

PRELIMINARY OFFICIAL STATEMENT DATED MAY 7, 2026

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 Bonds is excludable from gross income and is not an item of tax preference for federal income tax purposes; however, interest on the Bonds 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 Bonds. The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

The Bonds shall not be "qualified tax-exempt obligations".

New Issue

Rating: S&P Global Ratings "A"/Stable

CITY OF BURLINGTON, WISCONSIN (Racine and Walworth Counties)

\$2,665,000* WATERWORKS SYSTEM REVENUE BONDS, SERIES 2026B

BID OPENING: May 13, 2026, 9:30 A.M., C.T.

CONSIDERATION: Not later than 11:59 P.M., C.T. on May 13, 2026 (PARAMETERS RESOLUTION)

PURPOSE/AUTHORITY/SECURITY: The \$2,665,000* Waterworks System Revenue Bonds, Series 2026B (the "Bonds") are being issued pursuant to Section 66.0621, Wisconsin Statutes, by the City of Burlington, Wisconsin (the "City"), to provide funds for the public purpose of paying the cost of certain additions, improvements and extensions to the City's Waterworks System (the "Waterworks System"). The Bonds are not general obligations of the City but are payable only from and secured by a pledge of Net Revenues (defined herein) of the Waterworks System. The Bonds are being issued on a parity with the City's outstanding Waterworks System Revenue Bonds, Series 2012, dated February 22, 2012, Taxable Waterworks System Revenue Bonds, Series 2017C, dated June 28, 2017, Waterworks System Revenue Bonds, Series 2019B, dated May 30, 2019, Waterworks System Revenue Bonds, Series 2022C, dated June 23, 2022, Waterworks System Revenue Bonds, Series 2023B, dated June 7, 2023, and Waterworks System Revenue Bonds, Series 2025B, dated July 2, 2025. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF BONDS: June 3, 2026

MATURITY: May 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2027	\$40,000	2034	\$115,000	2041	\$160,000
2028	95,000	2035	120,000	2042	165,000
2029	95,000	2036	125,000	2043	175,000
2030	100,000	2037	130,000	2044	185,000
2031	105,000	2038	140,000	2045	195,000
2032	110,000	2039	145,000	2046	205,000
2033	110,000	2040	150,000		

***MATURITY ADJUSTMENTS:** The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each up to a \$75,000 increase or \$35,000 decrease for the 2027 maturity or mandatory redemption amount, and an increase or decrease of up to \$75,000 per maturity or mandatory redemption amount for the 2028-2046 maturities or mandatory redemption amounts. 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: May 1, 2027 and semiannually thereafter.

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

MINIMUM BID: \$2,631,687.50.

MAXIMUM BID: \$2,931,500.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$53,300 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation.

BOND COUNSEL &

DISCLOSURE COUNSEL: Quarles & Brady LLP.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

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

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

REPRESENTATIONS

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

This Official Statement is not to be construed as a contract with the underwriter (Syndicate Manager). Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete. Quarles & Brady LLP will serve as Disclosure Counsel to the City with respect to the Bonds. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the delivery of the Bonds.

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

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

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

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

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

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

CLOSING CERTIFICATES

Upon delivery of the Bonds, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Bonds, (b) neither the corporate existence or boundaries of the City nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the City which indicates that the City does not expect to use the proceeds of the Bonds 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 BURLINGTON COMMON COUNCIL

		<u>Term Expires</u>
Jon E. Schultz II	Mayor	April 2028
Tom Preusker	Council President	April 2028
Judi Adams	Aldersperson	April 2027
Shad Branen	Aldersperson	April 2027
Andrea Brewer	Aldersperson	April 2028
Phil Hein	Aldersperson	April 2028
Katie Mooney	Aldersperson	April 2028
Bill Smitz	Aldersperson	April 2027
David K. Thompson	Aldersperson	April 2027

ADMINISTRATION

Carina Walters, City Administrator

Debra Epping, HR/Finance Director-Treasurer

Howard Moser, Director of Public Works

Megan E. Watkins, Assistant City Administrator/Zoning Administrator

Diahnn Halbach, City Clerk

PROFESSIONAL SERVICES

Elaine Ekes, Pruitt, Ekes & Geary, S.C., City Attorney, Racine, Wisconsin

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

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

INTRODUCTORY STATEMENT

This Official Statement contains certain information regarding the City of Burlington, Wisconsin (the "City") and the issuance of its \$2,665,000* Waterworks System Revenue Bonds, Series 2026B (the "Bonds"). **The Common Council adopted a resolution on April 8, 2026 (the "Parameters Resolution"), which authorizes the HR/Finance Director-Treasurer or the City Administrator to accept a bid for the Bonds if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on May 13, 2026, neither the HR/Finance Director-Treasurer nor the City Administrator will have the authority to accept a bid for the Bonds, and all bids will be rejected.**

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

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of June 3, 2026. The Bonds will mature on May 1 in the years and amounts set forth on the cover of this Official Statement. Interest will be payable on May 1 and November 1 of each year, commencing May 1, 2027, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

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

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

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after May 1, 2035 shall be subject to optional redemption prior to maturity on May 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 Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

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

AUTHORITY; PURPOSE

The Bonds are being issued pursuant to Section 66.0621, Wisconsin Statutes, by the City, to provide funds for the public purpose of paying the cost of certain additions, improvements and extensions to the City's Waterworks System (the "Waterworks System" or the "System").

