

PRELIMINARY OFFICIAL STATEMENT DATED JULY 14, 2025

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). 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.

CITY OF BEAVER DAM, WISCONSIN (Dodge County)

\$4,970,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2025A

BID OPENING: July 21, 2025, 10:30 A.M., C.T.

CONSIDERATION: July 21, 2025, 7:30 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$4,970,000* General Obligation Promissory Notes, Series 2025A (the "Notes") are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the City of Beaver Dam, Wisconsin (the "City"), for public purposes, including paying the cost of street improvements, water utility improvements and wastewater utility improvements included in the City's capital improvement plan. The Notes are general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF NOTES: August 6, 2025

MATURITY: March 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2027	\$200,000	2034	\$255,000	2041	\$295,000
2028	200,000	2035	265,000	2042	305,000
2029	210,000	2036	240,000	2043	325,000
2030	220,000	2037	245,000	2044	340,000
2031	230,000	2038	255,000	2045	355,000
2032	240,000	2039	270,000		
2033	240,000	2040	280,000		

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

TERM BONDS: See "Term Bond Option" herein.

INTEREST: March 1, 2026 and semiannually thereafter.

OPTIONAL REDEMPTION: Notes maturing on March 1, 2035 and thereafter are subject to call for prior optional redemption on March 1, 2034 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

MINIMUM BID: \$4,907,875.

MAXIMUM BID: \$5,317,900.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$99,400 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: City officials or a bank or trust company to be designated by the City.

BOND COUNSEL: Quarles & Brady LLP.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

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



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

REPRESENTATIONS

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

This Preliminary Official Statement is not to be construed as a contract with the 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 Preliminary Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete. Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the delivery of the 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 Preliminary Official Statement was prepared for the City for dissemination to potential investors. Its primary purpose is to disclose information regarding the Notes to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

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

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

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

CLOSING CERTIFICATES

Upon delivery of the 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 Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Notes; (3) a certificate evidencing the due execution of the Notes, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Notes, (b) neither the corporate existence or boundaries of the City nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Notes have been repealed, revoked or rescinded; (4) a certificate setting forth facts and expectations of the City which indicates that the City does not expect to use the proceeds of the Notes in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

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CITY OF BEAVER DAM COMMON COUNCIL

		<u>Term Expires</u>
Bobbi Marck	Mayor	April 2026
Ken Anderson	Aldersperson	April 2026
Joseph Bonnett	Aldersperson	April 2026
Kevin Burnett	Aldersperson	April 2027
Frank Ferree	Aldersperson	April 2027
Mick Fischer	Aldersperson	April 2027
Elwood Flaherty	Aldersperson	April 2026
Chris Ganske	Aldersperson	April 2027
Jennifer Hiley	Aldersperson	April 2026
Monica Keel	Aldersperson	April 2027
Cris Olson	Aldersperson	April 2026
Andrew Perkins	Aldersperson	April 2026
Nancy Wild	Aldersperson	April 2027
Jack Yuds	Aldersperson	April 2027
Zach Zopp	Aldersperson	April 2026

ADMINISTRATION

Kayla Larson, Finance Manager

Vacant, City Administrator¹

Tracey Ferron, City Clerk

PROFESSIONAL SERVICES

Larry Konopacki, Stafford Law, City Attorney, Madison, Wisconsin

Quarles & Brady LLP, Bond Counsel, Milwaukee, Wisconsin

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

¹ The City Administrator position is currently being filled on a temporary basis. The permanent position was officially posted on July 1, 2025.

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of Beaver Dam, Wisconsin (the "City") and the issuance of its \$4,970,000* General Obligation Promissory Notes, Series 2025A (the "Notes"). Any descriptions or summaries of the Notes, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Notes to be included in the resolution authorizing the issuance and sale of the Notes ("Authorizing Resolution") to be adopted by the Common Council on July 21, 2025.

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

THE 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 August 6, 2025. The Notes will mature on March 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on March 1 and September 1 of each year, commencing March 1, 2026, 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 Authorizing Resolution.

The City will select City officials or a bank or trust company to act as paying agent (the "Paying Agent"). The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, the Notes maturing on or after March 1, 2035 shall be subject to optional redemption prior to maturity on March 1, 2034 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

*Preliminary, subject to change.

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

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

AUTHORITY; PURPOSE

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the City, for public purposes, including paying the cost of street improvements, water utility improvements and wastewater utility improvements included in the City's capital improvement plan.

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Notes	\$4,970,000	
Estimated Interest Earnings	<u>28,334</u>	
Total Sources		\$4,998,334
Uses		
Estimated Underwriter's Discount	\$62,125	
Cost of Issuance	76,450	
Deposit to Project Construction Fund	4,857,250	
Rounding Amount	<u>2,509</u>	
Total Uses		\$4,998,334

*Preliminary, subject to change.

SECURITY

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

RATING

General obligation debt of the City is currently rated "A1" by Moody's Investors Service, Inc. (Moody's"). The City has requested a rating on the Notes from Moody's, and bidders will be notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from Moody's.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Notes.

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

CONTINUING DISCLOSURE

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Notes, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the City shall agree to provide certain information to the Municipal Securities Rulemaking Board (MSRB) through its Electronic Municipal Market Access (EMMA) system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events. 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 City shall execute and deliver a Continuing Disclosure Certificate, under which the City will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the City are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the City to comply with 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 City believes it has not failed to comply in all material respects with its prior undertakings under the Rule. Ehlers is currently engaged as dissemination agent for the City.

LEGAL OPINION

An opinion as to the validity of the Notes and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City ("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 City; provided that the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding).

STATEMENT REGARDING COUNSEL PARTICIPATION

Bond Counsel has not assumed responsibility for the Preliminary Official Statement or participated in its preparation (except with respect to the section entitled "TAX EXEMPTION" in the Preliminary Official Statement and the "FORM OF LEGAL OPINION" found in Appendix B).

TAX EXEMPTION

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

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

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

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

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

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

MUNICIPAL ADVISOR AFFILIATED COMPANIES

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

INDEPENDENT AUDITORS

The basic financial statements of the City for the fiscal year ended December 31, 2023 have been audited by Wipfli LLP, Madison, Wisconsin, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Preliminary Official Statement.

RISK FACTORS

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.

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

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

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

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

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

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

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

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

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

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

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

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

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

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

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

Assessed Value

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

CURRENT PROPERTY VALUATIONS

2024 Equalized Value	\$1,759,956,100
2024 Equalized Value Reduced by Tax Increment Valuation	\$1,680,392,200
2024 Assessed Value	\$1,741,069,400

2024 EQUALIZED VALUE BY CLASSIFICATION

	2024 Equalized Value ¹	Percent of Total Equalized Value
Residential	\$1,080,637,700	61.401%
Commercial	566,259,300	32.175%
Manufacturing	112,903,300	6.415%
Agricultural	118,300	0.007%
Undeveloped	28,500	0.002%
Ag Forest	9,000	0.001%
Personal Property ²	<u>0</u>	<u>0.000%</u>
Total	<u><u>\$1,759,956,100</u></u>	<u><u>100.000%</u></u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value ¹	Percent Increase/Decrease in Equalized Value
2020	\$1,259,944,315	\$1,305,728,100	5.83%
2021	1,340,384,647	1,390,271,700	6.47%
2022	1,473,508,900	1,562,336,300	12.38%
2023	1,647,811,300	1,716,575,000	9.87%
2024	1,741,069,400	1,759,956,100	2.53%

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

¹ Includes tax increment valuation.

² Personal property has been exempted from taxation as of January 1, 2024 (see "TAX LEVIES AND COLLECTIONS" herein).

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2024 Equalized Value ¹	Percent of City's Total Equalized Value
Wal-Mart	Distribution Center/Retail	\$43,308,051	2.46%
Spirit Realty LP (Vintage Parts)	Parts Warehousing/Distribution	35,422,226	2.01%
Metalcraft of Mayville Inc.	Manufacturing	23,718,429	1.35%
Conagra (Birds Eye Foods) ²	Food Processing & Packing	23,336,329	1.33%
Beaver Dam Comm Hospital	Health Care	21,723,117	1.23%
Mayville Engineering (MEC)	Manufacturing	20,159,437	1.15%
Beaver Dam Cold Storage	Frozen Food Storage/Distribution	18,677,130	1.06%
SSM Health Care of Wisconsin	Health Care	16,235,225	0.92%
Spring Lake Apts LLC	Housing	14,605,637	0.83%
Northwoods Commercial Properties	Paper Conversion	12,195,877	0.69%
Total		\$229,381,459	13.03%
City's Total 2024 Equalized Value ³		\$1,759,956,100	

Source: The City.

DEBT

DIRECT DEBT⁴

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Notes)*	<u><u>\$51,020,000</u></u>
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Revenue Debt (see schedules following)

Total revenue debt secured by sewer revenues	<u><u>\$7,057,804</u></u>
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Total revenue debt secured by water revenues	<u><u>\$2,479,174</u></u>
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*Preliminary, subject to change.

¹ Calculated by dividing the 2024 Assessed Values by the 2024 Aggregate Ratio of assessment for the City.

² ConAgra Brands submitted a Worker Adjustment and Retraining Notification (WARN) letter to the Wisconsin Department of Workforce Development announcing it's intentions of closing the facility. Production with cease on or around June 10, 2024 and warehouse operations will cease on or around January 3, 2025.

³ Includes tax increment valuation.

⁴ Outstanding debt is as of the dated date of the Notes.

Lease Obligations

Issue Date	Original Amount	Name of Issue	Final Maturity	Amount Outstanding
12/20/22	\$186,446	2023 Elgin Pelican Sweeper	04/01/2028	\$97,768

DEBT PAYMENT HISTORY

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

FUTURE FINANCING

The City expects to issue an approximately \$2,000,000 State Trust Fund Loan for Tax Incremental District No.7 in the next 12 months. Aside from the preceding, the City 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	\$1,759,956,100
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit ¹	\$87,997,805
Less: General Obligation Debt*	<u>(51,020,000)</u>
Unused Debt Limit*	<u><u>\$36,977,805</u></u>

*Preliminary, subject to change.

¹ The City has a debt policy which limits general obligation debt to 65% of the Statutory Limit.

City of Beaver Dam, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 08/06/2025)

	Promissory Notes Series 2016A		Promissory Notes Series 2017A		Promissory Notes Series 2018A		Promissory Notes Series 2019A		Promissory Notes Series 2019B	
Dated	07/19/2016		07/27/2017		07/26/2018		04/24/2019		04/24/2019	
Amount	\$4,805,000		\$2,075,000		\$3,710,000		\$4,170,000		\$2,155,000	
Maturity	09/01		09/01		09/01		04/01		04/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	390,000	3,900	300,000	7,031	425,000	23,058	0	34,875	0	21,375
2026			325,000	7,313	550,000	33,365	440,000	63,150	180,000	40,050
2027					640,000	18,240	505,000	48,975	255,000	33,525
2028							730,000	30,450	490,000	22,350
2029							650,000	9,750	500,000	7,500
2030										
2031										
2032										
2033										
2034										
2035										
2036										
2037										
2038										
2039										
2040										
2041										
2042										
2043										
2044										
2045										
	390,000	3,900	625,000	14,344	1,615,000	74,663	2,325,000	187,200	1,425,000	124,800

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City of Beaver Dam, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 08/06/2025)

	Promissory Notes Series 2020A		Refunding Bonds Series 2020C		Promissory Notes Series 2021A		Refunding Bonds Series 2022A		Promissory Notes Series 2023A	
Dated	08/05/2020		09/22/2020		04/28/2021		04/28/2022		05/17/2023	
Amount	\$6,120,000		\$3,940,000		\$7,850,000		\$15,180,000		\$3,355,000	
Maturity	03/01		11/01		03/01		03/01		03/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	0	26,725	420,000	18,175	0	46,178	0	268,734	0	58,700
2026	635,000	47,100	440,000	27,950	770,000	80,805	650,000	521,219	315,000	109,525
2027	665,000	34,100	430,000	19,150	805,000	61,205	650,000	488,719	305,000	94,025
2028	670,000	20,750	420,000	10,550	880,000	44,355	775,000	453,094	300,000	78,900
2029	700,000	10,550	400,000	6,350	860,000	30,610	775,000	414,344	300,000	63,900
2030	705,000	3,525	235,000	2,350	935,000	19,588	845,000	373,844	300,000	48,900
2031					965,000	6,755	1,245,000	321,594	300,000	33,900
2032							1,550,000	259,469	330,000	19,800
2033							1,000,000	212,219	330,000	6,600
2034							855,000	182,609		
2035							825,000	155,844		
2036							800,000	129,438		
2037							750,000	104,250		
2038							675,000	80,672		
2039							575,000	59,578		
2040							525,000	40,688		
2041							475,000	23,188		
2042							425,000	7,438		
2043										
2044										
2045										
	3,375,000	142,750	2,345,000	84,525	5,215,000	289,495	13,395,000	4,096,938	2,480,000	514,250

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City of Beaver Dam, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 08/06/2025)

	Promissory Notes Series 2024A		State Trust Fund Loan		Promissory Notes Series 2025A							
Dated	07/02/2024		11/22/2024		08/06/2025							
Amount	\$11,010,000		\$2,620,000		\$4,970,000*							
Maturity	03/01		03/15		03/01							
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2025	0	236,825	0	0	0	0	1,535,000	745,576	2,280,576	49,485,000	3.01%	2025
2026	430,000	462,900	578,254	171,556	0	224,603	5,313,254	1,789,536	7,102,790	44,171,746	13.42%	2026
2027	395,000	442,275	647,723	102,087	200,000	206,349	5,497,723	1,548,650	7,046,372	38,674,023	24.20%	2027
2028	420,000	421,900	679,918	69,892	200,000	199,009	5,564,918	1,351,249	6,916,167	33,109,105	35.11%	2028
2029	455,000	400,025	714,105	35,705	210,000	191,454	5,564,105	1,170,188	6,734,292	27,545,000	46.01%	2029
2030	465,000	377,025			220,000	183,444	3,705,000	1,008,675	4,713,675	23,840,000	53.27%	2030
2031	530,000	352,150			230,000	174,949	3,270,000	889,347	4,159,347	20,570,000	59.68%	2031
2032	570,000	324,650			240,000	165,959	2,690,000	769,877	3,459,877	17,880,000	64.95%	2032
2033	600,000	295,400			240,000	156,659	2,170,000	670,877	2,840,877	15,710,000	69.21%	2033
2034	635,000	264,525			255,000	146,879	1,745,000	594,013	2,339,013	13,965,000	72.63%	2034
2035	605,000	233,525			265,000	136,346	1,695,000	525,715	2,220,715	12,270,000	75.95%	2035
2036	635,000	202,525			240,000	125,694	1,675,000	457,656	2,132,656	10,595,000	79.23%	2036
2037	665,000	170,025			245,000	115,145	1,660,000	389,420	2,049,420	8,935,000	82.49%	2037
2038	495,000	143,500			255,000	104,270	1,425,000	328,442	1,753,442	7,510,000	85.28%	2038
2039	510,000	123,400			270,000	92,851	1,355,000	275,829	1,630,829	6,155,000	87.94%	2039
2040	520,000	102,800			280,000	80,679	1,325,000	224,166	1,549,166	4,830,000	90.53%	2040
2041	540,000	81,600			295,000	67,741	1,310,000	172,529	1,482,529	3,520,000	93.10%	2041
2042	565,000	59,500			305,000	54,165	1,295,000	121,102	1,416,102	2,225,000	95.64%	2042
2043	590,000	36,400			325,000	39,702	915,000	76,102	991,102	1,310,000	97.43%	2043
2044	615,000	12,300			340,000	24,308	955,000	36,608	991,608	355,000	99.30%	2044
2045					355,000	8,218	355,000	8,218	363,218	0	100.00%	2045
	10,240,000	4,743,250	2,620,000	379,241	4,970,000	2,498,418	51,020,000	13,153,773	64,173,773			

* Preliminary, subject to change.

