

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 27, 2023

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 Notes shall be designated as "qualified tax-exempt obligations".

New Issue

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

TOWN OF BROOKFIELD, WISCONSIN (Waukesha County)

\$2,000,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2023A

BID OPENING: December 6, 2023, 9:30 A.M., C.T.

CONSIDERATION: Not later than 11:59 P.M., C.T. on December 6, 2023 (PARAMETERS RESOLUTION)

PURPOSE/AUTHORITY/SECURITY: The \$2,000,000* General Obligation Promissory Notes, Series 2023A (the "Notes") are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the Town of Brookfield, Wisconsin (the "Town"), for public purposes, including financing sewer improvements on behalf of Brookfield Sanitary District #4. The Notes are general obligations of the Town, and all the taxable property in the Town 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: December 21, 2023

MATURITY: June 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2024	\$165,000	2028	\$190,000	2032	\$235,000
2025	165,000	2029	200,000	2033	245,000
2026	175,000	2030	215,000		
2027	185,000	2031	225,000		

***MATURITY ADJUSTMENTS:** The Town reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of \$5,000 each, up to a maximum of \$100,000 per maturity. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: June 1, 2024 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 to the date of optional redemption.

MINIMUM BID: \$1,980,000.

MAXIMUM BID: \$2,120,000.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$40,000 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation.

BOND COUNSEL AND

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

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the Town 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 Town. ***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 underwriter (Syndicate Manager). 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 Town and other sources for which there is reasonable basis for believing the information is accurate and complete. Quarles & Brady LLP will serve as Disclosure Counsel to the Town with respect to the Notes. Compensation of Ehlers and Associates, Inc., payable entirely by the Town, 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 Town 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 Town 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 Town 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 Town which indicates that the Town 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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TOWN OF BROOKFIELD TOWN BOARD

		<u>Term Expires</u>
Keith Henderson	Town Chairperson	April 2025
John Charlier	Town Supervisor	April 2025
Steve Kohlmann	Town Supervisor	April 2024
John Schatzman	Town Supervisor	April 2024
Ryan Stanelle	Town Supervisor	April 2025

ADMINISTRATION

Tom Hagie, Town Administrator/Treasurer/Interim Town Clerk¹

PROFESSIONAL SERVICES

Michael Van Kleunen, Town Attorney, Waukesha, Wisconsin

Quarles & Brady LLP, Bond Counsel and Disclosure Counsel, Milwaukee, Wisconsin

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

¹ The Town anticipates hiring a Town Clerk in January 2024.

INTRODUCTORY STATEMENT

This Official Statement contains certain information regarding the Town of Brookfield, Wisconsin (the "Town") and the issuance of its \$2,000,000* General Obligation Promissory Notes, Series 2023A (the "Notes"). **The Town Board adopted a resolution on October 17, 2023 (the "Parameters Resolution") which authorized the Town Administrator or the Town Chairperson to accept a bid for the Notes if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on December 6, 2023, neither the Town Administrator nor the Town Chairperson will have the authority to accept a bid for the Notes, and all bids for the Notes will be rejected.**

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Waukesha, Wisconsin, (262) 785-1520, the Town'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 December 21, 2023. 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, 2024, 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 Parameters Resolution.

The Town has selected Bond Trust Services Corporation, Roseville, Minnesota ("BTSC"), to act as paying agent (the "Paying Agent"). BTSC and Ehlers are affiliate companies. The Town will pay the charges for Paying Agent services. The Town reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the Town, 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 Town. If only part of the Notes having a common maturity date are called for redemption, then the Town 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, by the Town, for public purposes, including financing sewer improvements on behalf of Brookfield Sanitary District #4.

ESTIMATED SOURCES AND USES*

Sources

Par Amount of Notes	\$2,000,000	
Estimated Interest Earnings	<u>9,600</u>	
Total Sources		\$2,009,600

Uses

Estimated Underwriter's Discount	\$20,000	
Costs of Issuance	68,500	
Deposit to Project Construction Fund	1,920,000	
Rounding Amount	<u>1,100</u>	
Total Uses		\$2,009,600

*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 Town will be irrevocably pledged. The Town will levy a direct, annual, irrevocable tax on all taxable property in the Town 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 Town is currently rated "A1" by Moody's Investors Service, Inc. ("Moody's").

The Town has requested an underlying 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 Town 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 Town 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. The Disclosure Undertaking includes the two new material events effective February 27, 2019 under the Rule.

On the date of issue and delivery of the Notes, the Town shall execute and deliver a Continuing Disclosure Certificate, under which the Town 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 Town are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the Town to comply with the 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 Town believes it has not failed to comply in all material respects with its prior undertakings under the Rule. The Town has reviewed its continuing disclosure responsibilities, including the two new material events, to help ensure compliance in the future. Ehlers is currently engaged as dissemination agent for the Town.

LEGAL MATTERS

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 Town ("Bond Counsel"), 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 Town; 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). (See "FORM OF LEGAL OPINION" found in Appendix B).

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

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

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

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

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

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

BOND PREMIUM

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

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

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Notes shall be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the Town 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.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

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 Town, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the Town under an agreement separate from Ehlers.

INDEPENDENT AUDITORS

The basic financial statements of the Town for the fiscal year ended December 31, 2022 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

The 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. Potential investors should read this Official Statement, including the appendices, in its entirety.

Taxes: The Notes are general obligations of the Town, the ultimate payment of which rests in the Town'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 Town 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 Town, the taxable value of property within the Town, and the ability of the Town to levy and collect property taxes.

Future Changes in Law: Various State and federal laws, regulations and constitutional provisions apply to the Town and to the Notes. The Town 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 Town or the taxing authority of the Town.

Ratings; Interest Rates: In the future, the Town'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 Town with the covenants in the Parameters 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 Town 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 Town 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 Town, 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 Town 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 Town 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 Town 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: 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 Town and its financial condition will depend on future developments, which are uncertain and cannot be predicted by the Town, including the duration of the outbreak and future measures taken to address the outbreak.

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 Town's allocation was \$108,747. 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 received in 2022. The Town's allocation was \$682,125.

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

2023 Equalized Value	\$1,618,867,500
2023 Equalized Value Reduced by Tax Increment Valuation	\$1,344,469,600
2023 Assessed Value	\$1,522,897,217

2023 EQUALIZED VALUE BY CLASSIFICATION

	2023 Equalized Value ¹	Percent of Total Equalized Value
Residential	\$773,637,400	47.789%
Commercial	747,996,900	46.205%
Manufacturing	44,878,800	2.772%
Agricultural	20,400	0.001%
Undeveloped	954,700	0.059%
Ag Forest	352,000	0.022%
Forest	992,000	0.061%
Personal Property	50,035,300	3.091%
Total	<u>\$1,618,867,500</u>	<u>100.000%</u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value ¹	Percent Increase/Decrease in Equalized Value
2019	\$1,340,980,512	\$1,390,356,400	6.48%
2020	1,358,435,496	1,392,726,900	0.17%
2021	1,360,673,492	1,442,189,900	3.55%
2022	1,529,364,597	1,579,707,100	9.54%
2023	1,522,897,217	1,618,867,500	2.48%

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

¹ Includes tax increment valuation.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2023 Equalized Value ¹	Percent of Town's Total Equalized Value
Brookfield Corners, LLC	Commercial (Mall)	\$192,671,617	11.90%
Poplar Creek Club, LLC	Apartments	29,840,079	1.84%
Brookfield Highlands Apartments Ltd. Partnership	Apartments	28,839,879	2.40%
Von Maur, Inc.	Retail	26,853,774	1.66%
JTM Mke, LLC	Office Building	23,935,553	1.48%
Mke Swenson Equities, LLC	Office Building	19,930,093	1.23%
Bluemound Marketplace, LLC	Commercial Retail Building	15,641,813	0.97%
Bluemound Plaza, LLC	Commercial Retail Building	14,609,740	0.90%
Acpf-Exr Jv Sub Doral Road Waushara WI LLC	Manufacturing	14,087,828	0.91%
Springdale 2006, LLC	Movie Theater Complex	<u>12,706,332</u>	<u>0.78%</u>
Total		\$379,116,708	24.08%
Town's Total 2023 Equalized Value ²		\$1,618,867,500	

Source: The Town.

¹ Calculated by dividing the 2023 Assessed Values by the 2023 Aggregate Ratio of assessment for the Town.

² Includes tax increment valuation.

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Notes)*	<u>\$4,115,000</u>
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Revenue Bonds Issued by the Community Development and Redevelopment Authority of the Town of Brookfield, Wisconsin Payable from Lease Revenue Payments Subject to Annual Appropriation by Town Board (see schedule following)

Total revenue obligations paid by annual appropriations	<u>\$26,565,000</u>
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DEBT PAYMENT HISTORY

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

FUTURE FINANCING

The Town has no current plans for additional financing in the next 12 months.

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	\$1,618,867,500
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit ²	\$80,943,375
Less: General Obligation Debt*	<u>(4,115,000)</u>
Unused Debt Limit*	<u>\$76,828,375</u>

*Preliminary, subject to change.

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

² The Town has adopted a Debt Policy (the "Policy") that provides that the Town shall strive to maintain a level of general obligation debt equivalent to not more than 75% of its legal limit. The Policy further provides that it is the goal of the Town to maintain total annual debt service at a maximum level of 25% of total annual general operating revenue. The Policy states that total annual debt service for general obligation debt shall in no case exceed 50% of total annual generated operating revenue per current legally defined limits.

Town of Brookfield, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 12/21/2023)

Promissory Notes Series 2020A			Promissory Notes Series 2023A							
Dated Amount	12/30/2020 \$2,945,000		12/21/2023 \$2,000,000*							
Maturity	06/01		06/01							
Calendar Year Ending	Principal	Interest	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2024	285,000	30,100	165,000	90,319	450,000	120,419	570,419	3,665,000	10.94%	2024
2025	290,000	24,350	165,000	87,625	455,000	111,975	566,975	3,210,000	21.99%	2025
2026	295,000	18,500	175,000	79,125	470,000	97,625	567,625	2,740,000	33.41%	2026
2027	310,000	12,450	185,000	70,125	495,000	82,575	577,575	2,245,000	45.44%	2027
2028	310,000	7,800	190,000	60,750	500,000	68,550	568,550	1,745,000	57.59%	2028
2029	310,000	4,700	200,000	51,000	510,000	55,700	565,700	1,235,000	69.99%	2029
2030	315,000	1,575	215,000	40,625	530,000	42,200	572,200	705,000	82.87%	2030
2031			225,000	29,625	225,000	29,625	254,625	480,000	88.34%	2031
2032			235,000	18,125	235,000	18,125	253,125	245,000	94.05%	2032
2033			245,000	6,125	245,000	6,125	251,125	0	100.00%	2033
	2,115,000	99,475	2,000,000	533,444	4,115,000	632,919	4,747,919			

* Preliminary, subject to change.

Community Development Authority of the Town of Brookfield, Wisconsin

Schedule of Bonded Indebtedness

Non-General Obligation Debt Issued by the Community Development and Redevelopment Authority of the Town of Brookfield, Wisconsin Payable from Lease Revenue Payments Subject to Annual Appropriation by the Town Board

(As of 12/21/2023)

Community Development Revenue								
Bonds								
Series 2015A								
Dated	12/03/2015							
Amount	\$34,710,000							
Maturity	06/01							
Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2024	1,625,000	834,136	1,625,000	834,136	2,459,136	24,940,000	6.12%	2024
2025	1,680,000	792,390	1,680,000	792,390	2,472,390	23,260,000	12.44%	2025
2026	1,745,000	746,556	1,745,000	746,556	2,491,556	21,515,000	19.01%	2026
2027	1,810,000	696,318	1,810,000	696,318	2,506,318	19,705,000	25.82%	2027
2028	1,880,000	641,873	1,880,000	641,873	2,521,873	17,825,000	32.90%	2028
2029	1,955,000	582,881	1,955,000	582,881	2,537,881	15,870,000	40.26%	2029
2030	2,035,000	519,021	2,035,000	519,021	2,554,021	13,835,000	47.92%	2030
2031	2,120,000	450,443	2,120,000	450,443	2,570,443	11,715,000	55.90%	2031
2032	2,205,000	376,896	2,205,000	376,896	2,581,896	9,510,000	64.20%	2032
2033	2,300,000	298,610	2,300,000	298,610	2,598,610	7,210,000	72.86%	2033
2034	2,400,000	215,760	2,400,000	215,760	2,615,760	4,810,000	81.89%	2034
2035	4,810,000	86,580	4,810,000	86,580	4,896,580	0	100.00%	2035
	26,565,000	6,241,464	26,565,000	6,241,464	32,806,464			

OVERLAPPING DEBT¹

Taxing District	2023 Equalized Value²	% In Town	Total G.O. Debt³	Town's Proportionate Share
Waukesha County	\$84,956,236,000	1.9055%	\$80,660,000	\$1,536,976
Elmbrook School District	11,789,767,039	1.8604%	26,410,000	491,332
Waukesha School District	15,114,588,712	9.2595%	22,310,000	2,065,795
Waukesha County Technical College District	86,973,761,741	1.8613%	20,190,000	<u>375,796</u>
Town's Share of Total Overlapping Debt				<u><u>\$4,469,900</u></u>

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$1,618,867,500	Debt/ Per Capita 6,439⁴
Total General Obligation Debt*	\$4,115,000	0.25%	\$639.07
Town's Share of Total Overlapping Debt	<u>4,469,900</u>	<u>0.28%</u>	<u>\$694.19</u>
Total*	\$8,584,900	0.53%	\$1,333.27

*Preliminary, subject to change.

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 Estimated 2023 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Levy for Town Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2018/19	\$4,007,202	100%	\$3.82
2019/20	4,207,161	100%	3.61
2020/21	4,261,963	100%	3.72
2021/22	4,420,792	100%	3.72
2022/23	4,453,422	100%	3.36

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

Personal property taxes, special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31, unless the municipality, by ordinance, permits special assessments to be paid in installments. Real property taxes must be paid in full by January 31 or in two equal installments by January 31 and July 31. Alternatively, municipalities may adopt a payment plan which permits real property taxes to be paid in three or more equal installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31, are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. On or before January 15 and February 20 the town, city or village treasurer settles with other taxing jurisdictions for all collections through December and January, respectively. In municipalities which have authorized the payment of real property taxes in three or more installments, the town, city or village treasurer settles with the other taxing jurisdictions on January 15, February 20 and on the fifteenth day of each month following the month in which an installment payment is required. On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. Any county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Uncollected personal property taxes owed by an entity that has ceased operations or filed a petition for bankruptcy, or are due on personal property that has been removed from the next assessment roll are collected from each taxing entity in the year following the levy year. The personal property tax has been repealed, starting with the property tax assessments as of January 1, 2024. Beginning in 2025, the personal property tax has been replaced with a payment from the State intended to replace the amount of property taxes imposed on personal property for the property tax assessments as of January 1, 2023.

