455,000	21,825	1,340,000	35,600	1,340,000	35,600
2029											1,345,000	12,105		12,105
2030														
2031														
2032														
2033														
2034														
2035														
2036														
2037														
2038														
2039														
2040														
2041														
2042	2,085,000	239,625	120,000	3,600	4,335,000	166,345	5,320,000	319,000	8,050,000	859,500	5,935,000	500,950		

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City of New Berlin, Wisconsin

Promissory Notes
Series 2022A

**Preliminary, subject to change*

City of New Berlin, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Water Revenues
(As of 10/12/2022)

Water System Revenue Bonds (SDWFL) 1) 2017			Water System Revenue Bonds (SDWFL) 2) 2018			Water System Revenue Bonds (SDWFL) 3) 2019							
Dated Amount	06/28/2017 \$1,206,457	05/01	05/23/2018 \$774,620	05/01	06/26/2019 \$1,158,141	05/01							
Maturity													
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending	
2022	0	9,204	0	6,001	0	10,024	0	25,229	25,229	2,638,690	.00%	2022	
2023	57,460	17,871	34,780	11,676	50,680	19,546	142,920	49,093	192,013	2,495,770	5.42%	2023	
2024	58,534	16,786	35,430	11,019	51,683	18,533	145,648	46,339	191,987	2,350,122	10.94%	2024	
2025	59,629	15,682	36,093	10,351	52,707	17,499	148,428	43,532	191,960	2,201,694	16.56%	2025	
2026	60,744	14,556	36,768	9,669	53,750	16,445	151,262	40,671	191,933	2,050,432	22.29%	2026	
2027	61,880	13,410	37,455	8,975	54,814	15,371	154,150	37,756	191,905	1,896,282	28.14%	2027	
2028	63,037	12,242	38,156	8,268	55,900	14,275	157,093	34,785	191,877	1,739,190	34.09%	2028	
2029	64,216	11,052	38,869	7,548	57,006	13,157	160,092	31,757	191,849	1,579,098	40.16%	2029	
2030	65,417	9,840	39,596	6,815	58,135	12,017	163,148	28,671	191,819	1,415,950	46.34%	2030	
2031	66,640	8,605	40,337	6,067	59,286	10,854	166,263	25,527	191,790	1,249,687	52.64%	2031	
2032	67,886	7,347	41,091	5,306	60,460	9,669	169,437	22,322	191,759	1,080,250	59.06%	2032	
2033	69,156	6,066	41,859	4,530	61,657	8,460	172,672	19,056	191,728	907,577	65.60%	2033	
2034	70,449	4,761	42,642	3,740	62,878	7,227	175,969	15,728	191,697	731,608	72.27%	2034	
2035	71,766	3,431	43,439	2,935	64,123	5,970	179,329	12,336	191,665	552,280	79.07%	2035	
2036	73,108	2,076	44,252	2,115	65,393	4,688	182,753	8,879	191,632	369,527	86.00%	2036	
2037	74,475	696	45,079	1,280	66,687	3,380	186,242	5,357	191,599	183,285	93.05%	2037	
2038					68,008	2,047	113,930	2,476	116,406	69,354	97.37%	2038	
2039					69,354	687	69,354	687	70,041	0	100.00%	2039	
	984,398	153,624	641,769	106,727	1,012,523	189,848	2,638,690	450,199	3,088,889				

1) Pursuant to the Wisconsin Capital Finance Office, Project No. 4859-05, this issue was closed out on 6/13/2018

2) Pursuant to the Wisconsin Capital Finance Office, Project No. 4859-07, this issue was closed out on 12/12/2018

3) Pursuant to the Wisconsin Capital Finance Office, Project No. 4859-08, the issue was closed out on 10/14/2020

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	\$7,105,119,400
Multiply by 5%	0.05
Statutory Debt Limit	\$355,255,970
Less: General Obligation Debt (includes the Notes)*	(70,025,000)
Unused Debt Limit*	<u>\$285,230,970</u>

*Preliminary, subject to change.

OVERLAPPING DEBT¹

Taxing District	2021 Equalized Value ²	% In City	Total G.O. Debt ³	City's Proportionate Share
County of:				
Waukesha	\$75,406,493,900 ⁴	9.4224%	\$81,944,000	\$7,721,091
School Districts of:				
New Berlin School District	5,773,997,074	100.0000%	27,555,000	27,555,000
West Allis School District	5,625,292,205	6.7301%	12,765,000	859,097
Elmbrook School District	9,677,369,683	1.1730%	32,545,000	381,763
Muskego-Norway School District	4,365,035,879	0.1092%	75,320,000	82,252
Milwaukee Area Technical College	95,747,521,031	0.3954%	93,090,000	368,080
Waukesha Technical College District	68,270,794,641	8.6308%	21,350,000	<u>1,842,665</u>
City's Share of Total Overlapping Debt				<u>\$38,809,949</u>

¹ Overlapping debt is as of the dated date of the Notes. 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.

⁴ 2022 EV

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$7,105,119,400	Debt/ Per Capita 40,426¹
Total General Obligation Debt (includes the Notes)*	\$70,025,000	0.99%	\$1,732.18
City's Share of Total Overlapping Debt	<u>38,809,949</u>	<u>0.55%</u>	<u>\$960.02</u>
Total*	\$108,834,949	1.53%	\$2,692.20

*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 will be securing a \$13,970,000 State Trust Fund Loan by October 10, 2022 that will be refunded with \$14,390,000 General Obligation Refunding Bonds, Series 2022B selling on October 11, 2022. The City anticipates issuing \$20.3 million of General Obligation Promissory Notes for capital projects in 2023. Aside from the preceding, the City has no current plans for additional financing in the next 12 months.

¹ Estimated 2022 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Levy for City Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2017/18	\$25,550,392	100%	\$4.93
2018/19	25,675,618	100%	4.75
2019/20	26,592,266	100%	4.66
2020/21	27,813,189	100%	4.77
2021/22	29,748,131	In Process	4.77

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

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

PROPERTY TAX RATES

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

Year Levied/ Year Collected	Schools¹	County	Local	Total
2017/18	\$11.24	\$1.95	\$4.93	\$18.12
2018/19	10.57	1.89	4.75	17.21
2019/20	9.77	1.82	4.66	16.25
2020/21	8.97	1.76	4.77	15.50
2021/22	7.94	1.68	4.77	14.39

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

LEVY LIMITS

Section 66.0602 of the Wisconsin Statutes, imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of either the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current or zero percent). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. In 2018, and in each year thereafter, the base amount is the actual levy for the immediately preceding year plus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes (an amount equal to the property taxes formerly levied on certain items of personal property), and the levy limit is the base amount multiplied by the valuation factor, minus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

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

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

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

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

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

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

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

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

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

THE ISSUER

CITY GOVERNMENT

The City was incorporated in 1959 and is governed by a Mayor and a seven-member Common Council. The Mayor serves a four-year term and alderpersons are elected to staggered three-year terms. Daily administration is the responsibility of the full-time Mayor. The appointed Clerk and Finance Director are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The City employs a staff of 240 full-time, 71 part-time, and 64 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, 2019 ("Fiscal Year 2019"), the fiscal year ended December 31, 2020 ("Fiscal Year 2020") and the fiscal year ended December 31, 2021 ("Fiscal Year 2021"), the City's portion of contributions to WRS (not including any employee contributions) totaled \$1,521,710, \$1,677,230 and \$1,742,741 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, 2020, the total pension liability of the WRS was calculated as \$118.72 billion and the fiduciary net position of the WRS was calculated as \$124.97 billion, resulting in a net pension asset of \$6.25 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 2021, the City reported an asset of \$9,149,922 for its proportionate share of the net pension asset of the WRS. The net pension asset was measured as of December 31, 2020 based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. The City's proportion was 0.14655966% of the aggregate WRS net pension asset as of December 31, 2020.

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

Recognized and Certified Bargaining Units

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

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

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

The following bargaining units represent employees of the City:

Bargaining Unit	Expiration Date of Current Contract¹
New Berlin Professional Police Association	December 31, 2022
New Berlin Professional Firefighters Association	December 31, 2022

OTHER POST EMPLOYMENT BENEFITS

The City provides post-employment benefits other than pensions to employees who meet certain criteria. As a result of offering such benefits, the City is required to report the value of such benefits and associated costs according to the accounting requirements of Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (GASB 75). This report includes measurements of the OPEB obligations, annual expense, and other required disclosure items in accordance with GASB 75. As of December 31, 2021, the City's Net OPEB Liability was \$6,049,722.

Source: The City's most recent Actuarial Study.

¹ Bargaining on new contracts will occur in September 2022.

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 Notes or otherwise questioning the validity of the Notes.

MUNICIPAL BANKRUPTCY

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

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

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

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

FUNDS ON HAND (as of July 31, 2022)

Fund	Total Cash and Investments
General	\$19,871,729
Special Revenue	11,536,524
Debt Service	1,306,240
Capital Projects	4,043,642
Enterprise Funds	34,725,895
Trust & Agency	7,791,587
Internal Service	408,578
 Total Funds on Hand	 <u><u>\$79,684,195</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:

	2019	2020	2021
Water			
Total Operating Revenues	\$ 5,179,445	\$ 5,328,140	\$ 5,445,313
Less: Operating Expenses	<u>(4,075,583)</u>	<u>(4,163,456)</u>	<u>(4,261,336)</u>
Operating Income	\$ 1,103,862	\$ 1,164,684	\$ 1,183,977
Plus: Depreciation	1,182,474	1,210,372	1,237,948
Interest Income	<u>158,348</u>	<u>49,239</u>	<u>650</u>
Revenues Available for Debt Service	<u><u>\$ 2,444,684</u></u>	<u><u>\$ 2,424,295</u></u>	<u><u>\$ 2,422,575</u></u>
Sewer			
Total Operating Revenues	\$ 11,137,609	\$ 11,118,591	\$ 11,255,697
Less: Operating Expenses	<u>(10,580,426)</u>	<u>(10,073,340)</u>	<u>(10,114,551)</u>
Operating Income	\$ 557,183	\$ 1,045,251	\$ 1,141,146
Plus: Depreciation	821,964	861,830	886,480
Interest Income	<u>294,948</u>	<u>137,076</u>	<u>(6,180)</u>
Revenues Available for Debt Service	<u><u>\$ 1,674,095</u></u>	<u><u>\$ 2,044,157</u></u>	<u><u>\$ 2,021,446</u></u>
Water Resource Management Utility			
Total Operating Revenues	\$ 1,748,375	\$ 1,742,011	\$ 1,766,595
Less: Operating Expenses	<u>(1,518,823)</u>	<u>(1,457,435)</u>	<u>(1,561,523)</u>
Operating Income	\$ 229,552	\$ 284,576	\$ 205,072
Plus: Depreciation	526,275	501,485	517,826
Interest Income	<u>59,467</u>	<u>16,945</u>	<u>2,078</u>
Revenues Available for Debt Service	<u><u>\$ 815,294</u></u>	<u><u>\$ 803,006</u></u>	<u><u>\$ 724,976</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 2021 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2018 Audited	2019 Audited	2020 Audited	2021 Audited	2022 Adopted Budget
Revenues					
Taxes and special assessments	\$ 18,980,425	\$ 19,153,876	\$ 19,210,698	\$ 20,279,737	\$ 22,352,001
Intergovernmental	3,270,161	3,509,284	4,703,790	3,955,367	5,154,153
Licenses and permits	1,620,590	1,458,809	1,385,579	1,276,179	1,301,310
Penalties and forfeitures	348,039	309,045	285,734	326,547	320,000
Public charges for services	2,748,008	2,740,574	2,023,820	2,419,325	2,270,775
Interdepartmental revenues	461,153	413,569	397,478	572,291	584,599
Interest	650,272	947,786	317,025	(77,918)	210,000
Miscellaneous general revenues	221,258	250,715	229,339	339,065	293,223
Total Revenues	<u>\$ 28,299,906</u>	<u>\$ 28,783,658</u>	<u>\$ 28,553,463</u>	<u>\$ 29,090,593</u>	<u>\$ 32,486,061</u>
Expenditures					
Current:					
General government	\$ 5,946,361	\$ 6,153,178	\$ 5,890,599	\$ 6,210,811	\$ 6,568,131
Protection of Persons and Property	15,820,831	16,283,085	16,783,222	17,744,202	18,502,471
Public works	3,087,637	3,296,657	3,109,195	3,429,780	3,993,761
Library	1,474,369	1,479,432	1,608,042	1,510,724	1,579,035
Parks and recreation	1,246,732	1,438,877	1,264,686	1,339,367	1,591,119
Conservation and development	0	0	688,878	686,079	745,129
Capital outlay	693,290	682,698	0	0	341,415
Contingency	0	0	0	0	300,000
Total Expenditures	<u>\$ 28,269,220</u>	<u>\$ 29,333,927</u>	<u>\$ 29,344,622</u>	<u>\$ 30,920,963</u>	<u>\$ 33,621,061</u>
Excess of revenues over (under) expenditures	\$ 30,686	\$ (550,269)	\$ (791,159)	\$ (1,830,370)	¹ \$ (1,135,000)
Other Financing Sources (Uses)					
Proceeds from capital lease	0	0	109,861	343,512	0
Proceeds of long-term debt	0	0	0	0	0
Transfers in	930,160	925,333	901,337	853,481	135,000
Transfers out	(437,965)	(315,900)	(216,716)	(183,656)	0
Total Other Financing Sources (Uses)	<u>\$ 492,195</u>	<u>\$ 609,433</u>	<u>\$ 794,482</u>	<u>\$ 1,013,337</u>	<u>\$ 135,000</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ 522,881	\$ 59,164	\$ 3,323	\$ (817,033)	² (\$1,000,000)
General Fund Balance January 1	<u>9,543,733</u>	<u>10,066,614</u>	<u>10,125,778</u>	<u>10,129,101</u>	
General Fund Balance December 31	\$ 10,066,614	\$ 10,125,778	\$ 10,129,101	\$ 9,312,068	
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	342,709	306,088	59,186	677,450	
Assigned	1,000,000	1,000,000	1,000,000	1,000,000	
Unassigned	8,723,905	8,819,690	9,069,915	7,634,618	
Total	<u>\$ 10,066,614</u>	<u>\$ 10,125,778</u>	<u>\$ 10,129,101</u>	<u>\$ 9,312,068</u>	

¹ The 2022 Budget was adopted on November 9, 2021.

² The City has historically budgeted an appropriation from fund balance or surplus from the prior year to balance the budget, however, the City has not historically relied upon these reserves. The City does not anticipate using more than the \$1,000,000 of fund balance budgeted.

GENERAL INFORMATION

LOCATION

The City, with a 2020 U.S. Census population of 40,451 and a current estimated population of 40,426 comprises an area of 36 square miles and is located in eastern Waukesha County and is part of the Milwaukee Metropolitan Area.

LARGER EMPLOYERS¹

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Spring City/Pieper Electric	Plumbing contractors	1,000
Ideal Mechanical	Mechanical contractors	550
ABB, Inc.	Electrical systems	520
School District of New Berlin	Elementary and secondary education	463
GMR Marketing	Marketing programs	446
Regency Janitorial Service, Inc.	Janitorial service	400
Modern Maintenance Building	Janitorial service	400
City of New Berlin	Municipality	375
Collins Aerospace	Aircraft component manufacturer	300
ACS Group	Engineers	259

Source: *City of New Berlin*

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.

BUILDING PERMITS

	2018	2019	2020	2021	2022 ¹
<u>New Single Family Homes</u>					
No. of building permits	71	36	27	37	8
Valuation	\$17,081,806	\$10,629,248	\$14,953,924	\$22,274,749	\$5,517,736
<u>New Multiple Family Buildings</u>					
No. of building permits	4	0	8	0	0
Valuation	\$2,040,000	\$0	\$4,120,000	\$0	\$0
<u>New Commercial/Industrial</u>					
No. of building permits	3	6	10	7	8
Valuation	\$9,150,000	\$4,069,877	\$12,553,159	\$5,726,004	\$28,205,184
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	1,142	1,149	1,397	1,574	886
Valuation	\$38,801,864	\$44,296,036	\$78,875,781	\$73,206,630	\$54,194,274

Source: The City.

¹ As of July 1, 2022.

U.S. CENSUS DATA

Population Trend: The City

2010 U.S. Census	39,584
2020 U.S. Census	40,451
2022 Estimated Population	40,426
Percent of Change 2010 - 2020	2.19%

Income and Age Statistics

	The City	Waukesha County	State of Wisconsin	United States
2020 per capita income	\$46,705	\$47,806	\$34,450	\$35,384
2020 median household income	\$85,577	\$88,985	\$63,293	\$64,994
2020 median family income	\$104,452	\$110,379	\$80,844	\$80,069
2020 median gross rent	\$1,265	\$1,078	\$872	\$1,096
2020 median value owner occupied units	\$271,400	\$293,500	\$189,200	\$229,800
2020 median age	46.4 yrs.	43.1 yrs.	39.6 yrs.	38.2 yrs.

	State of Wisconsin	United States
City % of 2020 per capita income	135.57%	131.99%
City % of 2020 median family income	129.20%	130.45%

Housing Statistics

	<u>The City</u>		Percent of Change
	2010	2020	
All Housing Units	16,699	17,027	1.96%

Source: 2010 and 2020 Census of Population and Housing, and 2020 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>		
	The City	Waukesha County	The City	Waukesha County	State of Wisconsin
2018	21,331	220,529	2.7%	2.6%	3.0%
2019	21,202	220,051	2.9%	2.8%	3.2%
2020	20,355	211,634	6.1%	5.6%	6.3%
2021 ¹	21,021	218,557	3.1%	3.1%	3.8%
2022, May ²	21,102	219,399	2.7%	2.4%	2.9%

Source: Wisconsin Department of Workforce Development.

¹ Preliminary.

² Preliminary.

APPENDIX A

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the City's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The City has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Official Statement, nor has the City requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the City since the date of the financial statements, in connection with the issuance of the Notes, the City represents that there 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 NEW BERLIN
New Berlin, Wisconsin
ANNUAL
COMPREHENSIVE
FINANCIAL REPORT
As of and for the Year Ended
December 31, 2021

CITY OF NEW BERLIN

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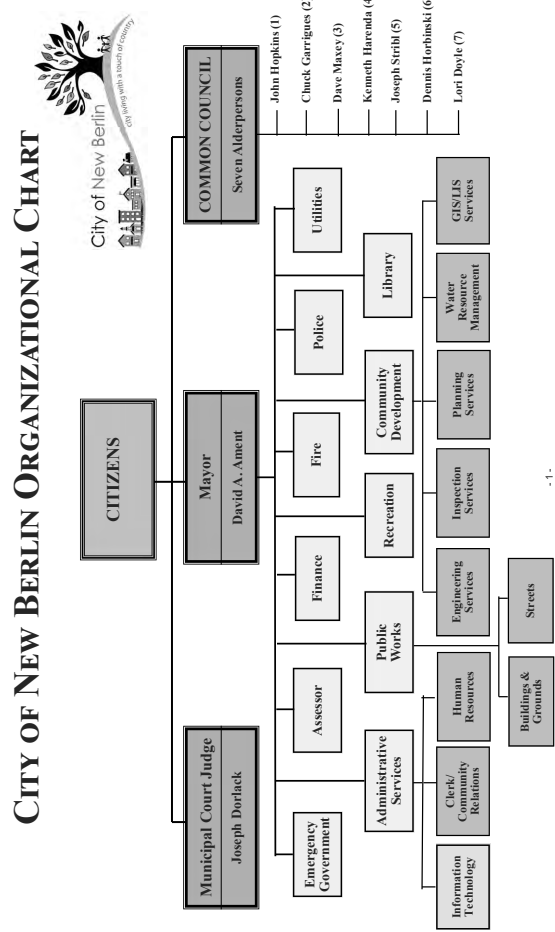
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INTRODUCTORY SECTION





CITY OF NEW BERLIN, WISCONSIN

2021 LIST OF PRINCIPAL OFFICIALS

ELECTED OFFICIALS

Title

City Mayor

Alderson - District 1
Alderson - District 2
Alderson - District 3
Alderson - District 4
Alderson - District 5
Alderson - District 6
Alderson - District 7

Municipal Judge

Name

David Ament

John Hopkins
Charles Garrigues
Dave Maxey
Kenneth A Harenda II
Joseph Stripl
Dennis Horbinski
Lori Doyle

Joseph S Dorlack

NON ELECTED OFFICIALS

Assessor
Attorney
Director of Administrative Services
Director of Community Development
Director of Information Technology
Director of Public Works
City Engineer
Emergency Government Director
Facilities & Grounds Supervisor
Finance Director
Fire Chief
Library
Police Chief
Streets Manager
Utility Manager

Timothy Kosteretz
Mark G Blum
David Bailey
Gregory Kessler
Alan Skornia
Joshua Radomski
Tamara Simonson
Jim Burns
Edward Bartz
Ralph Chipman
Mark Polzin
Natalie Beacom
Jeffrey Hingliss
Steven Brooks
James Hart

Independent Auditors' Report

To the City Council of
City of New Berlin

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 City'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

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory section and Statistical section included in the annual comprehensive financial report but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Baker Tilly US, LLP

Milwaukee, Wisconsin
July 18, 2022

Management's Discussion and Analysis
(unaudited)

As management of the City of New Berlin, we offer readers of the City of New Berlin's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found on pages 1-4 of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the year by \$191.5 million (net position) which is an increase of \$6 million. Of the net position amount \$37.2 million is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The governmental activities revenue and transfers totaled \$41.4 million, or a 1.0% increase over the prior year and expenses totaled \$38.3 million, as compared to \$42.3 million in 2020, or a 9.4% decrease over the prior year. The results of these activities produced an increase in governmental net position of \$3.1 million.
- The business-type activities revenue totaled \$19.8 million, or a 5.9% increase over the prior year and expenses and transfers totaled \$16.9 million or a 3% increase over last year. The result produced an increase in business-type net position of \$2.9 million.
- As of the end of the current fiscal year, governmental activities reported combined ending net position of \$48.4 million, an increase of \$3.1 million in comparison with the prior year.
- The City of New Berlin's total debt increased by \$10,595 (17.9%) during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of New Berlin's basic financial statements. The City of New Berlin's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net position* presents information on all of the City of New Berlin'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 New Berlin is improving or deteriorating.

The *statement of activities* presents information showing how the government'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 the future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of New Berlin 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 New Berlin include general government, protection of persons and property, highway and transportation, library, conservation and development, and parks and recreation. The business-type activities of the City of New Berlin include a Water Utility, a Wastewater Utility and a Water Resource Management Utility.

The government-wide financial statements include the City of New Berlin (known as the *primary government*). The Water, Wastewater and Water Resource Management Utilities, although legally separate, function for all practical purposes as departments of the City of New Berlin, and therefore have been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 18-19 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 New Berlin, 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 New Berlin 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 New Berlin maintains twenty-five individual 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 general debt service fund and the capital improvements fund, all of which are considered to be major funds. Data from the other twenty-two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of New Berlin adopts an annual appropriated budget for all funds as required by state statute. Budgetary comparison statements have been provided for the general fund and each major special revenue fund, if any, to demonstrate compliance with the adopted budget.

The basic governmental fund financial statements can be found on pages 20-24 of this report.

Proprietary funds. The City of New Berlin maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of New Berlin uses enterprise funds to account for its Water, Wastewater and Water Resource Management Utilities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of New Berlin uses an internal service fund to account for its insurance fund. Because this service predominantly benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Wastewater, and Water Resource Management Utilities, all of which are considered to be major funds of the City of New Berlin.

The basic proprietary fund financial statements can be found on pages 25-29 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 New Berlin's own programs. The most significant fiduciary fund maintained by the City of New Berlin is the Tax Collection Fund which records the tax roll and tax collections for other taxing jurisdictions within the City of New Berlin. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 30-31 of this report.

Notes to the 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 32-80 of this report.

Other information. The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 84-102 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of New Berlin, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$191,528 at the close of the most recent fiscal year.