City of Beaver Dam, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Sewer Revenues
(As of 08/06/2025)

Sewer Revenue Bonds (CWFL)			Sewer Revenue Bonds (CWFL) Series 2021		Sewer Revenue Bonds Series 2021B		Sewer Revenue Bonds Series 2023		Sewer Revenue Bonds (CWF 1) Series 2024							
Dated Amount	12/23/2009 \$10,317,086		04/14/2021 \$1,089,544		08/12/2021 \$1,145,000		09/27/2023 \$2,547,521		09/25/2024 \$616,532							
Maturity	05/01		05/01		05/01		05/01		05/01							
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2025	0	36,449	0	5,990	0	5,325	0	23,828	0	7,001	0	78,593	78,593	7,057,804	.00%	2025
2026	656,346	64,143	48,410	11,620	115,000	10,075	102,432	46,557	25,044	13,706	947,232	146,101	1,093,333	6,110,572	13.42%	2026
2027	673,858	46,398	49,129	10,896	115,000	8,925	104,629	44,336	25,636	13,107	968,252	123,662	1,091,914	5,142,320	27.14%	2027
2028	691,836	28,180	49,859	10,161	115,000	7,775	106,873	42,068	26,242	12,493	989,810	100,677	1,090,487	4,152,509	41.16%	2028
2029	710,294	9,475	50,599	9,415	120,000	6,000	109,166	39,750	26,863	11,866	1,016,922	76,507	1,093,429	3,135,587	55.57%	2029
2030			51,350	8,658	120,000	3,600	111,507	37,384	27,498	11,223	310,356	60,865	371,221	2,825,231	59.97%	2030
2031			52,113	7,890	120,000	1,200	113,899	34,966	28,149	10,565	314,161	54,621	368,782	2,511,070	64.42%	2031
2032			52,887	7,110			116,342	32,497	28,814	9,891	198,044	49,498	247,542	2,313,027	67.23%	2032
2033			53,672	6,319			118,838	29,975	29,496	9,202	202,006	45,495	247,501	2,111,021	70.09%	2033
2034			54,469	5,516			121,387	27,398	30,193	8,496	206,050	41,410	247,460	1,904,971	73.01%	2034
2035			55,278	4,701			123,991	24,767	30,907	7,773	210,176	37,241	247,417	1,694,795	75.99%	2035
2036			56,099	3,874			126,650	22,078	31,638	7,034	214,388	32,986	247,374	1,480,407	79.02%	2036
2037			56,932	3,035			129,367	19,333	32,387	6,277	218,686	28,644	247,330	1,261,721	82.12%	2037
2038			57,777	2,183			132,142	16,528	33,153	5,502	223,072	24,213	247,285	1,038,649	85.28%	2038
2039			58,635	1,319			134,976	13,663	33,937	4,708	227,549	19,690	247,239	811,101	88.51%	2039
2040			59,506	442			137,872	10,737	34,739	3,896	232,117	15,075	247,192	578,984	91.80%	2040
2041							140,829	7,748	35,561	3,065	176,390	10,813	187,202	402,594	94.30%	2041
2042							143,850	4,695	36,402	2,214	180,252	6,908	187,160	222,342	96.85%	2042
2043							146,935	1,576	37,263	1,343	184,198	2,919	187,117	38,144	99.46%	2043
2044									38,144	451	38,144	451	38,595	0	100.00%	2044
	2,732,334	184,646	806,716	99,132	705,000	42,900	2,221,686	479,881	592,067	149,811	7,057,804	956,369	8,014,173			

1) Pursuant to the Wisconsin Capital Finance Office, Project No. 4377-12, the amount of disbursements as of June 23, 2025 is \$36,894.07.

City of Beaver Dam, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Water Revenues
(As of 08/06/2025)

Water Revenue Bonds Series 2023			Water Revenue Bonds (SDWF) 1) Series 2024							
Dated	09/27/2023		09/25/2024							
Amount	\$2,025,464		\$742,224							
Maturity	05/01		05/01							
Calendar Year Ending	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2025	0	18,945	0	8,429	0	27,373	27,373	2,479,174	.00%	2025
2026	81,441	37,016	30,149	16,501	111,590	53,516	165,107	2,367,583	4.50%	2026
2027	83,188	35,250	30,863	15,779	114,050	51,029	165,080	2,253,533	9.10%	2027
2028	84,972	33,447	31,592	15,041	116,565	48,487	165,052	2,136,969	13.80%	2028
2029	86,795	31,605	32,340	14,285	119,134	45,889	165,023	2,017,834	18.61%	2029
2030	88,657	29,723	33,104	13,511	121,761	43,233	164,994	1,896,073	23.52%	2030
2031	90,558	27,801	33,887	12,718	124,446	40,519	164,965	1,771,628	28.54%	2031
2032	92,501	25,837	34,689	11,908	127,189	37,745	164,934	1,644,438	33.67%	2032
2033	94,485	23,832	35,509	11,077	129,994	34,909	164,903	1,514,444	38.91%	2033
2034	96,512	21,784	36,349	10,228	132,860	32,011	164,872	1,381,584	44.27%	2034
2035	98,582	19,691	37,209	9,358	135,790	29,049	164,839	1,245,794	49.75%	2035
2036	100,696	17,554	38,089	8,468	138,785	26,021	164,806	1,107,009	55.35%	2036
2037	102,856	15,371	38,989	7,556	141,846	22,927	164,773	965,163	61.07%	2037
2038	105,062	13,141	39,911	6,623	144,974	19,764	164,738	820,189	66.92%	2038
2039	107,316	10,863	40,855	5,668	148,171	16,531	164,703	672,018	72.89%	2039
2040	109,618	8,537	41,822	4,690	151,440	13,227	164,666	520,578	79.00%	2040
2041	111,969	6,160	42,811	3,690	154,780	9,850	164,630	365,798	85.25%	2041
2042	114,371	3,733	43,823	2,665	158,194	6,398	164,592	207,604	91.63%	2042
2043	116,824	1,253	44,860	1,616	161,684	2,869	164,553	45,920	98.15%	2043
2044			45,920	543	45,920	543	46,463	0	100.00%	2044
	1,766,403	381,541	712,771	180,352	2,479,174	561,893	3,041,067			

1) Pursuant to the Wisconsin Capital Finance Office, Project No. 4764-10, the amount of disbursements as of June 23, 2024 is \$468,895.36.

OVERLAPPING DEBT¹

Taxing District	2024 Equalized Value ²	% In City	Total G.O. Debt ³	City's Proportionate Share
Dodge County	\$10,772,734,800	16.3371%	\$16,995,000	\$2,776,490
Beaver Dam Unified School District	2,706,116,976	65.0362%	62,430,000	40,602,100
Moraine Park Technical College District	44,738,181,521	3.9339%	61,055,000	<u>2,401,843</u>
City's Share of Total Overlapping Debt				<u><u>\$45,780,432</u></u>

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$1,759,956,100	Debt/ Per Capita 16,587 ⁴
Total General Obligation Debt*	\$51,020,000	2.90%	\$3,075.90
City's Share of Total Overlapping Debt	<u>45,780,432</u>	<u>2.60%</u>	<u>2,760.02</u>
Total*	\$96,800,432	5.50%	\$5,835.92

*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, Wisconsin Department of Revenue, Wisconsin Department of Public Instruction and the Municipal Advisor's records.

⁴ Estimated 2024 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Levy for City Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2020/21	\$11,267,647	100%	\$9.46
2021/22	12,407,491	100%	9.26
2022/23	13,335,333	100%	8.90
2023/24	15,034,313	100%	9.12
2024/25	13,370,894	In Progress	7.96

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.

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. Previously, personal property taxes were required to be paid to the town, city or village treasurer in full by January 31. Uncollected personal property taxes owed by an entity that had ceased operations or filed a petition for bankruptcy, or were due on personal property that had been removed from the next assessment roll were formerly 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
2020/21	\$9.59	\$4.96	\$9.46	\$24.01
2021/22	8.83	4.60	9.26	22.69
2022/23	8.24	4.07	8.90	21.21
2023/24	7.67	3.64	9.12	20.43
2024/25	7.44	3.39	7.96	18.79

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%.

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

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

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other adjustments to and exclusions from the tax levy limit. Among the exclusions, Section 66.0602(3)(e)5. of the Wisconsin Statutes provides that the levy limit does not apply to "the amount that a political subdivision levies in that year to make up any revenue shortfall for the debt service on a revenue bond issued under Section 66.0621 by that political subdivision." Recent positions taken by 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 City. One such program is commonly known as shared revenue which, pursuant to sec. 79.036, Wis. Stats., provides funding to the City that can be used for any public purpose. Chapter 79, Wis. Stats. includes other revenue sharing programs, which each have their own requirements. 2023 Wisconsin Act 12 ("Act 12") created a supplement to shared revenue, with payments to the City beginning in 2024. This supplemental shared revenue may be used only for the purposes specified in section 79.037, Wis. Stats. In 2024, the City received approximately \$2,511,000 in shared revenue under Chapter 79, Wis. Stats., an increase from the approximately \$2,026,000 received in 2023. The City is

expected to receive approximately \$2,556,000 in shared revenue under Chapter 79, Wis. Stats. in 2025. In future years, the amount of supplemental shared revenue could grow if State sales tax collections grow.

THE ISSUER

CITY GOVERNMENT

The City was incorporated in 1856 and is governed by a Mayor and a 14-member Common Council. All Council Members are elected to two-year terms. The appointed City Finance Manager and City Clerk are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The City employs a staff of 114 full-time, 43 part-time, and 89 seasonal employees. All eligible employees in the City are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The WRS is a cost-sharing multiple-employer defined benefit pension plan. The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

City employees are generally required to contribute half of the actuarially determined contributions, and the City generally may not pay the employees' required contribution. During the fiscal year ended December 31, 2021, the fiscal year ended December 31, 2022 and the fiscal year ended December 31, 2023 ("Fiscal Year 2023"), the City's portion of contributions to WRS (not including any employee contributions) totaled \$883,517, \$922,610, and \$1,056,881, respectively.

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

As of December 31, 2022, the total pension liability of the WRS was calculated as \$123.7 billion and the fiduciary net position of the WRS was calculated as \$118.4 billion, resulting in a net pension liability of \$5.3 billion. As of December 31, 2023, the total pension liability of the WRS was calculated as \$129.2 billion and the fiduciary net position of the WRS was calculated as \$127.7 billion, resulting in a net pension liability of \$1.5 billion. Accordingly, the City will report a liability for its proportionate share of the net pension liability of the WRS in its audited financial statements for the year ended December 31, 2024.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2023, the City reported a liability of \$4,062,896 for its proportionate share of the net pension liability of the WRS. The net pension

liability was measured as of December 31, 2022 based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. The City's proportion was 0.07669165% of the aggregate WRS net pension liability as of December 31, 2022.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of net pension liability of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see Note 13 in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Recognized and Certified Bargaining Units

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

As a result of the 2011 amendments to MERA, the City is prohibited from bargaining collectively with municipal employees, other than public safety and transit employees, with respect to any factor or condition of employment except total base wages. Even then, the City is limited to increasing total base wages beyond any increase in the consumer price index since 180 days before the expiration of the previous collective bargaining agreement (unless City were to seek approval for a higher increase through a referendum). Ultimately, the City can unilaterally implement the wages for a collective bargaining unit.¹

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

¹ On July 3, 2024, a Wisconsin circuit court judge issued a decision in the case *Abbotsford Education Association vs. Wisconsin Employment Relations Commission*, Case No. 2023CV3152, denying the Wisconsin State Legislature's intervening motion to dismiss the plaintiffs' challenge to the different classifications the Act created regarding collective bargaining rights. The court's order denying the motion to dismiss stated that the Act violates the equal protection clause of the Wisconsin Constitution and declared those provisions of the Act relating to collective bargaining modifications unconstitutional and void. The decision further instructed the parties to make additional filings to the court as to whether the court should issue judgment on the pleadings in light of the court's order or take some other action to bring the case to a final judgment. On December 2, 2024, the court issued an order granting the plaintiffs' motion for judgment on the pleadings and striking down substantial portions of the Act. The court's decision has been appealed to the Wisconsin Court of Appeals. On January 23, 2025, the court granted a motion to stay the decision pending outcome of the appeal. No guarantee can be made regarding the outcome of the matter.

The following bargaining units represent employees of the City:

Bargaining Unit	Expiration Date of Current Contract
Beaver Dam Fire Department Local 3432 IAFF	December 31, 2026
Beaver Dam Police Department	December 31, 2026
Beaver Dam Fire Department (Paid on Call)**	December 31, 2024

**Contract is currently in negotiations.

OTHER POST EMPLOYMENT BENEFITS

The City provides "other post-employment benefits" ("OPEB") (i.e., post-employment benefits, other than pension benefits, owed to its employees and former employees) to employees who have terminated their employment with the City and have satisfied specified eligibility standards through a single-employer defined benefit plan. Membership of the plan consisted of 25 retirees receiving benefits and 111 active plan members as of December 31, 2023, the date of the latest actuarial valuation.

OPEB calculations are required to be updated every two years. Prior to fiscal years beginning after June 15, 2017, OPEB calculations were required to be prepared in accordance with Statement No. 45 of the Governmental Accounting Standards Board ("GASB 45") regarding retiree health and life insurance benefits, and related standards. For fiscal years beginning after June 15, 2017, OPEB calculations are required to be prepared in accordance with Statement No. 75 of the Governmental Accounting Standards Board ("GASB 75"). An actuarial study for the plan prepared in accordance with GASB 75 was most recently completed by Foster & Foster in April 2025 with an actuarial valuation date of December 31, 2023 (the "Actuarial Report").

Under GASB 75, a net OPEB liability (or asset) is calculated as the difference between the plan's total OPEB liability and the plan's fiduciary net position, which terms have similar meanings as under GASB 68 for pension plans.

As of December 31, 2024, the plan's total OPEB liability was \$2,146,469 and the plan fiduciary net position was \$0, resulting in a net OPEB liability of \$2,146,469.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. For more detailed information, see Note 15 "APPENDIX A - FINANCIAL STATEMENTS" attached hereto. The City also provides OPEB through the Local Retiree Life Insurance Fund ("LRLIF"), which is a cost-sharing multiple-employer defined benefit plan established by Chapter 40. The ETF and the Group Insurance Board have statutory authority for program administration and oversight, including establishing contribution requirements for employers.

For Fiscal Year 2023, the City's portion of contributions to the LRLIF totaled \$2,502. For Fiscal Year 2023, the City reported a liability of \$475,116 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2022 based on the City's share of contributions to the LRLIF relative to the contributions of all participating employers. The City's proportion was 0.12470800% of the aggregate LRLIF net OPEB liability as of December 31, 2022.

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 14 "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

LITIGATION

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

MUNICIPAL BANKRUPTCY

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

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

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

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

FUNDS ON HAND (as of May 31, 2025)

Fund	Total Cash and Investments
General	\$6,629,269
Special Revenue	645,792
Debt Service	729,493
Capital Projects	8,021,838
Enterprise Funds	<u>10,220,201</u>
 Total Funds on Hand	 <u><u>\$26,246,593</u></u>

ENTERPRISE FUNDS

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

	2022 Audited	2023 Audited	2024 Projected
Water			
Total Operating Revenues	\$3,526,448	\$3,581,804	\$3,478,708
Less: Operating Expenses	<u>(3,105,060)</u>	<u>(3,348,025)</u>	<u>(4,189,594)</u>
Operating Income	\$421,388	\$233,779	(\$710,886)
Plus: Depreciation	899,965	1,142,969	1,188,894
Interest Income	<u>56,092</u>	<u>171,278</u>	<u>160,475</u>
Revenues Available for Debt Service	<u><u>\$1,377,445</u></u>	<u><u>\$1,548,026</u></u>	<u><u>\$638,483</u></u>
Sewer			
Total Operating Revenues	\$6,386,210	\$6,601,172	\$6,084,919
Less: Operating Expenses	<u>(6,146,465)</u>	<u>(5,354,634)</u>	<u>(5,677,840)</u>
Operating Income	\$239,745	\$1,246,538	\$407,079
Plus: Depreciation	1,552,605	1,588,304	1,622,702
Interest Income	<u>24,210</u>	<u>184,168</u>	<u>277,857</u>
Revenues Available for Debt Service	<u><u>\$1,816,560</u></u>	<u><u>\$3,019,010</u></u>	<u><u>\$2,307,638</u></u>
Storm Water			
Total Operating Revenues	\$1,503,897	\$1,618,442	\$1,773,340
Less: Operating Expenses	<u>(1,085,774)</u>	<u>(1,107,634)</u>	<u>(1,107,405)</u>
Operating Income	\$418,123	\$510,808	\$665,935
Plus: Depreciation	476,458	503,826	528,262
Interest Income	<u>16,089</u>	<u>67,063</u>	<u>113,678</u>
Revenues Available for Debt Service	<u><u>\$910,670</u></u>	<u><u>\$1,081,697</u></u>	<u><u>\$1,307,875</u></u>

SUMMARY GENERAL FUND INFORMATION

The following are summaries of the revenues and expenditures and fund balances for the City's General Fund. These summaries are not purported to be the complete audited financial statements of the City, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the City. Copies of the complete statements are available upon request. Appendix A includes the 2023 audited financial statements.

FISCAL YEAR ENDING DECEMBER 31					
COMBINED STATEMENT					
	2021 Audited	2022 Audited	2023 Audited	2024 Projected Audit ¹	2025 Adopted Budget ²
Revenues					
Taxes	\$8,655,247	\$9,327,023	\$9,026,551	\$9,595,105	\$9,382,998
Intergovernmental	3,646,086	3,519,470	3,929,689	4,273,000	4,801,402
Licenses and permits	437,781	412,433	468,929	670,899	480,050
Fines and forfeits	225,402	194,889	189,062	175,421	210,000
Public charges for services	1,159,150	1,310,713	1,486,924	1,915,118	1,770,634
Intergovernmental charges	(3,797)	6,445	5,578	307,730	362,000
Miscellaneous	247,178	(300,387)	796,355	567,336	300,501
Total Revenues	\$14,367,047	\$14,470,586	\$15,903,088	\$17,504,609	\$17,307,585
Expenditures					
Current:					
General government	\$1,647,173	\$1,602,449	\$1,899,289	\$2,586,813	\$2,376,417
Public safety	8,150,879	8,738,317	9,198,131	11,000,923	9,729,305
Public works	1,698,637	1,752,247	1,903,371	2,244,275	1,978,227
Health and human services	876,661	1,012,880	61,465	57,044	64,736
Culture and recreation	1,993,487	2,002,705	2,160,917	2,048,973	2,143,135
Conservation and development	239,884	252,553	163,706	183,754	165,000
Total Expenditures	\$14,606,721	\$15,361,151	\$15,386,879	\$18,121,781	\$16,456,820
Excess of revenues over (under) expenditures	(\$239,674)	(\$890,565)	\$516,209	(\$617,172)	\$850,765
Other Financing Sources (Uses)					
Long-term debt issued	\$0	\$0	\$0	\$3,023,426	\$0
Sale of capital asset	2	0	0	0	\$0
Transfers in	504,771	493,855	504,471	90,200	1,042,117
Transfers (out)	0	0	0	(1,631,079)	(1,892,882)
Total Other Financing Sources (Uses)	504,773	493,855	504,471	1,482,547	(850,765)
Net changes in Fund Balances	\$265,099	(\$396,710)	\$1,020,680	\$865,375	\$0
General Fund Balance January 1	\$4,888,907	\$5,154,006	\$4,757,296	\$5,777,976	
General Fund Balance December 31	\$5,154,006	\$4,757,296	\$5,777,976	\$6,643,351	
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	\$167,211	\$184,483	\$187,352	\$209,122	
Assigned	594,242	594,242	0	0	
Unassigned	4,392,553	3,978,571	5,590,624	6,434,229	
Total	\$5,154,006	\$4,757,296	\$5,777,976	\$6,643,351	

¹ The 2024 unaudited data is as of June 23, 2025.