ESTIMATED SOURCES AND USES*

Sources

Par Amount of Bonds	\$2,665,000	
Transfers from Prior Issue Debt Service Reserve Fund	396,513	
Estimated Interest Earnings	<u>17,551</u>	
Total Sources		\$3,079,064

Uses

Estimated Underwriter's Discount	\$33,313	
Costs of Issuance	103,500	
Deposit to Debt Service Reserve Fund	601,500	
Deposit to Project Construction Fund	2,340,226	
Rounding Amount	<u>525</u>	
Total Uses		\$3,079,064

*Preliminary, subject to change.

SECURITY

This section is a summary of security provisions. A detailed explanation of the security provisions is contained in the Parameters Resolution, the form of which is attached as Appendix E.

Source of Payment: THE BONDS ARE NOT GENERAL OBLIGATIONS of the City but are payable only out of "Net Revenues" that are pledged to the Debt Service Fund provided for in the Parameters Resolution (the "Special Redemption Fund"). Net Revenues are defined as all revenues of the Waterworks System derived from any source less current expenses, excluding depreciation, debt service, tax equivalents, and capital expenditures. In the Parameters Resolution, the City covenants to deposit Net Revenues in an amount sufficient to pay principal of and interest on the City's outstanding Waterworks System Revenue Bonds, Series 2012, dated February 22, 2012 (the "2012 Bonds"), Taxable Waterworks System Revenues Bonds, Series 2017C, dated June 28, 2017 (the "2017

Bonds"), Waterworks System Revenue Bonds, Series 2019B, dated May 30, 2019, (the "2019 Bonds"), Waterworks System Revenue Bonds, Series 2022C, dated June 23, 2022 (the "2022 Bonds"), Waterworks System Revenue Bonds, Series 2023B, dated June 7, 2023 (the "2023 Bonds"), and Waterworks System Revenue Bonds, Series 2025B, dated July 2, 2025 (the "2025 Bonds" and collectively with the 2012 Bonds, the 2017 Bonds, the 2019 Bonds, the 2022 Bonds, and the 2023 Bonds, the "Prior Bonds"), and the Bonds as the same becomes due. The pledge of Net Revenues to the owners of the Bonds is on a parity with that granted the owners of the Prior Bonds.

Additional Bonds Test: The City reserves the right to issue additional bonds payable from the Net Revenues of the Waterworks System on a parity with the outstanding bonds payable from the Net Revenues of the Waterworks System ("Parity Bonds"), including the Bonds. No bonds or obligations payable from the Net Revenues of the Waterworks System may be issued in such a manner as to enjoy priority over the Bonds. Before issuing Parity Bonds, the City must meet one of the two following tests with respect to the Net Revenues of the Waterworks System:

(1) The Net Revenues for the last completed fiscal year preceding the issuance of such additional obligations must have been at least equal to one and one-quarter (1.25) times the average combined annual interest and principal requirements on all Bonds and any Parity Bonds then outstanding payable from the revenues of the Waterworks System (other than Bonds and any Parity Bonds being refunded), and the obligations so proposed to be issued, for any succeeding fiscal year in which there shall be a principal maturity on such outstanding bonds; provided, however, that if prior to the authorization of such additional obligations the City shall have adopted and put into effect a revised schedule of rates, then the Net Revenues of the Waterworks System for the last completed fiscal year which would, according to the calculation of a registered municipal advisor, an independent consulting professional engineer or independent certified public accountant employed for that purpose, have resulted from such rates had they been in effect for such period may be used in lieu of the actual Net Revenues for the last completed fiscal year; or

(2) An independent certified public accountant, a registered municipal advisor or consulting professional engineer provides a calculation setting forth for each of the three fiscal years commencing with the fiscal year following that in which the projects financed by such additional obligations are to be completed, the projected Net Revenues and the maximum annual interest and principal requirements on all bonds outstanding payable from the gross revenues of the Waterworks System and on the obligations then to be issued (the "Maximum Annual Debt Service Requirement"); and demonstrating that for each such Fiscal year the projected Net Revenues will be in an amount not less than 125% of such Maximum Annual Debt Service Requirement.

While the Prior Bonds are outstanding, unless waived by the owners of the Prior Bonds, the City must also meet the conditions set forth in the resolutions authorizing the Prior Bonds before issuing Parity Bonds.