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
2018/19	\$8.47	\$2.15	\$3.82	\$14.44
2019/20	8.78	2.06	3.61	14.45
2020/21	8.68	2.00	3.72	14.40
2021/22	8.04	1.91	3.72	13.67
2022/23	6.47	1.74	3.36	11.57

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; for a tax incremental district created after December 31, 2024, the valuation factor includes 90% of the equalized value increase due to new construction that is located in a tax incremental district, but does not include any improvements removed in a tax incremental district). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. In 2018, and in each year thereafter, the base amount is the actual levy for the immediately preceding year plus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes (an amount equal to the property taxes formerly levied on certain items of personal property), and the levy limit is the base amount multiplied by the valuation factor, minus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

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

Beginning with levies imposed in 2015, if a political subdivision does not make an adjustment in its levy as described in the above paragraph in the current year, the political subdivision may increase its levy by the aggregate amount of the differences between the political subdivision's valuation factor in the previous year and the actual percent

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

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

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

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

- (a) If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally issued before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy.
- (b) For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts. This adjustment is based on scheduled debt service rather than the amount actually levied for debt service (after taking into account offsetting revenues such as sales tax revenues, special assessments, utility revenues, tax increment revenues or surplus funds). Therefore, the levy limit could negatively impact political subdivisions that experience a reduction in offsetting revenues.
- (c) The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005.

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

REVENUE FROM THE STATE

In addition to local property taxes described above, a number of state programs exist which provide revenue to the Town. One such program is commonly known as shared revenue which, pursuant to sec. 79.036, Wis. Stats., provides funding to the Town that can be used for any public purpose. 2023 Wisconsin Act 12 ("Act 12") created a supplement to shared revenue, with payments to the Town beginning in 2024. This supplemental shared revenue may be used only for the purposes specified in section 79.037, Wis. Stats. In 2024, the Town is expected to receive approximately \$254,000 in shared revenue and supplemental shared revenue from the State, an increase from the approximately \$81,000 received in 2023. In future years, the amount of supplemental shared revenue could grow if State sales tax collections grow.

THE ISSUER

TOWN GOVERNMENT

The Town was incorporated in 1842 and is governed by a Town Board which consists of the Chairperson and four Supervisors. The Chairperson does not vote except in the case of a tie. All are elected to two-year terms. The appointed Town Administrator/Treasurer/Interim Town Clerk is responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The Town employs a staff of 31 full-time and 48 part-time employees. All eligible employees in the Town 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.

Town employees are generally required to contribute half of the actuarially determined contributions, and the Town generally may not pay the employees' required contribution. During the fiscal year ended December 31, 2020 ("Fiscal Year 2020"), the fiscal year ended December 31, 2021 ("Fiscal Year 2021") and the fiscal year ended December 31, 2022 ("Fiscal Year 2022"), the Town's portion of contributions to WRS (not including any employee contributions) totaled \$342,666, \$322,575 and \$327,591, respectively.

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

As of December 31, 2021, the total pension liability of the WRS was calculated as \$133.79 billion and the fiduciary net position of the WRS was calculated as \$141.85 billion, resulting in a net pension asset of \$8.06 billion.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2022, the Town reported an asset of \$2,327,059 for its proportionate share of the net pension asset of the WRS. The net pension asset was measured as of December 31, 2021 based on the Town's share of contributions to the pension plan relative to the contributions of all participating employers. The Town's proportion was 0.0288711% of the aggregate WRS net pension asset as of December 31, 2021.

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 Note 5 in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Recognized and Certified Bargaining Units

All eligible Town 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 Town 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 Town 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 Town were to seek approval for a higher increase through a referendum). Ultimately, the Town 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 Town, 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 Town:

Bargaining Unit	Expiration Date of Current Contract
Wisconsin Professional Police Association Local 435	December 31, 2026
International Association of Firefighters Local 4724	December 31, 2022*

*A new contract is currently in negotiations.

OTHER POST EMPLOYMENT BENEFITS

The Town participates in the Local Retiree Life Insurance Fund ("LRLIF"), which is a cost-sharing multiple-employer defined benefit plan established by Chapter 40. The ETF and the Group Insurance Board have statutory authority for program administration and oversight, including establishing contribution requirements for employers.

For Fiscal Year 2022, the Town's portion of contributions to the LRLIF totaled \$2,373. For Fiscal Year 2022, the Town reported a liability of \$691,974 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2021 based on the Town's share of contributions to the LRLIF relative to the contributions of all participating employers. The Town's proportion was 0.117078000% of the aggregate LRLIF net OPEB liability as of December 31, 2021.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the net OPEB liability of the LRLIF, which may also cause ETF to change the contribution requirements for employers and employees. For more detailed information, see Note 5. in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the Town 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 Town 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 Town to file for relief under Chapter 9. If, in the future, the Town were to file a bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the Town could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the Town is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the Town 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 Town; (b) to any particular assets of the Town, or (c) to revenues otherwise designated for payment to holders of the Notes.

Moreover, if the Town 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 October 31, 2023)

Fund	Total Cash and Investments
BMO Harris	\$1,554,745
BankFirst	29,000
LGIP xxx002	5,465,593
LGIP xx714	<u>1,677,521</u>
Total Funds on Hand	<u><u>\$8,726,859</u></u>

ENTERPRISE FUNDS

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

	2020 Audited	2021 Audited	2022 Audited
Utility District No.1			
Total Operating Revenues	\$1,005,696	\$1,005,874	\$1,176,793
Less: Operating Expenses	<u>(1,063,023)</u>	<u>(1,083,507)</u>	<u>(1,140,363)</u>
Operating Income	(\$57,327)	(\$77,633)	\$36,430
Plus: Depreciation	101,940	104,825	114,249
Interest Income	<u>4,761</u>	<u>7,177</u>	<u>4,631</u>
Revenues Available for Debt Service	<u><u>\$49,374</u></u>	<u><u>\$34,369</u></u>	<u><u>\$155,310</u></u>
Sanitary District No.4 -Water			
Total Operating Revenues	\$865,134	\$874,530	\$860,701
Less: Operating Expenses	<u>(941,406)</u>	<u>(1,207,138)</u>	<u>(826,242)</u>
Operating Income	(\$76,272)	(\$332,608)	\$34,459
Plus: Depreciation	411,730	416,978	371,040
Interest Income	<u>3,933</u>	<u>6,518</u>	<u>4,451</u>
Revenues Available for Debt Service	<u><u>\$339,391</u></u>	<u><u>\$90,888</u></u>	<u><u>\$409,950</u></u>
Sanitary District No.4-Sewer			
Total Operating Revenues	\$1,004,144	\$1,334,041	\$1,001,518
Less: Operating Expenses	<u>(1,835,153)</u>	<u>(1,377,602)</u>	<u>(1,180,686)</u>
Operating Income	(\$831,009)	(\$43,561)	(\$179,168)
Plus: Depreciation	231,041	239,138	229,788
Interest Income	<u>31,494</u>	<u>10,618</u>	<u>23,792</u>
Revenues Available for Debt Service	<u><u>(\$568,474)</u></u>	<u><u>\$206,195</u></u>	<u><u>\$74,412</u></u>

SUMMARY GENERAL FUND INFORMATION

The following are summaries of the revenues and expenditures and fund balances for the Town's General Fund. These summaries are not purported to be the complete audited financial statements of the Town, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the Town. Copies of the complete statements are available upon request. Appendix A includes the 2022 audited financial statements.

FISCAL YEAR ENDING DECEMBER 31						
COMBINED STATEMENT	2019 Audited	2020 Audited	2021 Audited	2022 Audited	2023 Adopted Budget	2024 Adopted Budget 2)
Revenues						
Taxes & Special assessments	\$4,264,867	\$3,927,041	\$4,208,611	\$4,515,306	\$4,636,771	\$4,596,665
Intergovernmental	550,681	703,175	911,873	950,413	561,400	738,529
Regulation and compliance	539,198	406,825	0	0	0	0
Licenses and permits	0	0	271,739	336,050	291,130	351,130
Fines, forfeitures and penalties	0	0	190,676	168,570	178,500	153,500
Public charges for services	275,756	238,453	286,457	358,851	322,950	317,850
Investment income	77,108	23,351	3,167	59,545	40,000	0
Miscellaneous	228,390	149,848	173,708	204,022	351,500	721,332
Total Revenues	\$5,936,000	\$5,448,693	\$6,046,231	\$6,592,757	\$6,382,251	\$6,879,006
Expenditures						
Current:						
General government	\$1,080,188	\$1,055,124	\$1,000,261	\$1,181,888	\$1,069,774	\$1,211,863
Public safety	3,760,125	3,738,876	3,893,394	4,286,353	4,285,995	4,578,858
Public works	534,461	540,160	556,193	537,182	619,729	552,401
Health and human services	4,398	5,565	7,062	3,750	11,447	11,852
Culture, recreation and education	207,686	174,267	162,906	171,637	228,286	229,512
Conservation and development	643,426	338,091	183,916	297,313	167,020	294,520
Total Expenditures	\$6,230,284	\$5,852,083	\$5,803,732	\$6,478,123	\$6,382,251	\$6,879,006
Excess of revenues over (under) expenditures	(\$294,284)	(\$403,390)	\$242,499	\$114,634	\$0	\$0
Other Financing Sources (Uses)						
Sale of capital asset	\$33,482	\$8,032	\$0	\$0		
Transfers in	51,429	53,594	54,204	54,882		
Transfers (out)	0	0	(4,770)	(162,897)		
Total Other Financing Sources (Uses)	84,911	61,626	49,434	(108,015)		
Net changes in Fund Balances	(\$209,373)	(\$341,764)	\$291,933	\$6,619		
General Fund Balance January 1	\$1,763,289	\$1,553,914 ¹	\$1,212,150	\$1,504,083		
General Fund Balance December 31	\$1,553,916	\$1,212,150	\$1,504,083	\$1,510,702		
DETAILS OF DECEMBER 31 FUND BALANCE						
Nonspendable	\$370,143	\$373,263	\$335,440	\$329,305		
Assigned	180,000	180,000	0	197,000		
Unassigned	1,003,773	658,887	1,168,643	984,397		
Total	\$1,553,916	\$1,212,150	\$1,504,083	\$1,510,702		

1) As Restated

2) The 2024 budget was adopted on November 14, 2023.

GENERAL INFORMATION

LOCATION

The Town, with a 2020 U.S. Census population of 6,477 and a current estimated population of 6,439 comprises an area of 5.21 square miles and is located approximately 15 minutes west of Milwaukee.

LARGER EMPLOYERS¹

Larger employers in the Town include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Guhring Inc.	Machine tools - manufacturing	265
Khs USA Inc.	Packaging machinery - manufacturing	250
Olive Garden	Restaurant	200
Metso Minerals Industries Inc	Sustainable minerals processing technologies	185
Sam's Club	Wholesale club	180
Von Maur	Department store	150
Sendik's	Grocery store	110
Café Hollander	Restaurant	105
Elmbrook Church	Church	100
The Town	Municipal government and services	79

Source: The Town, DataAxle, written and telephone survey, Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development.

¹ This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above.

BUILDING PERMITS

	2019	2020	2021	2022	2023 ¹
<u>New Single Family Homes</u>					
No. of building permits	2	0	0	1	1
Valuation	\$988,000	\$0	\$0	\$1,200,000	\$800,000
<u>New Multiple Family Buildings</u>					
No. of building permits	0	0	1	2	3
Valuation	\$0	\$0	\$4,159,969	\$3,000,000	\$75,200,000
<u>New Commercial/Industrial</u>					
No. of building permits	1	0	0	2	1
Valuation	\$1,668,580	\$0	\$0	\$2,050,000	\$48,000,000
<u>All Building Permits</u>					
<i>(including additions and remodelings)</i>					
No. of building permits	70	97	81	109	93
Valuation	\$3,804,185	\$3,481,341	\$8,384,219	\$12,094,406	\$133,129,970

Source: The Town.

¹ As of November 7, 2023.

U.S. CENSUS DATA

Population Trend: The Town

2010 U.S. Census Population	6,116
2020 U.S. Census Population	6,477
Percent of Change 2010 - 2020	5.90%
2023 Estimated Population	6,439

Income and Age Statistics

	The Town	Waukesha County	State of Wisconsin	United States
2021 per capita income	\$50,796	\$50,837	\$36,754	\$37,638
2021 median household income	\$70,556	\$94,310	\$67,080	\$69,021
2021 median family income	\$104,531	\$116,616	\$85,623	\$85,028
2021 median gross rent	\$1,455	\$1,147	\$916	\$1,163
2021 median value owner occupied units	\$299,200	\$306,300	\$200,400	\$244,900
2021 median age	53.2 yrs.	43.0 yrs.	39.6 yrs.	38.4 yrs.

	State of Wisconsin	United States
Town % of 2021 per capita income	138.21%	134.96%
Town % of 2021 median family income	122.08%	122.94%

Housing Statistics

	<u>The Town</u>		
	2020	2021	Percent of Change
All Housing Units	3,386	3,631	7.24%

Source: 2010 and 2020 Census of Population and Housing, Wisconsin Demographic Services Center (https://doa.wi.gov/Pages/LocalGovtsGrants/Population_Estimates.aspx) and 2021 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.

	<u>Average Employment</u>	<u>Average Unemployment</u>	
Year	Waukesha County	Waukesha County	State of Wisconsin
2019	219,419	2.8%	3.2%
2020	210,790	5.6%	6.4%
2021	216,435	3.2%	3.8%
2022	217,639	2.5%	2.9% ¹
2023, September ¹	221,239	3.0%	3.2%

Source: Wisconsin Department of Workforce Development.

¹ Preliminary.

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the Town's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The Town 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 Town 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 Town since the date of the financial statements, in connection with the issuance of the Notes, the Town represents that there have been no material adverse change in the financial position or results of operations of the Town, nor has the Town 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.

Town of Brookfield

Financial Statements and
Supplementary Information

December 31, 2022

Town of Brookfield

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Independent Auditors' Report

To the Town Board of the
Town of Brookfield

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town of Brookfield (the Town), Wisconsin, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town'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, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town of Brookfield, Wisconsin, as of December 31, 2022 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the Town adopted the provisions of GASB Statement No. 87, *Leases*, effective January 1, 2022. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town'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 Town'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 Town'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 the Town'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.

Baker Tilly US, LLP

Milwaukee, Wisconsin
April 11, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Town of Brookfield

Management's Discussion and Analysis (Unaudited)
December 31, 2022

As management of the Town of Brookfield, we offer readers of the Town of Brookfield's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended December 31, 2022.

Financial Highlights

In June 2017, the GASB issued Statement No. 87, *Leases*. This Statement requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under the Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, which enhances the relevance and consistency of information about the Town's leasing activities. This standard was implemented January 1, 2022. For purposes of this Management's Discussion and Analysis no prior year numbers were adjusted.

The Town of Brookfield's net position was a positive \$35,351,479 as of December 31, 2022. That positive net position is a reflection of the Town's assets and deferred outflows of resources exceeding its liabilities and deferred inflows of resources. The Town's net position increased by \$603,899 during 2022.

As of the close of the current fiscal year, the Town of Brookfield's governmental funds reported combined ending fund balances of \$3,068,872. Approximately 32% of this total amount, \$977,139, is available for spending at the government's discretion (unassigned fund balance). Management had \$329,305 of nonspendable fund balance, which related to delinquent personal property taxes and due from other funds. Committed fund balance totaled \$496,851 for capital improvements and equipment. Assigned fund balance totaled \$197,000 for future budget. The Town had restrictions from outside sources of \$1,068,577 of governmental fund balance for various special revenue funds, debt service fund and TIF purposes.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Brookfield's basic financial statements. The Town of Brookfield'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 required supplementary information and 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 Town of Brookfield's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Town of Brookfield's assets, deferred outflows of resources, liabilities and deferred inflows, with the difference between the four 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 Town of Brookfield 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).