² The 2025 budget was adopted on November 18, 2024.

GENERAL INFORMATION

LOCATION

The City, with a 2020 U.S. Census population of 16,708 and a current estimated population of 16,587 comprises an area of 8.54 square miles and is located approximately 62 miles northwest of Milwaukee and 35 miles northeast of Madison.

LARGER EMPLOYERS¹

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Wal-Mart Distribution Center & Transportation Dept.	Warehouse/distribution center & transportation dept.	598
Marshfield Medical Center Beaver Dam	Hospital	485
Beaver Dam Unified School District	Elementary and secondary education	471
Richelieu Foods Inc.	Frozen pizza	400
Wal-Mart	Retail	375
The City	Municipal government and services	246
Kraft Heinz Company	Cream cheese products	220
Mayville Engineering Company	Electro-coating, liquid & powder coating	223
Metalcraft	Manufacturing	200
Mittera Group	Commercial printer	140

Source: The City, Data Axle Reference Solutions, 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

	2021	2022	2023	2024	2025 ¹
<u>New Single Family Homes</u>					
No. of building permits	226	215	21	27	8
Valuation	\$11,370,950	\$6,264,200	\$5,029,600	\$8,140,000	\$2,181,000
<u>New Multiple Family Buildings</u>					
No. of building permits	0	2	0	6	0
Valuation	\$0	\$2,550,000	\$0	\$9,900,000	\$0
<u>New Commercial/Industrial</u>					
No. of building permits	85	109	4	1	0
Valuation	\$12,550,150	\$22,035,400	\$4,006,000	\$27,900,000	\$0
<u>All Building Permits</u>					
<i>(including additions and remodelings)</i>					
No. of building permits	311	326	307	316	110
Valuation	\$23,921,100	\$30,849,600	\$29,047,760	\$70,460,150	\$13,570,450

Source: The City.

¹ As of May 30, 2025.

U.S. CENSUS DATA

Population Trend: The City

2010 U.S. Census Population	16,214
2020 U.S. Census Population	16,708
Percent of Change 2010 - 2020	3.05%
2024 Estimated Population	16,587

Income and Age Statistics

	The City	Dodge County	State of Wisconsin	United States
2023 per capita income	\$38,989	\$37,295	\$42,019	\$43,289
2023 median household income	\$68,757	\$73,992	\$75,670	\$78,538
2023 median family income	\$91,693	\$91,528	\$97,261	\$96,922
2023 median gross rent	\$942	\$963	\$1,045	\$1,348
2023 median value owner occupied units	\$189,800	\$218,400	\$247,400	\$303,400
2023 median age	40.6 yrs.	42.9 yrs.	40.1 yrs.	38.7 yrs.

	State of Wisconsin	United States
City % of 2023 per capita income	92.79%	90.07%
City % of 2023 median family income	94.28%	94.60%

Housing Statistics

	<u>The City</u>		
	2020	2023	Percent of Change
All Housing Units	7,699	8,132	5.62%

Source: 2010 and 2020 Census of Population and Housing, Wisconsin Demographic Services Center (https://doa.wi.gov/Pages/LocalGovtsGrants/Population_Estimates.aspx) and 2023 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	Dodge County	Dodge County	State of Wisconsin
2021	47,606	3.2%	3.8%
2022	47,503	2.5%	2.8%
2023	48,447	2.4%	2.8%
2024 ¹	48,919	2.6%	3.0%
2025, May ¹	48,562	2.6%	3.3%

Source: Wisconsin Department of Workforce Development.

¹ Preliminary.

FINANCIAL STATEMENTS

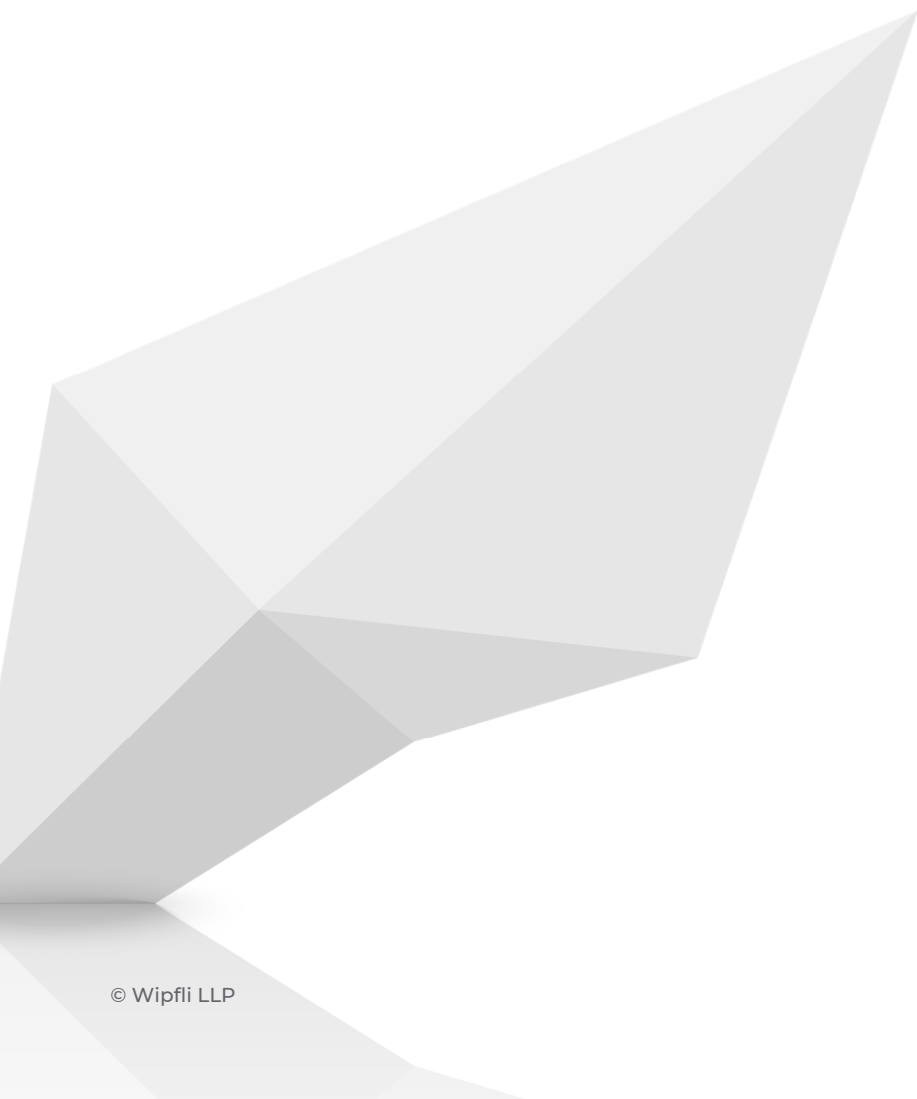
Potential purchasers should read the included financial statements in their entirety for more complete information concerning the City's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The City has not requested or engaged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

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

City of Beaver Dam, Wisconsin

Financial Report

Year Ended December 31, 2023



City of Beaver Dam

Financial Statements and Supplementary Financial Information

Year Ended December 31, 2023

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City of Beaver Dam
Financial Statements and Supplementary Financial Information
Year Ended December 31, 2023

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Independent Auditor's Report

To the City Council
City of Beaver Dam
Beaver Dam, Wisconsin

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Beaver Dam (the "City"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Beaver Dam, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule - general fund, the schedules of the employer's proportionate share of the net pension and OPEB liability (asset) and employer contributions - Wisconsin Retirement System and LRLIF, and the schedule of changes in the employer's total OPEB liability and related ratios - City OPEB plan 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinions on the financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining financial statements - nonmajor governmental funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Guidelines, issued by the Wisconsin Department of Administration, and are also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate 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 combining statements and the schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2024, on our consideration of the City of Beaver Dam's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Wipfli LLP
Madison, Wisconsin
April 18, 2024

Government-Wide Financial Statements

City of Beaver Dam

Statement of Net Position

December 31, 2023

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments - unrestricted	\$ 22,039,594	\$ 6,380,687	\$ 28,420,281
Cash and investments - restricted	-	1,422,296	1,422,296
Receivables			
Taxes	9,832,682	-	9,832,682
Accounts	1,004,208	457,816	1,462,024
Leases	-	4,414,464	4,414,464
Special Assessments	221,906	-	221,906
Loans	2,263,598	-	2,263,598
Internal balances	264,777	(264,777)	-
Inventories and prepaid items	187,352	207,290	394,642
Capital assets, nondepreciable	5,630,239	883,154	6,513,393
Capital assets, depreciable, net	45,896,504	54,716,007	100,612,511
Total assets	87,340,860	68,216,937	155,557,797
Deferred outflows related to pensions/OPEB	13,771,791	2,227,638	15,999,429
Liabilities:			
Accounts payable	661,186	1,080,772	1,741,958
Other accrued liabilities	381,846	39,183	421,029
Accrued interest	410,230	81,329	491,559
Unearned revenue	1,061,771	120,074	1,181,845
Special deposits	262,709	-	262,709
Long-term obligations			
Due within one year	3,962,776	1,858,255	5,821,031
Due in more than one year	45,912,831	15,580,473	61,493,304
Total liabilities	52,653,349	18,760,086	71,413,435
Deferred inflows of resources:			
Unearned property taxes	16,439,065	-	16,439,065
Deferred inflows related to leases	-	4,599,025	4,599,025
Deferred inflows related to pensions/OPEB	8,252,145	1,295,456	9,547,601
Total deferred inflows of resources	24,691,210	5,894,481	30,585,691
Net position:			
Net investment in capital assets	19,546,953	39,616,128	59,163,081
Restricted	8,373,348	-	8,373,348
Unrestricted	(4,152,209)	6,173,880	2,021,671
Total net position	\$ 23,768,092	\$ 45,790,008	\$ 69,558,100

See accompanying notes to the financial statements.

City of Beaver Dam

Statement of Activities

For the Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 2,619,179	\$ 515,418	\$ 329,835	\$ -
Public safety	10,867,007	1,438,799	294,271	-
Public works	7,113,567	747,583	1,761,509	200,493
Health and human services	61,465	233,658	-	-
Culture, recreation and education	2,561,950	82,544	38,437	-
Conservation and development	999,359	12,083	300,000	950,222
Interest and fiscal charges	1,046,382	-	-	-
Total governmental activities	25,268,909	3,030,085	2,724,052	1,150,715
Business-type activities:				
Water utility	3,381,150	3,581,804	-	353,352
Wastewater utility	5,548,934	6,601,172	-	484,173
Stormwater utility	1,176,468	1,618,442	-	-
Solid waste	1,080,849	1,064,656	-	-
Total business-type activities	11,187,401	12,866,074	-	837,525
Total	\$ 36,456,310	\$ 15,896,159	\$ 2,724,052	\$ 1,988,240

General revenues:

Taxes:

Property taxes, levied for general purposes

Tax increments

Other taxes

Cable television revenues

Federal and state grants and other contributions not restricted to specific functions

Investment income (loss)

Gain sale of assets

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

See accompanying notes to the financial statements.

City of Beaver Dam

Statement of Activities - Continued For the Year Ended December 31, 2023

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (1,773,926)	\$ -	\$ (1,773,926)
(9,133,937)	-	(9,133,937)
(4,403,982)	-	(4,403,982)
172,193	-	172,193
(2,440,969)	-	(2,440,969)
262,946	-	262,946
(1,046,382)	-	(1,046,382)
(18,364,057)	-	(18,364,057)
-	554,006	554,006
-	1,536,411	1,536,411
-	441,974	441,974
-	(16,193)	(16,193)
-	2,516,198	2,516,198
(18,364,057)	2,516,198	(15,847,859)
13,349,368	-	13,349,368
1,352,014	-	1,352,014
217,529	-	217,529
168,323	-	168,323
2,313,635	53,170	2,366,805
940,885	422,911	1,363,796
157,447	90,196	247,643
95,583	72,000	167,583
504,471	(504,471)	-
19,099,255	133,806	19,233,061
735,198	2,650,004	3,385,202
23,032,894	43,140,004	66,172,898
\$ 23,768,092	\$ 45,790,008	\$ 69,558,100

See accompanying notes to the financial statements.

Fund Financial Statements

City of Beaver Dam

Balance Sheet - Governmental Funds

December 31, 2023

	General Fund	Housing Rehabilitation Fund	Debt Service Fund
Assets:			
Cash and investments	\$ 12,143,783	\$ 346,959	\$ 327,502
Receivables			
Taxes	2,242,125	-	6,185,806
Accounts	426,654	-	-
Special assessments	-	-	-
Loans	-	2,263,598	-
Due from other governments	-	-	-
Due from other funds	670,338	-	-
Prepaid expenses	187,352	-	-
Total assets	\$ 15,670,252	\$ 2,610,557	\$ 6,513,308
Liabilities, Deferred Inflows of Resources and Fund Balances:			
Liabilities:			
Accounts payable	\$ 163,073	\$ 6,909	\$ -
Other accrued liabilities	381,846	-	-
Deposits	239,622	-	-
Unearned revenue	-	-	-
Due to other funds	44,698	-	-
Total liabilities	829,239	6,909	-
Deferred inflows of resources:			
Property taxes	8,848,508	-	6,185,806
Unavailable revenue	214,529	2,263,598	-
Total deferred inflows of resources	9,063,037	2,263,598	6,185,806
Fund balances:			
Nonspendable	187,352	-	-
Restricted	-	340,050	327,502
Assigned	-	-	-
Unassigned	5,590,624	-	-
Total fund balances	5,777,976	340,050	327,502
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 15,670,252	\$ 2,610,557	\$ 6,513,308

See accompanying notes to the financial statements.

City of Beaver Dam

Balance Sheet - Governmental Funds

December 31, 2023

	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Cash and investments	\$ 6,310,354	\$ 2,910,996	\$ 22,039,594
Receivables			
Taxes	-	1,404,751	9,832,682
Accounts	400,000	177,554	1,004,208
Special assessments	221,906	-	221,906
Loans	-	-	2,263,598
Due from other funds	-	-	670,338
Prepaid expenses	-	-	187,352
Total assets	\$ 6,932,260	\$ 4,493,301	\$ 36,219,678
Liabilities, Deferred Inflows of Resources and Fund Balances:			
Liabilities:			
Accounts payable	\$ 258,985	\$ 232,219	\$ 661,186
Other accrued liabilities	-	-	381,846
Deposits	23,087	-	262,709
Unearned revenue	53,403	1,008,368	1,061,771
Due to other funds	-	360,863	405,561
Total liabilities	335,475	1,601,450	2,773,073
Deferred inflows of resources:			
Property taxes	-	1,404,751	16,439,065
Unavailable revenue	221,906	-	2,700,033
Total deferred inflows of resources	221,906	1,404,751	19,139,098
Fund balances:			
Nonspendable	-	-	187,352
Restricted	6,374,879	1,658,419	8,700,850
Assigned	-	82,183	82,183
Unassigned	-	(253,502)	5,337,122
Total fund balances	6,374,879	1,487,100	14,307,507
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 6,932,260	\$ 4,493,301	\$ 36,219,678

See accompanying notes to the financial statements.

City of Beaver Dam

Reconciliation of the Balance Sheet - Governmental Funds - to the Statement of Net Position December 31, 2023

Total fund balance - governmental funds	\$ 14,307,507
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund statements	51,526,743
Other long-term assets are not available to pay current expenditures and therefore are deferred in the funds	2,700,033
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the fund statements:	
Deferred outflows of resources	13,771,791
Deferred inflows of resources	(8,252,145)
Some liabilities are not due and payable in the current period and, therefore are not reported in the funds:	
Bonds and notes payable	(36,797,776)
Debt premium	(1,556,893)
Landfill postclosure liability	(458,737)
Compensated absences	(2,948,354)
Net pension liability	(3,478,124)
Unfunded WRS liability	(2,344,855)
Post-employment benefits payable	(2,290,868)
Accrued interest on long-term obligations	(410,230)
Total net position of governmental activities	<u>\$ 23,768,092</u>

See accompanying notes to the financial statements.

City of Beaver Dam

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended December 31, 2023

	General Fund	Housing Rehabilitation Fund	Debt Service Fund
Revenues:			
Taxes	\$ 9,026,551	\$ -	\$ 4,540,346
Intergovernmental	3,929,689	-	-
Licenses and permits	468,929	-	-
Fines and forfeits	189,062	-	-
Public charges for services	1,486,924	-	-
Intergovernmental charges	5,578	-	-
Miscellaneous	796,355	123,245	-
Total revenues	15,903,088	123,245	4,540,346
Expenditures:			
Current:			
General government	1,899,289	-	2,129
Public safety	9,198,131	-	-
Public works	1,903,371	-	-
Health and human services	61,465	-	-
Culture and recreation	2,160,917	-	-
Conservation and development	163,706	259,102	-
Debt service:			
Principal	-	-	3,398,111
Interest and fiscal charges	-	-	1,145,913
Capital outlay	-	-	-
Total expenditures	15,386,879	259,102	4,546,153
Excess of revenues over (under) expenditures	516,209	(135,857)	(5,807)
Other Financing Sources (Uses)			
Long-term debt issued	-	-	-
Premium on debt issued	-	-	-
Sales of capital assets	-	-	-
Transfers in	504,471	-	-
Total other financing sources (uses)	504,471	-	-
Net Change in Fund Balances	1,020,680	(135,857)	(5,807)
Fund Balances - Beginning	4,757,296	475,907	333,309
Fund Balances - Ending	\$ 5,777,976	\$ 340,050	\$ 327,502

See accompanying notes to the financial statements.