Service to City: The City is to pay the reasonable cost and value of any services rendered to the City by the Waterworks System in an amount as may be necessary from year to year to produce Net Revenues equivalent to not less than 1.25 times the annual debt service requirements on the Bonds and Prior Bonds. Such payment by the City is subject to annual appropriation by the Common Council and other conditions set forth in the Parameters Resolution.

Bond Reserve Account: The Reserve Account only secures the Bonds, the 2019 Bonds, the 2022 Bonds, the 2023, and the 2025 Bonds and does not secure the 2012 Bonds or the 2017 Bonds. In the Parameters Resolution, the City covenants and agrees that upon the issuance of the Bonds an amount equal to the "Reserve Requirement" will be on deposit in the Reserve Account and will be maintained therein as additional security for the payment of principal of and interest on the Bonds, the 2019 Bonds, the 2022 Bonds, the 2023 Bonds, and the 2025 Bonds. Reserve Requirement is defined as an amount, determined as of the date of issuance of the Bonds, equal to the least of (a) the amount required to be on deposit in the Reserve Account prior to the issuance of the Bonds, plus the amount permitted to be deposited therein from proceeds of the Bonds pursuant to Section 148(d)(1) of the Code and Regulations; (b) the maximum annual debt service on the Bonds, the 2025 Bonds, the 2023 Bonds, the 2022 Bonds and the 2019 Bonds in any Bond Year; and (c) 125% of average annual debt service on the Bonds, the 2025 Bonds, the 2023 Bonds, the 2022 Bonds and the 2019 Bonds; provided, however, after the 2019 Bonds are no longer outstanding, that on an ongoing basis the Reserve Requirement shall never exceed the remaining maximum annual principal and interest due on the outstanding obligations secured by the Reserve Account in any Bond Year.

If Parity Bonds which are to be secured by the Reserve Account are issued, the Reserve Requirement shall mean an amount, determined as of the date of issuance of the Parity Bonds, equal to the least of (a) the amount required to be on deposit in the Reserve Account prior to the issuance of such Parity Bonds, plus the amount permitted to be deposited therein from proceeds of the Parity Bonds pursuant to Section 148(d)(1) of the Code and Regulations; (b) the maximum annual debt service on outstanding obligations secured by the Reserve Account and the Parity Bonds to be issued in any Bond Year; and (c) 125% of average annual debt service on the outstanding obligations secured by the Reserve Account and the Parity Bonds to be issued; provided, however, after the 2019 Bonds are no longer outstanding, that on an ongoing basis the Reserve Requirement shall never exceed the remaining maximum annual principal and interest due on the outstanding obligations secured by the Reserve Account and Parity Bonds in any Bond Year.

WATERWORKS SYSTEM REVENUE DEBT OUTSTANDING

The principal and interest requirements for the Prior Bonds and estimated principal and interest for the Bonds is listed on the following pages. The debt service ratio included on these pages are calculated using unaudited 2025 Net Revenues. No guarantee can be given that the Net Revenues in future years will be the same as the Net Revenues in 2025, and future Net Revenues may be materially different.

HISTORIC WATERWORKS SYSTEM DEBT SERVICE COVERAGES

The exhibit on the Page 7 presents historic debt service coverages of the Waterworks System.

City of Burlington, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Waterworks Revenues
(As of 06/03/2026)

	Waterworks System Revenue Bonds (SDWFL) Series 2012		Taxable Waterworks System Revenue Bonds (SDWFL) Series 2017C		Waterworks System Revenue Bonds Series 2019B		Waterworks System Revenue Bonds Series 2022C		Waterworks System Revenue Bonds Series 2023B	
	Dated	Amount	Dated	Amount	Dated	Amount	Dated	Amount	Dated	Amount
	02/22/2012	\$2,044,276	06/28/2017	\$820,691	05/30/2019	\$1,575,000	06/23/2022	\$645,000	06/07/2023	\$1,120,000
Maturity	05/01		05/01		05/01		05/01		05/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	0	6,652	0	4,639	0	19,725	0	8,929	0	20,400
2027	115,739	12,031	41,047	8,895	80,000	37,850	40,000	17,198	45,000	39,900
2028	118,285	9,457	41,815	8,120	85,000	34,550	40,000	15,878	45,000	38,100
2029	120,888	6,826	42,597	7,331	85,000	31,575	40,000	14,558	45,000	36,300
2030	123,547	4,137	43,393	6,527	90,000	28,950	45,000	13,155	50,000	34,400
2031	126,265	1,389	44,205	5,708	90,000	26,250	45,000	11,625	50,000	32,400
2032			45,031	4,874	95,000	23,475	45,000	10,050	50,000	30,400
2033			45,873	4,024	95,000	20,625	45,000	8,475	55,000	28,300
2034			46,731	3,158	100,000	17,700	50,000	6,750	55,000	26,100
2035			47,605	2,276	100,000	14,700	50,000	4,875	60,000	23,800
2036			48,495	1,377	105,000	11,625	50,000	3,000	60,000	21,400
2037			49,402	462	110,000	8,400	55,000	1,031	65,000	18,900
2038					110,000	5,100			70,000	16,200
2039					115,000	1,725			70,000	13,400
2040									70,000	10,600
2041									75,000	7,700
2042									75,000	4,700
2043									80,000	1,600
2044										
2045										
2046										
	604,724	40,491	496,195	57,391	1,260,000	282,250	505,000	115,523	1,020,000	404,600