Town of Brookfield

Management's Discussion and Analysis (Unaudited)
December 31, 2022

Both of the government-wide financial statements distinguish functions of the Town of Brookfield 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 Town of Brookfield include general government, public safety, public works, animal pest control, culture and recreation, and conservation and development. The business-type activities of the Town of Brookfield include a Utility District No. 1 and Sanitary District No. 4, which provide storm water management and trash collection services, along with water and sewer service. The government-wide financial statements include the Community Development and Redevelopment Authority of the Town of Brookfield (CDA) as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the town board. Wisconsin Statutes provide for circumstances whereby the Town can impose its will on the CDA, and also create a potential financial benefit to or burden on the Town. See Note 4. As a component unit, the CDA's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2022. The CDA does not issue separate financial statements.

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 Town of Brookfield, 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 Town of Brookfield 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 balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Brookfield maintains eleven 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 which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non major government funds is provided in the form of *combining statements* elsewhere in this report.

The Town of Brookfield adopts an annual appropriated budget for the entire general fund and various other funds as required by state statute. A budgetary comparison statement has been provided as required supplementary information for the general fund to demonstrate compliance with the adopted budget.

Town of Brookfield

Management's Discussion and Analysis (Unaudited)
December 31, 2022

Proprietary Funds

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Town of Brookfield maintains three proprietary funds. The proprietary fund financial statements provide separate information for the Utility District No. 1 – Stormwater and Refuse, Sanitary District No. 4 – Water, and Sanitary District No. 4 - Sewer, all of which are considered to be major funds of the Town of Brookfield.

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 statements because the resources of those funds are not available to support the Town of Brookfield's own programs. The Town of Brookfield maintains a Tax Collection Fund, which is a custodial fund. The accounting used for fiduciary funds is much like that used for governmental funds.

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 27 - 62 of this report.

Supplementary Information

The combining statements referred to earlier in connection with non major governmental funds is presented immediately following the required supplementary information. Combining statements and schedules can be found on pages 68 - 72 of this report.

Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Brookfield, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$35,351,479 at the close of the most current fiscal year, as presented in the following table.

Town of Brookfield Net Position						
As of December 31, 2022 and 2021						
	Governmental		Business-Type		Component Unit - CDA	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 13,816,610	\$ 14,082,022	\$ 4,166,320	\$ 3,550,145	\$ 2,717,134	\$ 2,683,105
Capital assets	8,717,722	8,704,798	21,753,609	21,334,811	27,918,270	30,025,309
Total assets	22,534,332	22,786,820	25,919,929	24,884,956	30,635,404	32,708,414
Deferred outflow s of resources	4,270,618	2,949,563	523,369	360,684	-	-
Current and other liabilities	324,399	271,605	486,405	277,991	74,469	76,445
Long-term liabilities	3,212,822	3,749,037	939,165	49,987	28,025,000	29,440,000
Total liabilities	3,537,221	4,020,642	1,425,570	327,978	28,099,469	29,516,445
Deferred inflow s of resources	12,249,042	11,376,358	674,936	509,465	-	-
Net position:						
Net investment in capital assets	6,171,095	5,949,679	20,855,717	21,334,811	3,256,270	4,118,109
Restricted	3,137,337	2,595,287	286,828	226,730	2,643,165	2,606,706
Unrestricted (deficit)	1,710,255	1,794,417	3,190,247	2,846,656	(3,363,500)	(3,532,800)
Total net position (deficit)	\$ 11,018,687	\$ 10,339,383	\$ 24,332,792	\$ 24,408,197	\$ 2,535,935	\$ 3,192,015

Town of Brookfield

Management's Discussion and Analysis (Unaudited)

December 31, 2022

The Town of Brookfield uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Brookfield's net investment of capital assets, 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.

Governmental Activities

Governmental activities increased the Town of Brookfield's net position by \$679,304. Major reasons for this change are noted below:

Town of Brookfield Changes in Net Position

For the years ending December 31, 2022 and 2021

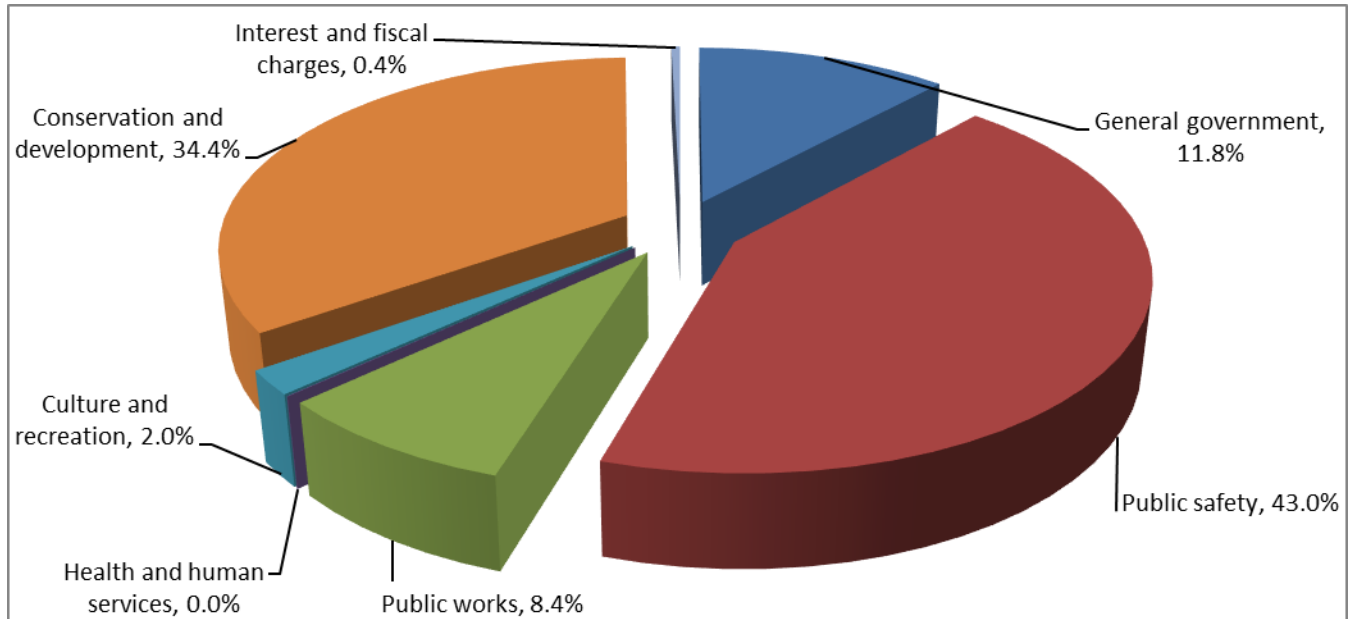
	Governmental Activities		Business-Type Activities		Component Unit - CDA	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues:						
Charges for services	\$ 863,471	\$ 1,988,872	\$ 3,039,012	\$ 3,214,445	\$ -	\$ -
Operating grants and contributions	418,128	364,273	-	-	2,329,842	2,314,368
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property and other taxes	8,412,643	8,307,462	-	-	-	-
Intergovernmental revenues not restricted to specific programs	575,618	547,600	-	-	-	-
Investment income	84,291	34,753	32,874	24,313	33,983	1,346
Other	204,021	173,708	-	-	-	-
Total revenues	10,558,172	11,416,668	3,071,886	3,238,758	2,363,825	2,315,714
Expenses						
General government	1,166,569	897,043	-	-	-	-
Public safety	4,248,889	3,884,557	-	-	-	-
Public works	824,197	828,483	-	-	-	-
Health and human services	3,243	6,721	-	-	-	-
Culture & recreation	198,733	188,259	-	-	-	-
Conservation and development	3,405,932	3,373,387	-	-	-	-
Interest and fiscal charges	40,305	51,997	-	-	-	-
Utility District No. 1, Stormwater and Refuse	-	-	1,140,362	1,083,507	-	-
Sanitary District No. 4, Water	-	-	826,242	1,216,699	-	-
Sanitary District No. 4, Sewer	-	-	1,180,685	1,377,602	-	-
Community Development Authority	-	-	-	-	3,019,905	3,044,288
Total expenses	9,887,868	9,230,447	3,147,289	3,677,808	3,019,905	3,044,288
Transfers	-	83,658	-	(83,658)	-	-
Increase (decrease) in net position	679,304	2,269,879	(75,405)	(522,708)	(656,080)	(728,574)
Net Position (Deficit), Beginning	<u>10,339,383</u>	<u>8,069,504</u>	<u>24,408,197</u>	<u>24,930,905</u>	<u>3,192,015</u>	<u>3,920,589</u>
Net Position, Ending	<u>\$11,018,687</u>	<u>\$ 10,339,383</u>	<u>\$ 24,332,792</u>	<u>\$24,408,197</u>	<u>\$ 2,535,935</u>	<u>\$ 3,192,015</u>

Town of Brookfield

Management's Discussion and Analysis (Unaudited)
December 31, 2022

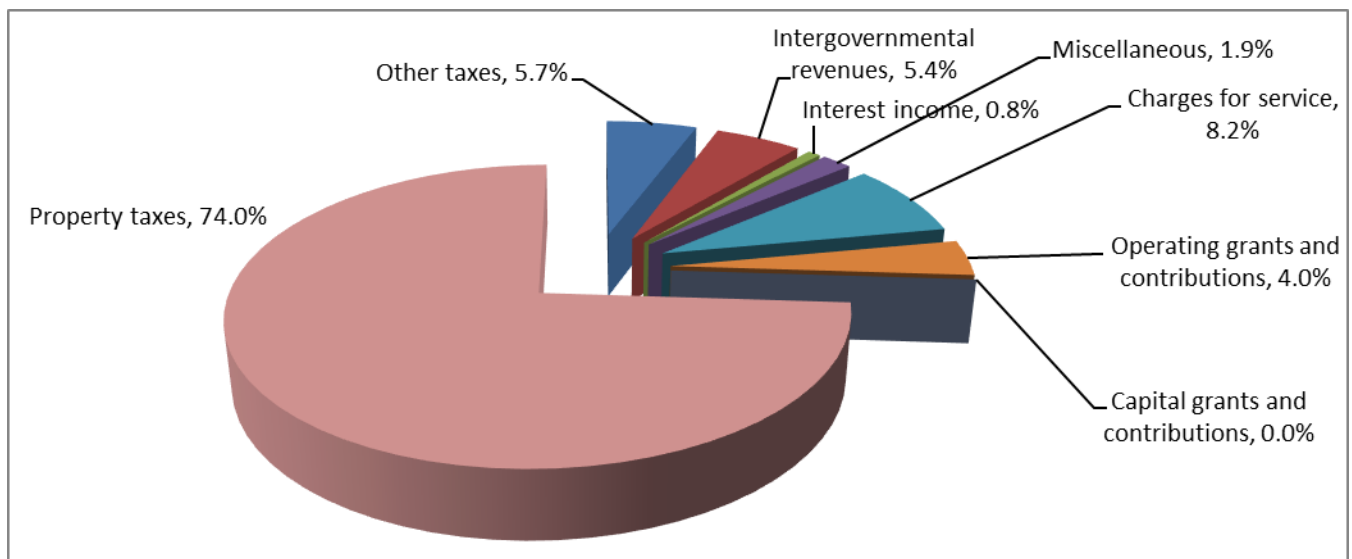
Expenses by Function – Governmental Activities

The graph below shows the percentage of the total governmental activities expenses allocated by each function type.



Program and General Revenues by Source – Governmental Activities

The graph below shows the percentage of the total governmental activities revenues allocated by each revenue type.



Business-Type Activities

Business-type activities decreased the Town of Brookfield's net position by \$75,405. The operating loss of the business-type activities was \$75,405. Operating revenue for the current fiscal year was at \$3,039,012 with the operating expense at \$3,147,289.

Town of Brookfield

Management's Discussion and Analysis (Unaudited)
December 31, 2022

Financial Analysis of the Government's Funds

The Town of Brookfield uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Government Funds

The focus of the Town of Brookfield's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town'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.

As of the close of the current fiscal year, the Town of Brookfield's governmental funds reported combined ending fund balances of \$3,068,872. Approximately 32% of this total amount, \$977,139, is available for spending at the government's discretion (unassigned fund balance). Management had \$329,305 of nonspendable fund balance, which related to delinquent personal property taxes and due from other funds. Committed fund balance totaled \$496,851 for capital improvements and equipment. Assigned fund balance totaled \$197,000 for year 2023 budget. The Town had restrictions from outside sources of \$1,068,577 of governmental fund balance for various special revenue funds and TIF purposes.

The general fund is the chief operating fund of the Town of Brookfield. At the end of the current fiscal year, unassigned fund balance of the general fund was \$984,397 while total fund balance amounted to \$1,510,702. The fund balance of the general fund increased by \$6,619 compared to the prior year.

Proprietary Funds

The Town of Brookfield's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Town of Brookfield

Management's Discussion and Analysis (Unaudited)
December 31, 2022

Capital Asset and Debt Administration

Capital Assets

The Town of Brookfield's investment in capital assets as of December 31, 2022 is \$30,461,332 (net of accumulated depreciation/amortization). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, utility infrastructure and street infrastructure. The Community Development and Redevelopment Authority of the Town of Brookfield's investment in capital assets as of December 31, 2022 is \$27,918,270

Town of Brookfield's Capital Assets (Net of Accumulated Depreciation/Amortization) December 31, 2022 and 2021

	Governmental Activities		Business-Type Activities		Component Unit - CDA	
	2022	2021	2022	2021	2022	2021
Land	\$ 1,376,686	\$ 1,376,686	\$ 150,948	\$ 150,948	\$ -	\$ -
Construction in progress	-	-	102,323	-	-	-
Intangible assets	-	12,268	897,892	10,000	-	-
Land improvements	103,482	112,479	2,736,987	2,899,799	-	-
Buildings	1,971,648	2,089,906	1,316,663	1,403,708	27,918,270	30,025,309
Equipment	1,456,036	1,536,776	1,041,512	1,022,167	-	-
Infrastructure	3,809,870	3,576,683	15,497,284	15,848,189	-	-
Total	<u>\$ 8,717,722</u>	<u>\$ 8,704,798</u>	<u>\$ 21,743,609</u>	<u>\$ 21,334,811</u>	<u>\$ 27,918,270</u>	<u>\$ 30,025,309</u>

Additional information on the Town's and CDA's capital assets can be found in Note 4.

Long-Term Debt

At the end of the current fiscal year, the Town of Brookfield had total debt outstanding of \$3,212,822. Of this amount, \$2,400,000 comprises debt backed by the full faith and credit of the government with the majority of pay down coming from increment and special assessment arrangements. The remainder of the Town of Brookfield's obligations represents accumulated compensated absences, net OPEB liability.

Town of Brookfield's Outstanding Debt December 31, 2022 and 2021

	Governmental Activities		Business-Type Activities		Component Unit - CDA	
	2022	2021	2022	2021	2022	2021
General obligation debt and related premiums	\$ 2,508,368	\$ 3,037,472	\$ -	\$ -	\$ -	\$ -
Financed purchases	38,259	74,627	-	-	-	-
Compensated absences	23,418	20,948	2,076	2,815	-	-
Land lease	-	-	887,892	-	-	-
Net OPEB liability	642,777	615,990	49,197	47,172	-	-
Revenue bonds	-	-	-	-	28,025,000	29,440,000
Total	<u>\$ 3,212,822</u>	<u>\$ 3,749,037</u>	<u>\$ 939,165</u>	<u>\$ 49,987</u>	<u>\$ 28,025,000</u>	<u>\$ 29,440,000</u>

Town of Brookfield

Management's Discussion and Analysis (Unaudited)
December 31, 2022

State statutes limit the amount of general obligation debt a governmental entity may issue to five percent of its total equalized valuation of taxable property within the Town's jurisdiction. The current debt limitation for the Town of Brookfield is \$78,985,355 which is significantly in excess of the Town of Brookfield's outstanding general obligation debt. Additional information on the Town of Brookfield's and CDA's long-term debt can be found in Note 4.