City of Beaver Dam

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended December 31, 2023

	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ -	\$ 1,352,014	\$ 14,918,911
Special assessments	145,785	-	145,785
Intergovernmental	1,371,073	1,066,028	6,366,790
Licenses and permits	-	-	468,929
Fines and forfeits	-	-	189,062
Public charges for services	-	-	1,486,924
Intergovernmental charges	-	-	5,578
Miscellaneous	393,814	211,658	1,525,072
Total revenues	1,910,672	2,629,700	25,107,051
Expenditures:			
Current:			
General government	2,731	195,340	2,099,489
Public safety	-	-	9,198,131
Public works	-	750,645	2,654,016
Health and human services	-	-	61,465
Culture and recreation	-	-	2,160,917
Conservation and development	56,200	493,266	972,274
Debt service:			
Principal	-	235,000	3,633,111
Interest and fiscal charges	39,171	129,631	1,314,715
Capital outlay	5,085,061	773,597	5,858,658
Total expenditures	5,183,163	2,577,479	27,952,776
Excess of revenues over (under) expenditures	(3,272,491)	52,221	(2,845,725)
Other Financing Sources (Uses)			
Long-term debt issued	4,755,000	-	4,755,000
Premium on debt issued	234,514	-	234,514
Sales of capital assets	130,979	26,468	157,447
Transfers in	-	-	504,471
Total other financing sources (uses)	5,120,493	26,468	5,651,432
Net Change in Fund Balances	1,848,002	78,689	2,805,707
Fund Balances - Beginning	4,526,877	1,408,411	11,501,800
Fund Balances - Ending	\$ 6,374,879	\$ 1,487,100	\$ 14,307,507

See accompanying notes to the financial statements.

City of Beaver Dam

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities For the Year Ended December 31, 2023

Net change in fund balance - governmental funds	\$ 2,805,707
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital expenditures reported in governmental fund statements	2,888,875
Depreciation expense reported in the statement of activities	(2,917,137)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
	235,138
Vested employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. This amount is the net effect of the changes in employee benefit accounts	
	(1,224,602)
Debt issued, including premiums, provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.	
	(4,989,514)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.	
The amount of long-term debt principal payments in the current year is	3,633,111
This is the decrease in the landfill postclosure liability	35,287
Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid; in the statement of activities interest is reported as it accrues.	
	<u>268,333</u>
Change in net position - governmental activities	<u><u>\$ 735,198</u></u>

See accompanying notes to the financial statements.

City of Beaver Dam

Statement of Net Position - Proprietary Funds December 31, 2023

	Water Utility	Wastewater Utility	Stormwater Utility	Non-Major - Solid Waste	Total
Assets:					
Current assets:					
Cash and investments - unrestricted	\$ 2,478,838	\$ 2,672,198	\$ 1,229,651	\$ -	\$ 6,380,687
Cash and investments - restricted	241,507	1,180,789	-	-	1,422,296
Accounts receivable	86,444	201,800	35,428	134,144	457,816
Lease receivable-current	33,783	-	-	-	33,783
Due from other funds	-	-	44,698	-	44,698
Inventory	150,375	7,222	48,433	-	206,030
Prepaid items	-	1,260	-	-	1,260
Total current assets	2,990,947	4,063,269	1,358,210	134,144	8,546,570
Noncurrent assets:					
Lease receivable-noncurrent	4,380,681	-	-	-	4,380,681
Capital assets, nondepreciable	553,553	142,454	187,147	-	883,154
Capital assets, depreciable	17,041,653	25,273,125	12,401,229	-	54,716,007
Total noncurrent assets	21,975,887	25,415,579	12,588,376	-	59,979,842
Total assets	24,966,834	29,478,848	13,946,586	134,144	68,526,412
Deferred outflows related to pensions/OPEB	787,690	970,424	270,707	198,817	2,227,638
Total assets and deferred outflows of resources	\$ 25,754,524	\$ 30,449,272	\$ 14,217,293	\$ 332,961	\$ 70,754,050
Liabilities:					
Current liabilities:					
Accounts payable	\$ 926,308	\$ 139,449	\$ 10,190	\$ 4,825	\$ 1,080,772
Other accrued liabilities	28,764	56,062	34,405	1,281	120,512
Other accrued liabilities	-	120,074	-	-	120,074
Due to other funds	218,516	10,586	-	80,373	309,475
Current portion of long-term debt	247,165	1,093,023	518,067	-	1,858,255
Total current liabilities	1,420,753	1,419,194	562,662	86,479	3,489,088
Noncurrent liabilities:					
Long term debt	2,470,029	8,554,143	3,100,606	-	14,124,778
Compensated absences	163,562	183,683	34,901	-	382,146
Net pension liability	345,765	426,162	119,395	87,688	979,010
Post-employment benefits	36,486	43,588	8,340	6,125	94,539
Total noncurrent liabilities	3,015,842	9,207,576	3,263,242	93,813	15,580,473
Total liabilities	4,436,595	10,626,770	3,825,904	180,292	19,069,561
Deferred inflow of resources:					
Deferred inflows related to leases	4,599,025	-	-	-	4,599,025
Deferred inflows related to pensions/OPEB	458,507	564,682	156,977	115,290	1,295,456
Total deferred inflow of resources	5,057,532	564,682	156,977	115,290	5,894,481
Net position:					
Net investment in capital assets	14,878,012	15,768,413	8,969,703	-	39,616,128
Unrestricted	1,382,385	3,489,407	1,264,709	37,379	6,173,880
Total net position	16,260,397	19,257,820	10,234,412	37,379	45,790,008
Total liabilities, deferred inflows of resources and net position	\$ 25,754,524	\$ 30,449,272	\$ 14,217,293	\$ 332,961	\$ 70,754,050

See accompanying notes to the financial statements.

City of Beaver Dam

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds For the Year Ended December 31, 2023

	Water Utility	Wastewater Utility	Stormwater Utility	Non-Major - Solid Waste	Total
Operating revenues:					
Charges for services	\$ 3,476,600	\$ 6,537,522	\$ 1,558,025	\$1,054,091	\$12,626,238
Other operating revenues	105,204	63,650	60,417	10,565	239,836
Total operating revenues	3,581,804	6,601,172	1,618,442	1,064,656	12,866,074
Operating expenses:					
Operation and maintenance	2,205,056	3,766,330	603,808	1,080,849	7,656,043
Depreciation	1,142,969	1,588,304	503,826	-	3,235,099
Total operating expenses	3,348,025	5,354,634	1,107,634	1,080,849	10,891,142
Operating income	233,779	1,246,538	510,808	(16,193)	1,974,932
Nonoperating revenues (expenses):					
Interest income	171,278	184,168	67,063	402	422,911
Interest expense	(33,125)	(194,300)	(68,834)	-	(296,259)
Other revenue	72,000	-	-	-	72,000
State grants	351,874	414,774	-	53,170	819,818
Gain on sale of assets	-	5,696	84,500	-	90,196
Total nonoperating revenues (expenses)	562,027	410,338	82,729	53,572	1,108,666
Net income before capital contributions and transfers	795,806	1,656,876	593,537	37,379	3,083,598
Capital contributions	1,478	69,399	-	-	70,877
Transfers out	(488,753)	(15,718)	-	-	(504,471)
Change in net position	308,531	1,710,557	593,537	37,379	2,650,004
Net position - beginning	15,951,866	17,547,263	9,640,875	-	43,140,004
Net position - ending	\$16,260,397	\$19,257,820	\$10,234,412	\$ 37,379	\$45,790,008

See accompanying notes to the financial statements.

City of Beaver Dam

Statement of Cash Flows - Proprietary Funds For the Year Ended December 31, 2023

	Water Utility	Wastewater Utility	Stormwater Utility	Non-Major - Solid Waste	Total
Cash flows from operating activities:					
Cash received from customers	\$ 3,608,803	\$ 6,883,510	\$ 1,624,044	\$ 930,512	\$ 13,046,869
Cash payments to suppliers	(876,837)	(3,160,993)	(403,260)	(926,979)	(5,368,069)
Cash payments to employees	(526,760)	(539,173)	(197,684)	(137,478)	(1,401,095)
Net cash from operating activities	2,205,206	3,183,344	1,023,100	(133,945)	6,277,705
Cash flows from noncapital financing activities:					
Due to/from other funds	(1,788,415)	(2,423,708)	(78,812)	80,373	(4,210,562)
Other revenue	72,000	-	-	-	72,000
Transfer out	(488,753)	(15,718)	-	-	(504,471)
Net cash from noncapital financing activities	(2,205,168)	(2,439,426)	(78,812)	80,373	(4,643,033)
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(1,768,167)	(848,108)	(863,766)	-	(3,480,041)
Sale of capital assets	-	5,696	84,500	-	90,196
Capital contributions	1,478	69,399	-	-	70,877
State grants	351,874	414,774	-	53,170	819,818
Proceeds from debt	1,924,189	2,420,142	-	-	4,344,331
Principal payments on long-term debt	(160,000)	(957,812)	(345,379)	-	(1,463,191)
Interest payments on long-term debt	(38,030)	(200,679)	(84,196)	-	(322,905)
Net cash from capital and related financing activities	311,344	903,412	(1,208,841)	53,170	59,085
Cash flows from investing activities:					
Interest income received	171,278	184,168	67,063	402	422,911
Change in cash and cash equivalents	482,660	1,831,498	(197,490)	-	2,116,668
Cash and cash equivalents - beginning	2,237,685	2,021,489	1,427,141	-	5,686,315
Cash and cash equivalents - ending	\$ 2,720,345	\$ 3,852,987	\$ 1,229,651	\$ -	\$ 7,802,983
Reconciliation of operating income to net cash from operating activities:					
Operating income	\$ 233,779	\$ 1,246,538	\$ 510,808	\$ (16,193)	\$ 1,974,932
Adjustments to reconcile operating income to net cash from operating activities					
Depreciation	1,142,969	1,588,304	503,826	-	3,235,099
Depreciation charges to clearing and other utilities	59,368	-	-	-	59,368
Changes in assets, liabilities and deferrals					
Receivables	26,999	282,338	5,602	(134,144)	180,795
Inventory	(294)	11,527	-	-	11,233
Pension related deferrals and liabilities	50,960	80,916	27,730	4,161	163,767
Accounts payable	847,607	(3,469)	(15,613)	4,825	833,350
Accrued liabilities	11,743	90,344	(1,138)	1,281	102,230
Compensated absences	(167,925)	(113,154)	(8,115)	6,125	(283,069)
Net cash from operating activities	\$ 2,205,206	\$ 3,183,344	\$ 1,023,100	\$ (133,945)	\$ 6,277,705

See accompanying notes to the financial statements.

City of Beaver Dam

Statement of Fiduciary Net Position

December 31, 2023

	<u>Custodial Funds</u>
Assets:	
Cash and investments	\$ 7,815,881
Receivables	
Taxes	<u>10,834,064</u>
Total assets	<u><u>\$ 18,649,945</u></u>
Liabilities:	
Due to other governments	<u><u>\$ 18,649,945</u></u>

See accompanying notes to the financial statements.

City of Beaver Dam

Statement of Changes in Fiduciary Net Position For the Year Ended December 31, 2023

	Custodial Funds
	<hr/>
Additions:	
Property tax collections for other governments	<u>\$ 18,435,799</u>
Deductions:	
Payments of property taxes to other governments	<u>18,435,799</u>
Change in net position	-
Net position - beginning of year	<hr/> -
Net position - end of year	<u><u>\$ -</u></u>

See accompanying notes to the financial statements.

City of Beaver Dam

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Introduction

The financial statements of the City of Beaver Dam (the "City") have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies used by the City are described below.

Reporting Entity

This report includes all of the funds of the City. The reporting entity for the City consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. This report does not contain any component units.

Basis of Presentation

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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate indirect expenses to functions in the statement of activities. Program revenues include (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (b) grants and contributions that are restricted

City of Beaver Dam

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water, wastewater, stormwater, 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.

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 enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Fund Financial Statements

Fund financial statements of the reporting entity are organized into individual 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, fund equity, revenues, and expenditures/expenses.

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

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

City of Beaver Dam

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

The City reports the following major governmental funds:

General Fund – This is the City's primary operating fund. It accounts for all the financial activity that is not accounted for and reported in another fund.

Housing Rehabilitation Fund – This fund accounts for the CDBG and Spring Isle II loans that have been to aid in housing rehabilitation projects. This fund was determined to be a major fund based on its importance to financial statement users.

Debt Service Fund – This fund accounts for the accumulation of resources for, and the payment of general long-term debt principal, interest, and related costs.

Capital Projects Fund – This fund accounts for the acquisition and construction of the City's capital facilities, other than those financed by proprietary funds.

The City reports the following major proprietary funds:

Water Utility – This fund accounts for the City's operation and maintenance of the water distribution system for residents, business entities, and public authorities of the City.

Wastewater Utility – This fund accounts for the City's operation and maintenance of the wastewater treatment and disposal system for residents, business entities and public authorities of the City.

Stormwater Utility – This fund accounts for the City's operation and maintenance of the stormwater treatment and disposal system.

Measurement Focus and Basis of Accounting

The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available (susceptible to accrual). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the current fiscal year. Expenditures are recognized 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 fund liabilities when expected to be paid with expendable available financial resources.

City of Beaver Dam

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

The City's share of property taxes is recorded in the year levied as a receivable and a deferred inflow of resources. Property taxes are recognized as revenues in the succeeding year when services financed by the levy are being provided. In addition to property taxes for the City, taxes are collected for and remitted to the state and county governments as well as the local school districts and technical college district. Taxes for all state and local governmental units (other than the City) billed in the current year for the succeeding year are reflected as due to other taxing units in the accompanying statement of net position and balance sheet.

Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

In the government-wide financial statements, special assessments are recognized as revenues when levied against the benefiting properties. In governmental fund financial statements, special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues. Delinquent special assessments being held for collection by the county are reported as receivables and unavailable revenues in the General Fund.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, 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 funds are accounted for on the accrual basis. Revenues such as user fees are recognized in the accounting period in which they are earned; expenses are recognized in the period incurred. Water service charges to consumers are billed at rates established by the Wisconsin Public Service Commission. Wastewater and stormwater charges to consumers are billed at rates established by the City's common council. All classes of utility consumers are billed on a quarterly basis, except parking utility for which revenue is generated from meters and parking lot permit fees.

Deposits and Investments

For purposes of the statement of cash flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments of individual funds are pooled unless maintained in segregated accounts and are carried at fair value.

City of Beaver Dam

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Deposits and Investments (Continued)

Investment of the City's funds are restricted by state statutes. Investments are limited to:

- Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
- 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, local professional baseball park district, local professional football stadium district, local cultural arts district, the University of Wisconsin Hospitals and Clinic Authority, or the Wisconsin Aerospace Authority.
- Bonds or securities issued or guaranteed by the federal government.
- The local government investment pool.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.

The City has adopted an investment policy that states that deposits with financial institutions should not exceed collateralized amounts guaranteed by the financial institution. Individual investments with fixed interest rates should not mature in more than 10 years. The policy does not address other risks attributable to the City's deposits and investments. As of year-end, the City is not in compliance with its policy as it relates to custodial credit risk and maturity of investments.

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.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as quoted market prices in active markets for identical assets or liabilities; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs, therefore requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Restricted Assets

Restricted assets are cash, cash equivalents, and investments whose use is limited by legal requirements such as a bond requirements for redemption, depreciation or equipment replacement.

City of Beaver Dam

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Receivables and Revenue Recognition

Under Wisconsin law, personal property taxes and the first installment of real estate taxes are due January 31 and are collected by city, village, and town treasurers or clerks, who then make settlements with school districts and with county treasurers for certain purposes. By contractual agreement, the County Treasurer collects the taxes through January on behalf of the City. These transactions are accounted for in the General Fund. The second installment of real estate taxes (due July 31) and delinquent taxes are collected and settled by the county treasurer.

The 2022 tax levy is budgeted as property tax revenue for the year 2023 and is recognized as revenue in 2023 to the extent available. Real property tax assessments for the 2022 tax levy were based on assessed valuations as of January 1, 2022. The City levied property taxes pursuant to law in December 2022, at which time an enforceable legal claim is attached to properties. The County obtains liens on property for which taxes are delinquent on the third Tuesday in October each year. The County pays the City in full for real estate taxes by August 31 each year.

Since the property taxes are levied for the subsequent year, the property taxes due governmental funds for City purposes are recorded as a deferred inflow of resources in the governmental funds. This amount is recognized as revenue in the following year. Property taxes due to other governments are recorded as liabilities.

In determining when to recognize intergovernmental revenues (grants, subsidies, and shared revenues), the legal and contractual requirements of the individual programs are used as guidance. There are, however, essentially two bases for this revenue recognition. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and nearly irrevocable, i.e., revocable only for failure to comply with prescribed compliance requirements, e.g., equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the criterion of availability. Unearned revenue is recorded for grant funds received but not earned. A receivable is recorded for grant funds earned but not received.

Income from investments is recognized when earned. Special assessments receivable are recorded as levied. Current revenues represent the amounts considered available as explained above.

The City has the right under Wisconsin statutes to place delinquent electric, water, and sewer bills on the tax roll for collection. As such, no allowance for uncollectible customer accounts is considered necessary.