--Continued on next page

City of Burlington, Wisconsin
 Schedule of Bonded Indebtedness continued
 Revenue Debt Secured by Waterworks Revenues
 (As of 06/03/2026)

Waterworks System Revenue Bonds Series 2025B		Waterworks System Revenue Bonds Series 2026B								2025 Unaudited Net Revenue Available for Debt Service**	
Dated Amount	07/02/2025 \$1,435,000	Dated Amount	06/03/2026 \$2,665,000*							\$1,517,789	
Maturity	05/01	Maturity	05/01								
Calendar Year Ending	Principal	Interest	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending	Coverage
2026	0	30,775	0	0	0	91,120	91,120	7,920,919	.00%	2026	0
2027	70,000	59,800	40,000	167,608	431,786	343,282	775,068	7,489,133	5.45%	2027	1.96
2028	75,000	56,175	95,000	116,133	500,100	278,412	778,512	6,989,033	11.76%	2028	1.95
2029	80,000	52,300	95,000	112,713	508,484	261,602	770,086	6,480,549	18.18%	2029	1.97
2030	80,000	48,300	100,000	109,198	531,940	244,666	776,607	5,948,609	24.90%	2030	1.95
2031	85,000	44,175	105,000	105,345	545,470	226,892	772,362	5,403,139	31.79%	2031	1.97
2032	90,000	39,800	110,000	101,219	435,031	209,817	644,848	4,968,107	37.28%	2032	2.35
2033	95,000	35,175	110,000	97,011	445,873	193,610	639,483	4,522,234	42.91%	2033	2.37
2034	100,000	30,300	115,000	92,611	466,731	176,619	643,350	4,055,503	48.80%	2034	2.36
2035	105,000	25,700	120,000	87,910	482,605	159,261	641,866	3,572,898	54.89%	2035	2.36
2036	110,000	21,400	125,000	82,793	498,495	141,595	640,090	3,074,402	61.19%	2036	2.37
2037	115,000	16,900	130,000	77,310	524,402	123,003	647,405	2,550,000	67.81%	2037	2.34
2038	120,000	12,200	140,000	71,400	440,000	104,900	544,900	2,110,000	73.36%	2038	2.79
2039	120,000	7,400	145,000	64,878	450,000	87,403	537,403	1,660,000	79.04%	2039	2.82
2040	125,000	2,500	150,000	57,945	345,000	71,045	416,045	1,315,000	83.40%	2040	3.65
2041			160,000	50,580	235,000	58,280	293,280	1,080,000	86.37%	2041	5.18
2042			165,000	42,780	240,000	47,480	287,480	840,000	89.40%	2042	5.28
2043			175,000	34,620	255,000	36,220	291,220	585,000	92.61%	2043	5.21
2044			185,000	25,610	185,000	25,610	210,610	400,000	94.95%	2044	7.21
2045			195,000	15,730	195,000	15,730	210,730	205,000	97.41%	2045	7.20
2046			205,000	5,330	205,000	5,330	210,330	0	100.00%	2046	7.22
	1,370,000	482,900	2,665,000	1,518,721	7,920,919	2,901,876	10,822,795				

* Preliminary, subject to change.

**The debt service coverage ratios included on this page are calculated using unaudited 2025 Net Revenues. No guarantee can be given that the Net Revenues in future years will be the same as the Net Revenues in 2025 and future Net Revenues may be materially different.

City of Burlington

HISTORIC STATEMENT OF REVENUES AND EXPENSES FOR THE WATERWORKS SYSTEM

The following table sets forth the historic comparison of Net Revenues and debt service secured by revenues of the Waterworks System for the audited three-year period ended December 31, 2024 and unaudited amounts for the year ended December 31, 2025.