Economic Factors and Other Budget Notes

The property tax base continues to see a steady increase of commercial interest and investment in the Town of Brookfield. This is supported by balanced development between commercial, residential, and agricultural and personal property. In 2022, the tax base was comprised of 51% commercial, 46% residential and 3% agricultural and personal property. The town's total equalized value in 2022 was \$1,579,707,100, a 9.5% increase compared to 2021. Historically, the Town's residential property had accounted for a majority of the tax base over commercial property. However, with the development of the TIF and the opening of the Corners Development in the spring of 2017, commercial property became the majority of the tax base. The town continues to find a balance between commercial and residential tax revenues and aggressively works to maintain a healthy business climate.

The Town Board realizes that to maintain this healthy business climate, expenses must be constantly monitored so that property taxes, and other revenues under town control, remain low. Keeping taxes low creates a strong community environment, while at the same time, provides the best government services possible. As a result, the town's mil rate continues to compare very favorably to that of nearby communities while at the same time providing the same or better public safety and other services. This trend is anticipated to continue well into the foreseeable future.

A large percentage of town expenses are in its payroll and benefits. To that end, the town has developed and continues to update a 10-year capital needs assessment. The plan will be fully funded and equipment will be purchased when needed and as budgeted.

On February 2, 2014 the Town Board approved the creation of Tax Increment District (TID) No. 1. TID No. 1 was created to facilitate orderly development and /or redevelopment within the town by providing the opportunity for continued growth in the tax base, create new job opportunities, and overall general economic activity. This culminated in May 2015 when the Corners development broke ground on a 20 acre parcel of land within TID No. 1 that formerly was home to a movie theater, small strip mall and large hardware store. The Corners is located at the intersection of I94, Barker Road (CTH Y) and Bluemound Road making this one of the premiere locations for development in the Milwaukee/Waukesha area. While the Bluemound Road corridor had, in the past, remained a strong commercial destination, it was getting tired and future development was looking to occur in far western suburbs. This would have resulted in declining commercial property values in the corridor and, in turn, the town.

The Corners development has brought new life to the area with a mixed-use retail and residential facility that is currently valued at \$207 million dollars. The Corners is the most valued development in the region and has created hundreds of construction jobs and over 1,000 new retail and other service job opportunities. The 2022 value of the entire TID No.1, including the Corners development, is \$321 million dollars, a 1% increase over the 2021 value. TID No.1 has experienced very positive growth with the value increased nearly 5 times since its inception in 2014. The Economic Feasibility Study prepared for the project states that "this district would be expected to generate sufficient tax increment to recover all projected cost by the year 2034." This sunset date may change should additional project plan expenses be added to support needed capital infrastructure improvements and new redevelopment opportunities.

Town of Brookfield

Management's Discussion and Analysis (Unaudited)
December 31, 2022

In response to the Corners project, the town continues to find older existing properties being redeveloped and new business locating within the town's existing developments. In 2022, the Town Board and the Community Development and Redevelopment Authority approved the Poplar Creek Town Center project. In partnership with Wimmer Communities, the project will transform the dated hotels and restaurant at northeast corner of Barker Road and Bluemound Road into a vibrant mixed-use development. The Poplar Creek Town Center project is anticipated to be valued at \$120 million when completed in 2028. The Town Board, Plan Commission, Community Development Authority and town staff are all committed to keeping town standard high and providing a great livable environment for its residents.

Requests for Information

This financial report is designed to provide a general overview of the Town of Brookfield'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: Tom Hagie, Administrator/Treasurer, Town of Brookfield, 645 N. Janacek Rd., Brookfield, WI 53045.

BASIC FINANCIAL STATEMENTS

Town of Brookfield

Statement of Net Position

December 31, 2022

	Governmental Activities	Business-Type Activities	Total	Community Development Authority
Assets and Deferred Outflows of Resources				
Assets				
Cash and investments	\$ 2,790,895	\$ 3,617,697	\$ 6,408,592	\$ -
Receivables (net):				
Taxes	7,355,924	59,880	7,415,804	-
Accounts	333,909	397,946	731,855	-
Special assessments	1,010,000	57,618	1,067,618	-
Internal balances	253,649	(253,649)	-	-
Restricted assets, cash and investments	-	32,000	32,000	2,717,134
Restricted assets, net pension asset	2,072,231	254,828	2,327,059	-
Capital assets:				
Land	1,376,686	150,948	1,527,634	-
Intangibles	98,151	6,621,328	6,719,479	-
Construction in progress	-	102,323	102,323	-
Capital assets, being depreciated	25,936,005	40,976,530	66,912,535	40,033,746
Less accumulated depreciation/amortization	(18,693,120)	(26,107,520)	(44,800,640)	(12,115,476)
Total assets	22,534,330	25,909,929	48,444,259	30,635,404
Deferred Outflows of Resources				
Pension related amounts	4,021,647	522,987	4,544,634	-
OPEB related amounts	248,971	382	249,353	-
Total deferred outflows of resources	4,270,618	523,369	4,793,987	-
Liabilities, Deferred Inflows of Resources and Net Position				
Liabilities				
Accounts payable and accrued expenses	281,346	485,070	766,416	500
Deposits	39,580	1,335	40,915	-
Accrued interest	3,471	-	3,471	73,969
Noncurrent liabilities:				
Due within one year	346,676	8,762	355,438	1,460,000
Due in more than one year	2,866,146	930,403	3,796,549	26,565,000
Total liabilities	3,537,219	1,425,570	4,962,789	28,099,469
Deferred Inflows of Resources				
Pension related amounts	4,821,134	674,706	5,495,840	-
OPEB related amounts	83,329	230	83,559	-
Unearned revenues	7,344,579	-	7,344,579	-
Total deferred inflows of resources	12,249,042	674,936	12,923,978	-
Net Position				
Net investment in capital assets	6,171,095	20,855,717	27,026,812	3,256,270
Restricted for:				
Special revenues	62,075	-	62,075	-
TIF purposes	963,637	-	963,637	-
Debt service	39,394	-	39,394	2,643,165
Pensions	2,072,231	254,828	2,327,059	-
Equipment replacement fund	-	32,000	32,000	-
Unrestricted (deficit)	1,710,255	3,190,247	4,900,502	(3,363,500)
Total net position	\$ 11,018,687	\$ 24,332,792	\$ 35,351,479	\$ 2,535,935

See notes to financial statements

Town of Brookfield

Statement of Activities

Year Ended December 31, 2022

Functions/Programs	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental activities:			
General government	\$ 1,166,569	\$ 90,789	\$ -
Public safety	4,248,889	739,835	86,268
Public works	824,197	1,764	331,860
Health and human services	3,243	-	-
Culture, education and recreation	198,733	24,683	-
Conservation and development	3,405,932	6,400	-
Interest and fiscal charges	40,305	-	-
Total governmental activities	9,887,868	863,471	418,128
Business-type activities:			
Utility District No. 1, Stormwater and Refuse	1,140,362	1,176,793	-
Sanitary District No. 4, Water	826,242	860,701	-
Sanitary District No. 4, Sewer	1,180,685	1,001,516	-
Total business-type activities	3,147,289	3,039,010	-
Total primary government	\$ 13,035,157	\$ 3,902,481	\$ 418,128
Component Unit			
Community Development Authority	\$ 3,019,905	\$ -	\$ 2,329,842

General Revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Property taxes, levied for capital projects

Property taxes, levied for TIF districts

Other taxes

Intergovernmental revenues not restricted to specific programs

Investment income

Miscellaneous

Total general revenues

Change in net position

Net Position, Beginning

Net Position, Ending

See notes to financial statements

Town of Brookfield

Statement of Activities

Year Ended December 31, 2022

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Community Development Authority
\$ (1,075,780)	\$ -	\$ (1,075,780)	\$ -
(3,422,786)	-	(3,422,786)	-
(490,573)	-	(490,573)	-
(3,243)	-	(3,243)	-
(174,050)	-	(174,050)	-
(3,399,532)	-	(3,399,532)	-
(40,305)	-	(40,305)	-
(8,606,269)	-	(8,606,269)	-
-	36,431	36,431	-
-	34,459	34,459	-
-	(179,169)	(179,169)	-
-	(108,279)	(108,279)	-
(8,606,269)	(108,279)	(8,714,548)	-
-	-	-	(690,063)
3,912,086	-	3,912,086	-
40,200	-	40,200	-
468,506	-	468,506	-
3,397,631	-	3,397,631	-
603,220	-	603,220	-
575,618	-	575,618	-
84,291	32,874	117,165	33,983
204,021	-	204,021	-
9,285,573	32,874	9,318,447	33,983
679,304	(75,405)	603,899	(656,080)
10,339,383	24,408,197	34,747,580	3,192,015
<u>\$ 11,018,687</u>	<u>\$ 24,332,792</u>	<u>\$ 35,351,479</u>	<u>\$ 2,535,935</u>

See notes to financial statements

Town of Brookfield

Balance Sheet
Governmental Funds
December 31, 2022

	General Fund	TIF No. 1 Fund	Nonmajor Governmental Funds	Total
Assets				
Cash and investments	\$ 1,229,992	\$ 965,137	\$ 595,766	\$ 2,790,895
Receivables (net):				
Taxes	4,093,916	2,891,157	370,851	7,355,924
Special assessments	-	1,010,000	-	1,010,000
Delinquent personal property taxes	70,976	-	-	70,976
Accounts	243,433	-	19,500	262,933
Due from other funds	258,329	-	253,649	511,978
	<u>258,329</u>	<u>-</u>	<u>253,649</u>	<u>511,978</u>
Total assets	<u>\$ 5,896,646</u>	<u>\$ 4,866,294</u>	<u>\$ 1,239,766</u>	<u>\$ 12,002,706</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 137,399	\$ 1,500	\$ 16,053	\$ 154,952
Accrued liabilities	126,394	-	-	126,394
Deposits	39,580	-	-	39,580
Due to other funds	-	-	258,329	258,329
	<u>-</u>	<u>-</u>	<u>258,329</u>	<u>258,329</u>
Total liabilities	<u>303,373</u>	<u>1,500</u>	<u>274,382</u>	<u>579,255</u>
Deferred Inflows of Resources				
Unearned revenues	4,082,571	2,891,157	370,851	7,344,579
Unavailable revenues	-	1,010,000	-	1,010,000
	<u>-</u>	<u>1,010,000</u>	<u>-</u>	<u>1,010,000</u>
Total deferred inflows of resources	<u>4,082,571</u>	<u>3,901,157</u>	<u>370,851</u>	<u>8,354,579</u>
Fund Balances				
Nonspendable	329,305	-	-	329,305
Restricted	-	963,637	104,940	1,068,577
Committed	-	-	496,851	496,851
Assigned	197,000	-	-	197,000
Unassigned (deficit)	984,397	-	(7,258)	977,139
	<u>984,397</u>	<u>-</u>	<u>(7,258)</u>	<u>977,139</u>
Total fund balances	<u>1,510,702</u>	<u>963,637</u>	<u>594,533</u>	<u>3,068,872</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,896,646</u>	<u>\$ 4,866,294</u>	<u>\$ 1,239,766</u>	<u>\$ 12,002,706</u>

See notes to financial statements

Town of Brookfield

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2022

Total Fund Balances, Governmental Funds \$ 3,068,872

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

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. See Note 2.	8,717,722
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	1,010,000
The net pension asset does not relate to current financial resources and is not reported in the governmental funds.	2,072,231
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	4,021,647
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(4,821,134)
The net OPEB liability does not relate to current financial resources and is not reported in the governmental funds.	(642,777)
Deferred outflows of resources related to OPEB do not relate to current financial resources and are not reported in the governmental funds.	248,971
Deferred inflows of resources related to OPEB do not relate to current financial resources and are not reported in the governmental funds.	(83,329)
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and notes payable	(2,400,000)
Compensated absences	(23,417)
Accrued interest	(3,472)
Unamortized debt premiums	(108,368)
Financed purchases	(38,259)

Net Position of Governmental Activities \$ 11,018,687

Town of Brookfield

Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
Year Ended December 31, 2022

	General Fund	TIF No. 1 Fund	Nonmajor Governmental Funds	Total
Revenues				
Taxes	\$ 4,515,306	\$ 3,397,631	\$ 508,706	\$ 8,421,643
Special assessments	-	325,828	-	325,828
Intergovernmental	950,413	-	43,333	993,746
Licenses and permits	336,050	-	-	336,050
Fines, forfeitures and penalties	168,570	-	-	168,570
Public charges for services	358,851	-	-	358,851
Investment income	59,545	24,746	-	84,291
Miscellaneous	204,022	-	-	204,022
Total revenues	<u>6,592,757</u>	<u>3,748,205</u>	<u>552,039</u>	<u>10,893,001</u>
Expenditures				
Current:				
General government	1,181,888	-	-	1,181,888
Public safety	4,286,353	-	-	4,286,353
Public works	537,182	-	-	537,182
Health and human services	3,750	-	-	3,750
Culture, recreation and education	171,637	-	-	171,637
Conservation and development	297,313	3,106,738	-	3,404,051
Capital outlay	-	-	677,818	677,818
Debt service:				
Principal	-	509,000	41,859	550,859
Interest and fiscal charges	-	51,695	3,919	55,614
Total expenditures	<u>6,478,123</u>	<u>3,667,433</u>	<u>723,596</u>	<u>10,869,152</u>
Excess (deficiency) of revenues over expenditures	<u>114,634</u>	<u>80,772</u>	<u>(171,557)</u>	<u>23,849</u>
Other Financing Sources (Uses)				
Transfers in	54,882	-	180,664	235,546
Transfers out	<u>(162,897)</u>	<u>(54,882)</u>	<u>(17,767)</u>	<u>(235,546)</u>
Total other financing sources (uses)	<u>(108,015)</u>	<u>(54,882)</u>	<u>162,897</u>	<u>-</u>
Net change in fund balances	6,619	25,890	(8,660)	23,849
Fund Balances, Beginning	<u>1,504,083</u>	<u>937,747</u>	<u>603,193</u>	<u>3,045,023</u>
Fund Balances, Ending	<u>\$ 1,510,702</u>	<u>\$ 963,637</u>	<u>\$ 594,533</u>	<u>\$ 3,068,872</u>

See notes to financial statements

Town of Brookfield

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2022

Net Change in Fund Balances, Total Governmental Funds	\$	23,849
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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	677,818
Some items reported as capital outlay were not capitalized	(60,051)
Some items reported as operating expenditures in the fund financial statements but are capitalized in the government-wide statements	64,453
Depreciation is reported in the government-wide financial statements	(660,515)
Net book value of assets retired	(8,781)

Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.

Special assessments	(325,828)
---------------------	-----------

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.

Principal repaid	550,859
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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.