Lease Receivable

The City is a lessor under GASB 87 and is required to record a lease receivable and deferred inflow of resources at the commencement of the lease term. The lease receivable is calculated as the present value of the remaining lease payments expected to be received during the lease term. The deferred inflow of resources is treated similarly to deferred revenue and is equal to the lease receivable with a few minor adjustments.

City of Beaver Dam

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Inventories and Prepaid Items

Proprietary fund inventories are generally used for construction and for operation and maintenance work. They are not for resale. Inventory items are expensed in the period used. Any materials and supplies on hand at year-end are valued at the lower of cost, determined on the first-in, first out (FIFO) method, or market. Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant.

Payments made to vendors for services that will benefit periods beyond December 31, 2023, are recorded as prepayments. The cost of these services is recorded as expense when consumed rather than when purchased.

Capital Assets

Capital assets are recorded at historical cost or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. The City maintains a threshold level of \$5,000 or more for capitalizing assets.

Capital assets are recorded in the government-wide financial statements but are not reported in the governmental funds financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed by the City, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 15 to 100 years for infrastructure, site improvements, and buildings and 3 to 15 years for equipment.

The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend the asset's life is not capitalized.

Capital assets not being depreciated include land and construction in progress.

Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Internal balances between funds of the governmental activities or funds of the business-type activities are eliminated in the government-wide financial statements.

City of Beaver Dam

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Accumulated Unpaid Sick Pay and Other Employee Benefit Amounts

City employees are granted sick leave and vacation in varying amounts in accordance with City paid time off policies. All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. In the governmental funds, a liability for compensated absences is reported only if they have matured as a result of employee resignations or retirements.

Pensions. The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

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

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the 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.

Other Post-Employment Benefits (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 following:

- Net OPEB Liability,
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post- Employment Benefits, and
- OPEB Expense (Revenue).

City of Beaver Dam

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Accumulated Unpaid Sick Pay and Other Employee Benefit Amounts (Continued)

Information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Health Insurance Plan - As provided in applicable negotiated contracts, certified City employees meeting a minimum age and length of service requirement may participate in the City's group health and insurance program. The City bears the cost of the employee's participation up to a maximum amount it pays for active employees. An estimate of the present value of future benefits is recognized as a long-term liability in the statement of net position and recognized as an expense when incurred.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has one type of item that qualifies for reporting in this category. They are the deferred outflows related to pensions and OPEB. The deferred outflows of resources related to pensions represent the City's proportionate share of collective deferred outflows of resources related to pensions and City's contributions to pension and OPEB plans subsequent to the measurement date of the collective net pension/OPEB liability (asset) for the WRS and LRLIF plans.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has four types of items that qualify for reporting in this category. The first is property taxes levied for the subsequent year. These amounts are deferred and recognized as an inflow of resources in the following year as the amounts become available. The second is deferred inflows of resources related to pensions for its proportionate share of the collective deferred inflows of resources related to pensions for the WRS plan and OPEB for the LRLIF plan. The third is deferred lease revenue, which relates to signed lease agreements to recognize lease revenue in future periods. The fourth is unavailable revenue, which is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

City of Beaver Dam

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in the government-wide and proprietary fund financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance (adjusted for unspent proceeds) of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide and proprietary fund financial statements when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, it is the City's policy to use externally restricted resources first.

Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not a spendable form – prepaid items or inventories or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance: This classification reflects the constraints imposed on resources either (a) externally by creditors, grantor, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance: These amounts can only be used for specific purposes pursuant to constraints imposed by formal ordinances of the City Council – the City's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the City Council removes the specified use by taking the same type of action that imposed the original commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance: This classification reflects the amounts constrained by the City's "intent" to be used for specific purposes, but are neither restricted nor committed. The City's common council has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance: This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

City of Beaver Dam

Notes to Financial Statements

Note 2: Cash and Investments

The City's cash and investment balances at December 31, 2023 were as follows:

	Amount	Fair Value Level
Deposits with financial institutions	\$ 22,572,656	N/A
Cash on hand	3,275	N/A
Wisconsin Local Government Investment Pool	11,865,924	N/A
Investments:		
Money market funds	299,310	Level 2
U.S. agencies	1,186,529	Level 2
Mutual funds - equity	1,730,764	Level 1
Total	\$ 37,658,458	

The City's cash and investment balances as shown in the basic financial statements are as follows:

Government-wide statement of net position	
Cash and investments - unrestricted	\$ 28,420,281
Cash and investments - restricted	1,422,296
Fiduciary fund statement of net position	
Cash and investments	7,815,881
Total	\$ 37,658,458

Deposits

Deposits at each bank in the state of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for the combined amount of all time and savings accounts (including NOW accounts) and \$250,000 for all demand deposit accounts (interest-bearing and non-interest-bearing). Accounts at each institution outside the state of Wisconsin are insured by the FDIC up to \$250,000 for the combined total of all deposit accounts. In addition, the State of Wisconsin Public Depository Guarantee Fund guarantees the City's deposits up to \$400,000 per public depository. However, due to the relatively small size of the Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does have a deposit policy for custodial credit risk. Funds may be only invested up to \$500,000 at any financial institution unless the excess is collateralized.

As of December 31, 2023, the City's bank balance of \$20,014,279 was exposed to custodial credit risk as follows: \$794,511 was covered by FDIC insurance, \$433,409 was covered by the State of Wisconsin, and \$14,117,949 was covered by collateral held in the City's name, and \$4,668,410 was uninsured and uncollateralized.

City of Beaver Dam

Notes to Financial Statements

Note 2: Cash and Investments (Continued)

Investments

The City has investments in the Wisconsin local government investment pool (LGIP). The LGIP is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2023, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value. The LGIP operates and reports to participants on the amortized cost basis. LGIP pool shares are bought and redeemed at \$1 based on the amortized cost of the investments in the LGIP. The investment in LGIP is not subject to the fair value hierarchy disclosures.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Total	12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
U.S. agencies	\$ 1,186,529	\$ 501,189	\$ 449,281	\$ 3,585	\$ 232,474

Credit Risk: State Statute limits investments in fixed income securities to the top two ratings issued by nationally recognized statistical rating organizations. Ratings are not required, or available, for the money market funds, mutual funds - equity. The U.S. agencies investments are explicitly guaranteed by the U.S. government. The Wisconsin local government investment pool has a credit rating of AAAM. The City has no investment policy that would further limit its investment choices.

Note 3: Loans Receivable

The City has received federal grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The City records a loan receivable when the loan has been made and funds have been disbursed. The amount recorded as economic development and housing rehabilitation loans receivable has not been reduced by an allowance for uncollectible accounts. It is the City's policy to record unavailable revenue for the amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year end are presented as restricted fund balance in the fund financial statements.

City of Beaver Dam

Notes to Financial Statements

Note 3: Loans Receivable (Continued)

The City is limited by the Wisconsin Department of Administration to the amount of program income from economic development loans that it may retain to be loaned to other businesses and/or the amount of time for which funds may be held without use. Program income includes the principal and interest received from economic development loan repayments. At December 31, 2023, the City has not exceeded the maximum amount of program income that it may retain or the amount of time for which funds may be held without use.

Note 4: Lessor Receivable

The City leases tower and ground space to a cellular operating companies. The lease term for one lease is for five years beginning February 1, 2021 and can be renewed every 5 years for an additional 6 five-year terms. Monthly lease payments started at \$32,413 and increase 3% each year. The payments are discounted at a rate of 1%. Total receipts on this lease were \$34,721 for the year ended December 31, 2023. The lease term for another lease is for five years beginning February 10, 2021 and can be renewed every 5 years for an additional 7 five-year terms. Monthly lease payments started at \$2,701 and increase 3% every year. The payments are discounted at a rate of 1%. Total receipts on this lease were \$33,308 for the year ended December 31, 2023. The lease term for the third lease is for five years beginning February 1, 2021 and can be renewed every 5 years for an additional 4 five-year terms. Monthly lease payments started at \$29,409 and increase 3% each year. The payments are discounted at a rate of 1%. Total receipts on this lease were \$31,000 for the year ended December 31, 2023. The lessor contributed equipment in the amount of \$200,000 during the year ended December 31, 2022 in exchange for future required payments on the lease. The future minimum lease payments expected for these leases are as follows:

	Principal	Interest
2024	\$ 33,783	\$ 36,985
2025	36,600	36,656
2026	39,530	36,303
2027	42,583	35,919
2028	45,760	35,507
2029 - 2033	438,571	205,705
2034 - 2038	580,625	181,238
2039 - 2043	748,567	149,329
2044 - 2048	784,440	106,181
2049 - 2053	837,068	70,754
2054 - 2058	525,677	28,160
2059 - 2062	301,260	5,099
Total	\$ 4,414,464	\$ 927,836

City of Beaver Dam

Notes to Financial Statements

Note 5: Interfund Balances and Activity

Interfund receivable and payable balances in the fund financial statements on December 31, 2023, are as follows:

Due From:	Due To: General Fund	Due To: Stormwater Utility
TID No. 9	\$ 350,000	\$ -
TID No. 6	10,863	-
Water Utility	218,516	-
Wastewater Utility	10,586	-
Solid Waste	80,373	-
General Fund	-	44,698
Totals	\$ 670,338	\$ 44,698

The outstanding balances between funds result mainly 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. These amounts include balances of working capital loans to funds which the general fund expects to collect in the subsequent year.

Transfer From:	Transfer To: General Fund
Water Utility	\$ 488,753
Wastewater Utility	15,718
Totals	\$ 504,471

The purpose of the transfer from the Water and Wastewater Utility's was for the tax equivalent payment.

City of Beaver Dam

Notes to Financial Statements

Note 6: Capital Assets

Capital asset balances and activity for the year ended December 31, 2023, were as follows:

Governmental Activities:	Balance 12/31/22	Increases	Decreases	Balance 12/31/23
Capital assets, not being depreciated:				
Land	\$ 5,360,246	\$ -	\$ (735,684)	\$ 4,624,562
Construction in progress	2,329,452	2,848,946	(4,172,721)	1,005,677
Total capital assets, not being depreciated	7,689,698	2,848,946	(4,908,405)	5,630,239
Capital assets, being depreciated:				
Land improvements	4,864,536	3,047,581	-	7,912,117
Buildings	25,379,953	343,500	-	25,723,453
Machinery and equipment	5,689,312	170,498	(28,048)	5,831,762
Furniture and fixtures	624,315	-	-	624,315
Vehicles	6,518,180	605,114	(612,088)	6,511,206
Other assets	4,048,001	-	-	4,048,001
Roads	32,020,924	699,568	-	32,720,492
Bridges	1,617,451	82,073	-	1,699,524
Traffic signals	842,556	-	-	842,556
Street lights	1,170,784	-	-	1,170,784
Total capital assets, being depreciated	82,776,012	4,948,334	(640,136)	87,084,210
Accumulated depreciation:				
Land improvements	(1,193,461)	(202,779)	-	(1,396,240)
Buildings	(8,197,311)	(870,623)	-	(9,067,934)
Machinery and equipment	(4,256,983)	(215,237)	28,048	(4,444,172)
Furniture and fixtures	(544,221)	(19,097)	-	(563,318)
Vehicles	(4,082,732)	(455,666)	612,088	(3,926,310)
Other assets	(3,959,821)	(75,568)	-	(4,035,389)
Roads	(15,187,330)	(970,856)	-	(16,158,186)
Bridges	(473,470)	(32,136)	-	(505,606)
Traffic signals	(470,362)	(26,097)	-	(496,459)
Street lights	(545,014)	(49,078)	-	(594,092)
Total accumulated depreciation	(38,910,705)	(2,917,137)	640,136	(41,187,706)
Total capital assets, being depreciated, net	43,865,307	2,031,197	-	45,896,504
Governmental activities capital assets, net	\$ 51,555,005	\$ 4,880,143	\$ (4,908,405)	\$ 51,526,743

City of Beaver Dam

Notes to Financial Statements

Note 6: Capital Assets (Continued)

Depreciation expense was charged to the governmental functions as follows:

Governmental activities:

General government	\$ 440,341
Public safety	658,225
Public works	1,476,463
Culture, recreation and education	342,108

Total depreciation expense, governmental activities	\$ 2,917,137
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Water Utility	Balance 12/31/22	Increases	Decreases	Balance 12/31/23
Capital assets, not being depreciated:				
Land and land rights	\$ 164,343	\$ -	\$ -	\$ 164,343
Construction in progress	306,210	422,295	(339,295)	389,210
Total capital assets, not being depreciated	470,553	422,295	(339,295)	553,553
Capital assets, being depreciated:				
Source of supply	798,008	-	-	798,008
Pumping	2,382,925	-	-	2,382,925
Water treatment	8,372,236	-	-	8,372,236
Transmission and distribution	19,309,800	1,624,205	(61,433)	20,872,572
General equipment	814,317	60,962	-	875,279
Total capital assets, being depreciated	31,677,286	1,685,167	(61,433)	33,301,020
Accumulated depreciation:				
Source of supply	(438,729)	(20,733)	-	(459,462)
Pumping	(1,135,186)	(80,077)	-	(1,215,263)
Water treatment	(6,950,836)	(435,413)	-	(7,386,249)
Transmission and distribution	(5,919,958)	(639,398)	61,433	(6,497,923)
General equipment	(673,754)	(26,716)	-	(700,470)
Total accumulated depreciation	(15,118,463)	(1,202,337)	61,433	(16,259,367)
Total capital assets, being depreciated, net	16,558,823	482,830	-	17,041,653
Water utility capital assets, net	\$ 17,029,376	\$ 905,125	\$ (339,295)	\$ 17,595,206

City of Beaver Dam

Notes to Financial Statements

Note 6: Capital Assets (Continued)

Wastewater Utility	Balance 12/31/22	Increases	Decreases	Balance 12/31/23
Capital assets, not being depreciated:				
Land and land rights	\$ 10,437	\$ -	\$ -	\$ 10,437
Construction in progress	429,829	175,834	(474,646)	131,017
Total capital assets, not being depreciated	440,266	175,834	(474,646)	141,454
Capital assets, being depreciated:				
Collection system	15,346,588	515,151	-	15,861,739
Collecting system pumping	3,326,875	412,553	(8,957)	3,730,471
Treatment and disposal	31,053,421	120,694	(12,069)	31,162,046
General equipment	4,144,226	97,522	(44,145)	4,197,603
Total capital assets, being depreciated	53,871,110	1,145,920	(65,171)	54,951,859
Accumulated depreciation:				
Wastewater plant	(28,155,601)	(1,588,304)	65,171	(29,678,734)
Total accumulated depreciation	(28,155,601)	(1,588,304)	65,171	(29,678,734)
Total capital assets, being depreciated, net	25,715,509	(442,384)	-	25,273,125
Wastewater utility capital assets, net	\$ 26,155,775	\$ (266,550)	\$ (474,646)	\$ 25,414,579

City of Beaver Dam

Notes to Financial Statements

Note 6: Capital Assets (Continued)

Stormwater Utility	Balance 12/31/22	Increases	Decreases	Balance 12/31/23
Capital assets, not being depreciated:				
Construction in progress	\$ 322,233	\$ 592,820	\$ (727,906)	\$ 187,147
Total capital assets, not being depreciated	322,233	592,820	(727,906)	187,147
Capital assets, being depreciated:				
Stormwater infrastructure	17,674,473	998,852	(101,289)	18,572,036
Total capital assets, being depreciated	17,674,473	998,852	(101,289)	18,572,036
Accumulated depreciation:				
Stormwater infrastructure	(5,768,270)	(503,826)	101,289	(6,170,807)
Total accumulated depreciation	(5,768,270)	(503,826)	101,289	(6,170,807)
Total capital assets, being depreciated, net	11,906,203	495,026	-	12,401,229
Stormwater utility capital assets, net	\$ 12,228,436	\$ 1,087,846	\$ (727,906)	\$ 12,588,376

Note 7: Unavailable Revenue

Unavailable revenue is recorded in the governmental funds for amounts not yet available and for resources received prior to being earned by the City. Related revenue is recognized when these amounts become available or when earned. The composition of deferred balances in the Governmental funds as of December 31, 2023 is as follows:

	General Fund	Capital Projects Fund	Housing Rehabilitation Fund	Total
Loan receivable	\$ -	\$ -	\$ 2,263,598	\$ 2,263,598
Special assessments not yet due	-	221,906	-	221,906
Ambulance receivables	214,529	-	-	214,529
Total	\$ 214,529	\$ 221,906	\$ 2,263,598	\$ 2,700,033

City of Beaver Dam

Notes to Financial Statements

Note 8: Long-Term Obligations

Long-term obligations of the City are as follows:

<i>Governmental activities</i>	Balance 01/01/23	Additions	Reductions	Balance 12/31/23	Amounts Due Within One Year
General obligation debt	\$ 35,675,887	\$ 4,755,000	\$ 3,633,111	\$ 36,797,776	\$ 3,962,776
Bond Premiums	1,450,395	234,514	128,016	1,556,893	-
Subtotals	37,126,282	4,989,514	3,761,127	38,354,669	3,962,776
Unfunded WRS Liability	2,322,717	22,138	-	2,344,855	-
Total OPEB Liability-Health	1,568,299	315,836	-	1,884,135	-
Net OPEB Liability-Life	714,519	-	307,786	406,733	-
Net Pension Liability	-	3,478,124	-	3,478,124	-
Landfill post-closure care	494,024	-	35,287	458,737	-
Compensated Absences	2,852,713	95,641	-	2,948,354	-
Totals	\$ 45,078,554	\$ 8,901,253	\$ 4,104,200	\$ 49,875,607	\$ 3,962,776

<i>Business-type activities</i>	Balance 01/01/23	Additions	Reductions	Balance 12/31/23	Amounts Due Within One Year
Revenue bonds	\$ 6,588,535	\$ 4,344,331	\$ 762,812	\$ 10,170,054	\$ 965,188
General obligation debt	6,360,000	-	855,000	5,505,000	865,000
Bond Premiums	180,004	-	26,646	153,358	-
Subtotals	13,128,539	4,344,331	1,644,458	15,828,412	1,830,188
Net Pension Liability	-	584,773	-	584,773	-
Unfunded WRS Liability	366,978	27,259	-	394,237	-
Total OPEB Liability-Health	211,667	-	185,512	26,155	-
Net OPEB Liability-Life	112,890	-	44,506	68,384	-
Lease obligations	-	154,621	-	154,621	28,067
Compensated Absences	427,797	-	45,651	382,146	-
Totals	\$ 14,247,871	\$ 5,110,984	\$ 1,920,127	\$ 17,438,728	\$ 1,858,255

Lease obligations relate to a purchase of a street sweeper placed in service in 2023. An initial payment of \$84,500 was made on November 21, 2022 with payments of \$35,566 due annually beginning April 1, 2023 through April 1, 2028 including interest at 3.89%.