By far, the largest portion of the City of New Berlin's net position (70.0 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City of New Berlin used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of New Berlin's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF NEW BERLIN NET POSITION December 31, 2021 and 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 74,255	\$ 63,151	\$ 41,120	\$ 38,404	\$ 115,375	\$ 101,555
Capital assets	97,646	86,178	107,455	107,794	205,101	193,972
Total Assets	171,901	149,329	148,575	146,198	320,476	295,527
Deferred Outflows of Resources	14,990	10,950	790	651	15,780	11,601
Long-term liabilities outstanding	70,376	57,675	4,166	4,774	74,542	62,449
Current and other liabilities	15,569	12,553	1,084	1,173	16,653	13,726
Total Liabilities	85,945	70,228	5,250	5,947	91,195	76,175
Deferred Inflows of Resources	52,491	44,704	1,042	730	53,533	45,434
Net position	33,914	33,608	103,273	103,013	137,187	136,621
Net investment in capital assets	16,090	11,808	885	655	16,975	12,463
Restricted	(1,549)	(69)	38,915	36,504	37,366	36,435
Unrestricted	\$ 48,455	\$ 45,347	\$ 143,073	\$ 140,172	\$ 191,528	\$ 185,519
Total net position						

An additional portion of the City of New Berlin's governmental activities net position (33.6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* is a negative \$1,549.

At the end of the current fiscal year, the City of New Berlin is able to report positive balances in all three categories of net position, in all fund types. The same situation held true for the prior fiscal year.

The government's net position increased a total of \$6,009 during the current fiscal year. Business type activities increased \$2,901 while government activities had an increase of \$3,108.

Governmental activities. Governmental activities increased the City of New Berlin's net position by \$3,108. Governmental expenses included \$3,928 of depreciation expense allocated as follows: \$338 to general government, \$961 to public safety, \$1,585 to highway and transportation, \$375 to library, and \$669 to parks and recreation. Depreciation expense is 10.4% of the total expenses for governmental activities. Total expenses decreased \$3,953 or 9.3%.

Some of the significant changes in revenues and expenses were as follows:

Revenues:

- Intergovernmental revenues returned to a normal level, last year included \$787 in grants and reimbursements from the Federal government for COVID relief.
- Quarry Park was sold for \$647. The land had been unused for a number of years and there were no plans to develop it.
- Investment income decreased \$447 due to the low interest rates and marking the investments to market.

Expenses:

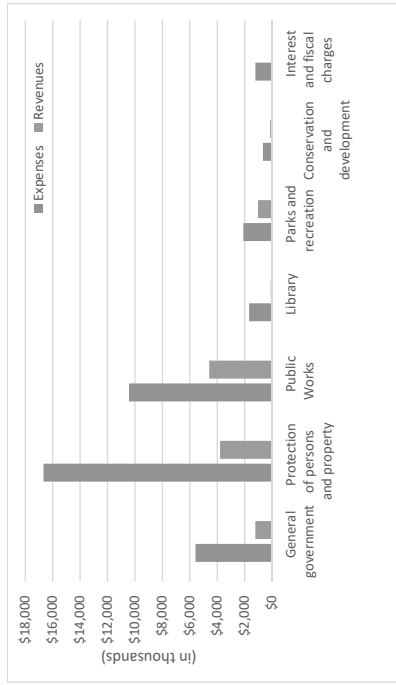
- Net pension expense due to GASB 68 decreased \$2.6 million. The expense is spread across all functions based on contributions.
- The city made a payment on the intergovernmental agreement with the City of Waukesha for \$.67 million.
- Total General fund expenditures increased \$1,392 or 4.8%.

The following is a more detailed review of the years' operation.

**CITY OF NEW BERLIN CHANGES IN NET POSITION
For the years ending December 31, 2021 and 2020**

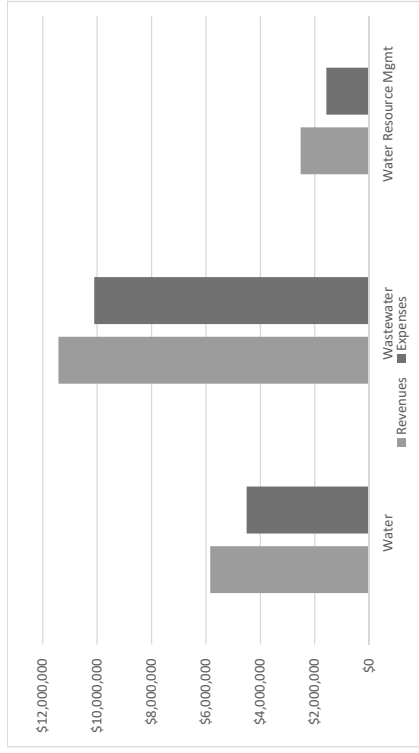
	Governmental Activities		Business-type Activities		Total
	2021	2020	2021	2020	
Revenues					
Program revenues					
Charges for services	\$ 7,146	\$ 6,435	\$ 18,467	\$ 18,189	\$ 25,613
Operating grants and contributions	3,308	4,027	83	287	3,391
Capital grants and contributions	408	58	1,230	7	1,638
General Revenues					
Property taxes	28,304	26,592	-	-	28,304
Other taxes	319	493	-	-	319
Intergovernmental revenues not restricted to specific programs	1,178	1,402	-	-	1,178
Investment income (loss)	(42)	405	32	224	(10)
Other	111	81	-	-	111
Total revenues	40,732	39,493	19,812	18,707	60,544
Expenses					
General government	5,587	8,454	-	-	5,587
Public safety	16,667	18,008	-	-	16,667
Highway and transportation	10,432	9,947	-	-	10,432
Library	1,672	1,818	-	-	1,672
Parks and recreation	2,096	1,978	-	-	2,096
Conservation and development	666	1,010	-	-	666
Interest and fiscal charges	1,222	1,080	-	-	1,222
Water	-	-	4,507	4,391	4,507
Wastewater	-	-	10,115	10,116	10,116
Water resource management	-	-	1,571	1,470	1,571
Total expenses	38,342	42,295	16,193	15,977	54,535
Increase (decrease) in net position before transfers	2,390	(2,802)	3,619	2,730	6,009
Transfers	718	766	(718)	(766)	-
Increase (decrease) in net position	3,108	(2,036)	2,901	1,964	6,009
Net position - January 1	45,347	47,383	140,172	138,208	185,519
Net position - December 31	\$ 48,455	\$ 45,347	\$ 143,073	\$ 140,172	\$ 185,519

Expenses and Program Revenues – Governmental Activities

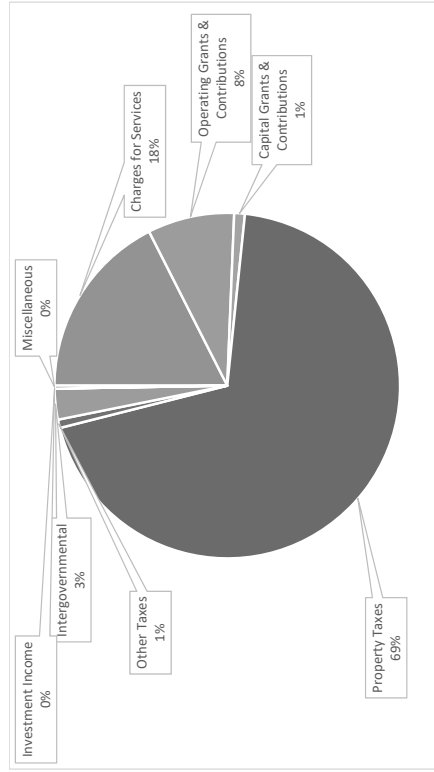


Business-type activities. Business-type activities increased the City of New Berlin's net position by \$2.9 million in 2021. The operating income of the utilities increased \$36 from last year. The operating income for the wastewater utility increased \$96, the operating income for the water increased \$19 and the Water Resource Management utility decreased \$79.

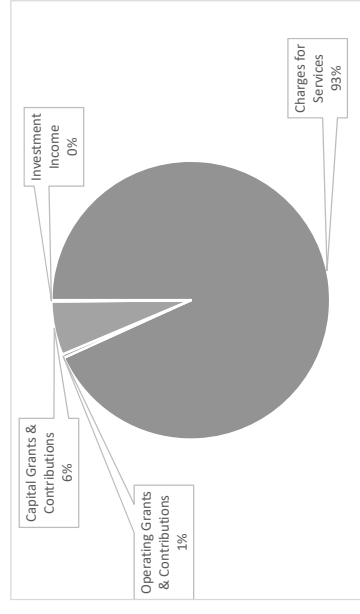
Expenses and Program Revenues – Business-type Activities



Program and General Revenues by Source – Governmental Activities



Revenues by Source – Business-type Activities



Financial Analysis of the Government's Funds

As noted earlier, the City of New Berlin uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of New Berlin'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'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 fiscal year.

Fund balances are the differences between assets/deferred outflows of resources and liabilities/deferred inflows of resources in a governmental fund. The non-spendable fund balance includes amounts that are not in spendable form, or amounts that are required to be maintained intact. Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external providers, such as grant providers or bondholders, as well as amounts that are restricted constitutionally or through legislation. Committed fund balance includes amounts that can be used only for the specific purposes that are determined by a formal action of the government's highest level of decision making authority. Assigned fund balance applies to amounts that are intended for specific purposes as expressed by the governing body or authorized official and applies to remaining resources in any governmental fund other than the general fund. Unassigned fund balances include all amounts not contained in other classifications for the general fund, and deficit fund balance in any other governmental fund.

As of the end of the current fiscal year, the City of New Berlin's governmental fund reported combined ending fund balances of \$26.2 million. Of that amount, a fraction was non-spendable, \$16.0 million was restricted, \$8 million was committed, \$1.2 million was assigned, and \$7.6 million was unassigned fund balance.

The general fund is the chief operating fund of the City of New Berlin. At the end of the current fiscal year, unassigned fund balance of the general fund was \$7,634, while total fund balance decreased \$817 to \$9,312. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 25.0 percent of total general fund expenditures, while total fund balance represents 30.4 percent of that same amount.

The fund balance of the City of New Berlin's general fund decreased \$817 during the current fiscal year compared to a budgeted use of fund balance of \$1,000. Key factors in this outcome are as follows:

- Interfractility Transports had a negative \$167 balance, the city has seen a decrease in transports as additional care facilities are built.
- Investment Income had \$298 negative budget balance, values of securities went down due to the increase in interest rates.
- Grant income had a \$135 positive variance. The City received various grants for COVID relief.

The debt service fund has a total fund balance of \$1,114, all of which is reserved for the payment of debt service.

Proprietary funds. The City of New Berlin's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water Utility at the end of the year amounted to \$10,201, for the Wastewater Utility \$24,784 and for the Water Resource Management Utility amounted to \$3,930. The total change in net position for the funds was \$667, \$1,286, and \$948, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of New Berlin's business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were not significant in 2020. The transfers from contingency were as follows:

- \$103 to the Police Department for body and dash cameras
- \$90 increase to the Streets Department for gas to cover the increase in prices
- 34 to the Fire Department for firefighter turnout gear

During the year, expenditures were less than budgetary estimates, thus fund balance was not drawn down as much as budgeted.

Capital Asset and Debt Administration

Capital assets: The City of New Berlin's investment in capital assets for its governmental and business type activities as of December 31, 2021, amounts to \$205,101 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, park facilities, roads, highways, and sidewalks. The City of New Berlin's overall investment in capital assets for the current fiscal year increased 5.7% - (governmental activities increased 13.3% while business-type activities decreased 3%).

Major capital asset events during the current fiscal year included the following:

- Replaced computer network & storage infrastructure for \$558
- Replaced city hall chiller and hvac system for a cost of \$982
- Sold Quarry park site
- Continued the process of creating a Recreation Center for the city, second year costs of \$3.5 million.
- Began work on cold storage facilities for parks and public works equipment spent to date is \$2.9 million
- The balances of additions were routine in nature.

CITY OF NEW BERLIN'S CAPITAL ASSETS

(net of accumulated depreciation)
December 31, 2021 and 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land & improvements	\$ 20,731	\$ 20,837	\$ 1,426	\$ 1,426	\$ 22,157	\$ 22,263
Intangible asset	433	561	525	600	958	1,161
Buildings	19,081	20,133	2,615	2,659	21,696	22,792
Machinery and equipment	16,539	13,124	1,928	2,192	18,467	15,316
Infrastructure	33,252	30,052	100,760	100,916	134,012	130,968
Construction in progress	7,610	1,471	201	-	7,811	1,471
Total	\$ 97,646	\$ 86,178	\$ 107,455	\$ 107,793	\$ 205,101	\$ 193,971

Additional information on the City of New Berlin's capital assets can be found in Note IV D on pages 55-58 of this report.

Long-term debt. At the end of the current fiscal year, the City of New Berlin had total bonded debt outstanding of \$69,670 which is backed by the full faith and credit of the government.

CITY OF NEW BERLIN'S OUTSTANDING DEBT

December 31, 2021 and 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation bonds and notes	\$ 68,380	\$ 57,185	\$ 1,290	\$ 1,890	\$ 69,670	\$ 59,075

The City of New Berlin's total debt increased \$10,595 (17.9 percent) during the current fiscal year.

Moody's affirmed the City's Aaa rating for its \$9.55 million general obligation bonds and \$20.615 million general obligation notes issued in August. The bonds included \$10.4 million of refunding debt. The future value savings achieved by the refunding is \$1,502.

State statutes limit the amount of general obligation debt a governmental entity may issue to 5 percent of its total equalized valuation. The current debt limitation for the City of New Berlin is \$313,544, which is significantly in excess of the City of New Berlin's outstanding general obligation debt.

Additional information on the City of New Berlin's long-term debt can be found in note IV F on pages 61-65 of this report.

Economic Factors and Next Year's Budgets and Rates

- The City's 2022 adopted budget increased to \$42,643 from \$39,366 in 2021, an increase of 8.3%.
- State shared revenue remained the same in 2022. The city expects to receive less thereafter.
- The City used \$1.5 million of federal American Rescue Plan funds to replace lost revenues.
- The State of Wisconsin imposed a maximum tax levy increase of 0% for municipalities in 2012 and thereafter.

All of these factors were considered in preparing the City of New Berlin's budget for the 2022 fiscal year.

During the current fiscal year, unassigned fund balance in the general fund decreased to \$7,639. The City of New Berlin has appropriated \$1,000 of surplus for spending in the 2022 fiscal year budget. It is intended that this use of available fund balance will stabilize the tax rate during the 2022 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City of New Berlin'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 financial information should be addressed to the Finance Director, 3805 South Casper Drive, New Berlin, Wisconsin, 53151.

General information relating to the City of New Berlin, Wisconsin, can be found at the City's website, www.newberlin.org.

BASIC FINANCIAL STATEMENTS

FINANCIAL SECTION

STATEMENT OF NET POSITION
As of December 31, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 30,915,744	\$ 34,944,905	\$ 65,860,649
Receivables (net of allowance for uncollectible accounts)	33,999,085	4,510,802	38,509,887
Internal balances	(779,292)	779,292	-
Prepaid items	587,674	-	587,674
Deposit with CVMC	802,060	-	802,060
Restricted assets			
Cash and investments	-	464,942	464,942
Net pension asset	8,729,422	420,500	9,149,922
Capital assets (net of accumulated depreciation/amortization)			
Land	17,916,736	1,426,010	19,344,746
Other capital assets	72,117,428	105,827,965	177,945,223
Construction in progress	7,610,287	201,023	7,811,310
Total Assets	171,901,144	148,575,269	320,476,413
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	14,471,908	736,169	15,208,067
Deferred outflows related to OPEB	516,271	54,555	572,826
Total Deferred Outflows of Resources	14,988,179	790,714	15,778,893
LIABILITIES			
Accounts payable and other current liabilities	3,529,116	496,179	4,025,295
Accrued interest payable	413,746	33,233	443,979
Unearned revenue	2,083,383	-	2,083,383
Noncurrent liabilities			
Due within one year	9,540,577	555,242	10,095,819
Due in more than one year	70,376,188	3,865,987	74,242,175
Total Liabilities	85,945,010	4,950,541	90,895,551
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension	19,122,007	918,033	20,040,040
Deferred inflows related to OPEB	1,180,068	124,218	1,304,286
Unearned revenue	32,189,321	-	32,189,321
Total Deferred Inflows of Resources	52,491,396	1,042,251	53,533,647
NET POSITION			
Net investment in capital assets	33,913,699	103,273,381	137,187,080
Restricted for			
Debt service	703,101	-	703,101
Impact fees	71,539	-	71,539
Replacement	-	464,942	464,942
Wastewater	1,819,754	-	1,819,754
Capital improvement programs	1,565,079	-	1,565,079
Public safety programs	269,521	-	269,521
Public works	1,490,903	-	1,490,903
Community development	48,628	-	48,628
Tax increment district	153,963	-	153,963
Capital projects	1,283,827	-	1,283,827
Pension	8,729,422	420,500	9,149,922
Unrestricted (deficit)	(1,548,519)	38,914,517	37,366,022
TOTAL NET POSITION	\$ 48,454,917	\$ 143,073,364	\$ 191,528,281

See accompanying notes to financial statements.

CITY OF NEW BERLIN
BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2021

	General	General Debt Service	Capital Project Capital Improvements	Normal Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 9,983,504	\$ 1,100,957	\$ 10,071,681	\$ 9,748,554	\$ 30,504,676
Receivables (net of allowance for uncollectible accounts)					
Delinquent personal property taxes	23,995,537	8,301,431	-	534,958	32,831,926
Accounts	89,776	-	-	-	89,776
Interest	778,985	12,890	-	235,787	1,027,662
Special assessments	28,562	-	-	-	28,562
Due from other funds	297,520	-	-	14,159	311,679
Prepaid items	68,553	-	-	26,553	95,106
	897,674	-	-	-	897,674
TOTAL ASSETS	\$ 35,331,558	\$ 9,415,278	\$ 10,071,681	\$ 10,533,458	\$ 65,351,955
LIABILITIES					
Accounts payable	\$ 945,248	\$ -	\$ 1,886,850	\$ 222,467	\$ 3,054,565
Accrued interest	20,085	-	-	-	20,085
Accrued payroll	409,358	-	-	-	409,358
Due to other funds	1,046,812	-	-	-	1,046,812
Unearned revenues	168,112	-	-	1,915,271	2,083,383
Total Liabilities	2,637,723	-	1,886,850	2,137,738	6,662,311
DEFERRED INFLOWS OF RESOURCES					
Unearned revenues	23,352,662	8,301,431	-	535,208	32,189,321
Unavailable revenues	20,085	-	-	187,855	216,940
Total Deferred Inflows of Resources	23,381,767	8,301,431	-	723,063	32,408,261
FUND BALANCES					
Non-spendable:					
Delinquent personal property taxes	89,776	-	-	-	89,776
Prepays	597,674	-	-	-	597,674
Restricted:					
Culture and recreation	-	-	-	-	-
Public safety	-	-	-	1,565,079	1,565,079
Community development	-	-	-	269,921	269,921
Tax increment district	-	-	-	48,628	48,628
Impact and RCA fees	-	-	-	153,963	153,963
Capital Projects	-	-	8,194,511	1,884,293	10,078,804
Public works	-	1,113,647	-	1,283,327	2,397,474
Public works	-	-	-	1,450,903	1,450,903
Committed:					
Culture and recreation	-	-	-	236,866	236,866
Community development	-	-	-	545,619	545,619
Assessments	1,000,000	-	-	-	1,000,000
Subsequent year budget appropriations	-	-	-	232,928	232,928
Capital Projects	7,634,618	-	-	-	7,634,618
Unassigned	9,312,068	1,113,647	8,194,511	7,672,557	26,283,383
Total Fund Balances					
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 35,331,558	\$ 9,415,278	\$ 10,071,681	\$ 10,533,458	

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

Capital assets in governmental funds are not financial resources and therefore are not reported in the funds. See Note IV D.

Internal service funds are reported in the statement of net position as governmental activities. The net pension asset does not relate to current financial resources and is not reported in the governmental funds. Deferred outflows of resources related to pension and OPEB do not relate to current financial resources and are not reported in the governmental funds.

Due to other funds are reported in the governmental funds. Deferred outflows of resources related to pension and OPEB do not relate to current financial resources and are not reported in the governmental funds.

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 II A.

Some liabilities, including long-term debt, are not due and payable in the current period and therefore are not reported in the funds. See Note I A.

NET POSITION OF GOVERNMENTAL ACTIVITIES

See accompanying notes to financial statements.

Statement of Revenues, Expenditures, and changes in Fund Balances – Governmental Funds Follows

CITY OF NEW BERLIN

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2021

	General	General Debt Service	Capital Project Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 20,279,737	\$ 7,774,194	\$ -	\$ 568,939	\$ 28,622,870
Intergovernmental	3,955,367	78,110	-	103,256	4,136,733
Licenses and permits	1,276,179	-	-	-	1,276,179
Fines, forfeitures and penalties	326,547	-	-	-	326,547
Public charges for services	2,419,325	-	-	1,770,504	4,189,829
Public improvement revenues	-	-	-	39,475	39,475
Interdepartmental revenues	572,291	-	-	-	572,291
Investment income	(77,618)	-	22,615	13,400	(41,593)
Miscellaneous revenues	339,068	-	-	1,401,593	1,740,566
Total Revenues	29,090,593	7,852,304	22,615	3,897,077	40,862,589
EXPENDITURES					
Current					
General government	6,210,811	-	13,000	98,289	6,323,100
Protection of persons and property	17,744,202	-	-	186,693	17,930,895
Public Works	3,429,780	-	-	2,133,343	5,563,123
Library	1,510,724	-	-	26,659	1,537,383
Parks and recreation	1,339,367	-	-	175,975	1,515,342
Conservation and development	686,079	-	-	39,749	725,828
Capital Outlay	-	-	18,298,407	308,598	18,607,005
Debt Service	-	22,779,878	-	-	22,779,878
Principal retirement	-	1,249,826	120,672	584	1,371,082
Interest and fiscal charges	-	24,029,704	18,432,079	2,970,890	76,353,636
Total Expenditures	30,920,963	24,029,704	18,432,079	2,970,890	76,353,636

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See accompanying notes to financial statements.

CITY OF NEW BERLIN

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2021

	General	General Debt Service	Capital Project Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
Excess (deficiency) of revenues over expenditures	\$ (1,830,370)	\$ (16,177,400)	\$ (18,409,464)	\$ 926,187	\$ (35,491,047)
SOURCES (USES)					
Long-term debt issued	-	-	20,450,000	355,000	20,805,000
Refunding debt issued	-	13,170,000	-	-	13,170,000
Premium on bond issued	-	1,955,008	234,304	38,587	2,227,899
Capital lease	343,512	-	-	-	343,512
Transfers in	853,461	644,588	-	175,000	1,673,069
Transfers out	(183,656)	-	-	(779,598)	(963,244)
Total Other Financing Sources (Uses)	1,013,337	15,769,596	20,684,304	(211,001)	37,256,236
Net Change in Fund Balance	(817,033)	(407,804)	2,274,840	715,186	1,765,189
FUND BALANCES -					
Beginning of year	10,129,101	1,521,651	5,909,971	6,957,471	24,518,194
FUND BALANCES - END OF YEAR	\$ 9,312,068	\$ 1,113,847	\$ 8,184,811	\$ 7,672,657	\$ 26,283,383

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CITY OF NEW BERLIN

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, 2021

Net change in fund balances - total governmental funds	\$ 1,765,189
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	18,607,005
Some items reported as capital outlay were not capitalized	(3,453,996)
Some items capitalized are reported as current expenditures	566,751
Depreciation is reported in the government-wide statements	(3,928,455)
Net book value of assets retired	(701,379)
Developer funded & donated capital additions	378,903
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. This amount is the net effect of the differences in the treatment of long-term debt. See Note II B.	(13,314,076)
Revenues are reported in the governmental funds when current financial resources are available, but are recognized when earned in the statement of activities. See Note II B.	53,888
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. See Note II B.	3,130,551
Internal Service fund change in net position	20,610
A deferred charge on refunding represents a consumption of net position that applies to a future period and, therefore, is not reported in the funds.	(17,131)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 3,107,870
See accompanying notes to financial statements.	