	Audited 2022	Audited 2023	Audited 2024	Unaudited 2025
Operating Revenues				
Operating Revenues	\$2,727,210	\$2,799,822	\$2,912,820	\$2,711,845
Total Operating Revenues	<u>2,727,210</u>	<u>2,799,822</u>	<u>2,912,820</u>	<u>2,711,845</u>
Operating Expenses				
Operation and Maintenance	1,286,827	1,674,112	1,592,639	1,374,256
Depreciation and Amortization	699,802	714,583	718,965	732,989
Total Operating Expenses	<u>1,986,629</u>	<u>2,388,695</u>	<u>2,311,604</u>	<u>2,107,245</u>
Operating Income	740,581	411,127	601,216	604,600
Plus: Depreciation and Amortization	699,802	714,583	718,965	732,989
Interest Income	4,094	117,094	168,055	180,200
Net Revenues Available for Debt Service	<u>\$1,444,477</u>	<u>\$1,242,804</u>	<u>\$1,488,236</u>	<u>\$ 1,517,789</u>
Debt Service				
2012 Bonds	\$127,901	\$127,876	\$127,850	\$127,824
2017C Bonds	49,976	49,970	49,963	49,956
2019B Bonds	76,550	119,650	116,850	118,950
2022C Bonds	0	64,203	55,395	54,380
2023B Bonds	0	0	82,320	83,200
2025B Bonds	0	0	0	21,420
Total Debt Service	<u>\$254,427</u>	<u>\$361,699</u>	<u>\$432,378</u>	<u>\$455,730</u>
Debt Service Coverage	5.68	3.44	3.44	3.33

DESCRIPTION OF WATERWORKS SYSTEM

The Waterworks System is a separate enterprise fund. It operates under the service rules established by the Wisconsin Public Service Commission ("WPSC") which regulates the rates charged. The City owns, operates, and maintains the municipal Waterworks System and related appurtenances serving customers located within the City. The Waterworks System, established in 1889, is governed by the Common Council. The Common Council is the policy making body of the Waterworks System, overseeing all projects and programs, reviewing and approving the budget, and determining Waterworks System projects. Waterworks System operations are directed by the Director of Public Works and the Utility Manager.

The Waterworks System consists of six wells with electric pumping equipment and a water distribution system. The wells have a combined yield per day of over 7,675,200 gallons. Per the City, the maximum gallons pumped in any one day during 2025 was 2,623,000 gallons and the minimum gallons pumped in any one day was 994,000 gallons. In addition, the Waterworks System owns two steel elevated storage tanks and four concrete storage reservoirs with a total storage capacity of 3,900,000 gallons.

The Waterworks System includes other related appurtenances including 349,519 feet of various types of 3”-16” water mains; 3,775 various types of 1/2”-8” water lines; 4,067 utility-owned meters; and 764 hydrants.

History of Waterworks Customers

Year	Residential ¹	Commercial ¹	Public Authority ²	Industrial	Total
2021	3,336	534	52	21	3,943
2022	3,340	560	50	21	3,971
2023	3,340	545	51	21	3,957
2024	3,431	585	53	21	4,090
2025	3,451	536	50	21	4,058

Source: WPSC Annual Reports.

History of Waterworks Billings by Customer Type

Year	Residential ¹	Commercial ¹	Industrial	Public Authority ³	Total Billings
2021	\$1,121,149	\$465,150	\$447,483	\$742,418	\$2,776,200
2022	1,070,673	463,593	427,184	798,711	2,760,161
2023	1,107,591	485,709	415,274	746,944	2,755,518
2024	1,133,865	504,109	430,897	789,023	2,857,894
2025	1,141,097	524,038	471,786	806,600	2,943,521

Source: WPSC Annual Reports.

¹Includes unmetered sales.

²Includes sales to other public authorities but excludes fire protection services.

³Includes all charges, including fire protection services.

History of Waterworks Sales

Year	No. of Customers ¹	Gallons Sold (in 000's) ²	Total Billings ²
2021	3,943	492,935	\$2,776,200
2022	3,971	1,076,719	2,760,161
2023	3,957	471,038	2,755,518
2024	4,090	451,369	2,857,894
2025	4,058	468,692	2,943,521

Source: WPSC Annual Reports.

2025 Larger Waterworks Customers

Total 2025 Gallons Sold:	468,692,000
Total 2025 Billings:	\$2,943,521

Customer	Gallons Sold	Billings	% of Total Billings
Nestle	46,594,660	\$137,110	4.66%
Matheson Tri-Gas	39,372,503	119,991	4.08%
Ardagh	29,754,929	97,965	3.33%
Advocate Aurora	12,205,999	64,696	2.20%
Echo Lake Foods	4,008,320	55,946	1.90%
H&H Fairway	14,040,341	46,341	1.57%
Culligan	10,686,609	37,781	1.28%
Boardwalk Apartments	5,932,433	21,266	0.72%
Packaging Corporation of America	5,659,377	20,288	0.69%
Applied Material Solution	5,434,198	19,481	0.66%

Waterworks Rates and Charges

Rates and charges for the Waterworks System are subject to approval by the WPSC. The City applied to the WPSC on May 23, 2025 for authority to increase water rates and was granted a 27.3% increase to revenues. These new rates took effect on December 15, 2025.

¹Excludes fire protection services.

²Includes fire protection services and unmetered sales.