City of Beaver Dam

Notes to Financial Statements

Note 8: Long-Term Obligations (Continued)

The Unfunded WRS liability relates to prior contributions not made as required. Interest is accrued on the amount annually with contributions being paid towards the liability. All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the City. Notes and bonds in the governmental funds will be retired by future property tax levies. Business-type activities debt is payable by revenues from user fees of those funds, or if the revenues are not sufficient, by future tax levies.

General obligation debt at December 31, 2023 is comprised of the following individual issues:

	Governmental Activities			
	Issue Dates	Interest Rates %	Final Maturity	Balance 12/31/23
Promissory notes	05/14/15	.9-2.05%	09/01/24	\$ 280,000
Promissory notes	07/19/16	1.25-2.00%	09/01/25	400,000
Promissory notes	07/27/17	2.25%	09/01/26	600,000
Promissory notes	07/26/18	2.00-3.00%	08/01/26	1,465,000
Bank Loan	04/22/19	4.00%	04/22/24	2,776
Promissory Notes	04/24/19	2.00-3.00%	04/01/29	2,020,000
Taxable GO notes	04/24/19	3.00%	04/01/29	1,720,000
Promissory Notes	08/05/20	1.00-2.00%	03/01/30	2,695,000
Refunding Bonds	09/22/20	1.00-2.00%	11/01/30	2,745,000
Promissory Notes	04/28/21	1.15-3.00%	03/01/31	5,400,000
Promissory Notes	04/28/22	3.50-5.00%	03/01/42	14,715,000
Promissory Notes	05/17/23	4.00-5.00%	03/01/33	3,355,000
Promissory Notes	12/28/23	6.25%	12/31/24	1,400,000
Total general obligation debt				\$ 36,797,776

	Business-Type Activities			
	Issue Dates	Interest Rates %	Final Maturity	Balance 12/31/23
Promissory notes	05/14/15	.9-2.05%	09/01/24	\$ 70,000
Promissory notes	07/19/16	1.25-2.00%	09/01/25	380,000
Promissory notes	07/27/17	2.25%	09/01/26	325,000
Promissory notes	07/26/18	2.00-3.00%	08/01/26	570,000
Promissory notes	04/24/19	2.00-3.00%	04/01/29	1,085,000
Promissory notes	08/05/20	1.00-2.00%	03/01/30	1,845,000
Promissory notes	4/28/21	1.15-3.00%	03/01/31	1,230,000
Total general obligation debt				\$ 5,505,000

City of Beaver Dam

Notes to Financial Statements

Note 8: Long-Term Obligations (Continued)

The 2022 equalized valuation of the City as certified by the Wisconsin Department of Revenue is \$1,716,575,000. The legal debt limit and margin of indebtedness as of December 31, 2023, in accordance with Section 67.03(1)(a) of the Wisconsin Statutes, are as follows:

Legal debt limit (5% of \$1,716,575,000)	\$ 85,828,750
Deduct: Long-term debt applicable to debt margin	(42,302,776)
Add: Debt service fund assets available	327,502
Margin of indebtedness	\$ 43,853,476

	Business-Type Activities			
	Issue Dates	Interest Rates %	Final Maturity	Balance 12/31/23
2009 CWF Revenue Bonds	11/01/10	2.67%	05/01/29	\$ 3,994,301
2021 CWF Revenue Bonds	04/14/21	1.49%	04/01/40	901,422
Revenue bonds	08/12/21	1.00-2.00%	03/01/31	930,000
2023 CWF Revenue Bonds	09/27/23	2.15%	05/01/43	2,420,142
2023 SDW Revenue Bonds	09/27/23	2.15%	05/01/43	1,924,189
Total general obligation debt				\$ 10,170,054

Debt service requirements to maturity are as follows:

Year Ended:	Governmental Activities General Obligation Debt		Business-Type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2024	\$ 5,362,776	\$ 1,226,138	\$ 865,000	\$ 116,726
2025	3,610,000	970,886	810,000	96,641
2026	3,480,000	853,986	825,000	76,491
2027	3,465,000	742,549	790,000	55,390
2028	3,450,000	627,769	815,000	32,680
2029-2033	11,525,000	1,751,854	1,400,000	20,790
2034-2038	3,655,000	652,813	-	-
2039-2042	2,250,000	130,892	-	-
Totals	\$ 36,797,776	\$ 6,956,887	\$ 5,505,000	\$ 398,718

City of Beaver Dam

Notes to Financial Statements

Note 8: Long-Term Obligations (Continued)

<i>Year Ended:</i>	Business-Type Activities Revenue Bonds		Business-Type Activities Lease obligations	
	Principal	Interest	Principal	Interest
2024	\$ 965,188	\$ 229,014	\$ 28,067	\$ 7,499
2025	991,478	197,065	29,428	6,138
2026	1,013,307	173,809	30,855	4,711
2027	1,035,689	149,994	32,352	3,214
2028	1,058,638	125,605	33,919	1,645
2029-2033	5,105,754	691,242	-	-
Totals	\$ 10,170,054	\$ 1,566,729	\$ 154,621	\$ 23,207

There are various requirements associated with the wastewater utility's 2009 and 2021 Clean Water Fund bond issues. All Wastewater Utility revenues net of specified operating expenses are pledged as security of the above revenue bonds until the bonds are defeased. Principal and interest paid for 2023 and 2022 were \$781,200 and \$906,340 respectively. Total customer net revenues as defined for the same periods were \$2,771,192 and \$1,778,938. The wastewater utility met debt coverage requirements in both years. Required coverage is 1.10 times annual debt service. Actual debt service coverage in 2023 and 2022 was 3.55 and 1.96, respectively. Additionally, the utility has established a redemption, depreciation, or equipment replacement account as required by the bond resolution. The utility is in compliance with all significant bond issue requirements.

In prior years, the City defeased certain general obligation bonds by placing the proceeds of new debt in an irrevocable trust to provide for the future debt service payments in the old debt. Accordingly, the trust account assets and liability for the defeased bonds are not included in the City's financial statements. At December 31, 2023 \$249,670 of debt outstanding is considered defeased.

Note 9: Closure and Postclosure Care Cost

State and federal laws and regulations require the City to place a final cover on its solid waste landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for forty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$458,737 reported as landfill closure and postclosure care liability at December 31, 2023, represents the total amount needed by the City for postclosure care costs according to state and federal regulations. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The City is required by state and federal laws and regulations to provide proof of financial assurance for the postclosure costs. The City is in compliance with these requirements, and, at December 31, 2023, held an insurance policy in the amount of \$458,737. The maintenance and monitoring expenses for long-term care will be budgeted for each year by the City and the amount of insurance coverage will be adjusted accordingly.

City of Beaver Dam

Notes to Financial Statements

Note 10: Tax Abatement

Wisconsin State Statutes Section 66.1105 provides the City authority to create Tax Incremental Financing (TIF) districts and the authority to provide tax incentives in the form of tax abatement agreements to certain developers of properties within the tax incremental districts. All tax abatement agreements are approved by the City Council and the Joint Review Board. The City has entered into a tax abatement agreement with a developer in the form of annual reimbursement grant payments not to exceed \$920,516. The developer has committed to construction and maintenance of a development on property within TIF District No. 6. The developer agrees to pay annual minimum property taxes and any tax shortfalls. The City calculates the annual reimbursement grant based on the annual tax increment generated from the developed property. The City paid the final amount of \$898 in reimbursement grants in 2021 and no further payments are required.

Note 11: Net Position

Net position reported on the government wide statement of net position at December 31, 2023:

Governmental Activities:

Net investment in capital assets:

Land and other nondepreciable assets	\$ 5,630,239
Other capital assets, net of accumulated depreciation	45,896,504
Less: related long-term debt outstanding	(31,979,790)

Total net investment in capital assets	19,546,953
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Restricted:

TIF purposes	1,371,664
Capital projects	6,374,879
Senior citizens	19,124
Housing programs	340,050
Transit program	267,631

Total restricted	8,373,348
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Unrestricted	(4,152,209)
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Governmental activities net position	\$ 23,768,092
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City of Beaver Dam

Notes to Financial Statements

Note 11: Net Position (Continued)

Business-Type Activities:

Net investment in capital assets:	
Land and other nondepreciable assets	\$ 883,154
Other capital assets, net of accumulated depreciation	54,716,007
Less: related long-term debt outstanding	(15,983,033)
Total net investment in capital assets	39,616,128
Unrestricted	6,173,880
Business-type activities net position	\$ 45,790,008

Note 12: Fund Balance

Fund balance reported on the balance sheet - governmental funds at December 31, 2023:

Nonspendable Fund Balance

Prepaid expenses	\$ 187,352
Total nonspendable fund balance	\$ 187,352

Restricted Fund Balance

Debt service	\$ 327,502
Capital projects	6,374,879
TIF purposes	1,371,664
Senior citizens	19,124
Housing programs	340,050
Transit program	267,631
Total restricted fund balance	\$ 8,700,850

Assigned Fund Balance

Future COVID related expenditures	\$ 82,183
Total assigned fund balance	\$ 82,183

Unassigned Fund Balance

General fund	\$ 5,590,624
TIF purposes	(253,502)
Total unassigned fund balance	\$ 5,337,122

City of Beaver Dam

Notes to Financial Statements

Note 13: Employee Retirement Plans - Wisconsin Retirement System

Plan Description

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

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

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

Vesting

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

Benefits Provided

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

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

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

The WRS also provides death and disability benefits for employees.

City of Beaver Dam

Notes to Financial Statements

Note 13: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Postretirement Adjustments

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2013	(9.6)%	9.0 %
2014	4.7 %	25.0 %
2015	2.9 %	2.0 %
2016	0.5 %	(5.0)%
2017	2.0 %	4.0 %
2018	2.4 %	17.0 %
2019	- %	(10.0)%
2020	1.7 %	21.0 %
2021	5.1 %	13.0 %
2022	7.4 %	15.0 %

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and executives and elected officials. Starting on January 1, 2016, the executive 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 \$1,056,881 in contributions from the employer.

City of Beaver Dam

Notes to Financial Statements

Note 13: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Contribution rates as of December 31, 2023, are as follows:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.80%	6.80%
Protective with Social Security	6.80%	13.20%
Protective without Social Security	6.80%	18.10%

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

At December 31, 2023, the City reported an liability of \$4,062,896 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the City's proportion was 0.07669165%, which was an increase of 0.00199799% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized pension expense of \$2,058,062.

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,470,935	\$ 8,501,355
Net differences between projected and actual earnings on pension plan investments	6,901,923	-
Change in assumptions	798,933	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,699	38,849
Employer contributions subsequent to the measurement date	1,056,881	-
Total	\$ 15,236,371	\$ 8,540,204

\$1,056,881 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

City of Beaver Dam

Notes to Financial Statements

Note 13: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Year Ended December 31	Net Deferred Outflows (Inflows) of Resources
2024	\$ 228,306
2025	1,165,759
2026	1,193,359
2027	3,051,862
Total	\$ 5,639,286

Actuarial Assumptions

The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	December 31, 2021
Measurement date of net pension liability (asset)	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial cost method	Entry age Normal
Asset valuation method	Fair value
Long-term expected rate of return	6.8%
Discount rate	6.8%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Postretirement adjustments*	1.7%

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

Actuarial assumptions are based on an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total pension liability for December 31, 2022, is based upon on a rollforward of the liability calculated from the December 31, 2021, actuarial valuation

City of Beaver Dam

Notes to Financial Statements

Note 13: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Long-Term Expected Return on Plan Assets: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of 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, 2022

Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core fund:			
Global equities	48.0%	7.6%	5.0%
Fixed income	25.0%	5.3%	2.7%
Inflation sensitive assets	19.0%	3.6%	1.1%
Real estate	8.0%	5.2%	2.6%
Private equity/debt	15.0%	9.6%	6.9%
Total core fund	115.0%	7.4%	4.8%
Variable fund:			
U.S. equities	70.0%	7.2%	4.6%
International equities	30.0%	8.1%	5.5%
Total variable fund	100.0%	7.7%	5.1%

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.5%

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

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

City of Beaver Dam

Notes to Financial Statements

Note 13: Employee Retirement Plans - Wisconsin Retirement System (Continued)

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

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate:

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

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
City's proportionate share of the net pension liability (asset)	\$ 13,484,620	\$ 4,062,896	\$ (2,418,441)

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>.

Payables to the Pension Plan

At December 31, 2023, the City reported a payable of \$2,720 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2023.

City of Beaver Dam

Notes to Financial Statements

Note 14: Other Postemployment Benefits - Local Retiree Life Insurance Fund

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 members.

OPEB Plan Fiduciary Net Position

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>.

Benefits Provided

The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired members 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 postretirement benefit.

Employers are required to pay the following contributions based on member 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 as of December 31, 2023, are as follows:

Coverage Type	Employer Contribution
50% postretirement 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 year ended December 31, 2022, are as follows:

City of Beaver Dam

Notes to Financial Statements

Note 14: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

Life Insurance Member Contribution Rates For the year ended December 31, 2022

Attained Age	Basic	Supplemental
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 \$2,502 in contributions from the employer.

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

At December 31, 2023, the City reported a liability of \$475,116 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of January 1, 2022, rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2022, the City's proportion was 0.12470800%, which was a decrease of 0.01528500% from its proportion measured as of December 31, 2021. For the year ended December 31, 2023, the City recognized OPEB expense of \$33,300. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 46,499
Net differences between projected and actual earnings on OPEB plan investments	8,915	-
Change in assumptions	170,699	280,449
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,857	75,949
Employer contributions subsequent to the measurement date	2,502	-
Total	\$ 185,973	\$ 402,897

City of Beaver Dam

Notes to Financial Statements

Note 14: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

\$2,502 reported as deferred outflows of resources related to OPEB resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in expense as follows:

Year Ended December 31	Net Deferred Outflows (Inflows) of Resources
2024	\$ (23,933)
2025	(26,299)
2026	(18,773)
2027	(41,423)
2028	(56,585)
Thereafter	(52,413)
Total	\$ (219,426)

The total OPEB liability in the January 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	January 1, 2022
Measurement date of net OPEB liability (asset)	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020, Published November 19, 2021
Actuarial cost method	Entry age normal
20 year tax-exempt municipal bond yield	3.72%
Long-term expected rate of return	4.25%
Discount rate	3.76%
Salary Increases:	
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. The Total OPEB Liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the January 1, 2022 actuarial valuation.

City of Beaver Dam

Notes to Financial Statements

Note 14: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

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 carrier's general fund, specifically 10-year A-Bonds (as a proxy, and not tied to any specific investment). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

Local OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2022

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Intermediate Credit Bonds	Bloomberg US Interim Credit	50%	2.45%
U.S. Mortgages	Bloomberg US MBS	50%	2.83%
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 remained unchanged from the prior year at 2.30%.

Single Discount Rate: A single discount rate of 3.76% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.17% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 2.06% as of December 31, 2021 to 3.72% as of December 31, 2022. 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.

City of Beaver Dam

Notes to Financial Statements

Note 14: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate: The following presents the City's proportionate share of the net OPEB liability calculated using the discount rate of 3.76%, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.76%) or 1 percentage point higher (4.76%) than the current rate:

	1% Decrease to Discount Rate (2.76%)	Current Discount Rate (3.76%)	1% Increase to Discount Rate (4.76%)
City's proportionate share of the net OPEB liability	\$ 647,770	\$ 475,116	\$ 342,796

Note 15: Other Postemployment Benefits - Healthcare Plan

Plan description - The City administers a single-employer defined benefit healthcare plan. The plan provides health care coverage for eligible retirees and their spouses through the City's insurance plan which covers both active and retired members.

Employees covered by benefit terms - At December 31, 2021, the date of the latest actuarial valuation, there were 109 active and 21 retired members in the plan.

Contributions - There is no requirement for any employee or employer contributions for funding of the plan. Benefit provisions and contribution requirements are established through employment agreements which may be amended only through negotiations between the City and the employees. The City does not contribute toward the retired employees' premiums.