CITY OF NEW BERLIN

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON - GAAP) GENERAL FUND For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 20,242,748	\$ 20,242,748	\$ 20,279,737	\$ 36,989
Intergovernmental	3,647,773	3,647,773	3,965,367	307,594
Licenses and permits	1,310,978	1,310,978	1,276,179	(34,799)
Fines, forfeitures and penalties	320,000	320,000	326,547	6,547
Public charges for services	2,398,655	2,398,655	2,419,325	20,670
Interdepartmental revenues	584,599	584,599	572,291	(12,308)
Investment income	220,000	220,000	(77,918)	(297,918)
Miscellaneous revenues	201,103	201,103	339,065	137,962
Total Revenues	28,925,856	28,925,856	29,090,593	164,737
EXPENDITURES				
Current				
General government	6,403,698	6,403,698	6,197,135	206,563
Protection of persons and property	17,099,957	17,237,114	17,401,739	(164,625)
Highway and transportation	3,364,472	3,454,472	3,429,780	24,692
Library	1,514,905	1,514,905	1,510,724	4,181
Parks and recreation	1,311,198	1,311,198	1,339,367	(28,169)
Conservation and development	716,626	716,626	686,079	30,547
Unclassified	-	-	3,406	(3,406)
Contingency	300,000	72,843	-	72,843
Total Expenditures	30,710,856	30,710,856	30,568,230	142,626
Excess (deficiency) of revenues over expenditures	(1,785,000)	(1,785,000)	(1,477,637)	307,363
OTHER FINANCING SOURCES (USES)				
Transfers in	960,000	960,000	853,481	(106,519)
Transfer out	(175,000)	(175,000)	(183,656)	(8,656)
Total other financing sources and (uses)	785,000	785,000	669,825	(115,175)
Net change in Fund Balance - budgetary basis	(1,000,000)	(1,000,000)	(807,812)	192,188
Adjustment to generally accepted accounting principles basis	-	-	-	-
Capital Lease - expenditure	-	-	(343,512)	(343,512)
Capital Lease - obligation	-	-	343,512	343,512
Change in Encumbrances	-	-	(9,221)	(9,221)
Net Change in Fund Balance - generally accepted accounting principles basis	(1,000,000)	(1,000,000)	(817,033)	182,967
FUND BALANCES - BEGINNING OF YEAR	10,129,101	10,129,101	10,129,101	-
FUND BALANCES - END OF YEAR	\$ 9,129,101	\$ 9,129,101	\$ 9,312,068	\$ 182,967

See accompanying notes to financial statements.

CITY OF NEW BERLIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
As of December 31, 2021

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Utility	Wastewater Utility	Water Resource Management	Totals	
ASSETS					
Current Assets					
Cash and investments	\$ 9,523,421	\$ 21,721,723	\$ 3,698,761	\$ 34,944,905	\$ 411,068
Receivables					
Accounts	1,086,790	2,906,456	463,954	4,457,200	7,000
Interest	2,738	12,222	-	14,960	-
Due from other funds	481,951	522,930	72,973	1,077,854	-
Advance to Water Resource Management	-	110,000	-	110,000	-
Total Current Assets	11,094,900	25,273,331	4,236,688	40,604,919	418,068
Non-Current Assets					
Restricted Assets					
Cash and investments	-	464,942	-	464,942	-
Net pension asset	231,150	163,257	26,093	420,500	-
Capital Assets					
Land	652,146	455,017	317,847	1,425,010	-
Other capital assets	65,087,009	60,543,770	36,634,347	162,275,126	-
Accumulated depreciation/amortization	(25,687,770)	(17,846,348)	(12,913,213)	(56,447,331)	-
Construction work in progress	108,955	66,500	25,568	201,023	-
Other Assets					
Special assessments receivable	36,878	1,764	-	38,642	-
Advance to Water Resource Management	-	110,000	-	110,000	-
Deposit with CVMIC	-	-	-	-	802,060
Total Non-Current Assets	40,438,368	43,955,902	24,090,642	108,485,912	802,060
TOTAL ASSETS	51,533,268	69,229,233	28,327,330	149,089,831	1,220,128
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pension	415,913	269,386	50,860	736,159	-
Deferred outflows related to OPEB	30,308	24,247	-	54,555	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	446,221	293,633	50,860	790,714	-

Statement of Net Position
- Proprietary Funds Follows

CITY OF NEW BERLIN

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2021**

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Utility	Wastewater Utility	Water Resource Management Utility	Totals	
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 252,287	\$ 140,493	\$ 23,804	\$ 416,584	\$ -
Accrued liabilities	71,111	-	8,484	79,595	-
Accrued interest payable	32,683	-	550	33,233	-
Due to other funds	144,211	99,488	54,863	298,562	-
Current portion of general obligation notes	415,000	-	-	415,000	-
Current portion of advance	-	-	110,000	110,000	-
Current portion of revenue bonds	140,242	-	-	140,242	-
Total Current Liabilities	1,055,534	239,981	197,701	1,493,216	-
Non-Current Liabilities					
Long-Term Debt					
General obligation promissory notes	987,515	-	-	987,515	-
Revenue Bonds	2,638,690	-	-	2,638,690	-
Advance from sewer	-	-	110,000	110,000	-
Net OFEB obligation	-	239,782	-	239,782	-
Total Non-Current Liabilities	3,626,205	239,782	110,000	3,975,987	-
TOTAL LIABILITIES	4,681,739	479,763	307,701	5,469,203	-
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to OFEB	69,010	55,208	-	124,218	-
Deferred inflows related to pension	507,626	360,062	50,345	918,033	-
Total Deferred Inflows of Resources	576,636	415,270	50,345	1,042,251	-
NET POSITION					
Net Investment in capital assets	35,988,893	43,219,939	24,064,549	103,273,381	-
Restricted for					
Replacement	-	464,942	-	464,942	-
Pension	231,150	163,257	28,093	420,500	-
Unrestricted	10,201,344	24,763,695	3,929,502	38,914,541	1,220,128
TOTAL NET POSITION	\$ 46,421,387	\$ 68,631,833	\$ 28,020,144	\$ 143,073,364	\$ 1,220,128

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Utility	Wastewater Utility	Water Resource Management Utility	Totals	
OPERATING REVENUES					
Charges for services and sales	\$ 5,116,159	\$ 11,175,920	\$ 1,766,595	\$ 18,058,674	\$ 213,577
Other operating revenues	329,154	79,777	-	408,931	-
Total Operating Revenues	5,445,313	11,255,697	1,766,595	18,467,605	213,577
OPERATING EXPENSES					
Operation and maintenance	2,972,080	9,196,889	1,023,026	13,191,795	213,803
Depreciation	1,237,948	886,480	517,826	2,642,254	-
Taxes	51,308	31,382	20,671	103,361	-
Total Operating Expenses	4,261,336	10,114,551	1,561,523	15,937,410	213,803
Operating Income (loss)	1,183,977	1,141,146	205,072	2,530,195	(226)
NONOPERATING REVENUES (EXPENSES)					
Investment income	650	(6,180)	2,078	(3,452)	-
Amortization of bond premium	35,937	-	-	35,937	-
Intergovernmental Revenue	3,716	2,652	-	6,368	-
Grant	2,000	74,478	-	76,478	12,180
Gain on Disposal	-	5,701	-	5,701	-
Interest expense	(245,875)	-	(9,468)	(255,343)	-
Total Nonoperating Revenues (Expenses)	(203,572)	76,651	(7,410)	(134,331)	12,180
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	980,405	1,217,797	197,662	2,395,864	11,954
CAPITAL CONTRIBUTIONS					
Developers	390,096	83,413	-	473,509	-
Others	-	-	750,624	750,624	-
TRANSFERS IN TRANSFERS OUT	(703,301)	(15,180)	-	(718,481)	8,656
CHANGE IN NET POSITION	667,200	1,286,030	948,286	2,901,516	20,610
NET POSITION - Beginning of Year	45,754,187	67,345,803	27,071,858	140,171,848	1,199,518
NET POSITION - END OF YEAR	\$ 46,421,387	\$ 68,631,833	\$ 28,020,144	\$ 143,073,364	\$ 1,220,128

See accompanying notes to financial statements.

CITY OF NEW BERLIN
STATEMENT OF CASH FLOWS
Proprietary Funds
For the Year Ended December 31, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Services Fund
	Water Utility	Wastewater Management Utility	Water Resource Management Utility	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 4,598,691	\$ 11,252,917	\$ 1,753,226	\$ 17,604,834	\$ -
Receipts from municipality	753,418	-	-	753,418	-
Payments to municipality	(2,532,008)	(8,818,715)	(357,692)	(11,708,415)	206,577
Payments to suppliers	(35,817)	(398,152)	(398,152)	(1,145,875)	(213,803)
Payments to employees	(35,817)	(398,152)	(398,152)	(1,145,875)	(213,803)
Net Cash Flows From Operating Activities	2,189,584	1,897,208	711,060	4,897,852	(7,220)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Receipt of advances	-	105,000	-	105,000	-
Transfers in	-	-	-	-	8,656
Transfers out - paid for tax equivalent	(703,301)	(15,180)	-	(718,481)	-
Net Cash Flows From Non-Capital Related Financing Activities	(703,301)	89,820	-	(613,481)	8,656
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(889,276)	(190,394)	(502,732)	(1,582,402)	-
Bond Premium	112,514	-	-	112,514	-
Special assessments received	1,575	2,078	-	3,653	-
Salvage on retired plant	36,239	22,161	-	58,400	-
Grant received	5,716	77,130	-	82,846	12,160
Grant received - equipment	5,716	5,716	-	11,432	-
Bond issuance cost	(8,169)	-	-	(8,169)	-
Payment of advance	-	-	(105,000)	(105,000)	-
Debt issued	1,290,000	-	-	1,290,000	-
Debt retired	(2,027,615)	-	-	(2,027,615)	-
Interest paid	(62,811)	-	(8,751)	(71,562)	-
Net Cash Flows From Capital and Related Financing Activities	(1,361,827)	(83,324)	(617,483)	(2,062,634)	12,180
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(394,118)	(1,919,515)	-	(2,313,633)	-
Investments sold	383,612	1,891,947	-	2,275,559	-
Interest received	20,878	59,995	2,078	81,951	-
Net Cash Flows From Investing Activities	10,372	31,427	2,078	43,877	-
Net Change in Cash and Cash Equivalents	130,828	2,035,131	96,443	2,262,402	13,610
CASH AND CASH EQUIVALENTS - Beginning of Year	8,554,150	16,472,858	3,603,318	28,630,326	397,458
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 8,684,978	\$ 18,507,989	\$ 3,699,761	\$ 30,892,728	\$ 411,068

Statement of Cash Flows
- Proprietary Funds Follows

CITY OF NEW BERLIN
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
As of December 31, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities - General Fund	
	Water Utility	Wastewater Utility	Resource Management Utility	Totals	General Fund	Service Fund
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	\$ 1,183,977	\$ 1,141,146	\$ 205,072	\$ 2,530,196	\$ -	(226)
Adjustments to reconcile operating income to net cash flows from operating activities						
Non-cash items included in operating income						
Depreciation expense	1,237,948	886,480	517,826	2,642,254	-	-
Changes in Assets and Liabilities	183,009	-	-	183,009	-	-
Receivable from municipality	59,264	54,395	(6,641)	107,018	-	(7,000)
Receivable from wastewater	(112,849)	(47,683)	(6,728)	(167,260)	-	-
Receivable from water	(43,005)	-	-	(43,005)	-	-
Receivable from water resource management	-	(9,125)	-	(9,125)	-	-
Operating related inflow	159,812	196,515	(6,566)	350,761	-	-
Operating related outflow	26,400	26,400	50	52,850	-	-
Net pension liability (asset)	(105,402)	(76,938)	(11,778)	(194,116)	-	-
Accounts payable	(4,266)	(53,973)	1,296	(56,943)	-	-
Accrued liabilities	3,386	-	1,001	4,387	-	-
Net OPEB obligation	(11,978)	(2,655)	-	(14,633)	-	-
Pension related outflow	(105,783)	(74,762)	11,595	(168,950)	-	-
Payable to municipality	(273,597)	(18,845)	6,404	(285,038)	-	-
Payable to water resource management	9,125	-	-	9,125	-	-
Payable to wastewater	-	-	367	367	-	-
Payable to water	-	43,005	-	43,005	-	-
Net Cash Flows From Operating Activities	\$ 2,185,584	\$ 1,997,208	\$ 711,848	\$ 4,894,640	\$ -	(7,226)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET ASSETS						
Cash and cash equivalents - unrestricted	\$ 9,523,421	\$ 21,721,723	\$ 3,699,761	\$ 34,944,905	\$ 411,068	-
Cash and cash equivalents - restricted	-	464,942	-	464,942	-	-
Less: Non-cash equivalents	(839,443)	(3,678,667)	-	(4,517,110)	-	-
CASH AND CASH EQUIVALENTS	\$ 8,684,978	\$ 18,507,998	\$ 3,699,761	\$ 30,892,737	\$ 411,068	\$ -
NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES						
Cost of utility plant installed and/or financed by developers	\$ 390,096	\$ 83,413	\$ -	\$ 473,509	\$ -	\$ -
Cost of utility plant installed and/or financed by city	\$ -	\$ -	\$ 750,624	\$ 750,624	\$ -	\$ -
Capital assets included in accounts payable	\$ (8,911)	\$ 1,275	\$ -	\$ (7,636)	\$ -	\$ -
Amortization of loss on refunding	\$ 61,235	\$ -	\$ -	\$ 61,235	\$ -	\$ -
Amortization of bond premium	\$ 35,937	\$ -	\$ -	\$ 35,937	\$ -	\$ -
See accompanying notes to financial statements.						

	Custodial Funds		
	Collection Fund	Deposit Fund	Total
ASSETS			
Cash and investments	\$ 50,144,570	\$ 526,231	\$ 50,670,801
Taxes receivable	9,834,069	-	9,834,069
TOTAL ASSETS	\$ 59,978,639	\$ 526,231	\$ 60,504,870
LIABILITIES			
Due to other taxing units	59,978,639	-	59,978,639
Deposits	-	526,231	526,231
TOTAL LIABILITIES	\$ 59,978,639	\$ 526,231	\$ 60,504,870
NET POSITION - END OF YEAR	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

CITY OF NEW BERLIN

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
As of December 31, 2021

	Custodial Funds	
	Tax Collection Fund	Deposit Fund
ADDITIONS		
Tax Collections	\$ 45,782,641	\$ -
Deposit Collections	-	198,908
TOTAL ADDITIONS	<u>45,782,641</u>	<u>198,908</u>
DEDUCTIONS		
Payments to overlying districts	45,782,641	-
Deposit Payments	-	198,908
TOTAL DEDUCTIONS	<u>45,782,641</u>	<u>198,908</u>
Change in Fiduciary Net Position	<u>\$ -</u>	<u>\$ -</u>

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

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CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of New Berlin, Wisconsin (the "City") conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the City of New Berlin. The reporting entity for the City consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The City has not identified any organizations that meet this criteria.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

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 is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

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

Funds are organized as major funds or non-major 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:

- 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 percent of the corresponding total for all funds of that category or type, and
- The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- 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.

The city reports the following major governmental funds:

General Fund – accounts for the city's primary operating activities. It is used to account for and report all financial resources except those required to be accounted for in another fund.

General 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 TID or enterprise debt.

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

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

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 major enterprise funds:

Water Utility – accounts for operations of the water system.
Wastewater Utility – accounts for operations of the wastewater system.
Water Resource Management Utility – accounts for operations of the storm water system.

The City reports the following non-major 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 capital projects).

Park & Open Space	Concession Stand	Landscape
Trail Fees	Park & Recreation	Building Maintenance
Impact Fees	Police	Technology Fee
Wastewater RCA Fees	Fire	Tourism Commission Fund
Golf Course	Mayor	Tax Increment District
Fourth of July	Special Assessment	Grant
Library	Garbage/Recycling	

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

Equipment Equipment Replacement

In addition, the city reports the following fund types:

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

General Liability Insurance

Custodial funds - used to account for and report assets controlled by the city and the assets are for the benefit of individuals, private organizations, and/or other governmental units.

Property Tax
Deposit

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

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 deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the city's water, wastewater and water resource management 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 to 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.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

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

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

Fund Financial Statements (cont.)

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.

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

The proprietary funds distinguish operating revenues and expenses from non-operating 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, Wastewater, and Water Resource Management Utilities are charges to customers for sales and services. The rates used in the Water Utility were approved by the Public Service Commission. Wastewater and Water Resource Management service charges are billed at rates established by the city's common 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 non-operating 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. See Note IV.A for further information.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

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

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

2. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the city, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units in the accompanying statement of fiduciary net position.

Property tax calendar – 2021 tax roll:

Lien date and levy date	December 2021
Tax bills mailed	December 2021
Payment in full, or	January 31, 2022
First installment due	January 31, 2022
Second installment due	March 31, 2022
Third installment due	May 31, 2022
Personal property taxes in full	January 31, 2022
Tax sale – 2020 delinquent real estate taxes	October 2024

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the utilities because they 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 inter-fund loans are reported as "due to and from other funds." Long-term inter-fund loans (noncurrent portion) are reported as "advances from and to other funds." Inter-fund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a non-spendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

3. Inventories and Prepaid Items

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. Any materials and supplies on hand at year-end are considered immaterial.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

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

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

3. Inventories and Prepaid Items (cont.)

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.

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties.

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, \$10,000 for infrastructure assets, \$1,000 for utility system 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 fixed assets are recorded at their estimated fair 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. 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 and amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Depreciation and amortization is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	20-50 Years
Land Improvements	10-50 Years
Machinery and Equipment	5-50 Years
Intangible Asset	4-20 Years
Utility System	4-100 Years
Infrastructure	25-75 Years

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CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

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

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

5. Capital Assets (cont.)

Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

6. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance 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 arises from advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the 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 and proprietary fund statements.

7. 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 and sick leave pay is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, 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, 2021 are determined on the basis of current salary rates and include salary related payments.

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CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

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

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

8. 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 net pension and OPEB liabilities.

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

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the effective interest method. The balance at year end 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 IRB's outstanding at the end of the year is \$5,038,175, made up of two issues.

9. Deferred Inflows of Resources

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

10. Equity Classifications

Government-Wide Statements

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

- 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.
- Restricted net position – Consists of net position 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.

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CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

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

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

10. Equity Classifications (cont.)

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

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

Fund Statements

Governmental fund balances displayed as follows:

- Non-spendable – 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.
- 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.
- 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. 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 that originally created the commitment.
- Assigned – Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The City Council has, by resolution, adopted a financial policy authorizing the Mayor and the Director of Finance to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- 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.

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CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

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

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

10. Equity Classifications (cont.)

Fund Statements (cont.)

The City has a formal minimum fund balance policy. That policy is to maintain a working capital reserve to pay for needs caused by unforeseen emergencies. This reserve will be maintained at a minimum of not less than fifteen percent of the subsequent year's general fund budgeted expenditures. The balance at year end was \$6,396,523 or 15.0%, and is included in unassigned general fund balance.

11. 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 refund of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

12. Other Postemployment Benefits (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 Plan. For this purpose, the City OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET POSITION

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains "other long-term assets that are not available to pay for current period expenditures and therefore are unavailable in the funds". The details of this difference are as follows:

Special Assessments	\$ 14,159
Subsequent period collections	<u>202,781</u>
Combined Adjustment for unavailable revenue	<u>\$ 216,940</u>

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

Bonds and notes payable	\$ 68,379,881
Intergovernmental Agreement	1,333,333
Compensated absences	1,629,240
Net OPEB obligation	5,510,213
Accrued interest	410,746
Lease payable	397,997
Unamortized debt premium (to be amortized over life of debt)	<u>2,668,101</u>
Combined Adjustment for Long-Term Liabilities	<u>\$ 80,329,511</u>

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances* – total governmental funds and changes in *net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, "Revenues are reported in the governmental funds when current financial resources are available, but are recognized when earned in the statement of activities." The details of this difference are as follows:

Subsequent period collections	\$ (202,781)
Current period collections	148,883

Net adjustment to decrease *net changes in fund balances* – total governmental funds to arrive at *changes in net position of governmental activities*

\$ (53,898)

Another element of that reconciliation states "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position." Also, governmental fund report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. The details of this \$13,314,076 difference are as follows:

Debt issued or incurred:	\$ (9,550,000)
Issuance of general obligation bonds	(19,325,000)
Issuance of general obligation notes	(5,100,000)
State Trust Fund Loan	(343,512)
Issuance of capital lease	(1,817,767)
Premium from sale of bonds, net of amortization	
Principal repayments:	
General obligation debt	17,679,878
State Trust Fund Loan	5,100,000
Capital lease	42,325

Net adjustment to decrease *net changes in fund balances* – total governmental funds to arrive at *changes in net position of governmental activities*

\$ (13,314,076)

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES (cont.)

Another element of that reconciliation states, "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this \$3,130,551 difference are as follows:

Compensated absences	\$ 92,952
Net pension asset	4,262,225
Deferred outflows related to pension	4,076,133
Deferred inflows related to pension	(5,709,305)
Intergovernment Agreement	666,667
Net OPEB obligation	(17,026)
Deferred outflows related to OPEB	(18,710)
Deferred inflows related to OPEB	21,649
Accrued interest	(244,034)

Net adjustment to decrease *net changes in fund balances* – total governmental funds to arrive at *changes in net position of governmental activities*

\$ 3,130,551

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. 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. except that actual (non-GAAP) expenditures presented reflect actual (GAAP) expenditures adjusted for expenditures liquidated under the prior period budget and encumbrances expected to be liquidated under the current period budget.

A budget has been adopted for the general, special revenue, and debt service funds. Budgets have not been formally adopted for capital project funds, except for the Equipment and Equipment Replacement Funds.

The budgeted amounts presented include any amendments made during the year. Transfers between departments and changes to the overall budget must be approved by a two-thirds council action. There were no supplemental appropriations during the year. Appropriations lapse at year-end unless specifically carried over. Carryovers to the following year were not material. Budgets are adopted at the fund level of expenditure.

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

Fund	Budget Expenditures	Actual Expenditures	Excess Expenditures Over Budget
Special Revenue Funds			
Park and Open Space Fund	\$ -	\$ 18,638	\$ 18,638
Impact Fee Fund	-	716	716
Fourth of July Fund	53,383	80,359	26,976
Concession Stand Fund	8,691	12,816	4,125
Police Fund	73,250	177,072	103,822
Building Maintenance Fund	30,000	48,075	18,075
Tax Increment District Fund	300	681,220	680,920
Grant Fund	5,000	57,793	52,793
Library Fund	10,000	26,659	16,659
Capital Projects Fund			
Equipment Fund	-	114,936	114,936
Debt Service Fund	8,480,037	24,029,704	15,549,667

The city controls expenditures at the department level. Some individual departments and funds experienced expenditures, which exceeded appropriations. The detail of those items can be found in the city's year-end budget to actual report.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

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

C. LIMITATIONS ON THE CITY 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 NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

NOTE IV – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

Cash equivalents and investments as shown on the city's Statement of Net Position are subject to the following risks:

	Carrying Value	Bank Balance	Associated Risks
Petty Cash	\$ 3,410	\$ -	N/A
Money market account	26,299,521	4,419,793	Custodial credit
Money market mutual fund	188,261	188,261	Credit and interest rate
Municipal securities	2,862,883	2,862,883	Custodial credit, credit, interest rate and concentration of credit
U.S. Government agency securities	6,886,878	6,886,878	Custodial credit, credit, interest rate and concentration of credit
U.S. Government treasury securities	986,412	986,412	Custodial credit and interest rate
Certificates of deposit - negotiable	4,363,399	4,363,399	Custodial Credit, interest rate and concentration of credit
Local government investment pool	75,405,628	75,405,628	Credit
Total Cash and investments	\$ 116,996,392	\$ 95,113,254	
Reconciliation to financial statements			
Per Statement of Net Position			
Cash and investment	\$ 65,860,649		
Restricted - cash and investment	464,942		
Per statement of fiduciary net position:			
Custodial funds	50,670,801		
Total	\$ 116,996,392		

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

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

A. DEPOSITS AND INVESTMENTS (cont.)

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 deposit accounts.

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 not been considered in computing custodial credit risk.