Compensated absences	(2,469)
Deferred outflows, inflows and net OPEB liability	(82,541)
Accrued interest on debt	697
Net pension asset	456,920
Deferred outflows of resources related to pensions	1,374,336
Deferred inflows of resources related to pensions	(1,344,055)
Unamortized premiums	14,612

Change in Net Position of Governmental Activities	\$	679,304
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Town of Brookfield

Statement of Net Position
Proprietary Funds
December 31, 2022

	Business-Type Activities - Enterprise Funds			
	Utility District No. 1 - Stormwater and Refuse	Sanitary District No. 4 - Water	Sanitary District No. 4 - Sewer	Total
Assets				
Current assets:				
Cash and investments	\$ 71,283	\$ 899,412	\$ 2,647,002	\$ 3,617,697
Receivables:				
Accounts	-	146,006	251,940	397,946
Taxes	-	13,186	46,694	59,880
Special assessments	-	57,618	-	57,618
Total current assets	<u>71,283</u>	<u>1,116,222</u>	<u>2,945,636</u>	<u>4,133,141</u>
Noncurrent assets:				
Restricted assets:				
Cash and investments	-	-	32,000	32,000
Net pension asset	144,713	81,641	28,474	254,828
Capital assets:				
Land	-	150,948	-	150,948
Intangible assets	-	973,730	5,647,598	6,621,328
Construction in progress	-	95,349	6,974	102,323
Property and equipment	5,727,916	19,844,747	15,403,867	40,976,530
Less accumulated depreciation/amortization	<u>(4,008,741)</u>	<u>(9,406,210)</u>	<u>(12,692,569)</u>	<u>(26,107,520)</u>
Total noncurrent assets	<u>1,863,888</u>	<u>11,740,205</u>	<u>8,426,344</u>	<u>22,030,437</u>
Total assets	<u>1,935,171</u>	<u>12,856,427</u>	<u>11,371,980</u>	<u>26,163,578</u>
Deferred Outflows of Resources				
Pension related amounts	280,010	174,163	68,814	522,987
OPEB related amounts	-	264	118	382
Total deferred outflows of resources	<u>280,010</u>	<u>174,427</u>	<u>68,932</u>	<u>523,369</u>

See notes to financial statements

Town of Brookfield

Statement of Net Position
Proprietary Funds
December 31, 2022

	Business-Type Activities - Enterprise Funds			
	Utility District No. 1 - Stormwater and Refuse	Sanitary District No. 4 - Water	Sanitary District No. 4 - Sewer	Total
Liabilities				
Current liabilities:				
Accounts payable	\$ 47,135	\$ 91,557	\$ 337,081	\$ 475,773
Accrued wages	5,040	3,037	1,220	9,297
Compensated absences	-	1,347	729	2,076
Customer	-	1,335	-	1,335
Due to other funds	253,649	-	-	253,649
Current portion of leases	-	6,686	-	6,686
Total current liabilities	305,824	103,962	339,030	748,816
Noncurrent liabilities:				
Lease obligations	-	881,206	-	881,206
OPEB liability	-	34,555	14,642	49,197
Total liabilities	305,824	1,019,723	353,672	1,679,219
Deferred Inflows of Resources				
Pension related amounts	344,495	237,178	93,033	674,706
OPEB related amounts	-	162	68	230
Total deferred inflows of resources	344,495	237,340	93,101	674,936
Net Position				
Net investment in capital assets	1,719,175	10,770,672	8,365,870	20,855,717
Restricted for:				
Pension	144,713	81,641	28,474	254,828
Equipment replacement	-	-	32,000	32,000
Unrestricted (deficit)	(299,026)	921,478	2,567,795	3,190,247
Total net position	\$ 1,564,862	\$ 11,773,791	\$ 10,994,139	\$ 24,332,792

See notes to financial statements

Town of Brookfield

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

Year Ended December 31, 2022

	Business-Type Activities - Enterprise Funds			
	Utility District No. 1 - Stormwater and Refuse	Sanitary District No. 4 - Water	Sanitary District No. 4 - Sewer	Total
Operating Revenues				
Charges for services	\$ 1,176,793	\$ 860,701	\$ 1,001,518	\$ 3,039,012
Operating Expenses				
Operation and maintenance	1,026,114	440,726	946,537	2,413,377
Depreciation and amortization expense	114,249	371,040	229,788	715,077
Taxes	-	14,476	4,361	18,837
Total operating expenses	1,140,363	826,242	1,180,686	3,147,291
Operating income (loss)	36,430	34,459	(179,168)	(108,279)
Nonoperating Revenues				
Investment income	4,631	4,451	23,792	32,874
Total nonoperating revenues	4,631	4,451	23,792	32,874
Change in net position	41,061	38,910	(155,376)	(75,405)
Net Position, Beginning	1,523,801	11,734,881	11,149,515	24,408,197
Net Position, Ending	<u>\$ 1,564,862</u>	<u>\$ 11,773,791</u>	<u>\$ 10,994,139</u>	<u>\$ 24,332,792</u>

See notes to financial statements

Town of Brookfield

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2022

	Business-Type Activities - Enterprise Funds			
	Utility District No. 1 - Stormwater and Refuse	Sanitary District No. 4 - Water	Sanitary District No. 4 - Sewer	Total
Cash Flows From Operating Activities				
Received from customers	\$ 1,176,793	\$ 876,773	\$ 1,009,845	\$ 3,063,411
Customer deposits received	-	1,000	-	1,000
Paid to suppliers for goods and services	(767,597)	(223,845)	(788,076)	(1,779,518)
Paid to employees for services	(294,858)	(147,669)	(65,207)	(507,734)
Net cash flows from operating activities	114,338	506,259	156,562	777,159
Cash Flows From Investing Activities				
Investment income	4,631	4,450	23,792	32,873
Net cash flows from investing activities	4,631	4,450	23,792	32,873
Cash Flows From Capital and Related Financing Activities				
Land lease	-	(6,686)	-	(6,686)
Acquisition and construction of capital assets	(82,864)	(132,222)	(6,974)	(222,060)
Special assessments received	-	12,869	-	12,869
Net cash flows from capital and related financing activities	(82,864)	(126,039)	(6,974)	(215,877)
Net change in cash and cash equivalents	36,105	384,670	173,380	594,155
Cash and Cash Equivalents, Beginning	35,178	514,742	2,505,622	3,055,542
Cash and Cash Equivalents, Ending	<u>\$ 71,283</u>	<u>\$ 899,412</u>	<u>\$ 2,679,002</u>	<u>\$ 3,649,697</u>

See notes to financial statements

Town of Brookfield

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2022

	Business-Type Activities - Enterprise Funds			
	Utility District No. 1 - Stormwater and Refuse	Sanitary District No. 4 - Water	Sanitary District No. 4 - Sewer	Total
Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities				
Operating income (loss)	\$ 36,430	\$ 34,459	\$ (179,168)	\$ (108,279)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation and amortization	114,249	371,040	229,788	715,077
Depreciation charged to other funds	-	14,300	(14,300)	-
Changes in assets and liabilities:				
Accounts receivable	-	(978)	(804)	(1,782)
Pension related items	(42,233)	(18,628)	(972)	(61,833)
Accounts payable	6,159	84,462	111,073	201,694
Accrued liabilities	(267)	(679)	64	(882)
OPEB related items	-	1,452	573	2,025
Deferred outflow/inflows of resources	-	2,915	1,233	4,148
Other account receivables	-	16,916	9,075	25,991
Customer deposits	-	1,000	-	1,000
Net cash flows from operating activities	<u>\$ 114,338</u>	<u>\$ 506,259</u>	<u>\$ 156,562</u>	<u>\$ 777,159</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds				
Cash and investments	\$ 71,283	\$ 899,412	\$ 2,647,002	\$ 3,617,697
Restricted cash and investments	-	-	32,000	32,000
Cash and cash equivalents	<u>\$ 71,283</u>	<u>\$ 899,412</u>	<u>\$ 2,679,002</u>	<u>\$ 3,649,697</u>
Noncash Capital and Related Financing Activities				
None				

See notes to financial statements

Town of Brookfield

Statement of Fiduciary Net Position

Fiduciary Fund

December 31, 2022

	Custodial Fund Tax Collection Fund
Assets	
Cash and investments	\$ 5,071,838
Taxes receivable	<u>5,872,304</u>
Total assets	<u>10,944,142</u>
Liabilities	
Due to other taxing units	<u>10,944,142</u>
Total liabilities	<u>10,944,142</u>
Net Position	
Total net position	<u><u>\$ -</u></u>

See notes to financial statements

Town of Brookfield

Statement of Changes in Fiduciary Net Position

Fiduciary Fund

Year Ended December 31, 2022

	<u>Custodial Fund</u>
Additions	
Property taxes collected for other governments	<u>\$ 8,242,493</u>
Total additions	<u>8,242,493</u>
Deductions	
Property taxes distributed to other governments	<u>8,242,493</u>
Total deductions	<u>8,242,493</u>
Change in fiduciary net position	-
Net Position, Beginning	<u>-</u>
Net Position, Ending	<u><u>\$ -</u></u>

See notes to financial statements

Town of Brookfield

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December 31, 2022

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Town of Brookfield

Notes to Financial Statements
December 31, 2022

1. Summary of Significant Accounting Policies

The accounting policies of the Town of Brookfield, Wisconsin (the Town) 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).

Reporting Entity

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

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

Discretely Presented Component Unit

Community Development and Redevelopment Authority of the Town of Brookfield

The government-wide financial statements include the Community Development and Redevelopment Authority of the Town of Brookfield (CDA) as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the town board. Wisconsin Statutes provide for circumstances whereby the Town can impose its will on the CDA, and also create a potential financial benefit to or burden on the Town. See Note 4. As a component unit, the CDA's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2022. The CDA does not issue separate financial statements.

Government-Wide and Fund Financial Statements

In June 2017, the GASB issued Statement No. 87, *Leases*. This Statement requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under the Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, which enhances the relevance and consistency of information about the Town's leasing activities. This standard was implemented January 1, 2022.

Government-Wide Financial Statements

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

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

Fund Financial Statements

Financial statements of the Town 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.

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

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

Town of Brookfield

Notes to Financial Statements
December 31, 2022

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

The Town reports the following major governmental funds:

General Fund

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

Capital Projects Fund

Tax Incremental District (TID) No. 1 Capital Project Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TID project plan.

Enterprise Funds

The Town reports the following major enterprise funds:

Sanitary District No. 4 - Water accounts for operations of the water system.

Sanitary District No. 4 - Sewer accounts for operations of the sewer system.

Utility District No. 1 - Stormwater and Refuse accounts for operations of the storm water management and trash collection operations.

The Town reports the following nonmajor governmental funds:

Special Revenue Funds

Special Revenue Funds are 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).

Ambulance Grant
Park Dedication

Debt Service Fund

Debt Service Fund is 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.

Capital Projects Funds

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

- Fire Department Capital Equipment
- Capital Improvement
- Capital Equipment
- General Government Capital
- Improvement
- Police Department Capital Equipment

In addition, the Town reports the following fund types:

Custodial Fund

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

- Tax Collection Fund

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 interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Town's utility and sanitary districts 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 Town 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.

Town of Brookfield

Notes to Financial Statements
December 31, 2022

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

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues. Delinquent special assessments being held by the County are reported as receivables and unavailable revenues. At December 31, 2021, there were \$46,130 of Sanitary District No. 4 anticipated future assessments. This is not reported as receivables, because collection is subject to certain events occurring in the future and no formal repayment schedule has been established.

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

Proprietary and Fiduciary Funds

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

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

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

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

Deposits and Investments

For purposes of the statement of cash flows, the Town considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Town of Brookfield

Notes to Financial Statements
December 31, 2022

Investment of Town funds is restricted by Wisconsin state statutes. Available investments are limited to:

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

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

No policy exists for the following risks:

Credit risk

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. 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 statement 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, 2022, the fair value of the Town's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note 4 for further information.

Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the Town, 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 on the accompanying statement of fiduciary net position.

Town of Brookfield

Notes to Financial Statements
December 31, 2022

Property tax calendar, 2022 tax roll:

Lien date and levy date	December 2022
Tax bills mailed	December 2022
Payment in full, or	January 31, 2023
First installment due	January 31, 2023
Second installment due	July 31, 2023
Personal property taxes in full	January 31, 2023
Tax sale, 2022 delinquent real estate taxes	October 2025

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 Utility District No.1 and Sanitary District No. 4 because they have the right by law to place substantially all delinquent bills on the tax roll and other delinquent bills are generally not significant.

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

Inventories

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. They are valued at cost based on weighted average and charged to construction and/or operation and maintenance expense when used.

Restricted Assets

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

Capital Assets

Government-Wide Financial Statements

Capital assets, which include property, plant and equipment (including right-to-use lease assets), 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 general capital assets and \$5,000 for infrastructure assets and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor and overhead. 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.

Town of Brookfield

Notes to Financial Statements
December 31, 2022

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	40	Years
Land improvements	15-40	Years
Equipment and vehicles	4-30	Years
Utility system	18-77	Years
Infrastructure	20-40	Years
Intangible assets, easements	3 to	
	indefinite	Years
Intangible assets, capacity	15	Years

Lease assets are typically amortized over the lease term.

Fund Financial Statements

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

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.

Compensated Absences

Employees earn varying amounts of vacation based on length of service. Vacation time is cumulative to 25 days, which must be used within one year of accrual. Sick pay benefits are cumulative by Town employees in accordance with the provisions of union contracts and administration policies to 120 days. There are no provisions for payment of accumulated sick leave benefits if employment is terminated. The Town does not have a post-employment benefit plan.

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

Long-Term Obligations

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

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

Town of Brookfield

Notes to Financial Statements
December 31, 2022

Leases

The Town is a lessee because it leases capital assets from other entities. As a lessee, the Town reports a lease liability and an intangible right-to-use capital asset (known as the lease asset) on the government-wide financial statements and proprietary fund statements. In the governmental fund financial statements, the Town recognizes lease proceeds and capital outlay at initiation of the lease, and the outflow of resources for the lease liability as a debt service payment.

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.

Equity Classifications

Government-Wide Statements

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

- a. **Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. **Restricted Net Position** - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted Net Position** - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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

Fund Statements

Governmental fund balances are displayed as follows:

- a. **Nonspendable** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. **Restricted** - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the Town Board. 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 Town Board that originally created the commitment.

Town of Brookfield

Notes to Financial Statements
December 31, 2022

- d. **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 Town Board has adopted a financial policy authorizing the Administrator/Treasurer to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. **Unassigned** - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

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

The Town 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 Town would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The Town has a formal minimum fund balance policy. That policy is to maintain a working capital fund of 15% of subsequent year's general fund expenditures which is \$957,338 and is included in unassigned fund balance of the General Fund.

See Note 4 for further information.

Pension

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Basis for Existing Rates

Sanitary District No. 4

Water rates were approved by the Public Service Commission of Wisconsin in October of 2003. Sewer rates were approved by the board in December of 2019.

Utility District No. 1

Rates were approved by the board on November 16, 2021.

Town of Brookfield

Notes to Financial Statements
December 31, 2022

2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance, total governmental funds and net position, governmental activities as reported in the government-wide statement of net position. The details of this reconciliation include the following items.

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.