Quarterly Service Charge:

5/8 inch meter	\$33.00	3 inch meter	\$168.00
3/4 inch meter	33.00	4 inch meter	249.00
1 inch meter	48.00	6 inch meter	429.00
1 1/4 inch meter	60.00	8 inch meter	642.00
1 1/2 inch meter	72.00	10 inch meter	921.00
2 inch meter	108.00	12 inch meter	1,200.00

Plus Volume Charge:

First 5,000 cubic feet used each quarter	\$ 3.83	per 100 cubic feet
Next 245,000 cubic feet used each quarter	\$ 3.68	per 100 cubic feet
Next 500,000 cubic feet used each quarter	\$ 3.16	Per 100 cubic feet
Over 750,000 cubic feet used each quarter	\$ 2.20	per 100 cubic feet

Average Bill for Residential Service in 2025

Avg. Quarterly Usage in Gallons	Avg. Quarterly Bill¹
14,202	\$82.66

Bills for water service are rendered quarterly and become due and payable upon issuance following the period for which service is rendered. A late payment charge of 1% per month will be added to bills not paid within 20 days of issuance. This late payment charge will be applied to the total unpaid balance, including unpaid late payment charges. The late payment charge is applicable to all customers. The utility customer may be given a written notice that the bill is overdue no sooner than 20 days after the bill is issued. Unless payment or satisfactory arrangement for payment is made within the next 10 days, service may be disconnected pursuant to Chapter PSC 185, Wisconsin Adm. Code.

RATING

The City received a rating of "A" (stable outlook) by S&P Global Ratings ("S&P") on the Bonds, and bidders were notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from S&P.

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

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

¹The average quarterly bill does not include the public fire protection charges.

CONTINUING DISCLOSURE

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

In the previous five years, the City believes it has not failed to comply in all material respects with its prior undertakings under the Rule. Ehlers is currently engaged as dissemination agent for the City.

LEGAL MATTERS

An opinion as to the validity of the Bonds 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 Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding special obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). (See "FORM OF LEGAL OPINION" found in Appendix B).

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

TAX EXEMPTION

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

"The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds 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 Bonds 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 Bonds in order for interest on the Bonds 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 Bonds to be included in gross income retroactively to the date of issuance of the Bonds. 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 Bonds."

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

Prospective purchasers of the Bonds should be aware that ownership of the Bonds 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 Bonds 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 Bonds. 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 Bonds may be enacted. Prospective purchasers of the Bonds 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 Bonds is less than the principal amount payable at maturity, such Bonds ("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 Bonds is more than the principal amount payable at maturity, such Bonds ("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.

NOT QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds shall not be "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the City in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. The financial information included in this Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

BTSC and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the 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, 2024 have been audited by Lauterbach & Amen, LLP, Naperville, Illinois, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Official Statement.

RISK FACTORS

The following is a description of possible risks to holders of the Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here. Potential investors should read this Official Statement, including the appendices, in its entirety.

System Revenues: Should rates set be inadequate to cover expenses, an unusual number of delinquencies occur, or a major breakdown or other disaster cause the Waterworks System to be inoperable, a shortfall of revenues could result in a delay of debt payments.

Larger Users: Should larger users increase or decrease usage of the water service currently provided, the revenues of the Waterworks System will be affected proportionately.

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

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 Bonds may fall for purposes of resale. Noncompliance by the City with the covenants in the Parameters Resolution relating to certain continuing requirements of the Code may result in inclusion of interest to be paid on the Bonds 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 Bonds. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

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

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

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

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

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

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

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

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

Assessed Value

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

CURRENT PROPERTY VALUATIONS

	Racine County	Walworth County	Total
2025 Equalized Value	\$1,527,882,600	\$16,327,500	\$1,544,210,100
2025 Equalized Value Reduced by Tax Increment Valuation	\$1,501,023,200	\$16,327,500	\$1,517,350,700
2025 Assessed Value	\$1,513,741,900	\$15,228,600	\$1,528,970,500

2025 EQUALIZED VALUE BY CLASSIFICATION

	2025 Equalized Value¹	Percent of Total Equalized Value
Residential	\$989,742,200	64.094%
Commercial	468,834,900	30.361%
Manufacturing	83,406,300	5.401%
Agricultural	106,100	0.007%
Undeveloped	722,500	0.047%
Ag Forest	207,800	0.013%
Forest	1,104,300	0.072%
Other	86,000	0.006%
Total	<u>\$1,544,210,100</u>	<u>100.000%</u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value¹	Percent Increase/Decrease in Equalized Value
2021	\$1,091,654,610	\$1,114,333,400	5.67%
2022	1,229,397,290	1,286,393,000	15.44%
2023	1,389,286,060	1,402,346,300	9.01%
2024	1,469,833,500	1,477,204,600	5.34%
2025	1,528,970,500	1,544,210,100	4.54%