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 later in this note. 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 difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2021 the fair value of the city's share of the LGIP's assets was substantially equal to the amount as reported in these statements

Wisconsin Statute 66.0603 authorizes the City to invest in the following type of instruments:

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

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

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

A. DEPOSITS AND INVESTMENTS (cont.)

The City of New Berlin has adopted an investment policy. The investment policy limits investments to the following:

- U.S. Treasury obligations with maturities not exceeding five years from trade settlement date.
- Federal instrumentalities with maturities not exceeding five years from trade settlement date.
- Local government investment pools meeting Wisconsin statute 25.50 or 66.0301.
- Repurchase agreements with the city's deposit bank collateralized with 102% of market value of principal and accrued interest.
- Interest-bearing certificates of deposit collateralized with 102% of market value of principal and accrued interest.
- Commercial securities of the highest or second highest ratings.

PMA Financial Network, Inc. is the administrator for the Wisconsin Investment Series Cooperative (WISC). The investment manager for WISC is PMA Financial Network, Inc. The WISC is not registered with the Securities and Exchange Commission, but invests its funds in accordance with applicable Wisconsin statutes. The WISC has the characteristics of a mutual fund and accordingly, reports the value of its underlying assets at fair value. At December 31, 2021, the City's share of the WISC's assets was substantially equal to the amount reported above.

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 method for recurring fair value measurements of investments is the quoted market prices approach.

The City's investments are categorized are as follows:

Investment Type	December 31, 2021		
	Level 1	Level 2	Level 3
U.S. Govt Agencies	\$ -	\$ 6,886,878	\$ -
U.S. Govt Treasury	-	986,412	-
Municipal Securities	-	2,862,883	-
Certificates of Deposit - negotiable	-	4,363,399	-
Money market mutual fund	188,261	-	-
Total	\$ 188,261	\$ 15,099,572	\$ -
			\$ 15,287,833

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CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

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

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk – Deposits: Is the risk that in the event of a financial institution failure, the city's deposits may not be returned to the city. The carrying value for deposits was \$26,299,521 and the bank's carrying value was \$4,419,793. To meet current obligations, deposits are maintained in overnight repurchase agreements and transferred to a master control bank account as checks are presented for payment.

As of December 31, 2021, \$1,323,554 of the City's total demand deposit bank balances of \$4,419,793 was uninsured and uncollateralized.

Custodial Credit Risk – Investments: 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. All investments exposed to custodial risk are held by the city's agent in the city's name.

Interest Rate Risk – Is the risk that changes in interest rates will adversely affect the value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the city's investment policy limits the maturity of any security to no more than five years from the date of purchase or in accordance with state and local statutes and ordinances, whichever is less. In addition, the policy indicates that the investment portfolio should be structured so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior maturity. The policy also states that with the exception of U.S. Treasury securities and authorized pools, no more than 50% of the city's total investment portfolio will be invested in a single security type.

The city had the following investments and maturities as of December 31, 2021:

	Fair Value	Investment Maturities (in years)			
		Less than 1	1-3	3-5	
U.S. Government agency securities	\$ 6,886,878	\$ 815,512	\$ 3,716,418	\$ 2,354,948	
U.S. Government treasury securities	986,412	-	986,412	-	
Certificates of Deposit - negotiable	4,363,399	1,160,701	3,024,754	177,944	
Money Market Mutual Fund	188,261	188,261	-	-	
Municipal Securities	2,862,883	949,139	1,785,462	128,282	
Total investments	\$ 15,287,833	\$ 3,113,613	\$ 9,513,046	\$ 2,661,174	

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The city's investment policy minimizes credit risk by limiting investments to the safest type of securities and diversifying the investment portfolio. The policy also states that with the exception of U.S. Treasury securities and authorized pools, no more than 50% of the city's total investment portfolio will be invested with a single financial institution.

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CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

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

A. DEPOSITS AND INVESTMENTS (cont.)

As of December 31, 2021, the city's investments in municipal securities, U.S. government agency securities and repurchase agreement were rated Aa1, Aaa and Aaa, respectively, by Moody's Investor Services.

The Local Government Investment Pool and negotiable certificates of deposit are not rated.

Concentration of Credit Risk: Is the risk of loss attributed to the magnitude of the city's investment in a single issuer. At December 31, 2021 none of the City's investments in a single issuer exceeded 5%.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

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

B. RECEIVABLES

Receivables as of year-end for the city's individual major funds, non-major funds and fiduciary funds, including the applicable allowances for uncollectible accounts, are detailed on the governmental funds' balance sheet, proprietary funds' statement of net position and the fiduciary fund's statement of fiduciary net position. All amounts are expected to be collected within one year except for \$29,085 and \$14,159 reported in the general fund and non-major governmental funds respectively.

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:

	Unearned	Unavailable
Property taxes receivable for subsequent year	\$ 30,283,089	\$ -
Special assessments not yet due	-	14,159
Subsequent period prepayments	2,083,383	-
Subsequent period collections	250	202,781
Special charges on tax roll	1,905,982	-
Total Unearned/Unavailable Revenue for Governmental Funds	\$ 34,272,704	\$ 216,940
Unearned revenue included in liabilities	\$ 2,083,383	
Unearned revenue included in deferred inflows	32,189,321	
Total Unearned Revenue for Governmental Funds	\$ 34,272,704	

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Equipment Replacement Account

The wastewater utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources. The balance of this account is \$464,942.

Net Pension Asset

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

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

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

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated/amortized:				
Land	\$ 18,096,303	\$ 103,757	\$ (281,324)	\$ 17,918,736
Construction in progress	1,471,232	7,395,715	(1,256,660)	7,610,287
Total Capital Assets	19,567,535	7,499,472	(1,537,984)	25,529,023
Not Being Depreciated/Amortized				
Capital Assets Being Depreciated/Amortized				
Land improvements	4,794,980	241,638	(13,250)	5,023,368
Buildings	34,068,579	-	(597,600)	33,470,979
Machinery and equipment	27,536,203	5,231,704	(1,379,115)	31,388,792
Roads	97,861,755	4,176,806	(308,855)	101,729,706
Sidewalks/Bikepaths	3,876,995	29,178	-	3,906,173
Street lighting	2,216,794	176,525	-	2,393,319
Intangible assets	1,823,206	-	(15,764)	1,807,442
Easements	30,000	-	-	30,000
Total Capital Assets	172,208,512	9,855,851	(2,314,584)	179,749,779
Being Depreciated/Amortized				
Less: Accumulated Depreciation/Amortization for:				
Land improvements	(2,053,974)	(170,812)	13,250	(2,211,536)
Buildings	(13,936,043)	(716,534)	262,944	(14,389,633)
Machinery and equipment	(14,412,771)	(1,748,965)	1,312,719	(14,849,017)
Roads	(71,193,557)	(962,189)	289,852	(71,865,894)
Sidewalks/Bikepaths	(2,236,110)	(135,474)	-	(2,371,584)
Street lighting	(473,979)	(65,859)	-	(539,838)
Intangible assets	(1,291,991)	(128,622)	15,764	(1,404,849)
Total Accumulated Depreciation/Amortization	(105,598,425)	(3,928,455)	1,894,529	(107,632,351)
Net Capital Assets				
Being Depreciated/Amortized	66,610,087	5,927,396	(420,055)	72,117,428
Governmental Activities				
Capital Assets, Net of	\$ 86,177,622	\$ 13,426,868	\$ (1,958,039)	\$ 97,646,451
Accumulated Depreciation/Amortization				

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

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

D. CAPITAL ASSETS (cont.)

Depreciation/Amortization expense was charged to functions as follows:

Governmental Activities	
General government	\$ 338,501
Protection of persons and property	961,612
Highway and transportation, which includes the depreciation of infrastructure	1,584,656
Library	374,806
Parks and recreation	668,880
Total Governmental Activities Depreciation/Amortization Expense	<u>\$3,928,455</u>

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciated/amortized:				
Land	\$ 1,426,010	\$ -	\$ -	\$ 1,426,010
Construction in progress	-	489,600	(288,577)	201,023
Total Capital Assets	1,426,010	489,600	(288,577)	1,627,033
Not Being Depreciated/Amortized				
Capital Assets Being Depreciated/Amortized				
Intangible asset	1,500,000	-	-	1,500,000
Buildings	4,598,022	98,041	(16,703)	4,679,360
Machinery and equipment	7,026,422	297,532	(252,829)	7,071,125
Wastewater infrastructure	57,828,928	101,293	-	57,930,221
Water Infrastructure	54,332,217	688,494	(167,257)	54,853,454
Water Resource Infrastructure	35,007,783	1,233,183	-	36,240,966
Total Capital Assets	160,293,372	2,418,543	(436,789)	162,275,126
Being Depreciated/Amortized				
Less: Accumulated Depreciation/Amortization				
Intangible asset	(900,000)	(75,000)	-	(975,000)
Buildings	(1,938,972)	(142,564)	16,703	(2,064,833)
Machinery and equipment	(4,833,983)	(512,676)	203,115	(5,143,544)
Wastewater infrastructure	(15,580,766)	(693,918)	-	(16,274,684)
Water Infrastructure	(18,341,840)	(971,251)	158,570	(19,154,521)
Water Resource Infrastructure	(12,329,895)	(504,854)	-	(12,834,749)
Total Accumulated Depreciation/Amortization	(53,925,456)	(2,900,263)	378,388	(56,447,331)
Net Capital Assets				
Being Depreciated/Amortized	106,367,916	(481,720)	(58,401)	105,827,795
Business-Type Activities				
Capital Assets, Net of Accumulated Depreciation/Amortization	\$ 107,793,926	\$ 7,880	\$ (346,978)	\$ 107,454,828

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CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

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

D. CAPITAL ASSETS (cont.)

Depreciation/Amortization expense was charged to functions as follows:

Business-Type Activities	
Water	\$ 1,237,948
Wastewater	886,480
Water Resource Management	517,826
Total Business-Type Activities	
Depreciation Expense	\$ 2,642,254

Depreciation/amortization expense may be different from business-type activity accumulated depreciation additions because of joint metering, salvage, cost of removal, internal allocations, or costs associated with the disposal of assets.

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
General Fund	Water Resource Management Fund	\$ 54,863
General Fund	Wastewater Fund	77,571
General Fund	Water Fund	135,086
Water Fund	General Fund	481,951
Wastewater Fund	General Fund	522,930
Water Resource Management Fund	General Fund	72,973
Total Fund Financial Statements		1,345,374
Less: Fund Eliminations		(31,042)
Less: Government-Wide Eliminations		(2,093,624)
Total Internal Balances - Government-Wide Statement of Net Position		\$ (779,292)
Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	\$ 267,520
Business-type Activities	Governmental Activities	(1,046,812)
Total Government-Wide Financial Statements		\$ (779,292)

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CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

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

E. INTER-FUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

The principal purpose of these inter-funds is the collection of delinquent utility bills on the tax roll. All remaining balances resulted from the time lag between the dates that (1) inter-fund 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 amounts are due within one year.

For the statement of net position, inter-fund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

The following is a schedule of inter-fund advances:

Receivable Fund	Payable Fund	Interest Rate	Amount	Amount Due Within
Wastewater Utility	Water Resource	2.00-3.00%	\$55,000	One Year
Wastewater Utility	Water Resource	2.00-3.00%	165,000	\$ 55,000
Total Fund Financial Statements			220,000	55,000
Less: Government-Wide Eliminations			(220,000)	
Total Government-Wide Financial Statements			\$ -	

The principal purpose of these inter-fund advances was to refund outstanding water utility debt and provide financing for water resource management projects.

Repayment schedule for advances follows:

Year	Principal	Interest	Total
2022	\$ 110,000	\$ 6,600	\$ 116,600
2023	55,000	3,300	58,300
2024	55,000	1,650	56,650
	<u>\$ 220,000</u>	<u>\$ 11,550</u>	<u>\$ 231,550</u>

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

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

E. INTER-FUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

The following is a schedule of inter-fund transfers:

Transfer In	Transfer Out	Purpose	Amount
General Fund	Special Revenue Fund	Tax Stabilization transfer	\$ 135,000
	Enterprise Fund		
	Water Utility	Tax equivalent payment	703,301
	Wastewater Utility	Tax equivalent payment	15,180
Debt Service Fund	Special Revenue Fund	Debt service costs	499,325
	Golf Course	Debt service costs	55,000
	Impact Fee Fund	Debt service costs	90,263
Capital Projects Fund	Tax Increment Fund		
Equipment Replacement Fund	Capital Projects Fund	Equipment Replacement	175,000
Internal Service Fund	General Fund	Operating transfer	8,656
Subtotal - Fund Financial Statements			1,681,725
Less: Capital assets contributed to Enterprise Funds			(750,624)
Less: Fund eliminations			(963,244)

Total Transfers - Government-Wide	\$ (32,143)
Statement of Activities	

Transfer In	Transfer Out	Amount
Governmental Activities	Business-type Activities	\$ 718,481
Business-type Activities	Governmental Activities	(750,624)
		<u>\$ (32,143)</u>

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 NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

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

F. LONG-TERM OBLIGATIONS

General Obligation Debt

Long-term obligations activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 57,184,759	\$ 33,975,000	\$ 22,779,878	\$ 68,379,881	\$ 7,124,881
Add/Subtract deferred amounts for					
Bond premium	850,334	2,227,899	410,132	2,688,101	-
Total bonds/notes payable	58,035,093	36,202,899	23,190,010	71,047,982	7,124,881
Other Liabilities					
Capital leases	96,810	343,512	42,325	397,997	121,789
Intergovernmental Agreement	2,000,000	-	666,667	1,333,333	666,667
Net OPEB obligation	5,493,187	17,026	-	5,510,213	-
Compensated absences	1,722,192	1,629,240	1,722,192	1,629,240	1,629,240
Total Other Liabilities	9,312,189	1,989,778	2,431,184	8,870,783	2,417,696
Total Governmental Activities	\$ 67,347,282	\$ 38,192,677	\$ 25,621,194	\$ 79,918,765	\$ 9,542,577
Long-Term Liabilities					
Business-Type Activities					
General obligation bonds	\$ 1,890,000	\$ -	\$ 1,890,000	\$ -	\$ -
General obligation notes	-	1,290,000	-	1,290,000	415,000
Revenue bonds from direct placements	2,916,547	-	137,615	2,778,932	140,242
Add/Subtract deferred amounts for					
Bond premium	35,937	112,515	35,937	112,515	-
Total bonds/notes payable	4,842,484	1,402,515	2,063,552	4,181,447	555,242
Other Liabilities					
Net OPEB obligation	554,142	-	14,633	539,509	-
Total Other Liabilities	554,142	-	14,633	539,509	-
Total Business-Type Activities	\$ 5,396,626	\$ 1,402,515	\$ 2,078,185	\$ 4,720,956	\$ 555,242
Long-Term Liabilities					

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CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

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 five percent of the equalized value of taxable property within the city's jurisdiction. The debt limit as of December 31, 2021, was \$313,543,505. Total general obligation debt outstanding at year-end was \$69,669,881.

Governmental Activities Long-Term Obligations

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2021
General Obligation Debt					
Notes	2012	6/1/22	2-3.0	\$ 2,105,000	\$ 240,000
Bonds	2013	6/1/28	2.0-3.375	4,685,000	2,400,000
Notes	2013	6/1/23	2-3.0	6,635,000	240,000
Notes	2014	6/1/23	-	119,027	14,881
Notes	2016	6/1/26	1.35-2.0	7,735,000	5,385,000
Notes	2017	6/1/27	2.0	8,215,000	6,385,000
Notes	2018	6/1/28	2.25-3.0	9,060,000	9,060,000
Notes	2019	6/1/29	1.80-3.0	8,095,000	6,480,000
Notes	2020	6/1/30	1.10-3.0	9,815,000	9,300,000
Bonds	2021	6/1/41	1.50-5.0	9,550,000	9,550,000
Notes	2021	6/1/31	1.5-5.0	19,325,000	19,325,000
Total Governmental Activities - General Obligation Debt					\$ 68,379,881

Business-Type Activities Long-Term Obligations

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2021
General Obligation Debt					
Notes	2021	6/1/24	1.5-5.0	\$ 1,290,000	\$ 1,290,000
Total Business-Type Activities - General Obligation Debt					\$ 1,290,000

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CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 7,124,881	\$ 1,897,545	\$ 415,000	\$ 72,579
2023	7,295,000	1,408,227	440,000	32,750
2024	7,270,000	1,184,672	435,000	10,875
2025	7,055,000	973,179	-	-
2026	6,730,000	771,982	-	-
2027-2031	26,130,000	1,673,089	-	-
2032-2036	3,375,000	489,997	-	-
2037-2041	3,400,000	173,400	-	-
Totals	\$ 68,379,881	\$ 8,572,091	\$ 1,290,000	\$ 116,204

REVENUE DEBT

Revenue debt payable at December 31, 2021 consists of the following:

Revenue Bonds	Balance		Additions	Retirements	Balance		Due Within
	12/31/2020				12/31/2021		
	\$ 2,916,547	\$ -	\$ 137,615	\$ 137,615	\$ 2,778,932	\$ 140,242	
	<u>\$ 2,916,547</u>	<u>\$ -</u>	<u>\$ 137,615</u>	<u>\$ 137,615</u>	<u>\$ 2,778,932</u>	<u>\$ 140,242</u>	

Date	Maturity	Interest Rates	Original Issue	Outstanding 12/31/21
06/13/17	5/1/2037	1.87%	\$ 1,206,457	\$ 1,040,803
05/23/18	5/1/2038	1.87%	871,920	675,910
06/26/19	5/2/2038	1.98%	1,158,141	1,062,219
			<u>\$ 2,778,932</u>	

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Revenue bond debt service requirements to maturity follows:

December 31	Principal	Interest	Total
2022	\$ 140,242	\$ 51,796	\$ 192,038
2023	142,920	49,093	192,013
2024	145,648	46,339	191,987
2025	148,428	43,532	191,960
2026	151,262	40,671	191,933
2027 - 2031	800,745	157,895	958,640
2032 - 2036	880,160	78,321	958,481
2037 - 2039	369,527	8,519	378,046
	<u>\$ 2,778,932</u>	<u>\$ 476,166</u>	<u>\$ 3,255,098</u>

The Utility's outstanding revenue bonds from direct borrowings related to business type activities of \$2,778,932 contains provisions that in an event of default, outstanding amounts are recoverable by the State by deducting those amounts from any State payments due to the utility, adding a special charge to the amount of taxes apportioned to and levied upon the county in which the utility is located.

All utility revenues net of specified operating expenses are pledged as a security of the above revenue bonds until the bonds are defeased. Principal and interest paid for 2021 and 2020 was \$186,347 and \$192,076 respectively. Total customer net revenues as defined for the same period was \$2,420,491 and \$2,424,295 respectively. Annual principal and interest payments are expected to require 7.92% of net revenues on average.

Intergovernmental Agreement

On March 10, 2020 the City of New Berlin signed an intergovernmental Cooperation Agreement with the City of Waukesha. The agreement relates to Waukesha waters intention to install water supply and return flow mains thru the City of New Berlin and calls for New Berlin to pay Waukesha \$2 million over 3 years for infrastructure improvements and other considerations.

2022	\$ 666,667
2023	<u>666,666</u>
	<u>\$ 1,333,333</u>

Capital Leases

Refer to Note IV. G.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

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

Current Refunding

On July 27, 2021 the City issued \$20,615,000 in general obligation bonds with a true interest cost of .858%, where a portion was used to current refund \$10,435,000 of outstanding bonds with an average interest rate of 2.53%. The net proceeds of \$8,425,000 were used to prepay outstanding debt service requirements on the old bonds.

The cash flow requirements on the refunded bonds and notes prior to the refunding were \$11,076,700 from 2021 thru 2028. The cash flow requirements on the \$8,425,000 refunding bonds are \$9,538,399 from 2021 through 2028. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,502,945.

Other Debt Information

Estimated payments of compensated absences and net OPEB obligation are not included in the debt service requirement schedules. The portion of these liabilities attributable to governmental activities will be liquidated primarily by the general fund.

There are a number of limitations and restrictions contained in the various bond indentures and loan agreements. The city believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

G. LEASE DISCLOSURES

Lessee – Capital Leases

In prior years, the city acquired capital assets through lease/purchase agreements. The gross amount of these assets under capital leases is \$516,490, which is included in capital assets in the governmental activities. The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2021, are as follows:

	Governmental Activities
2022	\$ 124,074
2023	90,428
2024	62,202
2025	62,202
2026	62,202
Sub-Total	401,108
Less: Amount representing interest	(3,111)
Present Value of Minimum Lease Payments	\$ 397,997

Lessee – Operating Leases

The city has no material operating leases with a remaining non-cancellable term exceeding one year.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

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

Lessor – Capital Leases

The city has no material outstanding sales-type or direct financing leases.

Lessor – Operating Leases

The city leases New Berlin Hills Golf Course to Green Golf Partnership, LLC. The lease commenced January 1, 2020 for five-year term with a five-year renewal option. Annual rental is \$150,000 plus 75% of the annual net profit, as defined in the lease agreement, up to and including \$100,000 and 50% of the annual net profit in excess of \$100,000. Green Golf Partnership, LLC has provided the city a \$50,000 irrevocable letter of credit as a security deposit and a performance bond. Rent income for 2021 was \$150,000; the 2021 excess payment was \$173,696.

H. NET POSITION

Governmental activities net position reported on the government wide statement of net position at December 31, 2021 includes the following:

Governmental Activities

Net Investment in capital assets	\$ 7,610,287
Construction in progress	17,918,736
Land	72,117,428
Other capital assets, net of accumulated depreciation/amortization	(71,445,979)
Less: Long-term debt outstanding	7,713,227
Plus: Unspent capital related debt proceeds	33,913,699
Total Net Investment in Capital Assets	

Restricted for	703,101
Debt service	71,539
Impact fees	1,812,754
Wastewater RCA fees	1,565,079
Culture and recreational programs	260,521
Public safety programs	1,460,903
Public works	153,963
Tax increment district	48,628
Community development	1,283,827
Capital projects	8,729,422
Pension	16,089,737
Total Restricted	(1,548,519)

Unrestricted (deficit)

\$ 48,454,917

Total Governmental Activities Net Position

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

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

H. NET POSITION (cont.)

Business-Type Activities

Business-type activities net position reported on the government wide statement of net position at December 31, 2021 includes the following:

Net Investment in capital assets	\$ 201,023
Construction work in progress	1,426,010
Land	105,827,795
Other capital assets, net of accumulated depreciation	(4,181,447)
Less: Long-term debt outstanding	103,273,381
Total Investment in Capital Assets	
Restricted for	
Pension	420,500
Replacement	464,942
Total Restricted	885,442
Unrestricted	38,914,541
Total Business-type Activities Net Position	\$ 143,073,364

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

General Information about the Pension Plan

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, 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.

EFT issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

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

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

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 made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

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.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Post-retirement adjustments. The Employee Trust Fund 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
2011	(1.2)%	11.0%
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees. Required contributions for protective employees are the same rate as general employees. Employees 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 \$(1,064,128) in contributions from the city.