Land	\$ 1,376,686
Intangible assets	98,151
Land improvements	350,476
Building	4,730,324
Equipment and vehicles	4,442,001
Infrastructure	16,413,204
Less accumulated depreciation	<u>(18,693,120)</u>
Combined adjustment for capital assets	<u>\$ 8,717,722</u>

3. Stewardship, Compliance and Accountability

Budgetary Information

A budget has been adopted for the General Fund, Utility District No. 1 - Stormwater and Refuse, Sanitary District No. 4 - Water and Sanitary District No. 4 - Sewer. A budget has not been formally adopted for Special Revenue Funds - Ambulance Grant, Park Dedication; Debt Service Fund; Capital Project Funds - General Government Capital Equipment Fund, Capital Improvement Fund, Capital Equipment Fund, Police Department Capital Equipment Fund, Fire Department Capital Equipment Fund, and Tax Incremental District No. 1. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

Excess Expenditures Over Budget

<u>Funds</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
General Fund	\$ 6,316,511	\$ 6,641,020	\$ 324,509

The Town controls expenditures at the function level in the General Fund. For any other fund with a budget, the Town controls expenditures at the fund level. In the General Fund, some individual functions experienced expenditures which exceeded appropriations. The detail of those items can be found in the Town's year-end budget to actual report.

Town of Brookfield

Notes to Financial Statements
December 31, 2022

Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2022, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>
Capital Project - Police Department Capital Equipment Fund	\$ 7,258

The deficit are anticipated to be funded with future grant revenue.

Limitations on the Town's Tax Levy

Wisconsin law limits the Town's future tax levies. Generally the Town is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the Town's equalized value due to net 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 Town 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.

4. Detailed Notes on All Funds

Deposits and Investments

The Town's deposits and investments at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Deposits	\$ 5,233,393	\$ 4,169,000	Custodial credit
LGIP	6,278,737	6,278,737	Credit
Petty cash	300	-	N/A
Total deposits and investments	<u>\$ 11,512,430</u>	<u>\$ 10,447,737</u>	

Reconciliation to financial statements

Per statement of net position:

Unrestricted cash and investments	\$ 6,408,592
Restricted cash and investments	32,000

Per statement of net position, fiduciary fund:

Custodial fund	<u>5,071,838</u>
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Total deposits and investments	<u>\$ 11,512,430</u>
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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.

Town of Brookfield

Notes to Financial Statements
December 31, 2022

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.

Custodial Credit Risk

Deposits

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

As of December 31, 2022, \$3,895,646 of the Town's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 3,895,646</u>
Total	<u>\$ 3,895,646</u>

Credit Risk

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

The Town had investments in the external Wisconsin Local Government Investment Pool which is not rated.

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

Receivables

Receivables as of year end for the government's individual major funds, nonmajor funds and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are detailed on the governmental funds balance sheet, proprietary funds statement of net assets and fiduciary funds statement of net assets. All amounts are expected to be collected within one year except for \$89,947 of delinquent personal property taxes reported in the general fund.

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:

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 7,344,579	\$ -
Special assessments not yet due	<u>-</u>	<u>1,010,000</u>
Total unearned/unavailable revenue for governmental funds	<u>\$ 7,344,579</u>	<u>\$ 1,010,000</u>

Town of Brookfield

Notes to Financial Statements
December 31, 2022

Restricted Assets

The following represent the balances of the restricted assets:

Equipment Replacement Account

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

Net Pension Asset

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

Capital Assets

Capital asset activity for the year ended December 31, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated / amortized:				
Land	\$ 1,376,686	\$ -	\$ -	\$ 1,376,686
Total capital assets not being depreciated / amortized	<u>1,376,686</u>	<u>-</u>	<u>-</u>	<u>1,376,686</u>
Capital assets being depreciated / amortized:				
Land improvements	350,476	-	-	350,476
Buildings	4,730,324	-	-	4,730,324
Equipment and vehicles	4,314,953	232,373	105,325	4,442,001
Infrastructure	15,963,357	449,847	-	16,413,204
Intangible assets	<u>98,151</u>	<u>-</u>	<u>-</u>	<u>98,151</u>
Total capital assets being depreciated / amortized	<u>25,457,261</u>	<u>682,220</u>	<u>105,325</u>	<u>26,034,156</u>
Total capital assets	<u>26,833,947</u>	<u>682,220</u>	<u>105,325</u>	<u>27,410,842</u>
Less accumulated depreciation / amortization for:				
Land improvements	(237,996)	(8,997)	-	(246,993)
Buildings	(2,640,418)	(118,258)	-	(2,758,676)
Equipment and vehicles	(2,778,177)	(304,333)	96,544	(2,985,966)
Infrastructure	(12,386,675)	(216,659)	-	(12,603,334)
Intangible assets	<u>(85,883)</u>	<u>(12,268)</u>	<u>-</u>	<u>(98,151)</u>
Total accumulated depreciation / amortization	<u>(18,129,149)</u>	<u>(660,515)</u>	<u>96,544</u>	<u>(18,693,120)</u>
Net capital assets being depreciated / amortized	<u>7,328,112</u>	<u>21,705</u>	<u>8,781</u>	<u>7,341,036</u>
Total governmental activities capital assets, net of accumulated depreciation / amortization	<u>\$ 8,704,798</u>	<u>\$ 21,705</u>	<u>\$ 8,781</u>	<u>\$ 8,717,722</u>

Town of Brookfield

Notes to Financial Statements
December 31, 2022

Depreciation / amortization expense was charged to functions as follows:

Governmental Activities

General government	\$ 11,469
Public works (including infrastructure)	329,835
Culture and recreation	297,462
Public safety	<u>21,749</u>

Total governmental activities depreciation / amortization expense \$ 660,515

	<u>Beginning Balance *</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-Type Activities				
Capital assets not being depreciated / amortized:				
Land	\$ 150,948	\$ -	\$ -	\$ 150,948
Construction in progress	-	102,323	-	102,323
Intangible assets, easements	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
Total capital assets not being depreciated / amortized	<u>160,948</u>	<u>102,323</u>	<u>-</u>	<u>263,271</u>
Capital assets being depreciated / amortized:				
Land improvements and other plant	7,367,006	-	-	7,367,006
Buildings	3,157,073	-	-	3,157,073
Equipment	3,418,299	126,974	7,237	3,538,036
Infrastructure	26,914,415	-	-	26,914,415
Intangible assets, capacity	5,642,598	-	-	5,642,598
Intangible asset, leased land	<u>968,730</u>	<u>-</u>	<u>-</u>	<u>968,730</u>
Total capital assets being depreciated / amortized	<u>47,468,121</u>	<u>126,974</u>	<u>7,237</u>	<u>47,587,858</u>
Total capital assets	<u>47,629,069</u>	<u>229,297</u>	<u>7,237</u>	<u>47,851,129</u>
Less accumulated depreciation / amortization for:				
Land improvements and other plant	(4,467,207)	(162,812)	-	(4,630,019)
Buildings	(1,753,365)	(87,045)	-	(1,840,410)
Equipment	(2,396,132)	(107,630)	7,237	(2,496,525)
Infrastructure	(11,066,226)	(350,904)	-	(11,417,130)
Intangible assets, capacity	(5,642,598)	-	-	(5,642,598)
Intangible asset, leased land	<u>(74,152)</u>	<u>(6,686)</u>	<u>-</u>	<u>(80,838)</u>
Total accumulated depreciation / amortization	<u>(25,399,680)</u>	<u>(715,077)</u>	<u>7,237</u>	<u>(26,107,520)</u>
Net capital assets being depreciated / amortized	<u>22,068,441</u>	<u>(588,103)</u>	<u>-</u>	<u>21,480,338</u>
Business-type capital assets, net of accumulated depreciation / amortization	<u>\$ 22,229,389</u>	<u>\$ (485,780)</u>	<u>\$ -</u>	<u>\$ 21,743,609</u>

Town of Brookfield

Notes to Financial Statements
December 31, 2022

Depreciation / amortization expense was charged to functions as follows:

Business-Type Activities

Storm	\$	114,249
Water		371,040
Sewer		<u>229,788</u>
Total business-type activities depreciation / amortization expense	\$	<u><u>715,077</u></u>

* Beginning balances have been restated for the implementation of GASB 87, Leases to reflect the lease assets and associated accumulated amortization at the date of implementation.

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

Additional disclosures of the lease assets are included in the Lease Disclosure note.

Interfund Receivables/Payables and Transfers

Interfund Receivables/Payables

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

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General Fund	Debt Service Fund	\$ 251,071	\$ 251,071
Debt Service Fund	Utility District No. 1 - Stormwater & Refuse	253,649	253,649
General Fund	Capital Project Fund - Police Department Capital Equipment	<u>7,258</u>	-
Total, fund financial statements		511,978	
Less fund eliminations		<u>(258,329)</u>	
Total internal balances, government-wide statement of net position		<u><u>\$ 253,649</u></u>	
Receivable Fund	Payable Fund	Amount	
Governmental activities	Business-type activities	\$ 253,649	
Business-type activities	Governmental activities	<u>-</u>	
Total government-wide financial statements		<u><u>\$ 253,649</u></u>	

The principal purpose of these interfunds is for construction related costs for stormwater infrastructure. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

Town of Brookfield

Notes to Financial Statements
December 31, 2022

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

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General Fund	Capital Project Fund, TIF No. 1	\$ 54,882	To reimburse for administrative costs
Capital Projects Fund, Police Department	Capital Project Fund, Fire Department Capital Equipment	8,225	To fund portion of deficit
Capital Projects Fund, Police Department	Capital Projects Fund, General Government	9,542	To fund portion of deficit
Capital Equipment	Capital Improvements	40,287	For future debt payments
Debt Service Fund	General Fund	122,610	To build reserves for future projects
Capital Project Fund, Capital Improvement	General Fund		
Total, fund financial statements		235,546	
Less fund eliminations		(235,546)	
Total transfers, government-wide statement of activities		\$ -	

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.

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2022, was as follows:

	<u>Beginning Balance *</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and notes payable:					
General obligation debt	\$ 2,675,000	\$ -	\$ 275,000	\$ 2,400,000	\$ 285,000
General obligation notes from direct borrowings and direct placements	239,492	-	239,492	-	-
Financed purchases	74,627	-	36,368	38,259	38,259
(Discounts)/Premiums	122,980	-	14,612	108,368	-
Total bonds and notes payable	3,112,099	-	565,472	2,546,627	323,259
Other liabilities:					
Compensated absences	20,948	23,417	20,947	23,418	23,417
Net OPEB liability	615,990	26,787	-	642,777	-
Total other liabilities	636,938	50,204	20,947	666,195	23,417
Total governmental activities long-term liabilities	\$ 3,749,037	\$ 50,204	\$ 586,419	\$ 3,212,822	\$ 346,676

Town of Brookfield

Notes to Financial Statements
December 31, 2022

	<u>Beginning Balance *</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Business-Type Activities					
Other liabilities:					
Compensated absences	\$ 2,815	\$ 2,076	\$ 2,815	\$ 2,076	\$ 2,076
Net OPEB liability	47,172	49,197	47,172	49,197	-
Land lease	894,578	-	6,686	887,892	6,686
Total other liabilities	944,565	51,273	56,673	939,165	8,762
Total business-type activities long-term liabilities	<u>\$ 944,565</u>	<u>\$ 51,273</u>	<u>\$ 56,673</u>	<u>\$ 939,165</u>	<u>\$ 8,762</u>

* Beginning balances have been restated for the implementation of GASB 87, Leases.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Town may not exceed 5% of the equalized value of taxable property within the Town's jurisdiction. The debt limit as of December 31, 2022, was \$78,985,355. Total general obligation debt outstanding at year end was \$2,400,000.

General Obligation Debt

All general obligation debt payable is backed by the full faith and credit of the Town. Debt in the governmental funds will be retired by future property tax levies or tax increments and/or special assessments accumulated by the debt service fund and TIF No. 1 fund.

<u>Governmental Activities</u>					<u>Balance December 31, 2022</u>
<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	
GO Refunding Loan	12/30/2020	06/01/2030	1.00-2.00%	\$ 2,945,000	\$ 2,400,000
Total governmental activities, general obligation debt					<u>\$ 2,400,000</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 285,000	\$ 35,800
2024	285,000	30,100
2025	290,000	24,350
2026	295,000	18,500
2027	310,000	12,450
2028-2030	935,000	14,075
Total	<u>\$ 2,400,000</u>	<u>\$ 135,275</u>

The Town's outstanding bank loan from direct borrowings and / or direct placements related to governmental activities of \$234,000 contain a provision that in an event of default, outstanding principal and any accrued interest become immediately due and payable.

Financed Purchases

The Town purchased a vehicle under a financed purchase arrangement.

Town of Brookfield

Notes to Financial Statements
December 31, 2022

Financed Purchases at December 31, 2022 consist of the following:

<u>Governmental Activities</u>					
<u>Financed Purchases</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2022</u>
Ambulance	11/19/18	11/19/23	5.25%	\$ 173,203	\$ 38,259
Total governmental activities financed purchases					<u>\$ 38,259</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities Financed Purchases</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 38,259	\$ 2,028
Total	<u>\$ 38,259</u>	<u>\$ 2,028</u>

Lease Liabilities

Refer to Note 4, Lease Disclosures.

Other Debt Information

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

Lease Disclosures

Lessee - Lease Assets

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-Type Activities				
Lease assets being amortized:				
Land, leased for Water Tower #2	\$ 968,730	\$ -	\$ -	\$ 968,730
Total lease assets being amortized	<u>968,730</u>	<u>-</u>	<u>-</u>	<u>968,730</u>
Less accumulated amortization for lease assets:				
Land, leased for Water Tower #2	<u>(74,152)</u>	<u>(6,686)</u>	<u>-</u>	<u>(80,838)</u>
Total accumulated amortization	<u>(74,152)</u>	<u>(6,686)</u>	<u>-</u>	<u>(80,838)</u>
Total business-type activities lease assets, net of accumulated amortization	<u>\$ 894,578</u>	<u>\$ (6,686)</u>	<u>\$ -</u>	<u>\$ 887,892</u>

Town of Brookfield

Notes to Financial Statements
December 31, 2022

Lessee - Lease Liabilities

Business-Type Activities

<u>Lease Liabilities Description</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2022</u>
Land lease for Water Tower #2	03/01/2010	12/31/2109	2%	\$ 968,730	\$ 887,892
Total business-type activities lease liabilities					<u>\$ 887,892</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 6,686	\$ 134	\$ 6,820
2024	6,686	134	6,820
2025	6,686	134	6,820
2026	6,686	134	6,820
2027	6,686	134	6,820
2028-2032	35,437	709	36,146
2033-2037	36,775	735	37,510
2038-2042	38,980	780	39,760
2043-2047	40,450	809	41,259
2048-2052	42,877	858	43,735
2053-2057	44,495	890	45,385
2058-2062	47,165	943	48,108
2063-2067	48,945	979	49,924
2068-2072	51,882	1,038	52,920
2073-2077	53,840	1,077	54,917
2078-2082	57,071	1,141	58,212
2083-2087	59,225	1,185	60,410
2088-2092	62,780	1,256	64,036
2093-2097	65,150	1,303	66,453
2098-2102	69,059	1,381	70,440
2103-2107	71,665	1,433	73,098
2108-2109	28,666	574	29,240
Total	<u>\$ 887,892</u>	<u>\$ 17,761</u>	<u>\$ 905,653</u>

Net Position/Fund Balances

Net position reported on the government-wide statement of net position at December 31, 2022, includes the following:

Governmental Activities

Net investment in capital assets:

Land	\$ 1,376,686
Intangible assets	98,151
Other capital assets, net of accumulated depreciation/amortization	7,242,885
Less unamortized debt premium	(108,368)
Less capital related long-term debt outstanding	<u>(2,438,259)</u>
Total net investment in capital assets	<u>\$ 6,171,095</u>

Town of Brookfield

Notes to Financial Statements
December 31, 2022

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2022, include the following:

	<u>General Fund</u>	<u>Capital Project Fund-TIF No. 1</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Fund Balances				
Nonspendable:				
Delinquent taxes	\$ 70,976	\$ -	\$ -	\$ 70,976
Due from other funds	258,329	-	-	258,329
Subtotal	329,305	-	-	329,305
Restricted for:				
Debt service	-	-	42,865	42,865
Ambulance grants	-	-	60,562	60,562
Park dedication	-	-	1,513	1,513
TID purposes	-	963,637	-	963,637
Subtotal	-	963,637	104,940	1,068,577
Committed to:				
Capital improvements, roads	-	-	120,001	120,001
Capital improvements, general government	-	-	71,278	71,278
Capital equipment - public works	-	-	257,213	257,213
Capital equipment, fire	-	-	48,359	48,359
Subtotal	-	-	496,851	496,851
Assigned to:				
Subsequent year budget	197,000	-	-	197,000
Subtotal	197,000	-	-	197,000
Unassigned (deficit):	984,397	-	(7,258)	977,139
Total fund balances (deficit)	<u>\$ 1,510,702</u>	<u>\$ 963,637</u>	<u>\$ 594,533</u>	<u>\$ 3,068,872</u>
Business-Type Activities				
Net investment in capital assets:				
Land			\$ 150,948	
Construction in progress			102,323	
Intangible assets, net of accumulated amortization			6,547,176	
Other capital assets, net of accumulated depreciation			14,943,162	
Less capital related long term debt outstanding			(887,892)	
Total net investment in capital assets			<u>\$ 20,855,717</u>	

Town of Brookfield

Notes to Financial Statements
December 31, 2022

Restatement of Net Position

Net position has been restated due to the implementation of GASB No. 87.