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

¹Includes tax increment valuation.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2025 Equalized Value¹	Percent of City's Total Equalized Value
Aurora MedicalGroup	Health Care	\$24,876,081	1.61%
Burlington Boardwalk LLC	Apartments	20,748,820	1.34%
JW West Ridge LLP	Apartments	17,652,321	1.14%
Oak Park Properties of Burlington	Senior Living	15,559,373	1.01%
Lynch Ventures	Retail-Auto/Developer	14,721,166	0.95%
Nestle	Manufacturing	13,691,720	0.89%
Wal-Mart ²	Retail	11,719,078	0.76%
Menard Inc.	Retail	10,222,416	0.66%
Echo Lake Farm Produce	Food Products	9,328,792	0.60%
Bear Arbor Burlington LLC	Apartments	<u>9,123,347</u>	<u>0.59%</u>
Total		\$147,643,114	9.56%
City's Total 2025 Equalized Value ³		\$1,544,210,100	

Source: The City.

DEBT

DIRECT DEBT⁴

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Concurrent Notes, defined herein)* \$35,790,367

Revenue Debt (see schedules following)

Total revenue debt secured by sewerage revenues (includes the Concurrent Sewerage Bonds, defined herein)* \$10,723,090

Total revenue debt secured by waterworks revenues (includes the Bonds)* (see schedule on page 5) \$7,920,919

*Preliminary, subject to change.

¹Calculated by dividing the 2025 Assessed Values by the 2025 Aggregate Ratio of assessment for the City.

²Assessment under appeal by taxpayer.

³Includes tax increment valuation.

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

Lease Obligations

Issue Date	Original Amount	Purpose	Final Maturity	Principal Outstanding
11/15/2013	\$ 1,147,507	Honeywell Lease	11/15/2029	\$310,627

DEBT PAYMENT HISTORY

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

FUTURE FINANCING

Concurrently with the Bonds, the City plans to issue its \$4,625,000* General Obligation Promissory Notes, Series 2026A (the “Concurrent Notes”) and its \$6,010,000* Sewerage System Revenue Bonds, Series 2026C (the “Concurrent Sewerage Bonds”). The City anticipates issuing approximately \$353,000 general obligation debt through a bank note in fall 2026 to finance a street sweeper and capital equipment. The City has typically borrowed annually for its capital purposes, but the amount and timing of such borrowing for 2027 have not yet been determined. 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	\$1,544,210,100
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit ¹	\$77,210,505
Less: General Obligation Debt*	<u>(35,790,367)</u>
Unused Debt Limit*	<u><u>\$41,420,138</u></u>

*Preliminary, subject to change.

¹In the City's resolution adopting its budget, the Common Council adopted as a policy for the 2026 calendar year a limit on general obligation debt to not greater than 75% of the statutory debt limit, except as otherwise approved by a super majority vote of the Common Council or by authorization through a binding advisory referendum.

City of Burlington, Wisconsin
 Schedule of Bonded Indebtedness
 General Obligation Debt Secured by Taxes
 (As of 06/03/2026)

	Street Improvement Bonds Series 2012A		Corporate Purpose Bonds Series 2017A		Promissory Notes Series 2017D		Corporate Purpose Bonds Series 2019A		Promissory Notes Series 2020A	
Dated	05/23/2012		05/25/2017		12/06/2017		05/30/2019		06/25/2020	
Amount	\$3,155,000		\$7,990,000		\$1,495,000		\$1,285,000		\$940,000	
Maturity	04/01		04/01		04/01		04/01		04/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	0	21,776	0	59,334	0	1,856	0	15,150	0	2,550
2027	200,000	41,103	450,000	111,919	165,000	1,856	55,000	29,475	100,000	4,525
2028	205,000	36,039	375,000	99,544			60,000	27,750	100,000	3,375
2029	215,000	30,576	340,000	88,819			65,000	25,875	100,000	2,100
2030	220,000	24,758	375,000	78,094			70,000	23,850	100,000	700
2031	385,000	16,494	375,000	66,844			65,000	21,825		
2032	400,000	5,600	350,000	55,969			70,000	19,800		
2033			325,000	45,844			70,000	17,700		
2034			325,000	35,891			75,000	15,525		
2035			325,000	25,531			80,000	13,200		
2036			300,000	15,188			100,000	10,500		
2037			300,000	5,063			100,000	7,500		
2038							100,000	4,500		
2039							100,000	1,500		
2040										
2041										
2042										
2043										
2044										
2045										
2046										
	1,625,000	176,345	3,840,000	688,038	165,000	3,713	1,010,000	234,150	400,000	13,250

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City of Burlington, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 06/03/2026)