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

Actuarial valuation date	December 31, 2021
Measurement date	December 31, 2023
Actuarial Cost Method	Entry age Normal (level percent of salary)
Inflation	2.50%
Discount Rate	4.00%
Healthcare cost trend rates	6.5% decreasing by 0.1% per year down to 5.0% and level thereafter
Actuarial Assumptions	Based on an experience study conducted in 2018 using Wisconsin Retirement System (WRS) experience from 2015-17
Mortality Assumptions	Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied 60%)

City of Beaver Dam

Notes to Financial Statements

Note 15: Other Postemployment Benefits - Healthcare Plan (Continued)

Discount rate -The discount rate was updated based on the S&P Municipal Bond 20 Year High Grade Index as of the week of the measurement date (4.00%) in compliance with GASB 75. All other assumptions and methods remained unchanged from the actuarial valuation performed as of December 31, 2021. The purpose of these updated exhibits is to provide the required OPEB financial disclosures necessary for reporting December 31, 2023. Foster & Foster has not reviewed or modified the prior year reporting related to the City OPEB benefits, but rather illustrated the information as disclosed in the City most recent audited financial statements.

	<u>Increase (Decrease)</u> <u>Total OPEB Liability</u> <u>(a)</u>
<i>Changes in Total OPEB Liability</i>	
Balances at December 31, 2022	\$ 1,779,966
Changes for the year:	
Service cost	123,880
Interest	73,804
Differences between expected and actual experience	101,112
Changes of assumptions or other input	42,225
Benefit payments	(210,697)
Net changes	130,324
Balances at December 31, 2023	\$ 1,910,290

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.00%) or 1 percentage point higher (5.00%) than the current rate:

	<u>1% Decrease (3.00%)</u>	<u>Current Discount Rate (4.00%)</u>	<u>1% Increase (5.00%)</u>
Total OPEB liability	\$ 2,088,944	\$ 1,910,290	\$ 1,747,846

City of Beaver Dam

Notes to Financial Statements

Note 15: Other Postemployment Benefits - Healthcare Plan (Continued)

The following presents the City's total OPEB liability calculated using the health care cost trend rate of 6.5% decreasing to 5.0%, as well as what the City's total OPEB liability would be if it were calculated using the health care cost trend rate that is 1 percentage point lower (5.5% decreasing to 4.0%) or 1 percentage point higher (7.5% decreasing to 6.0%) than the current rate:

	1% Decrease (5.5% decreasing to 4.0%)	Health Care Cost Trend Rates (6.5% decreasing to 5.0%)	1% Increase (7.5% decreasing to 6.0%)
Total OPEB liability	\$ 1,698,886	\$ 1,910,290	\$ 2,162,487

For the year ended December 31, 2023, the City recognized OPEB expense of \$208,642.

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 504,977	\$ 180,778
Changes in assumptions	72,108	423,722
Total	\$ 577,085	\$ 604,500

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

	Deferred Outflows of Resources
2024	\$ 10,958
2025	10,958
2026	10,958
2027	10,958
2028	10,958
Thereafter	(82,205)
Total	\$ (27,415)

City of Beaver Dam

Notes to Financial Statements

Note 16: Reconciliation of Deferred Outflows and Inflows

The tables below reconciles the deferred outflows and inflows from the Notes to the financial statements:

	Deferred Outflows	Deferred Inflows
Employee Retirement Plans - Wisconsin Retirement System	\$ 15,236,371	\$ 8,540,204
Other Postemployment Benefits - Local Retiree Life Insurance Fund	185,973	402,897
Other Postemployment Benefits - Healthcare Plan	577,085	604,500
Total	\$ 15,999,429	\$ 9,547,601

Note 17: Tax Incremental District Funds

As provided by Statute Number 66.1105, the City of Beaver Dam has established tax incremental districts (TID) for the development of areas in the City. All expenditures by the City for these areas are expected to be repaid through the increase in taxes resulting from the development of these areas. The increase in taxes will be deposited in the Tax Incremental District Funds as provided by Statute 66.1105(6)(b) and will be used to repay loans and make other expenditures of the districts.

Note 18: Economic Dependency

The wastewater utility has one significant customer who was responsible for approximately 50% of operating revenues in 2023.

Note 19: Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers' compensation for which the City carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There was no significant reduction in the City's insurance coverage in fiscal 2023.

Note 20: Commitments and Contingencies

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

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

Required Supplementary Information

City of Beaver Dam

Budgetary Comparison Schedule - General Fund For the Year Ended December 31, 2023

	Budgeted Amounts Original/Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes			
General property	\$ 8,794,987	\$ 8,809,022	\$ 14,035
Room tax	52,500	217,419	164,919
Retained sales tax	120	110	(10)
Total taxes	8,847,607	9,026,551	178,944
Intergovernmental			
Shared revenue	2,025,901	2,025,730	(171)
Exempt computer aid	46,679	46,679	-
Personal property aid	190,000	188,688	(1,312)
Fire insurance tax	82,000	95,141	13,141
Police training aid	4,800	4,640	(160)
Local transportation aids	954,506	954,631	125
Other highway aids	45,768	45,768	-
Video service provider aids	41,895	41,895	-
Other state payments	-	52,494	52,494
School district reimb. - police liason	-	193,090	193,090
Library aids	-	280,933	280,933
Total intergovernmental	3,391,549	3,929,689	538,140
Licenses and permits			
Business and occupational licences	10,500	10,788	288
Liquor and malt beverage licenses	15,400	11,946	(3,454)
Cigarette licenses	2,100	2,600	500
Dog and cat licenses	9,000	7,700	(1,300)
Sundry licenses	1,200	2,694	1,494
Cable TV Franchise fees	195,000	168,323	(26,677)
Building permits	20,000	192,694	172,694
Electrical permits	-	21,787	21,787
Plumbing permits	-	17,187	17,187
Street opening permits	12,000	33,210	21,210
Total licenses and permits	265,200	468,929	203,729

See Accompanying Notes to Required Supplementary Information

City of Beaver Dam

Budgetary Comparison Schedule - General Fund For the Year Ended December 31, 2023

	Budgeted Amounts Original/Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues (continued)			
Fines and forfeits			
Court fines and penalties	\$ 221,000	\$ 166,222	\$ (54,778)
Parking violations	18,000	22,840	4,840
Total fines and forfeits	239,000	189,062	(49,938)
Public charges for services			
Publication fees	650	893	243
Fire protection fees	718,200	529,839	(188,361)
Engineering fees	4,000	10,225	6,225
Parking lots, ramps and meters	4,000	43,810	39,810
Library	1,000	2,132	1,132
Recreation programs	68,000	68,816	816
Ambulance fees	547,424	819,126	271,702
Weed control	10,000	12,083	2,083
Total public charges for services	1,353,274	1,486,924	133,650
Intergovernmental charges for services			
Public works charges	22,000	-	(22,000)
Dept share of admin expenses	300,000	-	(300,000)
Revenue from departments	60,000	5,578	(54,422)
Total intergovernmental charges for services	382,000	5,578	(376,422)
Miscellaneous			
Interest on investments	60,000	678,002	618,002
Rent	5,400	5,401	1
DPW non-eligible recycling	1,500	-	(1,500)
Donations and contributions	1,000	65,463	64,463
Miscellaneous	30,300	47,489	17,189
Total miscellaneous	98,200	796,355	698,155
Total revenues	14,576,830	15,903,088	1,326,258

See Accompanying Notes to Required Supplementary Information

City of Beaver Dam

Budgetary Comparison Schedule - General Fund For the Year Ended December 31, 2023

	Budgeted Amounts Original/Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Expenditures:			
General government			
City council	\$ 83,052	\$ 88,012	\$ (4,960)
Municipal court	109,960	110,226	(266)
Mayor	44,292	46,068	(1,776)
City Administrator	188,310	194,957	(6,647)
Clerk and personnel officer	118,900	106,921	11,979
Elections	69,965	59,814	10,151
Finance	420,600	204,802	215,798
Assessment of property	56,700	56,494	206
Municipal facilities	717,192	524,216	192,976
Personnel	160,000	165,322	(5,322)
Employee Recognition	3,000	20	2,980
Auditing and special accounting	18,500	29,117	(10,617)
Bad debt and illegal taxes	6,000	22,226	(16,226)
Property and liability insurance	76,000	87,228	(11,228)
Workers compensation insurance	190,000	183,460	6,540
Unemployment compensation	5,000	6,821	(1,821)
Other general government	10,000	13,585	(3,585)
Total general government	2,277,471	1,899,289	378,182
Public safety			
Police	4,915,919	5,017,258	(101,339)
Traffic control	75,469	47,272	28,197
Crossing guards	111,650	119,584	(7,934)
Fire	3,803,417	3,804,160	(743)
Building inspection	1,500	195,279	(193,779)
Sealer of weights and measures	6,000	3,200	2,800
Emergency government	12,147	11,378	769
Total public safety	8,926,102	9,198,131	(272,029)
Public works			
Public works machinery	304,010	267,371	36,639
Garage	110,198	288,865	(178,667)
Engineering	107,200	91,528	15,672
Public works supervision	118,054	120,121	(2,067)
Street repair	199,121	249,058	(49,937)
Street maintenance/pavement marking	88,377	19,732	68,645
Snow and ice control	275,842	279,402	(3,560)
Tree control	82,269	99,003	(16,734)
Street lighting	232,065	185,376	46,689
Employee benefits	321,650	302,915	18,735
Total public works	1,838,786	1,903,371	(64,585)

See Accompanying Notes to Required Supplementary Information

City of Beaver Dam

Budgetary Comparison Schedule - General Fund For the Year Ended December 31, 2023

	Budgeted Amounts Original/Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Expenditures (continued):			
Health and human services			
Animal control	\$ 58,000	\$ 58,000	\$ -
Cemetery	5,529	3,465	2,064
Total health and human services	63,529	61,465	2,064
Culture and recreation			
Library	652,343	709,762	(57,419)
Library - county funding	-	258,233	(258,233)
Community activities and services	404,860	402,868	1,992
Recreation programs and events	163,560	73,313	90,247
Celebration and entertainment	40,803	28,764	12,039
Weed control	18,397	19,276	(879)
Parks	588,711	668,701	(79,990)
Total culture and recreation	1,868,674	2,160,917	(292,243)
Conservation and development			
Tourism	5,000	155,464	(150,464)
Lake development	8,400	8,242	158
Total conservation and development	13,400	163,706	(150,306)
Total expenditures	14,987,962	15,386,879	(398,917)
Excess (deficiency) of revenues over expenditures	(411,132)	516,209	927,341
Other Financing Sources (Uses):			
Transfers in	520,000	504,471	(15,529)
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	108,868	1,020,680	911,812
Fund balance - beginning	4,757,296	4,757,296	-
Fund balance - ending	\$ 4,866,164	\$ 5,777,976	\$ 911,812

See Accompanying Notes to Required Supplementary Information

City of Beaver Dam

Notes to Budgetary Comparison Schedule - General Fund

Note 1: Budgetary Information

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

Budgets are adopted at the functional level of expenditure. The budgeted amounts presented include any amendments made. The City may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds action.

Note 2: Excess of Expenditures Over Appropriations

For the year ended December 31, 2023, the General Fund had expenditures in excess of appropriations for the following categories:

	Budget	Actual	Actual Over Budget
City council	\$ 83,052	\$ 88,012	\$ 4,960
Municipal court	109,960	110,226	266
Mayor	44,292	46,068	1,776
City Administrator	188,310	194,957	6,647
Personnel	160,000	165,322	5,322
Auditing and special accounting	18,500	29,117	10,617
Bad and illegal taxes	6,000	22,226	16,226
Property and liability insurance	76,000	87,228	11,228
Unemployment insurance	5,000	6,821	1,821
Other general government	10,000	13,585	3,585
Police	4,915,919	5,017,258	101,339
Crossing guards	111,650	119,584	7,934
Fire	3,803,417	3,804,160	743
Building inspection	1,500	195,279	193,779
Garage	110,198	288,865	178,667
Public works supervision	118,054	120,141	2,087
Street repair	199,121	249,058	49,937
Snow and ice control	275,842	279,402	3,560
Tree control	82,269	99,003	16,734
Library	652,343	709,762	57,419
Library - county funding	-	258,233	258,233
Weed control	18,397	19,276	879
Parks	588,711	668,701	79,990
Tourism	5,000	155,464	150,464

City of Beaver Dam

Schedules of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System

Last 10 Years*

Schedule of the Employer's Proportionate Share of the Net Pension Liability (Asset)

Wisconsin Retirement System (WRS)

Last 10 Calendar Years*

Measurement Date December 31,	City's Proportion of the Net Pension Liability (Asset)	City's Proportionate Share of the Net Pension Liability (Asset)	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2022	0.07669165 %	\$ 4,062,896	\$ 8,576,381	47.37 %	95.72 %
2021	0.07469366	(6,020,446)	8,332,240	(72.25)	106.02
2020	0.07383858	(4,609,844)	8,193,994	(56.26)	105.26
2019	0.07209419	(2,324,646)	7,745,342	(30.01)	102.96
2018	0.06972823	2,480,711	7,610,363	32.60	96.45
2017	0.06636500	(1,970,451)	7,224,049	(27.28)	102.93
2016	0.06516400	537,104	6,969,264	7.71	99.12
2015	0.06391500	1,041,640	6,851,478	15.20	98.20
2014	0.06391500	(1,569,935)	6,775,600	(23.17)	102.74

Schedule of the Employer Contributions

Wisconsin Retirement System (WRS)

Last 10 Fiscal Years*

Year Ended December 31,	Contractually Required Contributions for the Fiscal Period	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll for the Fiscal Year	Contributions as a Percentage of Covered Payroll
2023	\$ 1,056,881	\$ 1,056,881	- \$	9,036,027	11.70 %
2022	922,610	922,610	-	8,576,382	10.76
2021	883,517	883,517	-	8,332,240	10.60
2020	852,401	852,401	-	8,193,994	10.40
2019	757,107	757,107	-	7,745,342	9.77
2018	757,572	757,572	-	7,610,363	9.95
2017	711,990	711,990	-	7,224,049	9.86
2016	618,072	618,072	-	6,969,264	8.87
2015	620,753	620,753	-	6,851,478	9.06

City of Beaver Dam

Schedules of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System

Last 10 Years*

Notes to the Schedules:

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

Changes of 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.

*These schedules are intended to present information for the last 10 years. Additional information will be presented as it becomes available.

See Independent Auditor's Report.

City of Beaver Dam

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:

	2022	2021	2020	2019	2018
Valuation Date:	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
	Level Percent of	Level Percent of	Level Percent of	Level Percent of	Level Percent of
	Payroll-Closed	Payroll-Closed	Payroll-Closed	Payroll-Closed	Payroll-Closed
Amortization Method:	Amortization Period	Amortization Period	Amortization Period	Amortization Period	Amortization Period
	30 Year closed from	30 Year closed from	30 Year closed from	30 Year closed from	30 Year closed from
	date of participation in	date of participation in	date of participation in	date of participation in	date of participation in
Amortization Period:	WRS	WRS	in WRS	WRS	WRS
	Five Year Smoothed	Five Year Smoothed	Five Year Smoothed	Five Year Smoothed	Five Year Smoothed
Asset Valuation Method:	Market (Closed)	Market (Closed)	Market (Closed)	Market (Closed)	Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.4%	5.4%	5.4%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.0%	7.0%	7.0%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.0%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.9%	1.9%	1.9%	2.1%	2.1%

City of Beaver Dam

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions (continued):

	2022	2021	2020	2019	2018
Retirement Age:	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014.
Mortality:	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).

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

City of Beaver Dam

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions (continued):

	2017	2016	2015	2014	2013
Valuation Date:	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
	Level Percent of	Level Percent of	Level Percent of	Level Percent of	Level Percent of
	Payroll-Closed	Payroll-Closed	Payroll-Closed	Payroll-Closed	Payroll-Closed
Amortization Method:	Amortization Period	Amortization Period	Amortization Period	Amortization Period	Amortization Period
	30 Year closed from	30 Year closed from	30 Year closed from	30 Year closed from	30 Year closed from
	date of participation in	date of participation in	date of participation in	date of participation in	date of participation in
Amortization Period:	WRS	WRS	in WRS	in WRS	in WRS
	Five Year Smoothed	Five Year Smoothed	Five Year Smoothed	Five Year Smoothed	Five Year Smoothed
Asset Valuation Method:	Market (Closed)	Market (Closed)	Market (Closed)	Market (Closed)	Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%	2.1%

City of Beaver Dam

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions (continued):

<i>Year Ended December 31, 2023</i>	2017	2016	2015	2014	2013
Retirement Age:	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2009 valuation pursuant to an experience study of the period 2006 - 2008.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin Projected Experience Table - 2005 for women and 90% of the Wisconsin Projected Experience Table - 2005 for men.

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

City of Beaver Dam

Schedules of the Employer's Proportionate Share of the Net OPEB Liability (Asset) and Employer Contributions - Local Retiree Life Insurance Fund (LRLIF)

Last 10 Years*

Schedule of the Employer's Proportionate Share of the Net OPEB Liability (Asset)

Local Retiree Life Insurance Fund (LRLIF)

Last 10 Calendar Years*

Measurement Date December 31,	City's Proportion of the Net OPEB Liability (Asset)	City's Proportionate Share of the Net OPEB Liability (Asset)	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2022	0.12470800 %	\$ 475,116	\$ 8,310,000	5.72 %	38.81 %
2021	0.13999300	827,409	8,068,000	10.26	29.57
2020	0.14018500	771,119	7,761,000	9.94	31.36
2019	0.14534400	618,903	7,493,000	8.26	37.58
2018	0.14680700	378,812	7,187,000	5.27	48.69
2017	0.14209900	427,516	5,975,669	7.15	44.81

Schedule of the Employer Contributions

Local Retiree Life Insurance Fund (LRLIF)

Last 10 Fiscal Years*

Year Ended December 31,	Contractually Required Contributions for the Fiscal Period	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll for the Fiscal Period	Contributions as a Percentage of Covered Payroll
2023	\$ 2,502	\$ 2,502	\$ -	\$ 8,200,000	0.0305 %
2022	2,865	2,865	-	8,310,000	0.0345
2021	2,627	2,627	-	8,068,000	0.0326
2020	2,627	2,627	-	7,761,000	0.0338
2019	2,627	2,627	-	7,493,000	0.0351
2018	2,523	2,523	-	7,187,000	0.0351

City of Beaver Dam

Schedules of the Employer's Proportionate Share of the Net OPEB Liability (Asset) and Employer Contributions - Local Retiree Life Insurance Fund (LRLIF)

Last 10 Years*

Notes to the Schedules:

Changes of benefit terms: There were no recent changes of benefit terms.