	Business-Type Activities	Sanitary District No. 4 - Water
Net position, December 31, 2021 (as reported)	\$ 24,408,197	\$ 11,734,881
Add intangible asset, leased land	968,730	968,730
Less amortization on leased land	(74,152)	(74,152)
Less outstanding land lease obligation	<u>(894,578)</u>	<u>(894,578)</u>
Net position, December 31, 2021 (as restated)	<u>\$ 24,408,197</u>	<u>\$ 11,734,881</u>

Component Unit

Community Development and Redevelopment Authority of the Town of Brookfield

This report contains the Community Development and Redevelopment Authority of the Town of Brookfield (CDA), which is included as a component unit.

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

a. Basis of Accounting/Masurement Focus

The CDA follows the full accrual basis of accounting and the flow of economic resources measurement focus.

b. Deposits and Investments

At year end, the carrying amount of the CDA's deposits was \$0 and is part of the Town's commingled cash. See Note 4.

At year end, the carrying amount of the CDA's deposits was \$2,717,134. These funds are held in escrow by Associated Bank as of December 31, 2022. The monies held in escrow are commingled with other entities escrows and therefore, the amount subject to custodial credit risk is not determinable for the CDA.

c. Restricted Assets

The following represent the balances of the restricted assets:

Following is a list of restricted assets at December 31, 2022:

	Restricted Assets
Bond reserve account	<u>\$ 2,717,134</u>
Total	<u>\$ 2,717,134</u>

Town of Brookfield

Notes to Financial Statements
December 31, 2022

d. Capital Assets

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Useful Lives (Years)</u>
Parking structure	\$ 40,033,746	\$ -	\$ -	\$ 40,033,746	18
Less accumulated depreciation	<u>(10,008,437)</u>	<u>(2,107,039)</u>	<u>-</u>	<u>(12,115,476)</u>	
Total	<u>\$ 30,025,309</u>	<u>\$ (2,107,039)</u>	<u>\$ -</u>	<u>\$ 27,918,270</u>	

e. Long-Term Obligations

Under the Cooperation Agreement dated December 3, 2015 future tax increment revenues generated within TIF No. 1 of the Town of Brookfield have been pledged to pay principal and interest payments related to the financing of the construction of the CDA owned parking structure. If those future tax increment revenues are less than the required obligation of principal and interest, the Developer has guaranteed to cover the shortfall.

The CDA has pledged future revenues to repay revenue bonds issued in 2015. Proceeds from the bonds provided financing for the parking structure. The bonds are payable solely from net revenues and are payable through 2035. Annual principal and interest payments on the bonds are expected to require 114.00% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$35,137,297. Principal and interest paid for the current year and total customer gross revenues were \$2,317,480 and \$2,363,825, respectively.

The revenue bond was originally issued on December 3, 2015 and matures on June 1, 2035. The interest rate ranges between 1.15 and 3.60% during the life of the bond.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Revenue Bonds	\$ 29,440,000	\$ -	\$ 1,415,000	\$ 28,025,000	\$ 1,460,000
Total	<u>\$ 29,440,000</u>	<u>\$ -</u>	<u>\$ 1,415,000</u>	<u>\$ 28,025,000</u>	<u>\$ 1,460,000</u>

Debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,460,000	\$ 870,833	\$ 2,330,833
2024	1,625,000	834,136	2,459,136
2025	1,680,000	792,390	2,472,390
2026	1,745,000	746,556	2,491,556
2027	1,810,000	696,318	2,506,318
2028-2032	10,195,000	2,571,114	12,766,114
2033-2035	<u>9,510,000</u>	<u>600,950</u>	<u>10,110,950</u>
Total	<u>\$ 28,025,000</u>	<u>\$ 7,112,297</u>	<u>\$ 35,137,297</u>

Town of Brookfield

Notes to Financial Statements
December 31, 2022

f. Net Position

Net investment in capital assets:	
Parking structure	\$ 40,033,746
Less accumulated depreciation	(12,115,476)
Less long-term debt outstanding	(28,025,000)
Plus noncapital related debt	<u>3,363,000</u>
Net investment in capital assets	<u>\$ 3,256,270</u>

g. Significant Transactions

The Town of Brookfield, the CDA, Brookfield Corners LLC (developer) and the Marcus Corporation have entered into a development agreement dated February 25, 2015 and further amended on June 16, 2015, September 15, 2015 and November 11, 2015. The developer has agreed to construct certain real property located in the Town of Brookfield consisting of retail units, condominiums and a parking structure. Pursuant to the Development Agreement and Cooperation Agreement, the CDA has agreed to acquire the parking structure. During 2015, the CDA issued revenue bonds of \$34,710,000 to pay for the construction of the afore mentioned parking structure. The parking structure was finalized and put into service during 2017. The CDA's and developers incurred costs related to parking structure were \$29,495,938 and \$10,537,808 respectively. The parking structure is owned by the CDA over the life of the revenue bonds which will be paid off in 2035. At that point, the parking structure ownership will be transferred to the developer.

5. Other Information

Employees' Retirement System

Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

Vesting

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

Town of Brookfield

Notes to Financial Statements
December 31, 2022

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.

Post-Retirement Adjustments

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

<u>Year</u>	<u>Core Fund Adjustment %</u>	<u>Variable Fund Adjustment %</u>
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
2021	5.1	13.0

Town of Brookfield

Notes to Financial Statements
December 31, 2022

Contributions

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

During the reporting period, the WRS recognized \$340,378 in contributions from the Town.

Contribution rates for the plan year reported as of December 31, 2022 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (executives & elected officials)	6.50 %	6.50 %
Protective with Social Security	6.50 %	12.04 %
Protective without Social Security	6.50 %	12.00 %

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

At December 31, 2022, the Town reported an asset of \$2,327,059 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Town's proportion of the net pension asset was based on the Town's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the Town's proportion was 0.02887105%, which was a decrease of 0.00013747% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Town recognized pension expense (revenue) of \$(225,087).

At December 31, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual experience	\$ 3,759,247	\$ 271,082
Changes in assumptions	434,149	-
Net differences between projected and actual earnings on pension plan investments	-	5,205,826
Changes in proportion and differences between employer contributions and proportionate share of contributions	23,647	18,932
Employer contributions subsequent to the measurement date	<u>327,591</u>	<u>-</u>
Total	<u>\$ 4,544,634</u>	<u>\$ 5,495,840</u>

Town of Brookfield

Notes to Financial Statements
December 31, 2022

\$327,591 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Years Ending December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2023	\$ (109,985)
2024	(628,614)
2025	(274,972)
2026	(265,226)

Actuarial Assumptions

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

Town of Brookfield

Notes to Financial Statements
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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:

Asset Allocation Targets and Expected Returns* As of December 31, 2021			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %**
Global Equities	52	6.8	4.2
Fixed Income	25	4.3	1.8
Inflation Sensitive	19	2.7	0.2
Real Estate	7	5.6	3
Private Equity/Debt	12	9.7	7
Total Core Fund***	115	6.6	4
Variable Fund Asset			
U.S. Equities	70	6.3	3.7
International Equities	30	7.2	4.6
Total Variable Fund	100	6.8	4.2

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

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

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

Town of Brookfield

Notes to Financial Statements
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Single Discount Rate

A single discount rate of 6.8% was used to measure the total pension liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 1.84% (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, 2021. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the investment 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 Town's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

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

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
Town's proportionate share of the net pension liability (asset)	<u>\$ 1,651,213</u>	<u>\$ (2,327,059)</u>	<u>\$ 5,190,676</u>

Pension Plan Fiduciary Net Position

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

At December 31, 2022, the Town reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

Risk Management

The Town 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. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

Town of Brookfield

Notes to Financial Statements
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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 Town 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 Town attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Town's financial position or results of operations.

Brookfield Corners Developer Agreement

The Town issued a municipal revenue obligation as part of a development agreement. The amount of the obligation was \$9,495,000, and is payable to the developer solely from tax increments collected from a specific portion of the development in TIF No. 1 only if the valuation of TIF No. 1 is in excess of \$187,000,000 and are only paid after debt and administrative costs of the Town are paid to the extent that increment is available.

Payments are scheduled through the year 2035, and carry an interest rate of 6.5%. The obligation does not constitute a charge upon any funds of the Town. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the Town. Since the amount of future payments is contingent on the collection of future TIF increments, the obligation is not reported as a liability in the accompanying financial statements. The balance of the commitment outstanding at year end was \$8,291,077.

Wimmer Development, LLC Developer Agreement

The Town issued a municipal revenue obligation as part of a development agreement. The amount of the obligation was \$14,500,000, and is payable to the developer upon the issuance of a certificate of occupancy for the first completed building. Thereafter, the MRO will be amended to increase the amount of MRO upon the issuance of a certification of occupancy for each of the subsequent buildings. Each MRO shall be a special, limited revenue obligation of the Town payable only from available project increment that is subject to annual appropriation by the Town Board.

Payments are scheduled through the year 2041. No payments were made as of December 31, 2022.

Other Postemployment Benefits

Local Retiree Life Insurance Fund (LRLIF)

Plan Description

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

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

Town of Brookfield

Notes to Financial Statements
December 31, 2022

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can be found at the link above.

Benefits Provided

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

Contributions

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

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

Contribution rates for the plan year reported as of December 31, 2022 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Post Retirement Coverage	40% of member contribution
25% Post Retirement Coverage	20% of member contribution

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

<u>Life Insurance Member Contribution Rates *For the Plan Year</u>		
<u>Attained Age</u>	<u>Basic</u>	<u>Supplemental</u>
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

*Disabled members under age 70 receive a waiver-of-premium benefit

During the reporting period, the LRLIF recognized \$2,396 in contributions from the employer.

Town of Brookfield

Notes to Financial Statements
December 31, 2022

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

At December 31, 2022, the Town reported a liability of 691,974 for its proportionate share of the net OPEB liability. The 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 January 1, 2021 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Town's proportion of the net OPEB liability was based on the Town's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2021, the Town's proportion was 0.11707800%, which was an decrease of 0.00348100% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Town recognized OPEB expense (revenue) of \$88,715.

At December 31, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 35,201
Net differences between projected and investment earnings on plan investments	9,002	-
Changes in actuarial assumptions	209,070	33,540
Changes in proportion and differences between employer contributions and proportionate share of contributions	28,908	14,818
Employer contributions subsequent to the measurement date	2,373	-
Total	<u>\$ 249,353</u>	<u>\$ 83,559</u>

\$2,373 reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2023	\$ 39,025
2024	37,981
2025	34,410
2026	40,354
2027	13,564
Thereafter	(1,913)

Town of Brookfield

Notes to Financial Statements
December 31, 2022

Actuarial Assumptions

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

Actuarial Valuation Date:	January 1, 2021
Measurement Date of Net OPEB Liability (Asset)	December 31, 2021
Experience Study:	January 1, 2018 - December 31, 2020. Published November
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	2.06%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.17%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.10% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

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

Long-Term Expected Return on Plan Assets

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

State OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2021

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Intermediate Credit Bonds	Bloomberg US Interm Credit	45.00%	1.68%
US Long Credit Bonds	Bloomberg US Long Credit	5.00%	1.82%
US Mortgages	Bloomberg US MBS	50.00%	1.94%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate increased from 2.20% as of December 31, 2020 to 2.30% as of December 31, 2021.

Single Discount Rate

A single discount rate of 2.17% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.25% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.12% as of December 31, 2020 to 2.06% as of December 31, 2021. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Town of Brookfield

Notes to Financial Statements
December 31, 2022

Sensitivity of the Town's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the Town's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 2.17%, as well as what the Town's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.17%) or 1-percentage-point higher (3.17%) than the current rate:

	1% Decrease to Discount Rate (1.17%)	Current Discount Rate (2.17%)	1% Increase to Discount Rate (3.17%)
Town's proportionate share of the net OPEB liability (asset)	<u>\$ 938,760</u>	<u>\$ 691,974</u>	<u>\$ 506,278</u>

At December 31, 2022, the Town reported a payable to the OPEB plan of \$0, which represents contractually required contributions outstanding as of the end of the year.