Contribution rates for the plan year reported as of December 31, 2021 are:

Employee Category	Employee	Employer
General (Executives & Elected Officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.65%
Protective without Social Security	6.75%	16.25%

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CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

At December 31, 2021 the city reported an asset of \$9,149,922 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension asset was based on the city's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the city's proportion was 0.14655966%, which was an increase of 0.00099772% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2021, the city recognized pension expense of \$(1,064,128).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experiences	\$ 13,242,747	\$ 2,852,464
Changes of actuarial assumptions	207,538	-
Net differences between projected and actual investment earnings on pension plan investment	-	17,178,234
Changes in proportion and differences between employer contributions and proportionate share of contributions	15,041	9,342
Employer contributions subsequent to measurement date	1,742,741	-
Total	\$ 15,208,067	\$ 20,040,040

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CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

\$1,742,741 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 asset in the year ended December 31, 2022. Other amounts reported as deferred outflows 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)
2022	\$ (1,693,193)
2023	(458,786)
2024	(3,108,053)
2025	(1,314,680)

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

Actuarial Valuation Date	December 31, 2019
Measurement Date of Net Pension Liability	December 31, 2020
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 at the post-retirement discount rate.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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 rate, mortality and separation rates. The Total Pension Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

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

Core Fund Asset Class	Asset Allocation %	Long-Term Expected	
		Nominal Rate of Return %	Expected Real Rate of Return %
Global Equities	51.0%	7.2%	4.7%
Fixed Income	25.0	3.2	0.8
Inflation Sensitive Assets	16.0	2.0	(0.4)
Real Estate	8.0	5.6	3.1
Private Equity/Debt	11.0	10.2	7.6
Multi-Asset	4.0	5.8	3.3
Total Core Fund	115	6.6	4.1
Variable Fund Asset Class			
US Equities	70	6.6	4.1
International Equities	30	7.4	4.9
Total Variable Fund	100	7.1	4.6

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.4 percent
Asset allocations are managed within established ranges, target percentages may differ from actual monthly allocations.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

NOTE V – 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 for the current and prior year. This single discount rate was based on the expected rate of return on pension plan investments 7.00 percent and a long term bond rate of 2.00 percent. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the city's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the city's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 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:

	Discount Rate (6.00%)	Current Discount Rate (7.00%)	Discount Rate (8.00%)
The City's proportionate share of the net pension liability (asset)	\$ 8,709,458	\$ (9,149,922)	\$ (22,267,505)

The City's proportionate share of the

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

At December 31, 2021, the city reported a payable to the pension plan of \$244,150, which represents contractually required contributions outstanding as of the end of the year.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

NOTE V – 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 and omissions; workers compensation; and health care of its employees. The city purchases general, auto liability/physical damage and workers compensation insurance from the Cities and Villages Mutual Insurance Company (CVMIC). The City purchases commercial insurance for all other risks. There have been no significant reductions in insurance coverage for any risk of loss in the past year and settled claims have not exceeded the commercial coverage in any of the past three fiscal years.

In 1987, the City invested \$802,060 for participation in the Wisconsin Municipal Insurance commission (WMIC). The WMIC is an intergovernmental cooperation commission formed to facilitate the formation of Cities and Villages Mutual Insurance Company (CVMIC). CVMIC is a separate and distinct entity independent of the WMIC and owned by the participating cities and villages of the WMIC. CVMIC was formed to provide liability insurance to Wisconsin municipalities as of January 1, 1988.

CVMIC provides the City with \$5,000,000 of liability coverage for losses over its self-insurance retention level of \$50,000 per occurrence with a \$200,000 annual aggregate stop loss.

An annual premium is charged to cover expected claims and administrative costs. The claims component of the premium is determined by independent actuaries and allocated among the participating municipalities based on payroll and loss history. The City and other participating cities and villages are subject to cover loss experiences that exceed predictions through retrospective assessments.

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

At December 31, 2021 the Risk Management Fund, an Internal Service Fund had net position of \$1,220,128 available for future claims related to prior years. The balance includes \$411,068 in cash and \$802,060 in non-cash assets.

The City has recorded an unpaid claims liability for claims that have occurred but are not settled and for claims incurred by not recorded (IBNR). This liability is based upon estimates from an annual actuarial study. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

NOTE V – OTHER INFORMATION (cont.)

Changes in the fund's unpaid claims liability amount in fiscal 2020 and 2021 were:

	Beginning Balance	Current Claims and Changes in Estimates	Claims Paid/ Settled	Ending Balance
2020	\$ 80,015	\$ -	\$ 80,015	\$ -
2021	-	-	-	-

The City's percentage participation in WMIC and CVMIC at December 31, 2021 was 2.67%. Percentage participation can be affected by acceptance of new members to WMIC and CVMIC. Upon dissolution, the City would be entitled to a lump sum payment from CVMIC that may vary significantly from the amount of its deposit referred to above, based on the then financial condition of CVMIC.

Financial statements of WMIC and CVMIC can be obtained directly from CVMIC offices.

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 are only reported in governmental funds 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.

From time to time, the city is party to various pending claims and legal proceedings. Although the outcome of such matters 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.

Federal and State Grants

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.

Construction Commitments

The city has active construction projects as of December 31, 2020 Work that has been completed on these projects but not yet paid for (including contact retainages) is reflected as accounts payable and expenditures.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

NOTE V – OTHER INFORMATION (cont.)

Impact Fees

The city receives impact fees for new development projects. The fees are to be used to fund specific projects within a specific period of time. In the event the projects are not completed or the time period elapses, the city will be required to refund the impact fees to the owners of the property on which the fees were originally charged.

Encumbrances

The City has the following encumbrances outstanding at year end, relating to funds on hand:

General Fund	\$76,207
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D. OTHER POSTEMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description. The city's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the city. RBP is a single-employer defined benefit OPEB plan administered by the city. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Common Council.

Benefits provided. The city's group health insurance plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. The result is another postemployment benefit (OPEB) for the retirees, commonly referred to as an implicit rate subsidy.

Employees covered by benefit terms. At December 31, 2021 the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	24
Active plan members	189
	<u>213</u>

Contributions. Contribution requirements are established through collective bargaining agreements and other city agreements, and may be amended only through negotiations between city and the union, or for non-union employees pursuant to employment policies adopted by the Common Council.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

NOTE V – OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Investments

Investment policy. The City is authorized to invest funds of the RBP only in investments which the District is permitted to make under Section 66.0603 of the Wisconsin state statutes. See Note IV.A for further information.

Concentrations. All OPEB plan assets have been invested in an interest bearing account.

Rate of return. The annual money-weighted rate of return on investments, net of investment expense, was 21 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 City's net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021.

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

Actuarial Valuation Date	December 31, 2021
Measurement Date of Net OPEB Liability	December 31, 2021
Actuarial Cost Method	Entry Age
Long-Term Expected Rate of Return	5.00%
Discount Rate:	
General Employees	2.25%
Police Employees	5.00%
Healthcare Cost Trend Rates	5.00% for 2021 and beyond
Salary Increases:	
Merit and Cost of Living	3.0%
Mortality:	Wisconsin 2018 Mortality Table

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

NOTE V – OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

CHANGES IN THE TOTAL AND NET OPEB LIABILITY

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at December 31, 2020	\$ 7,454,251	\$ 1,435,477	\$ 6,018,774
Changes for the year:			
Service cost	411,751	-	411,751
Interest cost	227,902	-	227,902
Differences between Expected & Actual	9,525	-	9,525
Changes in assumptions	(93,957)	-	(93,957)
Contributions - employer	-	83,693	(83,693)
Net investment income (loss)	-	155,592	(155,592)
Estimated Benefit payments	(365,281)	(65,978)	(299,303)
Administrative expense	-	(14,315)	14,315
Net Changes	189,940	158,992	30,948
Balances at December 31, 2021	\$ 7,644,191	\$ 1,594,469	\$ 6,049,722

Sensitivity of the net OPEB liability to changes in the discount rate. 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 a discount rate that is 1-percentage-point lower (.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate:

	1% Decrease F (.93%)	Discount Rate F (1.93%)	1% Increase F (2.93%)
Total OPEB liability	\$ 8,130,450	\$ 7,644,191	\$ 7,189,390
Plan Fiduciary Net Position	1,594,469	1,594,469	1,594,469
Net OPEB liability	\$ 6,535,981	\$ 6,049,722	\$ 5,594,921

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 a discount rate that is 1-percentage-point lower (4 percent) or 1-percentage-point higher (6 percent) than the current rate:

	1% Decrease F (4.5% Decreasing to 4.0%)	Healthcare Cost Trend Rates F (5.5% Decreasing to 5.0%)	1% Increase F (6.5% Decreasing to 6.0%)
Total OPEB liability	\$ 7,168,274	\$ 7,644,191	\$ 8,244,423
Plan Fiduciary Net Position	1,594,469	1,594,469	1,594,469
Net OPEB liability	\$ 5,573,805	\$ 6,049,722	\$ 6,649,954

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

NOTE V – OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended December 31, 2021, the city recognized OPEB expense of \$425,947. At December 31, 2021, the city reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 197,828	\$ 86,333
Differences between projected and actual earnings	171,545	24,111
Changes in assumptions	934,913	462,382
Total	<u>\$ 1,304,286</u>	<u>\$ 572,826</u>

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 Outflow of Resources and Deferred Inflow of Resources (Net)
2022	\$ (107,686)
2023	(131,797)
2024	(97,133)
2025	(84,831)
2026	(68,503)
Thereafter	(241,510)

E. JOINT TRUST

In 1997, the City and the New Berlin Professional Police Association (Association) entered into an agreement to establish a plan to pay a retiree health care insurance premium subsidy and to create the City of New Berlin Police Retiree Health Care Trust (Trust) for the accumulation of funds from which to pay the subsidy benefits. The City and Association are joint trustees with the Association as the plan administrator. The Trust document names the City trustee as custodian of the Trust; however in practice the Association trustee administers and performs all functions of the Trust including custodian of the Trust. The City trustee's only involvement is the payment of the annual contribution to the Trust and signing checks for the subsidy payment which requires the signature of both trustees. The annual contribution for 2021 was \$63,693. The estimated fair value of the Trust assets at December 31, 2021 is \$1,594,469.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2021

NOTE V – OTHER INFORMATION (cont.)

F. 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. 91, *Conduit Debt Obligations*
- > Statement No. 92, Omnibus 2020
- > Statement No. 93, Replacement of Interbank Offered Rates
- > Statement No. 94, Public-Private and Public-Public Relationships and Availability Payment Arrangements
- > Statement No. 96, Subscription-Based Information Technology Arrangements
- > Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32

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

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.

CITY OF NEW BERLIN

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS As of December 31, 2021

	2017	2018	2019	2020	2021
Total OPEB Liability					
Service cost	\$ 322,755	\$ 359,674	\$ 281,725	\$ 286,537	\$ 411,751
Interest	276,701	246,743	265,098	271,394	227,902
Differences between expected and actual experience	-	-	(156,478)	-	9,525
Changes of assumptions	312,656	(521,085)	(708,976)	356,664	(93,957)
Benefit payments	(296,709)	(322,850)	(351,574)	(400,180)	(365,281)
Net Change in Total OPEB Liability	615,403	(237,518)	(680,205)	514,415	189,940
Total OPEB Liability - Beginning	7,222,156	7,837,559	7,600,041	6,939,836	7,454,251
Total OPEB Liability - Ending (a)	\$ 7,837,559	\$ 7,600,041	\$ 6,939,836	\$ 7,454,251	\$ 7,644,191
Plan Fiduciary Net Position					
Employer contributions	\$ 78,855	\$ 80,038	\$ 81,238	\$ 82,457	\$ 83,693
Net investment income (loss)	205,176	(63,603)	226,996	156,963	155,592
Benefit Payments	(95,351)	(30,557)	(47,450)	(64,281)	(65,978)
Administrative expenses	(10,473)	(11,783)	(10,696)	(12,474)	(14,315)
Net Change in Plan Fiduciary Net Position	178,207	(25,905)	250,088	162,665	158,992
Fiduciary Net Position - Beginning	870,422	1,048,629	1,022,724	1,272,812	1,435,477
Fiduciary Net Position - Ending (b)	\$ 1,048,629	\$ 1,022,724	\$ 1,272,812	\$ 1,435,477	\$ 1,594,469
Net OPEB Liability - Ending (a) - (b)	\$ 6,788,930	\$ 6,577,317	\$ 5,667,024	\$ 6,018,774	\$ 6,049,722
Covered-employee payroll					
Total OPEB liability as a percentage of covered-employee payroll	\$ 11,176,567	\$ 11,511,864	\$ 11,319,221	\$ 11,299,636	\$ 13,997,469
	60.74%	57.14%	50.07%	53.27%	43.22%

Notes to Schedule:

The City implemented GASB Statement No. 74 and No. 75 in fiscal year 2017. Information prior to fiscal year 2017 is not available. Additional years will be added prospectively until 10 years are presented.

REQUIRED SUPPLEMENTARY INFORMATION

See independent auditors' report.

CITY OF NEW BERLIN

SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB PLAN
As of December 31, 2021

	2017	2018	2019	2020	2021
Actuarially contractual determined contribution	\$ 78,855	\$ 80,038	\$ 81,238	\$ 82,457	\$ 83,693
Contributions in relation to the actuarially determined contribution	\$ 78,855	\$ 80,038	\$ 81,238	\$ 82,457	\$ 83,693
Contribution deficiency (excess)	-	-	-	-	-
Covered-employee payroll	\$ 11,176,567	\$ 11,511,864	\$ 11,319,221	\$ 11,299,636	\$ 13,987,469
Contributions as a percentage of covered-employee payroll	0.71%	0.70%	0.72%	0.73%	0.60%

Notes to Schedule

Valuation date:
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method
Actuarial method
Healthcare cost trend rates
Salary increases
Retirement age
Mortality

Entry age
Funded value
5.0 percent initial, decreasing 0.5 percent per year to an ultimate rate of 5.0 percent
3.0 percent, average, including inflation
In the 2017 actuarial valuation, expected retirement ages of general employees were adjusted to more closely reflect actuarial experience.
The 2020 actuarial valuations, assumed life expectancies were adjusted as a result of using the Wisconsin 2018 Mortality Table with generational projection using 60% of Scale MP-2018.

Other information:
The City implemented GASB Statement No. 74 and No. 75 in fiscal year 2017. Information prior to fiscal year 2017 is not available. Additional years will be added prospectively until 10 years are presented.

See independent auditors' report.

CITY OF NEW BERLIN

SCHEDULE OF THE CITY OF NEW BERLIN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2021

Plan Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Plan Fiduciary Net Position
Year Ending	Liability (Asset)	Liability (Asset)	as a Percentage of Covered Payroll	as a Percentage of the Total Pension Liability
12/31/14	0.134433880%	\$ (2,302,064)	\$ 15,084,689	21.89%
12/31/15	0.133820430%	2,174,556	15,767,562	13.79%
12/31/16	0.134003610%	1,104,510	15,709,595	7.03%
12/31/17	0.138273800%	(4,105,513)	16,589,276	24.75%
12/31/18	0.141949600%	5,050,102	16,880,777	29.92%
12/31/19	0.145561940%	(4,693,581)	17,420,633	26.94%
12/31/20	0.146559660%	(9,149,922)	17,748,852	51.55%
				105.26%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2021

City Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 1,297,584	\$ 1,297,584	\$ -	\$ 15,767,562	8.23%
12/31/16	1,276,131	1,276,131	-	15,709,595	8.12%
12/31/17	1,473,147	1,473,147	-	16,589,276	8.88%
12/31/18	1,499,516	1,499,516	-	16,880,777	8.88%
12/31/19	1,521,710	1,521,710	-	17,420,634	8.74%
12/31/20	1,677,230	1,677,230	-	17,751,906	9.45%
12/31/21	1,742,741	1,742,741	-	18,260,893	9.54%

Wisconsin Retirement System

The amounts presented in relation to the schedule of employer's proportionate share of the net pension liability and the schedule of employer contributions represents the specific data of the City. The information was derived using a combination of the employer's contribution data along with data provided by the Wisconsin Retirement System in relation to the City as a whole.

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

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

Changes of 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 Total Pension Liability changed, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates.

See independent auditors' report.

CITY OF NEW BERLIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
As of December 31, 2021

	Special Revenue Funds			
	Park and Open Space Fund	Trail Fees Fund	Impact Fees Fund	Wastewater RCA Fees Fund
ASSETS				
Cash and Investments	\$ 1,251,085	\$ 18,214	\$ 71,539	\$ 1,812,754
Taxes receivable	-	-	-	-
Accounts receivable	-	-	-	-
Special assessments receivable	-	-	-	-
TOTAL ASSETS	\$ 1,251,085	\$ 18,214	\$ 71,539	\$ 1,812,754
LIABILITIES				
Accounts payable	-	18,214	-	-
Unearned revenues	-	-	-	-
Total Liabilities	-	18,214	-	-
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	-	-	-	-
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Restricted	1,251,085	-	71,539	1,812,754
Committed	-	-	-	-
Assigned	-	-	-	-
Total Fund Balances	1,251,085	-	71,539	1,812,754
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 1,251,085	\$ 18,214	\$ 71,539	\$ 1,812,754

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

CITY OF NEW BERLIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
(Concluded)
As of December 31, 2021

Special Revenue Funds						
	Golf Course Fund	Fourth of July Fund	Concession Stand Fund	Park & Recreation Fund	Police Fund	Fire Fund
	\$ 220,567	\$ 137,141	\$ 16,587	\$ 138,726	\$ 220,643	\$ 46,689
	-	-	-	-	-	-
	173,696	-	-	-	-	-
	-	-	-	-	-	-
	\$ 394,263	\$ 137,141	\$ 16,587	\$ 138,726	\$ 220,643	\$ 46,689
	258	45	-	73	7,917	-
	-	800	-	-	-	-
	258	845	-	73	7,917	-
	-	-	-	-	-	-
	173,696	-	-	250	-	-
	173,696	-	-	250	-	-
	136,296	-	-	136,403	212,726	46,689
	220,309	-	16,587	-	-	-
	-	-	-	-	-	-
	220,309	136,296	16,587	139,403	212,726	46,689
	\$ 394,263	\$ 137,141	\$ 16,587	\$ 138,726	\$ 220,643	\$ 46,689

Special Revenue Funds						
	Mayor Fund	Special Assessment Fund	Landscape Fund	Building Maintenance Fund		
ASSETS						
Cash and investments	2,239	-	\$ 479,843	\$ 524,066		
Taxes receivable	-	-	-	-		
Accounts receivable	-	-	-	12,890		
Special assessments receivable	-	14,159	-	-		
TOTAL ASSETS	\$ 2,239	\$ 14,159	\$ 479,843	\$ 536,956		
LIABILITIES						
Accounts payable	-	-	-	32,140		
Unearned revenues	-	-	-	-		
Total Liabilities	-	-	-	32,140		
DEFERRED INFLOWS OF RESOURCES						
Unearned revenues	-	-	-	-		
Unavailable revenues	-	14,159	-	-		
Total Deferred Inflows of Resources	-	14,159	-	-		
FUND BALANCES						
Restricted	2,239	-	-	504,816		
Committed	-	-	479,843	-		
Assigned	-	-	-	-		
Total Fund Balances	2,239	-	479,843	504,816		
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 2,239	\$ 14,159	\$ 479,843	\$ 536,956		

CITY OF NEW BERLIN

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES**

For the Year Ended December 31, 2021

Special Revenue Funds				Capital Projects Fund			
Technology Fee Fund		Tax Increment Commission Fund	Garbage/Recycling Fund	Library Fund	Equipment Fund	Equipment Replacement Fund	Total Nonmajor Funds
\$ 65,776	\$ (2,476)	\$ 219,590	\$ 1,915,145	\$ 39,021	\$ 1,554,368	\$ 237,028	\$ 9,748,554
-	-	534,958	-	-	-	-	534,958
-	48,865	-	-	-	336	-	235,787
-	-	-	-	-	-	-	14,159
\$ 65,776	\$ 46,389	\$ 754,548	\$ 1,915,145	\$ 39,021	\$ 1,554,702	\$ 237,028	\$ 10,533,458
-	-	65,627	-	726	93,367	4,100	222,457
-	-	-	1,914,039	-	432	-	1,915,271
-	-	65,627	1,914,039	726	93,799	4,100	2,137,738
-	-	534,958	-	-	-	-	534,958
-	-	534,958	-	-	-	-	187,855
-	-	-	-	-	-	-	723,063
-	46,389	153,963	1,106	38,295	1,460,903	-	6,657,214
65,776	-	-	-	-	-	232,928	792,515
65,776	46,389	153,963	1,106	38,295	1,460,903	232,928	7,672,657
\$ 65,776	\$ 46,389	\$ 754,548	\$ 1,915,145	\$ 39,021	\$ 1,554,702	\$ 237,028	\$ 10,533,458

Special Revenue Funds			
Park and Open Space Fund	Trail Fees Fund	Impact Fees Fund	Wastewater RCA Fees Fund
\$ -	\$ -	\$ -	\$ -
Room taxes	-	-	-
Intergovernmental	-	-	-
Public charges for services	-	-	-
Public improvement revenues	8,225	-	-
Investment income	1,781	-	20,774
Miscellaneous revenues	647,155	-	344
Total Revenues	657,161	-	21,118
5,289	-	-	5,289
REVENUES			
Current	-	-	-
General government	-	-	-
Protection of persons and property	-	-	-
Public works	-	-	-
Library	-	-	-
Parks and recreation	18,638	-	-
Conservation and development	-	-	-
Debt Service - interest and fiscal charges	-	-	-
Capital Outlay	-	-	716
Total Expenditures	18,638	-	716
Excess (deficiency) of revenues over expenditures	638,523	-	20,402
5,289	-	-	5,289
OTHER FINANCING SOURCES (USES)			
Long-term debt issued	-	-	-
Premium on bond issued	-	-	-
Transfers in	-	-	-
Transfers out	-	-	(65,000)
Total Other Financing Sources (Uses)	-	-	(65,000)
Net Change in Fund Balances	638,523	-	(34,598)
5,289	-	-	5,289
FUND BALANCES (DEFICIT) - Beginning of Year	612,562	-	106,137
1,807,455	-	-	1,807,455
FUND BALANCES - END OF YEAR	\$ 1,251,085	\$ -	\$ 71,539
1,812,754	-	-	1,812,754

CITY OF NEW BERLIN

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES**

(Concluded)

For the Year Ended December 31, 2021

Special Revenue Funds					
Golf Course Fund	Fourth of July Fund	Concession Stand Fund	Park & Recreation Fund	Police Fund	Fire Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	3,045	-	-	35,249	7,359
-	-	-	-	-	-
-	-	-	-	-	-
797	-	-	-	124	-
267,869	90,329	14,534	114,021	174,354	41,764
268,666	93,374	14,534	114,021	209,727	49,123
<hr/>					
-	-	-	-	-	-
-	-	-	-	155,745	15,232
-	-	-	-	-	-
1,032	80,359	12,816	5,700	-	-
-	-	-	-	-	-
584	-	-	-	-	-
-	-	-	-	21,327	-
1,616	80,359	12,816	5,700	177,072	15,232
<hr/>					
267,080	13,015	1,718	108,321	32,655	33,891
<hr/>					
355,000	-	-	-	-	-
38,587	-	-	-	-	-
-	-	-	-	-	-
(634,325)	-	-	-	-	-
(240,738)	-	-	-	-	-
<hr/>					
26,342	13,015	1,718	108,321	32,655	33,891
<hr/>					
193,967	123,281	14,869	31,082	180,071	12,798
<hr/>					
\$ 220,309	\$ 136,296	\$ 16,587	\$ 139,403	\$ 212,726	\$ 46,689

Special Revenue Funds					
	Mayor Fund	Special Assessment Fund	Landscape Fund	Building Maintenance Fund	
REVENUES					
Room taxes	\$ -	\$ -	\$ -	\$ -	\$ 117,054
Intergovernmental	-	-	-	-	-
Public charges for services	-	-	-	-	-
Public improvement revenues	-	-	-	-	-
Investment income	-	-	-	-	-
Miscellaneous revenues	-	-	-	-	-
Total Revenues	-	-	-	-	117,054
<hr/>					
EXPENDITURES					
Current					
General government	-	-	-	-	32,140
Protection of persons and property	-	-	-	-	-
Public works	-	-	-	-	-
Library	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Conservation and development	-	-	9,581	-	-
Debt Service - interest and fiscal charges	-	-	-	-	-
Capital Outlay	-	-	-	-	15,935
Total Expenditures	-	-	9,581	-	48,075
<hr/>					
Excess (deficiency) of revenues over expenditures	-	-	(9,581)	-	68,979
<hr/>					
OTHER FINANCING SOURCES (USES)					
Long-term debt issued	-	-	-	-	-
Premium on bond issued	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
<hr/>					
Net Change in Fund Balance	-	-	(9,581)	-	68,979
<hr/>					
FUND BALANCES (DEFICIT) - Beginning of Year	2,239	-	489,424	-	435,837
<hr/>					
FUND BALANCES - END OF YEAR	\$ 2,239	\$ -	\$ 479,843	\$ -	\$ 504,816

NONMAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

Special Revenue Fund						
	Park and Open Space Fund		Impact Fees Fund		Variance with Final Budget Positive (Negative)	Variance with Final Budget Positive (Negative)
	Original and Final Budgeted Amounts	Actual	Original and Final Budgeted Amounts	Actual		
REVENUES						
Property taxes	\$	\$	\$	\$	\$	\$
Room taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Public charges for services	-	-	-	-	-	-
Public improvement revenues	10,000	8,225	(1,775)	8,900	20,774	11,874
Special assessments	-	-	-	-	-	-
Investment income	2,000	1,781	(219)	300	344	44
Miscellaneous	-	647,155	647,155	-	-	-
Total Revenues	12,000	657,161	645,161	9,200	21,118	11,918
EXPENDITURES						
Current	-	-	-	-	-	-
General government	-	-	-	-	-	-
Protection of persons and property	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Library	-	-	-	-	-	-
Parks and recreation	-	18,638	(18,638)	-	-	-
Conservation and development	-	-	-	-	-	-
Debt Service - interest and fiscal charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	716	(716)
Total Expenditures	-	18,638	(18,638)	-	716	(716)
Excess (deficiency) of revenues over expenditures	12,000	638,523	626,523	9,200	20,402	11,202
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	-	-	-	-	-
Premium on bond issued	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(45,000)	(55,000)	(10,000)
Total Other Financing Sources (Uses)	-	-	-	(46,000)	(55,000)	(10,000)
Net Change in Fund Balances	12,000	638,523	626,523	(36,800)	(34,598)	1,202
FUND BALANCES (DEFICIT) - Beginning of Year						
	612,562	612,562	-	106,137	106,137	-
FUND BALANCE - END OF YEAR						
	\$	624,562	\$	1,251,085	\$	626,523
					\$	71,539
					\$	1,202

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CITY OF NEW BERLIN

NONMAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2021

	Special Revenue Fund				
	Wastewater RCA Fees Fund				Golf Course Fund
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)	Original and Final Budgeted Amounts	Variance with Final Budget Positive (Negative)
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Room taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Public charges for services	-	-	-	-	-
Public improvement revenues	-	-	-	-	-
Special assessments	-	-	-	-	-
Investment income	2,000	5,299	3,299	800	797 (3)
Miscellaneous revenues	-	-	-	150,000	117,899
Total Revenues	2,000	5,299	3,299	150,800	117,896
EXPENDITURES					
Current					
General government	-	-	-	-	-
Protection of persons and property	-	-	-	-	-
Public works	-	-	-	-	-
Library	-	-	-	-	-
Parks and recreation	-	-	-	6,050	1,032 5,018
Conservation and development	-	-	-	-	-
Debt Service - interest and fiscal charges	-	-	-	-	584 (584)
Capital Outlay	-	-	-	-	-
Total Expenditures	-	-	-	6,050	1,616 4,434
Excess (deficiency) of revenues over expenditures	2,000	5,299	3,299	144,750	267,080 122,330
OTHER FINANCING SOURCES (USES)					
Long-term debt issued	-	-	-	-	355,000 355,000
Premium on bond issued	-	-	-	1	38,587 38,586
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(239,325)	(634,325) (395,000)
Total Other Financing Sources (Uses)	-	-	-	(239,324)	(240,738) (1,414)
Net Change in Fund Balances	2,000	5,299	3,299	(84,574)	26,342 120,916
FUND BALANCES (DEFICIT) - Beginning of Year	1,809,455	1,807,455	-	193,967	193,967 -
FUND BALANCES - END OF YEAR	\$ 1,809,455	\$ 1,812,754	\$ 3,299	\$ 99,393	\$ 220,309 \$ 120,916

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CITY OF NEW BERLIN

NONMAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2021

	Special Revenue Fund				
	Fourth of July Fund				Concession Stand Fund
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)	Original and Final Budgeted Amounts	Variance with Final Budget Positive (Negative)
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Room taxes	-	-	-	-	-
Intergovernmental	-	3,045	3,045	-	-
Public charges for services	-	-	-	-	-
Public improvement revenues	-	-	-	-	-
Special assessments	-	-	-	-	-
Investment income	-	-	-	-	-
Miscellaneous revenues	67,300	90,329	23,029	-	-
Total Revenues	67,300	93,374	26,074	10,000	14,534 4,534
EXPENDITURES					
Current					
General government	-	-	-	-	-
Protection of persons and property	-	-	-	-	-
Public works	-	-	-	-	-
Library	-	-	-	-	-
Parks and recreation	53,383	80,359	(26,976)	8,691	12,816 (4,125)
Conservation and development	-	-	-	-	-
Debt Service - interest and fiscal charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	53,383	80,359	(26,976)	8,691	12,816 (4,125)
Excess (deficiency) of revenues over expenditures	13,917	13,015	(902)	1,309	1,718 409
OTHER FINANCING SOURCES (USES)					
Long-term debt issued	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	13,917	13,015	(902)	1,309	1,718 409
FUND BALANCES (DEFICIT) - Beginning of Year	123,281	123,281	-	14,869	14,869 -
FUND BALANCES - END OF YEAR	\$ 137,198	\$ 136,266	\$ (902)	\$ 16,178	\$ 16,587 \$ 409

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NONMAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2021

	Special Revenue Fund					
	Park & Recreation Fund			Police Fund		
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Room taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	30,000	35,249	5,249
Public charges for services	-	-	-	-	-	-
Public improvement revenues	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Investment income	-	-	-	750	124	(626)
Miscellaneous revenues	9,500	114,021	104,521	47,000	174,354	127,354
Total Revenues	9,500	114,021	104,521	77,750	209,727	131,977
EXPENDITURES						
Current						
General government	-	-	-	-	-	-
Protection of persons and property	-	-	-	73,250	155,745	(82,495)
Public works	-	-	-	-	-	-
Library	-	-	-	-	-	-
Parks and recreation	9,500	5,700	3,800	-	-	-
Conservation and development	-	-	-	-	-	-
Debt Service - interest and fiscal charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	21,327	(21,327)
Total Expenditures	9,500	5,700	3,800	73,250	177,072	(103,822)
Excess (deficiency) of revenues over expenditures	-	108,321	108,321	4,500	32,655	28,155
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	-	-	-	-	-
Premium on bond issued	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Change in Fund Balances	-	108,321	108,321	4,500	32,655	28,155
FUND BALANCES (DEFICIT) - Beginning of Year	31,082	31,082	-	180,071	180,071	-
FUND BALANCES - END OF YEAR	\$ 31,082	\$ 139,403	\$ 108,321	\$ 184,571	\$ 212,726	\$ 28,155

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NONMAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2021

Special Revenue Fund					
	Fire Fund		Mayor Fund		Variance with Final Budget Positive (Negative)
	Original and Final Budgeted Amounts	Actual	Original and Final Budgeted Amounts	Actual	
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Room taxes	-	-	-	-	-
Intergovernmental	4,800	7,359	2,559	-	-
Public charges for services	-	-	-	-	-
Public improvement revenues	-	-	-	-	-
Special assessments	-	-	-	-	-
Investment income	-	-	-	-	-
Miscellaneous revenues	10,117	41,764	31,647	1,500	(1,500)
Total Revenues	14,917	49,123	34,206	1,500	(1,500)
EXPENDITURES					
Current					
General government	-	-	-	1,500	-
Protection of persons and property	16,730	15,232	1,498	-	1,500
Public works	-	-	-	-	-
Library	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Conservation and development	-	-	-	-	-
Debt Service - interest and fiscal charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	16,730	15,232	1,498	1,500	1,500
Excess (deficiency) of revenues over expenditures	(1,813)	33,891	35,704	-	-
OTHER FINANCING SOURCES (USES)					
Long-term debt issued	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	(1,813)	33,891	35,704	-	-
FUND BALANCES (DEFICIT) - Beginning of Year	12,798	12,798	-	2,239	2,239
FUND BALANCES - END OF YEAR	\$ 10,985	\$ 46,689	\$ 35,704	\$ 2,239	\$ 2,239

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CITY OF NEW BERLIN

NONMAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2021

	Special Revenue Fund				
	Landscape Fund		Building Maintenance Fund		
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)	Original and Final Budgeted Amounts	Variance with Final Budget Positive (Negative)
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Room taxes	-	-	-	117,054	117,054
Intergovernmental	-	-	-	-	-
Public charges for services	-	-	-	-	-
Public improvement revenues	-	-	-	-	-
Special assessments	-	-	-	-	-
Investment income	-	-	-	-	-
Miscellaneous revenues	-	-	-	-	-
Total Revenues	-	-	-	117,054	-
EXPENDITURES					
Current					
General government	-	-	-	30,000	32,140
Protection of persons and property	-	-	-	-	(2,140)
Public works	-	-	-	-	-
Library	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Conservation and development	15,000	9,581	5,419	-	-
Debt Service - interest and fiscal charges	-	-	-	-	-
Capital Outlay	-	-	-	-	(15,935)
Total Expenditures	15,000	9,581	5,419	30,000	48,075
Excess (deficiency) of revenues over expenditures	(15,000)	(9,581)	5,419	87,054	68,979
OTHER FINANCING SOURCES (USES)					
Long-term debt issued	-	-	-	-	-
Premium on bond issued	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	(15,000)	(9,581)	5,419	87,054	68,979
FUND BALANCES (DEFICIT) - Beginning of Year	489,424	489,424	-	435,837	435,837
FUND BALANCES - END OF YEAR	\$ 474,424	\$ 479,843	\$ 5,419	\$ 522,891	\$ 504,816

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CITY OF NEW BERLIN

NONMAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2021

	Special Revenue Fund				
	Technology Fund		Tourism Fund		
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)	Original and Final Budgeted Amounts	Variance with Final Budget Positive (Negative)
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Room taxes	-	-	-	120,000	78,626
Intergovernmental	-	-	-	-	-
Public charges for services	-	-	-	-	-
Public improvement revenues	9,000	10,476	1,476	-	-
Special assessments	-	-	-	-	-
Investment income	-	-	-	-	-
Miscellaneous revenues	-	-	-	-	-
Total Revenues	9,000	10,476	1,476	120,000	78,626
EXPENDITURES					
Current					
General government	-	-	-	-	-
Protection of persons and property	-	-	-	-	-
Public works	-	-	-	-	-
Library	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Conservation and development	9,000	8,152	848	85,056	22,016
Debt Service - interest and fiscal charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	9,000	8,152	848	85,056	22,016
Excess (deficiency) of revenues over expenditures	-	2,324	2,324	34,944	56,610
OTHER FINANCING SOURCES (USES)					
Long-term debt issued	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	-	2,324	2,324	34,944	56,610
FUND BALANCES (DEFICIT) - Beginning of Year	63,452	63,452	-	(10,221)	(10,221)
FUND BALANCES - END OF YEAR	\$ 63,452	\$ 65,776	\$ 2,324	\$ 24,723	\$ 46,389

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CITY OF NEW BERLIN

NONMAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2021

	Special Revenue Fund				
	Tax Increment District Fund		Grant Fund		
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)	Original and Final Budgeted Amounts	Actual
REVENUES					
Property taxes	\$ 220,000	\$ 373,259	\$ 153,259	\$ -	\$ -
Room taxes	-	-	-	-	-
Intergovernmental	-	-	-	5,000	57,603
Public charges for services	-	-	-	-	52,603
Public improvement revenues	-	-	-	-	-
Special assessments	-	-	-	-	-
Investment income	500	2,402	1,902	-	-
Miscellaneous revenues	-	15,500	15,500	-	-
Total Revenues	220,500	391,161	170,661	5,000	57,603
EXPENDITURES					
Current					
General government	300	1,236	(936)	-	57,603
Protection of persons and property	-	-	-	5,000	190
Public works	-	500,000	(500,000)	-	4,810
Library	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Conservation and development	-	-	-	-	-
Debt Service - interest and fiscal charges	-	-	-	-	-
Capital Outlay	-	179,984	(179,984)	-	-
Total Expenditures	300	681,220	(680,920)	5,000	57,793
Excess (deficiency) of revenues over expenditures	220,200	(290,059)	(510,259)	-	(190)
OTHER FINANCING SOURCES (USES)					
Long-term debt issued	-	-	-	-	-
Premium on bond issued	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	(90,263)	(90,263)	-	-	-
Total Other Financing Sources (Uses)	(90,263)	(90,263)	-	-	-
Net Change in Fund Balances	129,937	(380,322)	(510,259)	-	(190)
FUND BALANCES (DEFICIT) - Beginning of Year	534,285	534,285	-	1,296	1,296
FUND BALANCES - END OF YEAR	\$ 664,222	\$ 153,963	\$ (510,259)	\$ 1,296	\$ 1,106

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CITY OF NEW BERLIN

NONMAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2021

	Special Revenue Fund				
	Library Fund		Garbage/Recycling Fund		
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)	Original and Final Budgeted Amounts	Actual
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Room taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Public charges for services	-	-	-	1,766,000	1,770,504
Public improvement revenues	-	-	-	-	-
Special assessments	-	-	-	-	-
Investment income	-	-	-	-	-
Miscellaneous revenues	10,000	29,447	19,447	-	-
Total Revenues	10,000	29,447	19,447	1,766,000	1,770,504
EXPENDITURES					
Current					
General government	-	-	-	-	-
Protection of persons and property	-	-	-	-	-
Public works	-	-	-	1,604,725	1,522,207
Library	10,000	26,659	(16,659)	-	-
Parks and recreation	-	-	-	-	-
Conservation and development	-	-	-	-	-
Debt Service - interest and fiscal charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	10,000	26,659	(16,659)	1,604,725	1,522,207
Excess (deficiency) of revenues over expenditures	-	2,788	2,788	161,275	248,297
OTHER FINANCING SOURCES (USES)					
Long-term debt issued	-	-	-	-	-
Premium on bond issued	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	-	2,788	2,788	161,275	248,297
FUND BALANCES (DEFICIT) - Beginning of Year	35,507	35,507	-	1,212,606	1,212,606
FUND BALANCES - END OF YEAR	\$ 35,507	\$ 38,295	\$ 2,788	\$ 1,373,881	\$ 1,460,903

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CITY OF NEW BERLIN

NONMAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2021

Capital Projects Funds

	Equipment Fund		Equipment Replacement Fund		Variance with
	Original and	Actual	Original and	Actual	Final Budget
	Final Budgeted		Final Budgeted		Positive
	Amounts		Amounts		(Negative)
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	-
Room taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Public charges for services	-	-	-	-	-
Public improvement revenues	-	-	-	-	-
Special assessments	-	-	-	-	-
Investment income	4,000	2,653	(1,347)	-	-
Miscellaneous revenues	-	-	-	6,500	6,500
Total Revenues	4,000	2,653	(1,347)	6,500	6,500
EXPENDITURES					
Current					
General government	-	3,800	(3,800)	4,510	(4,510)
Protection of persons and property	-	-	-	15,526	(15,526)
Public works	-	111,136	(111,136)	-	-
Library	-	-	-	-	-
Parks and recreation	-	-	-	57,430	(57,430)
Conservation and development	-	-	-	-	-
Debt Service - interest and fiscal charges	-	-	-	-	-
Capital Outlay	-	-	175,000	90,636	84,364
Total Expenditures	-	114,936	(114,936)	168,102	6,898
Excess (deficiency) of revenues over expenditures	4,000	(112,283)	(116,283)	(161,602)	13,398
OTHER FINANCING SOURCES (USES)					
Long-term debt issued	-	-	-	-	-
Premium on bond issued	-	-	-	-	-
Transfers in	-	-	175,000	175,000	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	175,000	175,000	-
Net Change in Fund Balances	4,000	(112,283)	(116,283)	13,398	13,398
FUND BALANCES (DEFICIT)- Beginning of Year	891,294	891,294	-	219,530	-
FUND BALANCES - END OF YEAR	\$ 895,294	\$ 779,011	\$ (116,283)	\$ 232,928	\$ 13,398

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CITY OF NEW BERLIN

NONMAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2021

	Total		Variance with
	Original and	Actual	Final Budget
	Final Budgeted		Positive
	Amounts		(Negative)
REVENUES			
Property taxes	\$ 220,000	\$ 373,259	\$ 153,259
Room taxes	237,054	195,680	(41,374)
Intergovernmental	39,800	103,256	63,456
Public charges for services	1,766,000	1,770,504	4,504
Public improvement revenues	27,900	39,475	11,575
Special assessments	-	-	-
Investment income	10,350	13,400	3,050
Miscellaneous revenues	305,417	1,401,503	1,096,086
Total Revenues	2,606,521	3,897,077	1,290,556
EXPENDITURES			
Current			
General government	31,800	99,289	(67,489)
Protection of persons and property	94,960	186,693	(91,713)
Public works	1,604,725	2,133,343	(528,618)
Library	10,000	26,659	(16,659)
Parks and recreation	77,624	175,975	(98,351)
Conservation and development	109,056	39,749	69,307
Debt Service - interest and fiscal charges	-	584	(584)
Capital Outlay	175,000	308,598	(133,598)
Total Expenditures	2,103,165	2,970,890	(867,705)
Excess (deficiency) of revenues over expenditures	503,356	926,187	422,851
OTHER FINANCING SOURCES (USES)			
Long-term debt issued	-	355,000	355,000
Premium on bond issued	1	38,587	38,586
Transfers in	175,000	175,000	-
Transfers out	(374,598)	(779,588)	(405,000)
Total Other Financing Sources (Uses)	(199,597)	(211,001)	(11,414)
Net Change in Fund Balances	303,749	715,186	411,437
FUND BALANCES - Beginning of Year	6,957,471	6,957,471	-
FUND BALANCES - END OF YEAR	\$ 7,261,220	\$ 7,672,657	\$ 411,437

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CITY OF NEW BERLIN

GENERAL FUND
DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
TAXES				
General property taxes	20,156,048	20,156,048	\$ 20,156,048	\$ -
Payment in lieu of taxes	14,700	14,700	15,392	692
Aq use conversion	-	-	26,367	26,367
Interest and penalties on taxes	72,000	72,000	81,930	9,930
TOTAL TAXES	20,242,748	20,242,748	20,279,737	36,989
INTERGOVERNMENTAL				
State shared revenues				
Per capita	556,162	556,162	541,960	(14,202)
Special utility	118,641	118,641	166,450	47,809
Exempt computer aid	150,089	150,089	150,089	-
Video Service Provider			117,681	117,681
Personal Property Tax	365,004	365,004	365,004	-
Medical care transport	1,000	1,000	15,176	14,176
Fire Insurance - dues distribution	234,274	234,274	239,361	5,087
Federal grants			96,146	96,146
State grants			39,605	39,605
State grants - transportation aids	2,105,201	2,105,201	2,106,493	1,292
New Berlin School District	117,402	117,402	117,402	-
TOTAL INTERGOVERNMENTAL	3,647,773	3,647,773	3,955,367	307,594
LICENSES AND PERMITS				
Licenses				
Beer and liquor	36,905	36,905	37,840	935
Bar tenders	19,600	19,600	15,610	(3,990)
Sealer of weights	8,125	8,125	7,990	(135)
Sundry	30,898	30,898	25,722	(5,176)
Permits				
Building	310,000	310,000	378,855	68,855
Electrical	115,000	115,000	133,398	18,398
Plumbing	82,000	82,000	73,911	(8,089)

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CITY OF NEW BERLIN

GENERAL FUND
DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL (cont.)
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
LICENSES AND PERMITS (cont.)				
Permits (cont.)				
Sign	3,450	3,450	\$ 9,546	\$ 6,096
Fire Department	40,000	40,000	20,460	(19,540)
Sundry	90,000	90,000	116,210	26,210
Cable television fees	575,000	575,000	456,637	(118,363)
TOTAL LICENSES AND PERMITS	1,310,978	1,310,978	1,276,179	(34,799)
FINES, FORFEITURES AND PENALTIES				
Court fines	320,000	320,000	326,547	6,547
PUBLIC CHARGES FOR SERVICES				
General government				
Special assessment written reports	5,000	5,000	10,160	5,160
Sale of computer information	450	450	450	-
Workers' compensation dividend	17,150	17,150	75,327	58,177
Wage Reimbursement - Workers comp	-	-	5,915	5,915
CVMIC dividend	22,073	22,073	25,804	3,731
Health and social service				
Dog licenses	5,000	5,000	5,127	127
Dog license refund	3,200	3,200	3,128	(72)
Cat licenses	875	875	700	(175)
Protection of persons and property				
Miscellaneous police revenue	38,000	38,000	73,943	35,943
Fire Department fees	134,000	134,000	134,258	258
Miscellaneous fire revenue			400	400
Engine response fee	17,250	17,250	5,507	(11,743)
Interfacility Transport	350,000	350,000	183,349	(166,651)
Ambulance fees	1,250,000	1,250,000	1,310,090	60,090
Public works				
Highway Department labor charges	25,000	25,000	30,529	5,529
Recycling fees	850	850	-	(850)
Engineering services fees	26,050	26,050	49,525	23,475
Curb and ditch	1,500	1,500	2,100	600
Erosion Control Fee	5,000	5,000	16,156	11,156
Weed cutting	1,500	1,500	998	(502)
Leisure activities				
Park and recreation	328,850	328,850	326,980	(1,870)

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CITY OF NEW BERLIN

GENERAL FUND
DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL (cont.)
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
PUBLIC CHARGES FOR SERVICES (cont.)				
Library Fees	\$ 74,557	\$ 74,557	\$ 54,827	\$ (19,730)
Planning Commission	46,800	46,800	59,263	12,463
Planning Service fees	36,000	36,000	33,039	(2,961)
Filing Fee	8,750	8,750	10,550	1,800
Board of Appeals	800	800	1,200	400
TOTAL PUBLIC CHARGES FOR SERVICES	2,398,655	2,398,655	2,419,325	20,670
INTERDEPARTMENTAL				
Administrative charges -				
Garbage/Recycling Fund	144,725	144,725	144,725	-
Water, Wastewater, Water Resource Utilities	439,874	439,874	427,566	(12,308)
TOTAL INTERDEPARTMENTAL	584,599	584,599	572,291	(12,308)
INVESTMENT INCOME				
Interest Income	220,000	220,000	90,631	(129,369)
Unrealized gain (loss)	-	-	(168,549)	(168,549)
TOTAL INVESTMENT INCOME	220,000	220,000	(77,918)	(297,918)
MISCELLANEOUS REVENUES				
Tower rental	151,103	151,103	165,832	14,729
Miscellaneous	50,000	50,000	173,233	123,233
TOTAL MISCELLANEOUS REVENUES	201,103	201,103	339,065	137,962
TOTAL REVENUES	\$ 28,925,856	\$ 28,925,856	\$ 29,090,593	\$ 164,737

CITY OF NEW BERLIN

GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (NON - GAAP)
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
GENERAL GOVERNMENT				
Mayor's office	248,971	248,971	\$ 250,502	\$ (1,531)
Common Council	88,075	88,075	87,969	106
Customer Service Committee	1,500	1,500	550	950
Human Resources	614,233	614,233	580,854	33,379
Finance	523,790	523,790	519,837	3,953
Assessor	463,353	463,353	442,867	20,486
City Attorney	243,300	243,300	248,661	(5,361)
Municipal Court	179,383	179,383	170,046	9,337
Crime prevention	2,600	2,600	2,481	119
Engineering	493,144	493,144	492,363	781
Facilities Management	1,168,855	1,168,855	1,173,919	(5,064)
Insurance	709,563	709,563	699,907	8,656
City Clerk	584,035	584,035	511,677	52,358
Information Technology	1,103,896	1,103,896	1,015,472	88,424
TOTAL GENERAL GOVERNMENT	6,403,698	6,403,698	6,197,135	206,563
PROTECTION OF PERSONS AND PROPERTY				
Police and Fire Commission				
Police Department	22,000	22,000	12,327	9,673
Fire Department	10,184,514	10,287,797	10,356,578	(68,781)
Emergency government	5,609,263	5,643,137	5,689,808	(46,671)
Hydrant rental	75,628	75,628	63,938	11,690
Inspection Department	705,893	705,893	705,893	-
Sealer of weights and measures	493,459	493,459	564,983	(71,524)
Landmarks	7,200	7,200	7,200	-
	2,000	2,000	1,012	988
TOTAL PROTECTION OF PERSONS AND PROPERTY	17,099,957	17,237,114	17,401,739	(164,625)
HIGHWAY AND TRANSPORTATION	3,364,472	3,454,472	3,429,760	24,692