Changes of 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.

*These schedules are intended to present information for the last 10 years. Additional information will be presented as it becomes available.

See Independent Auditor's Report.

City of Beaver Dam

Schedules of Changes in Total OPEB Liability and Related Ratios Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	123,880	168,894	158,789	\$ 155,295	\$ 60,635	\$ 62,515
Interest	73,804	48,242	51,154	55,189	53,560	51,532
Changes in benefit terms	-	-	-	169,838	-	-
Differences between expected and actual experience	101,112	(225,972)	-	689,960	-	-
Changes in assumptions or other input	42,225	(479,218)	48,722	(67,248)	-	-
Benefit payments	(210,697)	(119,301)	(130,950)	(91,034)	(44,965)	(61,453)
Net Change in OPEB Liability	130,324	(607,355)	127,715	912,000	69,230	52,594
Total OPEB liability - beginning	\$ 1,779,966	\$ 2,387,321	\$ 2,259,606	\$ 1,347,606	\$ 1,278,376	1,225,782
Total OPEB liability - ending	\$ 1,910,290	\$ 1,779,966	\$ 2,387,321	\$ 2,259,606	\$ 1,347,606	\$ 1,278,376

Covered employee payroll	\$ 7,442,344	\$ 7,442,344	\$ 7,138,120	\$ 7,138,120	\$ 7,854,000	\$ 7,700,000
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Total OPEB liability as a percentage of covered employee payroll	25.67%	23.92%	33.44%	31.66%	17.16%	16.60%
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* These schedules are intended to present information for the last 10 years.
Additional information will be presented as it becomes available.

See Independent Auditor's Report.

Supplementary Financial Information

City of Beaver Dam

Combining Balance Sheet Nonmajor Governmental Funds December 31, 2023

	Senior Citizens Endowment	Transit Fund	ARPA Grant Fund	TID No. 6	TID No. 7	TID No. 8	TID No. 9	Total Nonmajor Governmental Funds
Assets:								
Cash	\$ 19,124	\$142,110	\$ 1,090,551	\$ -	\$ 1,139,314	\$ 245,862	\$ 274,035	\$ 2,910,996
Receivables								
Taxes	-	-	-	97,171	572,195	733,190	2,195	1,404,751
Accounts	-	177,554	-	-	-	-	-	177,554
Total assets	\$ 19,124	\$319,664	\$ 1,090,551	\$ 97,171	\$ 1,711,509	\$ 979,052	\$ 276,230	\$ 4,493,301
Liabilities:								
Accounts Payable	\$ -	\$ 52,033	\$ -	\$ 166,466	\$ 2,652	\$ 10,860	\$ 208	\$ 232,219
Unearned revenue	-	-	1,008,368	-	-	-	-	1,008,368
Due to other funds	-	-	-	10,863	-	-	350,000	360,863
Total liabilities	-	52,033	1,008,368	177,329	2,652	10,860	350,208	1,601,450
Deferred inflows of resources:								
Property taxes	-	-	-	97,171	572,195	733,190	2,195	1,404,751
Fund balances:								
Restricted	19,124	267,631	-	-	1,136,662	235,002	-	1,658,419
Assigned	-	-	82,183	-	-	-	-	82,183
Unassigned	-	-	-	(177,329)	-	-	(76,173)	(253,502)
Total fund balances	19,124	267,631	82,183	(177,329)	1,136,662	235,002	(76,173)	1,487,100
Total liabilities, deferred inflows of resources and fund balances	\$ 19,124	\$319,664	\$ 1,090,551	\$ 97,171	\$ 1,711,509	\$ 979,052	\$ 276,230	\$ 4,493,301

City of Beaver Dam

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2023

	Senior Citizens Endowment	Transit Fund	ARPA Grant Fund	TID No. 6	TID No. 7	TID No. 8	TID No. 9	Total Nonmajor Governmental Funds
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ 134,898	\$ 594,479	\$ 616,961	\$ 5,676	\$ 1,352,014
Intergovernmental	-	792,074	273,910	10	34	-	-	1,066,028
Miscellaneous	1,040	-	61,760	12,102	72,984	62,054	1,718	211,658
Total revenues	1,040	792,074	335,670	147,010	667,497	679,015	7,394	2,629,700
Expenditures:								
Current:								
General government	-	967	-	5,513	182,521	2,024	4,315	195,340
Public works	-	703,112	-	-	47,533	-	-	750,645
Conservation and development	-	-	100,000	170,812	80,686	141,268	500	493,266
Debt service:								
Principal	-	-	-	-	75,000	115,000	45,000	235,000
Interest	-	-	-	-	7,250	41,395	80,986	129,631
Capital outlay	-	251,448	173,910	344,901	-	-	3,338	773,597
Total expenditures	-	955,527	273,910	521,226	392,990	299,687	134,139	2,577,479
Excess of revenues over (under) expenditures	1,040	(163,453)	61,760	(374,216)	274,507	379,328	(126,745)	52,221
Other Financing Uses								
Long-term debt issued	-	-	-	-	-	-	-	-
Premium on debt issued	-	-	-	-	-	-	-	-
Sales of Capital Assets	-	26,468	-	-	-	-	-	26,468
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing uses	-	26,468	-	-	-	-	-	26,468
Net Change in Fund Balances	1,040	(136,985)	61,760	(374,216)	274,507	379,328	(126,745)	78,689
Fund Balances - Beginning	18,084	404,616	20,423	196,887	862,155	(144,326)	50,572	1,408,411
Fund Balances - Ending	\$ 19,124	\$ 267,631	\$ 82,183	\$ (177,329)	\$ 1,136,662	\$ 235,002	\$ (76,173)	\$ 1,487,100

Other Reports

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit Performed in Accordance with *Government Auditing Standards*

To the City Council
City of Beaver Dam
Beaver Dam, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Beaver Dam (the "City") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 18, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Wipfli LLP". The script is cursive and fluid.

Wipfli LLP
April 18, 2024
Madison, Wisconsin

Independent Auditor's Report on Compliance for Each Federal and State Program and on Internal Control Over Compliance Required by the Uniform Guidance and the State of Wisconsin Single Audit Guidelines

To the City Council
City of Beaver Dam
Beaver Dam, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the City of Beaver Dam's (the "City") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *State of Wisconsin Single Audit Guidelines*, issued by the Wisconsin Department of Administration, that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2023. The City's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"); and the *State of Wisconsin Single Audit Guidelines*, issued by the Wisconsin Department of Administration. Our responsibilities under those standards, the Uniform Guidance, and the *State of Wisconsin Single Audit Guidelines*, issued by the Wisconsin Department of Administration are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the *State of Wisconsin Single Audit Guidelines* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal or state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the *State of Wisconsin Single Audit Guidelines* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State of Wisconsin Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit the attention of those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the *State of Wisconsin Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.



Wipfli LLP
April 18, 2024
Madison, Wisconsin

City of Beaver Dam

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2023

Grantor Agency/Pass Through Agency/Program Title	AL Number	Pass-Through Entity Identifying Number	Accrued Revenue 1/1/2023	Cash Received	Expenditures	Accrued Revenue 12/31/2023
<u>U.S. DEPARTMENT OF THE INTERIOR</u>						
Passed through Wisconsin Department of Natural Resources Outdoor Recreation Acquisition, Development and Planning	15.916	P22AP01974-01	\$ -	\$ 855,768	\$ 855,768	\$ -
<u>U.S. DEPARTMENT OF JUSTICE</u>						
Direct Grant Body Cam Grant	16.710	WI20101CARES	-	41,052	41,052	-
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>						
Passed through Wisconsin Department of Transportation Formula Grants for Rural Areas and Tribal Transit Program	20.509	2023	-	447,241	624,795	177,554
<u>U.S. DEPARTMENT OF TREASURY</u>						
Passed through Wisconsin Department of Administration American Recovery and Protection Act	21.027	N/A	(1,282,278)	53,402	327,312	(1,008,368)
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ (1,282,278)</u>	<u>\$ 1,397,463</u>	<u>\$ 1,848,927</u>	<u>\$ (830,814)</u>

See Independent Auditor's Report.

See Notes to Schedule of Federal Awards and State Financial Assistance.

City of Beaver Dam

Schedule of State Financial Assistance

Year Ended December 31, 2023

Grantor Agency/Pass Through Agency/Program Title	State I.D. Number	Pass-Through Entity Identifying Number	Accrued Revenue 1/1/2023	Cash Received	Expenditures	Accrued Revenue 12/31/2023
<u>WISCONSIN DEPARTMENT OF NATURAL RESOURCES</u>						
Recycling Grants to Responsible Units	370.670	N/A	\$ -	\$ 53,170	\$ 53,170	\$ -
<u>WISCONSIN DEPARTMENT OF TRANSPORTATION</u>						
Transit Operating Aids	395.177	N/A	-	167,279	167,279	-
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			\$ -	\$ 220,449	\$ 220,449	\$ -

See Independent Auditor's Report.

See Notes to Schedule of Federal Awards and State Financial Assistance.

City of Beaver Dam

Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance

Year Ended December 31, 2023

Note 1: Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal and state award activity of the City under programs of the federal and state government for the year ended December 31, 2023. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and *State of Wisconsin Single Audit Guidelines*. Because the schedules present only a selected portion of the operations of the City, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of the City. Expenditures reported on the schedules are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 2: De Minimis Cost Rate

The City has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3: Subrecipients

The City does not have subrecipients or subrecipient expenditures.

City of Beaver Dam

Schedule of Findings and Questioned Costs

Year Ended December 31, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major federal programs:	

AL Number	Name of Federal Program or Cluster
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15.916	Outdoor Recreation Acquisition, Development and Planning
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as a low-risk auditee?	No

State Financial Assistance

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the <i>State of Wisconsin Single Audit Guidelines</i> ?	No
Identification of major state programs:	

State ID Number	Name of State Program
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395.177	Transit Operating Aids
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City of Beaver Dam

Schedule of Findings and Questioned Costs (Continued)

Year Ended December 31, 2023

Section II - Financial Statement Findings

None.

Section III - Federal and State Findings and Questioned Costs

None

Section IV - Other Issues

Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern?

No

Does the audit report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue, or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State of Wisconsin Single Audit Guidelines*:

Department of Administration

No

Department of Natural Resources

No

Department of Transportation

No

Was a Management Letter or other document conveying audit comments issued as a result of this audit?

Yes



Name of Partner

Brian Anderson, CPA

Date

April 18, 2024

FORM OF LEGAL OPINION

(See following pages)

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

August 6, 2025

Re: City of Beaver Dam, Wisconsin ("Issuer")
\$4,970,000 General Obligation Promissory Notes, Series 2025A,
dated August 6, 2025 ("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 March 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2027	\$200,000	____%
2028	200,000	____
2029	210,000	____
2030	220,000	____
2031	230,000	____
2032	240,000	____
2033	240,000	____
2034	255,000	____
2035	265,000	____
2036	240,000	____
2037	245,000	____
2038	255,000	____
2039	270,000	____
2040	280,000	____
2041	295,000	____
2042	305,000	____
2043	325,000	____
2044	340,000	____
2045	355,000	____

Interest is payable semi-annually on March 1 and September 1 of each year commencing on March 1, 2026.

The Notes maturing on March 1, 2035 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on March 1, 2034 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). The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Notes.

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

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

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

QUARLES & BRADY LLP

BOOK-ENTRY-ONLY SYSTEM

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

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

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Beaver Dam, Dodge County, Wisconsin (the "Issuer") in connection with the issuance of \$4,970,000 General Obligation Promissory Notes, Series 2025A, dated August 6, 2025 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on July 21, 2025 (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 July 21, 2025 delivered in connection with the Securities, which is available from the MSRB.

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

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

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

"Issuer" means the City of Beaver Dam, Dodge County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the City Clerk of the Issuer who can be contacted at 205 South Lincoln Avenue, Beaver Dam, Wisconsin 53916, phone (920) 887-4600, fax (920) 887-4662.

"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, ____, 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 6th day of August, 2025.

(SEAL)

Bobbi Marck
Mayor

Tracey M. Ferron
City Clerk

NOTICE OF SALE

**\$4,970,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2025A
CITY OF BEAVER DAM, WISCONSIN**

Bids for the purchase of \$4,970,000* General Obligation Promissory Notes, Series 2025A (the "Notes") of the City of Beaver Dam, Wisconsin (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, municipal advisors to the City, until 10:30 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:30 A.M., Central Time, on July 21, 2025, at which time they will be opened, read and tabulated. The bids will be presented to the Common Council for consideration for award by resolution at a meeting to be held at 7:30 P.M., Central Time, on the same date. The bid offering to purchase the Notes upon the terms specified herein and most favorable to the City will be accepted unless all bids are rejected.

AUTHORITY; PURPOSE; SECURITY

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the City, for public purposes, including paying the cost of street improvements, water utility improvements and wastewater utility improvements included in the City's capital improvement plan. The Notes are general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount.

DATES AND MATURITIES

The Notes will be dated August 6, 2025, will be issued as fully registered Notes in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on March 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2027	\$200,000	2034	\$255,000	2041	\$295,000
2028	200,000	2035	265,000	2042	305,000
2029	210,000	2036	240,000	2043	325,000
2030	220,000	2037	245,000	2044	340,000
2031	230,000	2038	255,000	2045	355,000
2032	240,000	2039	270,000		
2033	240,000	2040	280,000		

ADJUSTMENT OPTION

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

TERM BOND OPTION

Bids for the Notes may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on March 1 and September 1 of each year, commencing March 1, 2026, to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. All Notes of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Notes will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Notes, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Notes. So long as Cede & Co. is the registered owner of the Notes, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Notes.

PAYING AGENT

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

OPTIONAL REDEMPTION

At the option of the City, the Notes maturing on or after March 1, 2035 shall be subject to optional redemption prior to maturity on March 1, 2034 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

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

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

DELIVERY

On or about August 6, 2025, the Notes will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Notes is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Notes must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL OPINION

An opinion as to the validity of the Notes and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City ("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 City; provided that the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding).

STATEMENT REGARDING COUNSEL PARTICIPATION

Bond Counsel has not assumed responsibility for the Preliminary Official Statement or participated in its preparation (except with respect to the section entitled "TAX EXEMPTION" in the Preliminary Official Statement and the "FORM OF LEGAL OPINION" found in Appendix B of the Preliminary Official Statement).

SUBMISSION OF BIDS

Bids must not be for less than \$4,907,875, nor more than \$5,317,900, plus accrued interest on the principal sum of \$4,970,000 from date of original issue of the Notes to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

- 1) Electronically to bondsale@ehlers-inc.com; or
- 2) Electronically via **PARITY** in accordance with this Notice of Sale until 10:30 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 City nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit ("Deposit") in the amount of \$99,400 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

The City and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the bid is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the bid is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

No bid can be withdrawn after the time set for receiving bids unless the meeting of the City scheduled for award of the Notes is adjourned, recessed, or continued to another date without award of the Notes having been made.

AWARD

The Notes will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Notes will be awarded by lot. The City reserves the right to reject any and all bids and to waive any informality in any bid.

BOND INSURANCE

If the Notes are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the City requested and received a rating on the Notes from a rating agency, the City will pay that rating fee. Any rating agency fees not requested by the City are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Notes are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Notes.

CUSIP NUMBERS

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Notes or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

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 City will enter into an undertaking for the benefit of the holders of the Notes. A description of the details and terms of the undertaking is set forth in Appendix D of the Official Statement.

NEW ISSUE PRICING

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary 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 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, Telephone (651) 697-8500.

By Order of the Common Council

Tracey Ferron, City Clerk
City of Beaver Dam, Wisconsin

BID FORM

The Common Council
City of Beaver Dam, Wisconsin (the "City")

July 21, 2025

RE: \$4,970,000* General Obligation Promissory Notes, Series 2025A (the "Notes")
DATED: August 6, 2025

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 \$4,907,875, nor more than \$5,317,900) plus accrued interest to date of delivery for fully registered Notes bearing interest rates and maturing in the stated years as follows:

_____ % due	2027	_____ % due	2034	_____ % due	2041
_____ % due	2028	_____ % due	2035	_____ % due	2042
_____ % due	2029	_____ % due	2036	_____ % due	2043
_____ % due	2030	_____ % due	2037	_____ % due	2044
_____ % due	2031	_____ % due	2038	_____ % due	2045
_____ % due	2032	_____ % due	2039		
_____ % due	2033	_____ % due	2040		

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

All Notes of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of \$99,400 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Notes to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about August 6, 2025.

This bid is subject to the City's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for the Notes.

We have received and reviewed the Official Statement, and any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Underwriter (Syndicate Manager), we agree to provide the City with the reoffering price of the Notes within 24 hours of the bid acceptance.

This bid is a firm offer for the purchase of the Notes identified in the Notice of Sale, on the terms set forth in this bid form and the Notice of Sale, and is not subject to any conditions, except as permitted by the Notice of Sale.

By submitting this bid, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds. YES: ____ NO: ____.

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

Account Manager: _____ By: _____
Account Members: _____

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from August 6, 2025 of the above bid is \$_____ and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted by and on behalf of the Common Council of the City of Beaver Dam, Wisconsin, on July 21, 2025.

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