Effect of New Accounting Standards on Current-Period Financial Statements

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

- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 99, *Omnibus 2022*
- Statement No. 100, *Accounting Changes and Error Corrections - an Amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*

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

REQUIRED SUPPLEMENTARY INFORMATION

Town of Brookfield

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance With Final Budget
Revenues			
Taxes	\$ 4,442,086	\$ 4,515,306	\$ 73,220
Intergovernmental	936,927	950,413	13,486
Licenses and permits	345,930	336,050	(9,880)
Fines, forfeitures and penalties	178,500	168,570	(9,930)
Public charges for services	251,150	358,851	107,701
Investment income	40,000	59,545	19,545
Miscellaneous revenues	121,918	204,022	82,104
Total revenues	6,316,511	6,592,757	276,246
Expenditures			
Current:			
General government	1,070,694	1,181,888	(111,194)
Public safety	4,190,251	4,286,353	(96,102)
Public works	647,593	537,182	110,411
Health and human services	9,897	3,750	6,147
Culture, recreation and education	253,299	171,637	81,662
Conservation and development	144,777	297,313	(152,536)
Total expenditures	6,316,511	6,478,123	(161,612)
Excess (deficiency) of revenues over (under) expenditures	-	114,634	114,634
Other Financing Sources (Uses)			
Transfers in	-	54,882	54,882
Transfers out	-	(162,897)	(162,897)
Total other financing sources (uses)	-	(108,015)	(108,015)
Net change in fund balance	\$ -	6,619	\$ 6,619
Fund Balance, Beginning		1,504,083	
Fund Balance, Ending		\$ 1,510,702	

Town of Brookfield

Schedule of Proportionate Share of the Net Pension Liability (Asset) -

Wisconsin Retirement System

Year Ended December 31, 2022

WRS Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/14	0.0264256%	\$ (648,906)	\$ 2,836,523	(22.88%)	102.74%
12/31/15	0.0258326%	419,775	2,833,176	14.82%	98.20%
12/31/16	0.0260061%	214,352	2,933,492	7.31%	99.12%
12/31/17	0.0261038%	(775,052)	2,898,086	(26.74%)	102.93%
12/31/18	0.0275889%	981,527	2,987,673	32.85%	96.45%
12/31/19	0.0280571%	(904,689)	3,180,770	28.44%	102.96%
12/31/20	0.0290085%	(1,811,041)	3,400,578	(53.26%)	105.26%
12/31/21	0.0288711%	(2,327,059)	3,218,869	(72.29%)	106.02%

Schedule of Employer Contributions - Wisconsin Retirement System

Year Ended December 31, 2022

Town's 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	\$ 263,297	\$ 263,297	\$ -	\$ 2,833,176	9.29%
12/31/16	259,833	259,833	-	2,933,492	8.86%
12/31/17	296,382	296,382	-	2,898,086	10.23%
12/31/18	277,691	277,691	-	2,987,673	9.29%
12/31/19	292,238	292,238	-	3,186,574	9.17%
12/31/20	342,666	342,666	-	3,401,299	10.07%
12/31/21	322,575	322,575	-	3,220,875	10.02%
12/31/22	327,591	327,591	-	3,223,451	10.16%

See notes to required supplementary information

Town of Brookfield

Schedule of Proportionate Share of the Net OPEB Liability - Local Retiree Life Insurance Fund Year Ended December 31, 2022

WRS Fiscal Year End Date	Proportion of the Net Pension Asset	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/17	0.105355000%	\$ 316,969	\$ 4,430,479	7.15%	44.81%
12/31/18	0.108550000%	280,096	2,629,000	10.65%	48.69%
12/31/19	0.121897000%	519,061	2,864,000	18.12%	37.58%
12/31/20	0.120559000%	663,162	2,794,000	23.74%	31.36%
12/31/21	0.117078000%	691,974	3,128,000	22.12%	29.57%

Schedule of Employer Contributions - Local Retiree Life Insurance Fund Year Ended December 31, 2022

Town's Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/18	\$ 2,000	\$ 2,000	\$ -	\$ 4,430,479	0.05%
12/31/19	2,091	2,091	-	2,629,000	0.08%
12/31/20	12,708	12,708	-	2,864,000	0.44%
12/31/21	2,363	2,363	-	2,746,349	0.09%
12/31/22	2,373	2,373	-	3,097,973	0.08%

See notes to required supplementary information

Town of Brookfield

Notes to Required Supplementary Information
Year Ended December 31, 2022

Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1.

The budgeted amounts presented are as presented in the original budget and no amendments were adopted during the year. The Town may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds action.

Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the function level of expenditure.

Wisconsin Retirement System

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

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

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

Changes in assumptions. Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

Town of Brookfield

Notes to Required Supplementary Information
December 31, 2022

Local Retiree Life Insurance Fund

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

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

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

Changes in assumptions. In addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

SUPPLEMENTARY INFORMATION

Town of Brookfield

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022

	<u>Special Revenue Funds</u>		
	<u>Ambulance Grant</u>	<u>Park Dedication</u>	<u>Debt Service</u>
Assets			
Cash and investments	\$ 60,562	\$ 1,513	\$ 40,287
Receivables:			
Taxes	-	-	-
Customer accounts receivable	-	-	-
Due from other funds	-	-	253,649
	<u>-</u>	<u>-</u>	<u>253,649</u>
Total assets	<u>\$ 60,562</u>	<u>\$ 1,513</u>	<u>\$ 293,936</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	251,071
	<u>-</u>	<u>-</u>	<u>251,071</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>251,071</u>
Deferred Inflows of Resources			
Unearned revenues	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)			
Restricted	60,562	1,513	42,865
Committed	-	-	-
Unassigned (deficit)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>60,562</u>	<u>1,513</u>	<u>42,865</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 60,562</u>	<u>\$ 1,513</u>	<u>\$ 293,936</u>

Capital Projects Funds					
Capital Improvement	Fire Department Capital Equipment	General Government Capital Improvement	Police Department Capital Equipment	Capital Equipment	Total Nonmajor Governmental Funds
\$ 116,554	\$ 48,359	\$ 71,278	\$ -	\$ 257,213	\$ 595,766
176,651	16,000	5,000	52,700	120,500	370,851
19,500	-	-	-	-	19,500
-	-	-	-	-	253,649
<u>\$ 312,705</u>	<u>\$ 64,359</u>	<u>\$ 76,278</u>	<u>\$ 52,700</u>	<u>\$ 377,713</u>	<u>\$ 1,239,766</u>
\$ 16,054	\$ -	\$ -	\$ -	\$ -	\$ 16,054
-	-	-	7,258	-	258,329
16,054	-	-	7,258	-	274,383
176,651	16,000	5,000	52,700	120,500	370,851
-	-	-	-	-	104,940
120,001	48,359	71,278	-	257,213	496,851
-	-	-	(7,258)	-	(7,258)
120,001	48,359	71,278	(7,258)	257,213	594,533
<u>\$ 312,706</u>	<u>\$ 64,359</u>	<u>\$ 76,278</u>	<u>\$ 52,700</u>	<u>\$ 377,713</u>	<u>\$ 1,239,767</u>

Town of Brookfield

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2022

	<u>Special Revenue Funds</u>		
	<u>Ambulance Grant</u>	<u>Park Dedication</u>	<u>Debt Service</u>
Revenues			
Taxes	\$ -	\$ -	\$ 40,200
Intergovernmental	23,833	-	-
Total revenues	<u>23,833</u>	<u>-</u>	<u>40,200</u>
Expenditures			
Current:			
Capital outlay	-	-	-
Debt service:			
Principal	-	-	41,859
Interest and fiscal charges	-	-	3,919
Total expenditures	<u>-</u>	<u>-</u>	<u>45,778</u>
Excess (deficiency) of revenues over expenditures	<u>23,833</u>	<u>-</u>	<u>(5,578)</u>
Other Financing Sources (Uses)			
Transfers in	-	-	40,287
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>40,287</u>
Net change in fund balances	23,833	-	34,709
Fund Balances, Beginning	<u>36,729</u>	<u>1,513</u>	<u>8,156</u>
Fund Balances, Ending	<u>\$ 60,562</u>	<u>\$ 1,513</u>	<u>\$ 42,865</u>

Capital Projects Funds					
Capital Improvement	Fire Department Capital Equipment	General Government Capital Improvement	Police Department Capital Equipment	Capital Equipment	Total Nonmajor Governmental Funds
\$ 263,406	\$ 54,600	\$ 5,000	\$ 5,000	\$ 140,500	\$ 508,706
19,500	-	-	-	-	43,333
<u>282,906</u>	<u>54,600</u>	<u>5,000</u>	<u>5,000</u>	<u>140,500</u>	<u>552,039</u>
496,171	49,237	-	30,025	102,385	677,818
-	-	-	-	-	41,859
-	-	-	-	-	3,919
<u>496,171</u>	<u>49,237</u>	<u>-</u>	<u>30,025</u>	<u>102,385</u>	<u>723,596</u>
<u>(213,265)</u>	<u>5,363</u>	<u>5,000</u>	<u>(25,025)</u>	<u>38,115</u>	<u>(171,557)</u>
122,610	-	-	17,767	-	180,664
-	(8,225)	(9,542)	-	-	(17,767)
<u>122,610</u>	<u>(8,225)</u>	<u>(9,542)</u>	<u>17,767</u>	<u>-</u>	<u>162,897</u>
(90,655)	(2,862)	(4,542)	(7,258)	38,115	(8,660)
<u>210,656</u>	<u>51,221</u>	<u>75,820</u>	<u>-</u>	<u>219,098</u>	<u>603,193</u>
<u>\$ 120,001</u>	<u>\$ 48,359</u>	<u>\$ 71,278</u>	<u>\$ (7,258)</u>	<u>\$ 257,213</u>	<u>\$ 594,533</u>

Town of Brookfield

Statement of Cash Flows

Component Unit

Year Ended December 31, 2022

Community Development Authority

Cash Flows From Operating Activities

Paid to suppliers for goods and services

\$ (12,362)

Cash Flows From Investing Activities

Investment income

33,983

Cash Flows From Noncapital Financing Activities

Contribution of TID No. 1 increment

2,329,842

Cash Flows From Capital and Related Financing Activities

Debt retired

(1,415,000)

Interest paid

(902,480)

Net cash flows from capital and related financing activities

(2,317,480)

Net change in cash and cash equivalents

33,983

Cash and Cash Equivalents, Beginning

2,683,151

Cash and Cash Equivalents, Ending

\$ 2,717,134

Reconciliation of Operating Loss to Net Cash Flows From Operating Activities

Operating loss

\$ (2,119,901)

Adjustments to reconcile operating loss to net cash flows from operating activities:

Depreciation

2,107,039

Changes in assets and liabilities:

Accounts payable

500

Net cash flows from operating activities

\$ (12,362)

Reconciliation of Cash and Cash Equivalents to the Statement of Net Position

Cash and investments - statement of net position

\$ 2,717,134

Noncash Capital and Related Financing Activities

None

FORM OF LEGAL OPINION

(See following pages)

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

December 21, 2023

Re: Town of Brookfield, Wisconsin ("Issuer")
\$2,000,000 General Obligation Promissory Notes, Series 2023A,
dated December 21, 2023 ("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>
2024	\$165,000	____%
2025	165,000	____
2026	175,000	____
2027	185,000	____
2028	190,000	____
2029	200,000	____
2030	215,000	____
2031	225,000	____
2032	235,000	____
2033	245,000	____

Interest is payable semi-annually on June 1 and December 1 of each year commencing on June 1, 2024.

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 Town 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 Town 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 Town, 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 Town 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 Town 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 Town 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 Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Town of Brookfield, Waukesha County, Wisconsin (the "Issuer") in connection with the issuance of \$2,000,000 General Obligation Promissory Notes, Series 2023A, dated December 21, 2023 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on October 17, 2023, as supplemented by an Approving Certificate, dated December 6, 2023 (collectively, the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

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

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

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

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

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

"Final Official Statement" means the Final Official Statement dated December 6, 2023 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 Town Board of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means the Town of Brookfield, Waukesha County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Town Administrator/Treasurer/Interim Town Clerk of the Issuer who can be contacted at 645 North Janacek Road, Brookfield, Wisconsin 53045, phone (262) 796-3788, fax (262) 796-0339.

"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, 2023, 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 21st day of December, 2023.

(SEAL)

Keith Henderson
Chairperson

Tom Hagie
Administrator/Treasurer/Interim Town Clerk

APPENDIX E

NOTICE OF SALE

\$2,000,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2023A TOWN OF BROOKFIELD, WISCONSIN

Bids for the purchase of \$2,000,000* General Obligation Promissory Notes, Series 2023A (the "Notes") of the Town of Brookfield, Wisconsin (the "Town") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the Town, until 9:30 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 9:30 A.M. Central Time, on December 6, 2023, at which time they will be opened, read and tabulated. **The Town Board adopted a resolution on October 17, 2023 (the "Parameters Resolution") which authorized the Town Administrator or the Town Chairperson to accept a bid for the Notes if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on December 6, 2023, neither the Town Administrator nor the Town Chairperson will have the authority to accept a bid for the Notes, and all bids for the Notes will be rejected.**

AUTHORITY; PURPOSE; SECURITY

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the Town, for public purposes, including financing sewer improvements on behalf of Brookfield Sanitary District #4. The Notes are general obligations of the Town, and all the taxable property in the Town 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 December 21, 2023, 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>
2024	\$165,000	2028	\$190,000	2032	\$235,000
2025	165,000	2029	200,000	2033	245,000
2026	175,000	2030	215,000		
2027	185,000	2031	225,000		

ADJUSTMENT OPTION

The Town reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of \$5,000 each, up to a maximum of \$100,000 per maturity. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BOND OPTION

Bids for the 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, 2024, 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 Town has selected Bond Trust Services Corporation, Roseville, Minnesota ("BTSC"), to act as paying agent (the "Paying Agent"). BTSC and Ehlers are affiliate companies. The Town will pay the charges for Paying Agent services. The Town reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the Town, 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 Town. If only part of the Notes having a common maturity date are called for redemption, then the Town 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 December 21, 2023, the Notes will be delivered without cost to the winning bidder at DTC. On the day of closing, the Town 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 Town, threatened. Payment for the Notes must be received by the Town at its designated depository on the date of closing in immediately available funds.

LEGAL MATTERS

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 Town ("Bond Counsel"), 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 Town; 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). (See "FORM OF LEGAL OPINION" found in Appendix B of the Preliminary Official Statement).

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

SUBMISSION OF BIDS

Bids must not be for less than \$1,980,000, nor more than \$2,120,000, plus accrued interest on the principal sum of \$2,000,000 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 9:30 A.M. Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact IHS Markit (now part of S&P Global) at <https://ihsmarkit.com/products/municipal-issuance.html> or via telephone (844) 301-7334.

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 Town nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit ("Deposit") in the amount of \$40,000 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The Town 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 Town 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 Town as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

The Town 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 Town 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 Town'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 Town reserves the right to reject any and all bids and to waive any informality in any bid. **The Notes will not be awarded if the TIC (taking the purchaser's compensation into account) exceeds 5.25% or if the other conditions set forth in the Parameters Resolution are not satisfied.**

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 Town requested and received a rating on the Notes from a rating agency, the Town will pay that rating fee. Any rating agency fees not requested by the Town 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 Town 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.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Notes shall be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CONTINUING DISCLOSURE

In order to assist the Underwriter (Syndicate Manager) in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the Town 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 Town in establishing the issue price of the Notes and shall execute and deliver to the Town 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 Town under this Notice of Sale to establish the issue price of the Notes may be taken on behalf of the Town by the Town's municipal advisor identified herein and any notice or report to be provided to the Town may be provided to the Town's municipal advisor.

(b) The Town 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 Town 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 Town 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 Town 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 Town 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 Town 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 Town 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 Town 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 Town 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 Town, 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 Town 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 Town 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 Town (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 Town 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 Underwriter (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 Town Board

Tom Hagie, Administrator/Treasurer/Interim Town Clerk
Town of Brookfield, Wisconsin

BID FORM

December 6, 2023

Town of Brookfield, Wisconsin (the "Town")

RE: \$2,000,000* General Obligation Promissory Notes, Series 2023A (the "Notes")

DATED: December 21, 2023

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 \$1,980,000, nor more than \$2,120,000) plus accrued interest to date of delivery for fully registered Notes bearing interest rates and maturing in the stated years as follows:

_____ % due	2024	_____ % due	2028	_____ % due	2032
_____ % due	2025	_____ % due	2029	_____ % due	2033
_____ % due	2026	_____ % due	2030		
_____ % due	2027	_____ % due	2031		

The Town reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of \$5,000 each, up to a maximum of \$100,000 per maturity. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

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 \$40,000 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The Town 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 Town 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 Town 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 December 21, 2023.

This bid is subject to the Town'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 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 Underwriter (Syndicate Manager), we agree to provide the Town 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 December 21, 2023 of the above bid is \$_____ and the true interest cost (TIC) is ____%.

The foregoing offer is hereby accepted by and on behalf of the Town of Brookfield, Wisconsin, on December 6, 2023.

By: _____
Title: _____