CITY OF NEW BERLIN

GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (NON - GAAP) (cont.)
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
LIBRARY	1,514,905	1,514,905	\$ 1,510,724	\$ 4,181
PARKS AND RECREATION				
Parks	804,101	804,101	810,688	(6,587)
Recreation	452,209	452,209	486,488	(34,279)
Athletic	29,888	29,888	17,191	12,697
4th of July	25,000	25,000	25,000	-
TOTAL PARKS AND RECREATION	1,311,198	1,311,198	1,339,367	(28,169)
CONSERVATION AND DEVELOPMENT				
Community Development	395,051	395,051	366,265	28,786
Planning	321,575	321,575	319,814	1,761
TOTAL CONSERVATION AND DEVELOPMENT	716,626	716,626	686,079	30,547
UNCLASSIFIED				
Tax Refund	-	-	3,406	(3,406)
TOTAL UNCLASSIFIED	-	-	3,406	(3,406)
CONTINGENCY	300,000	72,843	-	72,843
TOTAL EXPENDITURES	\$ 30,710,856	\$ 30,710,856	\$ 30,568,230	\$ 142,626

CITY OF NEW BERLIN

DEBT SERVICE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL DEBT SERVICE FUND
For the Year Ended December 31, 2021

	Original and Final Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 7,657,141	\$ 7,657,141	\$ -	\$ -
Room taxes	-	-	117,053	117,053
School District payment	78,110	78,110	-	-
Total Revenues	7,735,251	7,735,251	7,852,304	117,053
EXPENDITURES				
Debt Service				
Principal retirement	7,244,878	22,779,878	(15,535,000)	(15,535,000)
Interest and fiscal charges	1,235,159	1,249,826	(14,667)	(14,667)
Total Expenditures	8,480,037	24,029,704	(15,549,667)	(15,549,667)
Excess (Deficiency) of Revenues Over Expenditures	(744,786)	(16,177,400)	(15,432,614)	(15,432,614)
OTHER FINANCING SOURCES				
Refunding debt issued	-	13,170,000	13,170,000	13,170,000
Premium on bond issued	-	1,955,008	1,955,008	1,955,008
Transfers in	249,588	644,588	395,000	395,000
Total Other Financing Sources	249,588	15,769,596	15,520,008	15,520,008
Net Change in Fund Balances	(495,198)	(407,804)	87,394	87,394
FUND BALANCES - Beginning of Year	1,521,651	1,521,651	-	-
FUND BALANCES - END OF YEAR	\$ 1,026,453	\$ 1,113,847	\$ 87,394	\$ 87,394

CITY OF NEW BERLIN
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
As of December 31, 2021

Function and Activity	Governmental Funds Capital Assets		Governmental Funds Capital Assets	
	January 1, 2021	Additions	Deductions	December 31, 2021
General Government				
Clerk	\$ 304,111	\$ -	\$ -	\$ 304,111
Information services	3,038,151	557,703	134,888	3,460,966
Building maintenance	3,805,467	998,604	28,529	4,775,542
Other - unclassified	461,601	-	-	461,601
Total General Government	7,609,330	1,556,307	163,417	9,002,220
Protection of Persons and Property				
Police	11,335,760	890,046	179,469	12,046,337
Fire	11,409,551	848,119	355,194	11,902,476
Emergency government	211,003	238,786	-	448,189
Total Public Safety	22,956,704	1,974,951	534,663	24,396,992
Highway and Transportation				
Maintenance	9,234,641	1,106,813	426,179	9,915,275
Stewards/kepaths	3,876,994	28,178	-	3,906,172
Street system	110,210,741	4,376,770	308,855	114,280,656
Total Streets	123,322,376	5,514,761	735,034	128,102,103
Library	12,602,771	185,348	168,071	12,620,048
Parks and Recreation				
	23,813,634	728,241	994,723	23,547,152
Total Governmental Funds Capital Assets	\$ 190,304,815	\$ 9,959,608	\$ 2,595,908	\$ 197,668,515

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CITY OF NEW BERLIN
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
As of December 31, 2021

Function and Activity	Land		Land Improvements		Buildings		Machinery and Equipment		Infrastructure		Intangibles		Total
		\$		\$		\$		\$		\$		\$	
General Government													
Clerk							304,111						304,111
Information services	289,000	-	-	-	3,065,217	-	2,015,287	-			1,445,679	-	3,460,966
Building maintenance	236,050	-	9,876	-	-	-	1,400,325	-			-	-	4,775,542
Other - unclassified	416,050	-	9,876	-	3,065,217	-	4,035,396	-			1,445,679	-	9,002,220
Total General Government													
Protection of Persons and Property													
Police	-	-	12,304	-	7,267,204	-	4,405,056	-			361,763	-	12,046,337
Fire	237,168	-	100,919	-	4,702,996	-	6,861,383	-			-	-	11,902,476
Emergency government	-	-	-	-	-	-	448,189	-			-	-	448,189
Total Public Safety													
							11,714,638				361,763	-	24,396,992
Highway and Transportation													
Maintenance	-	-	-	-	1,615,261	-	8,297,014	-			-	-	9,915,275
Stewards/kepaths	-	-	-	-	-	-	-	-	3,906,172	-	-	-	3,906,172
Street system	9,162,683	-	-	-	-	-	994,946	-	104,123,027	-	-	-	114,280,656
Total Streets													
							9,291,960		108,029,199		-	-	128,102,103
Library	849,336	-	5,193	-	8,896,592	-	2,828,927	-			-	-	12,620,048
Parks and Recreation													
	7,253,499	-	4,895,074	-	7,850,709	-	3,517,870	-			30,000	-	23,547,152
Total Governmental Funds Capital Assets	\$ 17,918,726	\$ 5,023,360	\$ 33,470,979	\$ 31,388,791	\$ 108,029,199	\$ 1,637,442	\$ 197,668,515						

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STATISTICAL SECTION

Table 1
City of New Berlin
Net Position by Component
Last Ten Years
(amounts expressed in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Net investment in capital assets*	\$ 36,697	\$ 34,432	\$ 36,115	\$ 33,153	\$ 31,315	\$ 31,448	\$ 32,615	\$ 32,403	\$ 33,608	\$ 33,914
Restricted	7,700	6,680	6,415	9,571	7,185	7,763	11,021	7,516	11,808	16,090
Unrestricted	3,494	3,644	3,904	8,464	10,688	7,761	4,393	7,483	(69)	(1,549)
Total governmental activities net position	\$ 47,891	\$ 44,756	\$ 46,434	\$ 51,196	\$ 49,188	\$ 46,972	\$ 48,029	\$ 47,382	\$ 45,347	\$ 48,455
Business-type activities										
Net investment in capital assets*	\$ 94,694	\$ 94,486	\$ 97,213	\$ 98,177	\$ 98,771	\$ 100,030	\$ 103,541	\$ 104,711	\$ 103,011	\$ 103,273
Restricted	674	690	701	889	713	720	833	588	655	865
Unrestricted	23,946	25,384	27,645	28,003	30,535	31,976	31,113	32,910	36,506	38,915
Total business-type activities net position	\$ 119,314	\$ 120,560	\$ 125,559	\$ 127,069	\$ 130,019	\$ 132,726	\$ 135,467	\$ 138,209	\$ 140,172	\$ 143,073
Primary government										
Net investment in capital assets*	\$ 131,361	\$ 128,918	\$ 133,328	\$ 131,330	\$ 130,086	\$ 131,478	\$ 136,156	\$ 137,114	\$ 136,619	\$ 137,187
Restricted	8,374	7,370	7,116	10,460	7,898	8,483	11,854	8,104	12,483	16,975
Unrestricted	27,440	29,028	31,549	36,467	41,223	39,737	35,506	40,373	36,437	37,366
Total primary government net position	\$ 167,175	\$ 165,316	\$ 171,993	\$ 178,257	\$ 179,207	\$ 179,698	\$ 183,516	\$ 185,591	\$ 185,519	\$ 191,528
*Net of related debt										

Table 2 City of New Berlin Changes in Net Position Last Ten Years (amounts expressed in thousands)											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Expenses											
Governmental activities:											
General government	\$ 6,485	\$ 6,823	\$ 6,433	\$ 6,356	\$ 6,635	\$ 6,736	\$ 6,415	\$ 6,636	\$ 8,454	\$ 5,587	
Protection of persons and property	14,866	15,181	14,592	14,638	15,975	17,457	17,726	18,403	18,008	16,687	
Highway and transportation	7,938	8,689	8,500	11,145	10,190	9,309	8,673	9,249	9,947	9,681	
Library	1,564	1,599	1,484	1,466	1,629	1,706	1,715	1,720	1,818	1,672	
Parks and recreation	1,890	1,786	1,869	1,799	1,897	2,074	1,832	2,233	1,978	2,087	
Conservation and development	570	673	685	744	799	820	801	824	1,010	666	
Interest and fiscal charges	1,147	1,329	862	865	892	937	869	1,092	1,008	1,222	
Total governmental activities expenses	<u>34,250</u>	<u>36,229</u>	<u>34,463</u>	<u>37,624</u>	<u>38,041</u>	<u>39,039</u>	<u>37,824</u>	<u>40,191</u>	<u>42,236</u>	<u>37,282</u>	
Business-type activities:											
Water	5,631	4,059	4,104	4,673	4,171	4,240	4,466	4,334	4,391	4,507	
Wastewater	9,612	9,833	9,439	10,584	10,157	10,340	11,894	10,615	10,116	10,115	
Stormwater	1,652	2,527	1,484	1,352	1,787	1,507	1,587	1,536	1,470	1,571	
Total business-type activities expenses:	<u>16,925</u>	<u>16,419</u>	<u>15,027</u>	<u>16,409</u>	<u>16,115</u>	<u>16,087</u>	<u>17,887</u>	<u>16,485</u>	<u>15,977</u>	<u>16,193</u>	
Total primary government expenses	<u>\$ 51,485</u>	<u>\$ 52,699</u>	<u>\$ 49,502</u>	<u>\$ 53,703</u>	<u>\$ 54,162</u>	<u>\$ 55,126</u>	<u>\$ 55,729</u>	<u>\$ 56,642</u>	<u>\$ 58,272</u>	<u>\$ 53,785</u>	
Program Revenues											
Governmental activities:											
Charges for services:											
General government	\$ 933	\$ 926	\$ 941	\$ 996	\$ 957	\$ 932	\$ 989	\$ 1,031	\$ 878	\$ 926	
Protection of persons and property	1,934	2,191	2,195	2,263	2,460	2,809	3,065	2,791	2,787	2,773	
Highway and transportation	512	458	346	1,644	2,163	1,925	2,255	2,235	2,246	2,427	
Library	94	96	95	77	95	92	114	113	67	90	
Parks and recreation	746	896	874	841	823	705	622	680	368	805	
Conservation and development	109	146	126	122	120	139	107	113	88	124	
Operating grants and contributions	2,019	2,101	2,206	2,537	2,769	2,736	2,858	3,114	4,120	3,369	
Capital grants and contributions	2,181	2,101	4,102	3,571	3,692	3,692	3,817	3,817	4,120	3,369	
Total governmental activities program revenues	<u>7,655</u>	<u>7,615</u>	<u>11,273</u>	<u>8,397</u>	<u>10,651</u>	<u>9,668</u>	<u>11,885</u>	<u>10,884</u>	<u>10,321</u>	<u>10,882</u>	

Business-type activities:											
Charges for services:											
Water	5,616	5,200	5,144	5,273	5,327	5,188	5,269	5,179	5,328	5,445	
Wastewater	9,725	9,473	9,395	10,400	10,395	10,311	11,031	11,138	11,119	11,266	
Stormwater	1,764	1,693	1,672	1,709	1,726	1,743	1,748	1,748	1,742	1,767	
Operating grants and contributions	-	460	10	238	293	-	765	176	296	83	
Capital grants and contributions	258	439	2,270	272	291	2,146	1,208	450	7	479	
Total business-type activities program revenues	<u>17,333</u>	<u>17,265</u>	<u>18,481</u>	<u>17,892</u>	<u>18,032</u>	<u>19,388</u>	<u>20,017</u>	<u>18,691</u>	<u>18,482</u>	<u>19,030</u>	
Total primary government program revenues	<u>\$ 24,668</u>	<u>\$ 24,880</u>	<u>\$ 29,766</u>	<u>\$ 28,679</u>	<u>\$ 28,069</u>	<u>\$ 29,056</u>	<u>\$ 31,282</u>	<u>\$ 29,585</u>	<u>\$ 29,003</u>	<u>\$ 28,892</u>	
Net (Expense)/Revenue											
Governmental activities	\$ (20,825)	\$ (28,695)	\$ (23,100)	\$ (29,507)	\$ (27,990)	\$ (29,371)	\$ (26,677)	\$ (29,263)	\$ (31,774)	\$ (26,730)	
Business-type activities	<u>408</u>	<u>846</u>	<u>3,454</u>	<u>1,483</u>	<u>1,817</u>	<u>3,301</u>	<u>2,130</u>	<u>2,208</u>	<u>2,405</u>	<u>2,837</u>	
Total primary government net expense	<u>\$ (20,617)</u>	<u>\$ (27,819)</u>	<u>\$ (19,730)</u>	<u>\$ (27,024)</u>	<u>\$ (26,073)</u>	<u>\$ (26,070)</u>	<u>\$ (24,447)</u>	<u>\$ (27,055)</u>	<u>\$ (29,369)</u>	<u>\$ (23,893)</u>	
General Revenues and Other Changes in Net Position											
Governmental activities:											
Transfer taxes	\$ 24,121	\$ 24,221	\$ 24,436	\$ 24,681	\$ 24,968	\$ 25,251	\$ 25,550	\$ 25,675	\$ 26,592	\$ 26,304	
Other taxes	239	390	422	414	443	435	381	395	433	319	
Intergovernmental revenues	830	955	998	1,020	1,026	1,221	897	1,200	1,402	1,178	
Investment earnings (loss)	165	(7)	163	108	206	386	843	1,218	405	(42)	
Miscellaneous	173	225	132	117	134	105	135	106	81	111	
Transfers	448	(223)	(1,283)	582	(782)	783	(153)	23	766	(32)	
Total Governmental activities	<u>25,074</u>	<u>25,561</u>	<u>24,868</u>	<u>26,922</u>	<u>25,950</u>	<u>28,181</u>	<u>27,633</u>	<u>28,617</u>	<u>29,739</u>	<u>28,838</u>	
Business-type activities:											
Investment earnings:											
Transfers	242	176	262	232	246	281	478	538	224	32	
Total business-type activities	<u>(446)</u>	<u>223</u>	<u>1,283</u>	<u>(692)</u>	<u>787</u>	<u>(783)</u>	<u>153</u>	<u>(23)</u>	<u>(766)</u>	<u>32</u>	
Total primary government	<u>\$ 25,770</u>	<u>\$ 25,900</u>	<u>\$ 26,413</u>	<u>\$ 26,972</u>	<u>\$ 27,092</u>	<u>\$ 27,624</u>	<u>\$ 28,244</u>	<u>\$ 29,132</u>	<u>\$ 29,107</u>	<u>\$ 29,870</u>	
Change in Net Position											
Governmental activities	\$ (951)	\$ (3,104)	\$ 1,678	\$ (1,585)	\$ (2,000)	\$ (1,190)	\$ 1,056	\$ (646)	\$ (2,035)	\$ 3,108	
Business-type activities	<u>224</u>	<u>1,265</u>	<u>4,889</u>	<u>1,133</u>	<u>2,950</u>	<u>2,788</u>	<u>2,101</u>	<u>2,721</u>	<u>1,863</u>	<u>2,801</u>	
Total primary government	<u>\$ (727)</u>	<u>\$ (1,839)</u>	<u>\$ 6,617</u>	<u>\$ (452)</u>	<u>\$ 950</u>	<u>\$ 1,062</u>	<u>\$ 3,817</u>	<u>\$ 2,073</u>	<u>\$ (172)</u>	<u>\$ 5,909</u>	

Table 3
City of New Berlin
Fund Balances, Governmental Funds,
Last Ten Years
(amounts expressed in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ 376	\$ 326	\$ 81	\$ 50	\$ 117	\$ 67	\$ 343	\$ 306	\$ 59	\$ 677
Assigned	1,055	849	985	956	1,000	1,000	1,000	1,000	1,000	1,000
Unassigned	6,779	7,251	7,330	7,797	8,196	8,476	8,724	8,820	9,070	7,635
Total general fund	<u>\$ 8,210</u>	<u>\$ 8,426</u>	<u>\$ 8,396</u>	<u>\$ 8,803</u>	<u>\$ 9,313</u>	<u>\$ 9,553</u>	<u>\$ 10,067</u>	<u>\$ 10,126</u>	<u>\$ 10,129</u>	<u>\$ 8,312</u>
All Other Governmental Funds										
Restricted	\$ 16,645	\$ 9,898	\$ 9,745	\$ 10,471	\$ 11,250	\$ 13,314	\$ 14,624	\$ 15,469	\$ 13,033	\$ 15,956
Committed	467	892	1,034	1,956	1,553	1,007	978	801	782	782
Assigned	309	324	332	382	313	337	340	486	604	233
Unassigned	-	-	(2)	-	-	(8)	-	(40)	(10)	-
Total all other governmental funds	<u>\$ 17,421</u>	<u>\$ 11,114</u>	<u>\$ 11,109</u>	<u>\$ 12,809</u>	<u>\$ 13,116</u>	<u>\$ 14,650</u>	<u>\$ 15,942</u>	<u>\$ 16,716</u>	<u>\$ 14,389</u>	<u>\$ 16,971</u>

Note: GASB #64 implemented in 2011.

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Table 4
City of New Berlin
Changes in Fund Balances, Governmental Funds,
Last Ten Years
(amounts expressed in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
REVENUES										
Taxes	\$ 24,380	\$ 24,611	\$ 24,859	\$ 25,095	\$25,411	\$25,686	\$25,912	\$26,071	\$ 27,084	\$ 28,623
Intergovernmental	2,584	3,025	2,941	3,248	3,462	3,620	3,480	3,779	4,913	4,137
Licenses and permits	1,370	1,449	1,416	1,454	1,338	1,353	1,621	1,459	1,386	1,276
Fines and penalties	288	280	321	361	453	384	348	309	286	327
Charges for services	1,997	2,507	2,098	3,497	4,225	4,471	4,534	4,504	4,024	4,190
Public improvement revenues	132	224	55	101	26	340	260	66	69	39
Special assessments	6	8	1	1	1	1	1	-	-	-
Interdepartmental revenues	467	450	381	330	402	149	461	414	387	572
Investment income (loss)	162	(7)	163	108	206	386	843	1,218	406	(42)
Miscellaneous revenues	627	824	1,159	719	673	545	722	692	570	1,740
Total Revenues	<u>32,003</u>	<u>33,371</u>	<u>33,374</u>	<u>34,914</u>	<u>36,397</u>	<u>37,339</u>	<u>38,182</u>	<u>38,712</u>	<u>39,135</u>	<u>40,802</u>
EXPENDITURES										
General government	6,001	5,961	6,008	5,920	6,058	6,037	6,047	6,236	5,954	6,323
Protection of persons and property	14,537	14,273	14,032	14,239	14,617	15,031	16,030	16,565	16,994	17,931
Public Works	2,876	2,840	3,207	4,200	4,477	4,337	4,620	4,899	4,723	5,563
Library	1,369	1,424	1,363	1,373	1,424	1,498	1,553	1,519	1,623	1,537
Parks and recreation	1,513	1,377	1,496	1,400	1,445	1,467	1,391	1,609	1,293	1,515
Conservation and development	537	650	685	725	775	758	780	727	768	726
Capital outlay	6,157	11,986	7,427	7,050	8,353	7,851	8,098	8,119	12,942	18,607
Debt service										
Principal retirement	6,601	11,755	6,095	6,060	5,930	5,975	5,950	5,890	6,755	22,780
Interest and fiscal charges	1,254	1,367	1,189	1,226	1,204	1,165	1,205	1,302	1,262	1,371
Total Expenditures	<u>40,845</u>	<u>51,653</u>	<u>41,502</u>	<u>42,193</u>	<u>44,283</u>	<u>44,739</u>	<u>45,674</u>	<u>46,866</u>	<u>52,344</u>	<u>76,353</u>

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Excess of revenues over (under) expenditures	(8,842)	(18,282)	(8,128)	(7,279)	(7,886)	(7,400)	(7,482)	(8,154)	(13,209)	(35,491)
OTHER FINANCING SOURCES (USES)										
Proceeds from long-term debt	8,920	5,810	6,954	8,230	7,735	8,215	9,060	8,095	9,615	20,895
Refunding debt issued	2,520	5,510	-	-	-	-	-	-	-	13,170
Premium on bond issue	806	398	294	244	167	161	164	102	195	2,228
Payment to refunded bond escrow agent	(1,379)	-	-	-	-	-	-	-	-	-
Capital lease	50	-	-	72	-	63	-	-	110	343
Transfers in	1,496	1,254	1,673	1,534	1,393	1,477	1,515	1,410	1,598	1,673
Transfers out	(884)	(751)	(627)	(634)	(392)	(752)	(1,452)	(619)	(742)	(865)
Total other financing sources (uses)	11,509	12,191	8,094	9,386	8,703	9,164	9,307	8,988	10,886	37,266
Net change in fund balances	\$ 2,667	\$ (6,091)	\$ (34)	\$ 2,107	\$ 817	\$ 1,764	\$ 1,815	\$ 834	\$ (2,323)	\$ 4,765
Debt service as a percentage of noncapital expenditures	22.6%	33.1%	21.4%	20.7%	19.9%	19.4%	19.0%	18.6%	20.4%	41.8%

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Table 5
City of New Berlin
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Years
(amounts expressed in thousands)

Year	Residential Property	Commercial Property	Manufacturing Property	Other Property	Personal Property	Total Taxable Assessed Value	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value	Total Direct Tax Rate
2012	\$ 3,107,229	\$ 978,614	\$ 164,908	\$ 13,105	\$ 130,630	\$ 4,384,484	\$ 4,583,168	95.88%	\$ 5.5117
2013	3,116,776	984,096	174,888	13,737	143,464	4,432,961	4,523,920	97.99%	5.5124
2014	3,140,288	983,967	181,837	13,914	149,198	4,479,204	4,703,900	95.23%	5.5102
2015	3,359,201	1,047,565	197,897	15,346	144,184	4,764,193	4,808,728	99.07%	5.2408
2016	3,375,849	1,085,173	205,622	15,131	159,107	4,820,882	4,957,311	97.16%	5.2378
2017	3,399,510	1,087,933	198,725	14,940	154,307	4,853,415	5,186,500	93.58%	5.2644
2018	3,812,419	1,146,847	207,896	16,000	102,149	5,285,311	5,408,748	97.72%	4.9990
2019	3,866,282	1,163,578	201,424	16,272	94,213	5,331,789	5,714,406	93.30%	5.1810
2020	3,903,183	1,159,170	212,481	15,497	100,294	5,390,625	5,849,284	92.21%	5.5232
2021	3,942,882	1,176,737	198,345	15,792	83,521	5,418,277	6,270,870	86.36%	

Source: New Berlin City Assessors Office

Note: State law requires average assessment ratios to be within 10% of market value once every 4 years. Additionally, state statutes require each taxation district to assess property at full value at least once in every 5 year period. The City Assessor's office has formulated a policy of conducting revaluations on a biennial basis.
Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per \$1,000 of assessed value.

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Table 6
City of New Berlin
Direct and Overlapping Property Tax Rates,
Last Ten Years
(rate per \$1,000 of assessed value)

Levy Year	City Direct Rates				Overlapping Rates				Total Gross Rate
	Basic Rate	General Obligation	Total Direct	New Berlin School District	Waukesha County Technical College	Waukesha County	State of Wisconsin		
2012	\$ 4.0562	\$ 1.4556	\$ 5.5117	\$ 11.4706	\$ 1.3565	\$ 2.1955	\$ 0.1770	\$ 20.7173	
2013	4.0784	1.4340	5.5124	11.6508	1.3427	2.1889	0.1732	20.8679	
2014	4.0561	1.4541	5.5102	11.9221	1.4086	2.1854	0.1782	20.2046	
2015	3.8448	1.3660	5.2408	11.3358	0.3633	2.0608	0.1712	19.1919	
2016	3.8546	1.3632	5.2378	11.4779	0.3788	2.0529	0.1745	19.3219	
2017	3.8904	1.3740	5.2644	11.5694	0.3939	2.0658	-	19.3135	
2018	3.5963	1.2617	4.8579	10.4435	0.3705	1.9341	-	17.6060	
2019	3.7484	1.2507	4.9990	10.0299	0.3860	1.9503	-	17.3653	
2020	3.7924	1.3866	5.1810	9.2594	0.3815	1.9135	-	16.7354	
2021	3.9911	1.5321	5.5232	8.7569	0.3497	1.9497	-	16.5815	

Note: The City has four tax rates dependent upon the school district the property is located. The total shown is for only the largest school district (New Berlin). State of Wisconsin property taxes were eliminated in 2017.

Table 7
City of New Berlin
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
MSP Individual	\$ 66,341,000	1	1.23%	\$ 61,966,700	1	1.41%
Frederick Health	37,044,000	2	0.69%	-	-	-
Clark Building Joint Venture	28,463,000	3	0.53%	-	-	-
Buy Seasons	27,111,000	4	0.50%	37,047,340	3	0.84%
Sanctuary of Woodshire	23,860,000	5	0.44%	18,146,600	6	0.41%
Wyndridge Nominee, LLC	21,945,000	6	0.41%	-	-	-
James Campbell Company	20,364,000	7	0.38%	-	-	-
FXG, Inc	18,622,000	8	0.35%	26,485,000	5	0.60%
Costco	17,578,000	9	0.33%	-	-	-
Slag Industrial	17,489,000	10	0.32%	-	-	-
Individual	-	-	-	58,266,000	2	1.33%
Towne-Luttrebach	-	-	-	27,640,800	4	0.63%
Pinewood Apartments	-	-	-	15,022,000	7	0.31%
Industrial Electric	-	-	-	14,796,860	8	0.29%
Carriage Way Apartments	-	-	-	12,242,000	9	0.27%
Princeton Club	-	-	-	11,956,120	10	0.26%
	\$ 278,817,000		5.17%	\$ 283,559,420		6.35%

Source: New Berlin City Assessor

Table 8
City of New Berlin
Property Tax Levies & Collections
Last Ten Years

Collection Year	Total Tax Levy	Collections Prior to Transfer		Total Collections to Date	
		of Tax Roll on August 1	Percent of Levy Collected	Amount	Percentage of Levy
2012	\$ 23,997,115	\$ 23,754,501	98.99%	\$ 23,996,583	100.00%
2013	24,221,282	24,012,358	99.14%	24,221,282	100.00%
2014	24,436,282	24,279,109	99.36%	24,434,177	99.99%
2015	24,681,517	24,567,841	99.54%	24,665,383	99.93%
2016	24,968,332	24,864,003	99.58%	24,947,440	99.92%
2017	25,251,000	25,136,214	99.55%	25,245,738	99.98%
2018	25,550,392	25,456,313	99.63%	25,543,854	99.97%
2019	25,675,618	25,574,501	99.61%	25,655,517	99.92%
2020	26,592,266	26,495,336	99.64%	26,567,825	99.91%
2021	27,613,189	27,740,955	99.74%	27,772,740	99.85%

Note: The amount of outstanding taxes represents uncollected personal property taxes at the end of the year. The portion of delinquent taxes attributable to overlapping jurisdictions is charged back to those jurisdictions in the subsequent year.

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Table 9
City of New Berlin
Ratio of Outstanding Debt by Type
Last Ten Years
(dollars in thousands, except per capita)

Fiscal Year	Governmental Activities				Business-Type Activities							Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Lease	State Trust Fund Loan	Water Revenue Bonds	Water from Sewer	General Obligation from Sewer	WRM Advance	WRM	WRM					
2012	\$ 41,525	\$ 160	\$ 645	\$ -	\$ -	\$ 2,390	\$ 4,430	\$ 280	\$ 1,245	\$ -	\$ 50,675	3.32%	\$ 1,274	
2013	41,170	115	565	-	-	2,045	4,220	-	1,090	-	49,205	3.14%	1,233	
2014	42,129	88	465	-	-	1,685	3,975	-	1,435	-	49,757	3.15%	1,240	
2015	45,719	80	360	-	-	1,310	3,715	-	1,230	-	52,414	3.21%	1,304	
2016	46,319	80	250	-	-	925	3,445	-	1,020	-	52,019	3.11%	1,293	
2017	48,685	82	125	62	62	505	3,165	-	810	-	53,434	3.12%	1,335	
2018	51,920	50	-	-	1,979	255	2,875	-	590	-	57,669	3.24%	1,429	
2019	54,125	26	-	1,944	-	2,360	-	-	430	-	58,905	3.17%	1,451	
2020	57,165	97	-	2,903	-	1,660	-	-	325	-	62,400	3.36%	1,537	
2021	66,360	398	-	2,779	-	1,260	-	-	220	-	73,067	3.91%	1,790	

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

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Table 10
City of New Berlin
Ratio of Net General Bonded Debt Outstanding
Last Ten Years
(dollars in thousands, except per capita)

Fiscal Year	General Bonded Debt Outstanding				Percentage of	
	General Obligation Bonds	WRM General Obligation	Water General Obligation	Total	Actual Taxable Property	Per Capita
2012	41,525	280	-	41,805	38,220	0.83%
2013	41,170	-	-	41,170	-	0.91%
2014	42,129	-	-	42,129	-	0.90%
2015	46,079	-	4,430	50,509	-	1.05%
2016	46,569	-	4,220	50,789	-	1.02%
2017	48,810	-	3,975	52,785	-	1.02%
2018	51,920	-	3,892	55,812	-	1.03%
2019	54,125	-	3,445	57,570	-	1.01%
2020	57,185	-	1,890	59,075	-	1.01%
2021	68,380	-	1,290	69,670	-	1.11%

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Table 11
City of New Berlin
Direct and Overlapping Governmental Activities Debt
As of December 31, 2021
(dollars in thousands)

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Waukesha County	\$ 83,773	9.7893%	\$ 8,184
Elmbrook School District	38,450	1.1783%	453
Muskego-Norway School District	37,215	0.1060%	39
New Berlin School District	36,275	100.0000%	36,275
West Allis School District	15,565	7.6340%	1,190
Waukesha County Technical College	23,172	8.9687%	2,078
Milwaukee Area Technical College	99,875	0.4352%	435
Subtotal, overlapping debt			48,654
City direct debt			59,075
Total direct and overlapping debt			\$ 107,729

Sources: Assessed value data provided by the City Assessor's office. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographical boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of New Berlin. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Table 12
City of New Berlin
Legal Debt Margin Information,
Last Ten Years
(dollars in thousands)

Legal debt margin calculation for 2021									
									Equalized Valuation
									Debt Limit (5% of equalized value)
									Debt applicable to limit:
									General Obligation Debt
									Less: Available funds designated for principal debt retirement
									Total net debt applicable to limit
									Legal debt margin

Note: Under state law the city's outstanding general obligation debt cannot exceed 5 percent of total equalized property value. However, the city has established a more conservative internal limit of not more than 2.5 percent. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Table 13
City of New Berlin
Pledged-Revenue Coverage,
Last ten years

Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Maximum Annual Debt Service Requirement		
				Principal	Interest	Coverage
2012	n/a	n/a	n/a	n/a	n/a	n/a
2013	n/a	n/a	n/a	n/a	n/a	n/a
2014	n/a	n/a	n/a	n/a	n/a	n/a
2015	n/a	n/a	n/a	n/a	n/a	n/a
2016	n/a	n/a	n/a	n/a	n/a	n/a
2017	5,264,980	2,876,287	2,388,693	2,575	1,131	644.55
2018	5,417,489	3,081,448	2,336,041	87,253	34,580	19.17
2019	5,337,794	2,893,109	2,444,685	89,379	35,580	19.56
2020	5,377,379	2,953,084	2,424,295	137,615	54,461	12.62
2021	5,445,963	3,023,388	2,422,575	137,615	54,461	12.61
						3,706
						121,833
						124,959
						192,076
						192,076

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Gross revenues are operating revenues plus interest. Operating expenses do not include interest, depreciation or amortization.

Table 14
City of New Berlin
Demographic and Economic Statistics
Last Ten Years

Year	Population	New Berlin Per Capita Income	Personal Income (thousands of dollars)	School Enrollment	Unemployment Rate
2012	39,770	\$ 38,358	\$ 1,525,498	4,656	5.30%
2013	39,915	39,295	1,568,460	4,592	4.80%
2014	40,130	39,339	1,578,674	4,590	4.30%
2015	40,195	40,678	1,635,052	4,528	3.60%
2016	40,227	41,546	1,671,271	4,445	3.70%
2017	40,027	42,788	1,712,675	4,410	2.30%
2018	40,349	44,119	1,780,158	4,503	2.70%
2019	40,596	45,732	1,856,536	4,348	3.00%
2020	40,600	45,732	1,856,719	4,362	6.00%
2021	40,821	45,732	1,866,826	4,250	3.10%

Sources: Population provided by State Department of Revenue. Per capita income is from the US Census Bureau and personal income is population times per capita. School enrollment data from WI Dept of Public Instruction. Unemployment data provided by State Department of Workforce Development.

Notes: Personal income data from Wisconsin Department of Administration, Demographic Services Center. Unemployment rate information is annual average. School enrollment is based on census at the middle of the school year and includes public schools only.

Table 15
City of New Berlin
Principal Employers
Current Year and Nine Years Ago

Employer	2021			2012		
	Approximate Number of Employees	Rank	Percentage of Total City Employment	Approximate Number of Employees	Rank	Percentage of Total City Employment
Spring City/Pepper Electric	1,000	1	4.91%	-	-	-
Ideal Mechanical	550	2	2.70%	-	-	-
ABB Industrial Systems Inc.	520	3	2.55%	650	2	2.97%
New Berlin School District	507	4	2.49%	487	3	2.23%
GMR Marketing	446	5	2.19%	400	6	1.83%
City of New Berlin	420	6	2.06%	421	4	1.93%
Modern Maintenance Building	400	7	1.96%	400	5	1.83%
Regency Janitorial Service, Inc.	400	8	1.96%	-	-	-
Collins Aerospace	300	9	1.47%	-	-	-
ACS Group	259	10	1.27%	-	-	-
Buy Seasons	-	-	-	1,000	1	4.84%
Chris Hansen Inc.	-	-	-	780	2	3.77%
Liturgical Publications Inc	-	-	-	325	8	1.57%
Dematic Corp	-	-	-	300	9	1.45%
Software One	-	-	-	300	10	1.45%
Total	4,802	-	23.57%	5,083	-	16.41%

Source: City Official Statement - ReferenceUSA, written and telephone survey (August, 2019), Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development

Table 16 City of New Berlin Full-time Equivalent City Employees by Function/Program, Last Ten Years											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
GENERAL GOVERNMENT											
Mayor	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	
Human Resources	3.00	2.40	2.50	2.00	2.00	2.50	3.00	3.00	3.00	3.33	
Finance	5.75	5.75	4.75	4.75	4.81	5.31	5.31	5.31	5.31	5.31	
Assessor	5.00	5.00	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	
Municipal Court	2.15	2.15	2.15	2.10	2.10	2.10	2.20	2.04	2.04	2.04	
Engineering	3.00	3.00	3.00	2.50	2.50	2.25	2.25	2.25	2.25	2.25	
Parks, Facilities & Grounds	6.00	7.00	8.00	12.00	13.00	13.00	14.00	12.50	13.50	13.50	
Parks, Facilities & Grounds - Pt	7.40	7.52	6.50	4.88	5.88	6.60	6.10	5.01	5.53	5.53	
Clerk	4.60	4.34	4.34	4.34	4.50	4.70	4.60	4.60	4.60	4.87	
Information Technology	3.46	3.26	3.50	3.50	3.50	3.50	3.50	3.50	3.50	4.01	
Protection of Persons and Property											
Police	85.50	81.00	81.00	79.75	80.75	81.25	84.00	84.00	84.00	85.25	
Fire	29.00	30.00	32.00	33.00	36.00	36.00	39.00	40.00	42.00	42.00	
Fire - Pt	10.85	10.60	10.60	11.00	11.02	11.12	11.50	11.00	12.43	12.43	
Emergency Management								0.50	0.50	0.50	
Inspection	6.00	6.00	6.00	6.00	6.00	5.50	5.50	5.50	5.50	5.50	
Library	4.00	4.00	4.00	4.00	5.00	5.00	6.00	6.00	6.00	6.00	
Library - Pt	13.14	13.34	13.82	13.00	13.41	13.41	12.66	12.66	12.66	12.66	
Recreation	3.00	3.00	3.00	3.00	2.00	3.00	3.00	4.00	3.00	3.00	
Recreation - Pt	9.53	9.28	9.25	9.70	8.60	6.84	6.84	6.34	5.42	5.42	
Streets	27.00	26.00	27.00	27.00	27.00	27.50	28.50	27.50	27.50	27.50	
Public Works								1.00	1.00	1.00	
Conservation & Development	7.00	7.00	7.50	7.50	7.50	8.50	8.50	8.50	8.50	8.50	
ENTERPRISE FUNDS											
Water Utility	6.75	6.75	6.35	4.85	6.65	6.65	6.65	6.95	6.95	6.95	
Water Utility	11.25	11.75	11.65	12.15	11.35	11.35	11.35	11.05	11.05	11.05	
Water Resource Management	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	
TOTAL	257.38	253.14	255.41	255.52	262.07	264.58	271.96	270.71	274.74	276.10	

Source: City budget document

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Table 17 City of New Berlin Operating Indicators by Function/Program Last Ten Years											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Police Protection:											
Calls for service	28,478	29,664	29,339	31,241	30,716	31,076	28,418	29,302	25,466	27,041	
Citations issued	4,436	2,986	4,719	5,016	4,877	3,834	3,987	4,420	3,941	4,777	
Fire Protection:											
Fire calls answered	723	742	852	799	847	913	964	1,016	948	1,173	
Medical calls answered	2,380	2,624	2,746	2,847	3,279	3,953	4,010	3,941	3,666	3,787	
Inspections	4,502	4,569	4,614	2,832	2,822	2,779	3,072	2,923	2,419	2,676	
Other Public Works											
Street Resurfacing (miles)	9.5	13.7	10.6	10.9	13.32	15.17	15.24	13.55	11.06	6.54	
Library											
Volumes in collection	167,794	161,258	151,291	149,595	147,047	146,366	150,003	150,497	148,040	148,275	
Total Volumes borrowed	366,341	356,656	350,396	349,290	365,702	374,801	392,043	405,089	296,711	343,711	
Water System:											
New connections	38	116	32	39	84	15	41	77	43	29	
Water main breaks	6	9	15	13	8	11	20	7	4	11	
Average Daily consumption											
(thousands of gallons)	2,703	2,352	2,236	2,337	2,296	2,192	2,630	2,460	2,585	2,616	
Peak daily consumption											
(thousands of gallons)	5,720	4,924	4,420	4,429	4,684	4,347	5,919	4,432	4,838	5,268	

Sources: Various city departments

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Table 18
City of New Berlin
Capital Asset Statistics by Function/Program,
Last Ten Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police Protection:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	20	20	20	20	20	20	20	20	20	20
Fire Stations	5	5	5	5	5	5	5	5	5	5
Other public works										
Miles of streets	225.74	225.74	226.7	226.7	226.73	226.73	226.73	226.73	226.73	226.73
Park and Recreation										
Parks	27	27	27	27	27	27	29	30	30	30
Park & Conservancy Areas Acreage	894	894	894	894	894	894	914	915	917	917
Golf course & Disc Golf	2	2	2	2	2	2	2	2	2	2
Hiking trails	8	8	8	8	8	8	8	8	8	8
Tennis courts	14	14	14	14	14	14	14	14	14	14
Water System:										
Water mains (miles)	166	168.7	169.5	169.7	170.14	172.52	173.1	174	174	174.58
Fire hydrants	2,047	2,062	2,071	2,075	2,083	2,111	2,114	2,117	2,117	2,130
Storage capacity (thousand gallons)	4,040	4,040	4,040	4,040	4,040	4,040	4,040	4,040	4,040	4,040
Wastewater System:										
Miles of sanitary sewers	176	180.9	180.9	180.9	180.97	182.3	182.91	183.2	183.2	183.44
Number of service connections	10,506	10,515	10,534	10,523	10,537	10,548	10,568	10,593	10,621	10,718
Stormwater System:										
Miles of stormsewers	65	66	68.2	68.5	69.75	70.7	73.7	75.6	75.6	76.7
Culverts	725	730	737	742	743	746	747	748	748	751

Sources: Various city departments

APPENDIX B

FORM OF LEGAL OPINION

(See following pages)

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

October 12, 2022

Re: City of New Berlin, Wisconsin ("Issuer")
\$7,895,000 General Obligation Promissory Notes, Series 2022A,
dated October 12, 2022 ("Notes")

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

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

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

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2023	\$ 130,000	____%
2024	175,000	____
2025	790,000	____
2026	820,000	____
2027	830,000	____
2028	1,030,000	____
2029	1,030,000	____
2030	1,030,000	____
2031	1,030,000	____
2032	1,030,000	____

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

The Notes maturing on June 1, 2031 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on June 1, 2030 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

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

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

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

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

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

3. The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code) for taxable years beginning after December 31, 2022. The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Notes.

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

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

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

QUARLES & BRADY LLP

BOOK-ENTRY-ONLY SYSTEM

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

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

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of New Berlin, Waukesha County, Wisconsin (the "Issuer") in connection with the issuance of \$7,895,000 General Obligation Promissory Notes, Series 2022A, dated October 12, 2022 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on September 27, 2022 (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 28, 2022 delivered in connection with the Securities, which is available from the MSRB.

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

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

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

"Issuer" means the City of New Berlin, Waukesha 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 3805 South Casper Drive, New Berlin, Wisconsin 53151, phone (262) 786-8610, fax (262) 786-6121.

"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, 2022, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 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 12th day of October, 2022.

(SEAL)

David A. Ament
Mayor

Rubina R. Medina
City Clerk

NOTICE OF SALE

\$7,895,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2022A CITY OF NEW BERLIN, WISCONSIN

Bids for the purchase of \$7,895,000* General Obligation Promissory Notes, Series 2022A (the "Notes") of the City of New Berlin, 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 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:00 A.M. Central Time, on September 27, 2022, 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 6:00 P.M., Central Time, on the same date. The bid offering to purchase the Notes upon the terms specified herein and most favorable to the City will be accepted unless all bids are rejected.

PURPOSE

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, for public purposes, including paying the cost of capital improvement projects, including City buildings and grounds projects, parks and public grounds projects, municipal equipment, street improvement projects, community development projects and equipment of the fire department. The Notes 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 Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount.

DATES AND MATURITIES

The Notes will be dated October 12, 2022, will be issued as fully registered Notes in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on June 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2023	\$130,000	2027	\$830,000	2031	\$1,030,000
2024	175,000	2028	1,030,000	2032	1,030,000
2025	790,000	2029	1,030,000		
2026	820,000	2030	1,030,000		

ADJUSTMENT OPTION

* The City reserves the right to increase or decrease the principal amount of the Notes 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 Notes 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 June 1 and December 1 of each year, commencing June 1, 2023, to the registered owners of the Notes 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 Notes 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 Notes 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 Notes, 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 Notes. So long as Cede & Co. is the registered owner of the Notes, 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 Notes.

PAYING AGENT

The City may select a City official or a bank or trust company, to act as paying agent (the "Paying Agent"). If an outside Paying Agent is selected, 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 Notes maturing on or after June 1, 2031 shall be subject to optional redemption prior to maturity on June 1, 2030 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Notes subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Notes to be redeemed shall be at the discretion of the City. If only part of the Notes 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 Note to be redeemed at the address shown on the registration books.

DELIVERY

On or about October 12, 2022, the Notes 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, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Notes is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Notes 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 Notes and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City, and will be available at the time of delivery of the Notes. The legal opinion will be issued on the basis of existing law and will state that the Notes are valid and binding general obligations of the City; provided that the rights of the owners of the Notes and the enforceability of the Notes 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 "TAX EXEMPTION" in the Official Statement and the "FORM OF LEGAL OPINION" found in Appendix B of the Official Statement).

SUBMISSION OF BIDS

Bids must not be for less than \$7,816,050, nor more than \$8,250,275 plus accrued interest on the principal sum of \$7,895,000 from date of original issue of the Notes 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 10:00 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 \$157,900 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 Notes 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 Notes 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 Notes is adjourned, recessed, or continued to another date without award of the Notes having been made.

AWARD

The Notes 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 Notes 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 Notes 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 Notes 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 Notes are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Notes.

CUSIP NUMBERS

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Notes 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 Notes 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 Notes 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 Notes. A description of the details and terms of the undertaking is set forth in Appendix D of the Official Statement.

NEW ISSUE PRICING

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Notes pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the City in establishing the issue price of the Notes and shall execute and deliver to the City at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Notes, together with the supporting pricing wires or equivalent communications. All actions to be taken by the City under this Notice of Sale to establish the issue price of the Notes may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the "competitive sale requirements") because:

- (1) The City shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential investors;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Notes, as specified in this bid.

(c) If all of the requirements of a "competitive sale" are not satisfied, the City shall advise the winning bidder of such fact prior to the time of award of the sale of the Notes to the winning bidder. In such event, any bid submitted will not be subject to cancellation or withdrawal and the City agrees to use the rule selected by the winning bidder on its bid form to determine the issue price for the Notes. On its bid form, each bidder must select one of the following two rules for determining the issue price of the Notes: (1) the first price at which 10% of a maturity of the Notes (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Notes (the "hold-the-offering-price rule").

(d) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Notes to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Notes, that the underwriters will neither offer nor sell unsold Notes of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the City promptly after the close of the fifth (5th) business day after the sale whether it has sold 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public.

The City acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Notes, as set forth in an agreement among underwriters and the related pricing wires,

(ii) in the event a selling group has been created in connection with the initial sale of the Notes to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Notes to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable

to the Notes, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Notes.

(e) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the 10% test, the winning bidder agrees to promptly report to the City, Bond Counsel and Ehlers the prices at which the Notes have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Notes of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Notes, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(f) By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Notes of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Notes of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Notes to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) to promptly notify the winning bidder of any sales of Notes that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Notes to the public (each such term being used as defined below), and

(B) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(g) Sales of any Notes to any person that is a related party to an underwriter participating in the initial sale of the Notes to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with

- a person described in clause (A) to participate in the initial sale of the Notes to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the public),
- (iii) a purchaser of any of the Notes is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) "sale date" means the date that the Notes are awarded by the City to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Official Statement relating to the Notes 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

Ralph Chipman, Finance Director
City of New Berlin, Wisconsin

BID FORM

The Common Council
City of New Berlin, Wisconsin (the "City")

September 27, 2022

RE: \$7,895,000* General Obligation Promissory Notes, Series 2022A (the "Notes")
DATED: October 12, 2022

For all or none of the above Notes, 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 \$7,816,050, nor more than \$8,250,275) plus accrued interest to date of delivery for fully registered Notes bearing interest rates and maturing in the stated years as follows:

_____ % due 2023	_____ % due 2027	_____ % due 2031
_____ % due 2024	_____ % due 2028	_____ % due 2032
_____ % due 2025	_____ % due 2029	
_____ % due 2026	_____ % due 2030	

* The City reserves the right to increase or decrease the principal amount of the Notes 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 Notes 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 \$157,900 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 Notes 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 Notes 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 Notes 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 12, 2022.

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 Notes.

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 Notes within 24 hours of the bid acceptance.

This bid is a firm offer for the purchase of the Notes 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: _____.

If the competitive sale requirements are not met, we elect to use either the: _____ 10% test, or the _____ hold-the-offering-price rule to determine the issue price of the Notes.

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 12, 2022 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 New Berlin, Wisconsin, on September 27, 2022.

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