	Corporate Purpose Bonds Series 2021A		Corporate Purpose Bonds Series 2022A		Corporate Purpose Bonds Series 2023A		Promissory Notes Series 2024A		Promissory Notes Series 2025A	
Dated	06/09/2021		06/23/2022		06/07/2023		07/10/2024		06/25/2025	
Amount	\$5,405,000		\$1,415,000		\$9,390,000		\$5,840,000		\$4,170,000	
Maturity	04/01		04/01		04/01		04/01		04/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	0	35,900	0	19,178	0	189,425	0	117,100	0	89,034
2027	410,000	67,700	75,000	37,230	235,000	372,975	215,000	228,825	150,000	174,319
2028	415,000	59,450	75,000	34,980	245,000	360,975	225,000	217,825	160,000	166,569
2029	420,000	51,100	70,000	32,805	255,000	348,475	230,000	206,450	170,000	158,319
2030	435,000	42,550	70,000	30,705	285,000	334,975	240,000	194,700	175,000	149,694
2031	160,000	36,600	75,000	28,474	325,000	319,725	255,000	182,325	180,000	140,819
2032	165,000	33,350	70,000	26,190	330,000	303,350	255,000	169,575	185,000	131,694
2033	165,000	30,050	65,000	24,064	450,000	283,850	270,000	157,800	195,000	122,194
2034	165,000	26,750	70,000	21,885	510,000	262,400	285,000	146,700	205,000	112,194
2035	170,000	23,400	70,000	19,575	570,000	240,800	295,000	135,100	210,000	102,869
2036	175,000	19,950	70,000	17,265	630,000	216,800	310,000	123,000	220,000	94,269
2037	175,000	16,450	75,000	14,835	690,000	190,400	320,000	110,400	225,000	85,369
2038	180,000	12,900	75,000	12,285	750,000	161,600	330,000	97,400	240,000	76,069
2039	180,000	9,300	75,000	9,698	785,000	130,900	340,000	84,000	250,000	66,269
2040	185,000	5,650	75,000	7,073	820,000	98,800	360,000	70,000	260,000	56,069
2041	190,000	1,900	80,000	4,320	850,000	65,400	370,000	55,400	225,000	46,369
2042			80,000	1,440	890,000	30,600	380,000	40,400	235,000	37,022
2043					320,000	6,400	395,000	24,900	250,000	27,019
2044							425,000	8,500	260,000	16,500
2045									270,000	5,569
2046										
	3,590,000	473,000	1,170,000	342,000	8,940,000	3,917,850	5,500,000	2,370,400	4,065,000	1,858,225

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City of Burlington, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 06/03/2026)

Dated	Promissory Note ¹		Promissory Notes Series 2026A		Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
	Amount	Maturity	Amount	Maturity						
	11/10/2025		06/03/2026							
	\$860,367		\$4,625,000*							
	12/10		04/01							
Calendar Year Ending	Principal	Interest	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2026	860,367	3,226	0	0	860,367	554,530	1,414,897	34,930,000	2.40%	2026
2027			95,000	259,209	2,150,000	1,329,135	3,479,135	32,780,000	8.41%	2027
2028			155,000	190,738	2,015,000	1,197,244	3,212,244	30,765,000	14.04%	2028
2029			165,000	185,458	2,030,000	1,129,976	3,159,976	28,735,000	19.71%	2029
2030			175,000	179,760	2,145,000	1,059,785	3,204,785	26,590,000	25.71%	2030
2031			180,000	173,635	2,000,000	986,740	2,986,740	24,590,000	31.29%	2031
2032			190,000	167,018	2,015,000	912,545	2,927,545	22,575,000	36.92%	2032
2033			195,000	159,894	1,735,000	841,395	2,576,395	20,840,000	41.77%	2033
2034			205,000	152,240	1,840,000	773,584	2,613,584	19,000,000	46.91%	2034
2035			210,000	144,148	1,930,000	704,623	2,634,623	17,070,000	52.31%	2035
2036			220,000	135,323	2,025,000	632,294	2,657,294	15,045,000	57.96%	2036
2037			230,000	125,648	2,115,000	555,664	2,670,664	12,930,000	63.87%	2037
2038			240,000	115,543	1,915,000	480,296	2,395,296	11,015,000	69.22%	2038
2039			250,000	104,820	1,980,000	406,486	2,386,486	9,035,000	74.76%	2039
2040			260,000	93,473	1,960,000	331,064	2,291,064	7,075,000	80.23%	2040
2041			275,000	81,569	1,990,000	254,958	2,244,958	5,085,000	85.79%	2041
2042			290,000	68,708	1,875,000	178,169	2,053,169	3,210,000	91.03%	2042
2043			300,000	54,990	1,265,000	113,309	1,378,309	1,945,000	94.57%	2043
2044			310,000	40,498	995,000	65,498	1,060,498	950,000	97.35%	2044
2045			330,000	24,978	600,000	30,546	630,546	350,000	99.02%	2045
2046			350,000	8,488	350,000	8,488	358,488	0	100.00%	2046
	860,367	3,226	4,625,000	2,466,131	35,790,367	12,546,328	48,336,695			

* Preliminary, subject to change. The Concurrent Notes are expected to be issued concurrently with the Bonds.

¹ This note contains provisions that if the City fails to pay any amount when due under the note or any other instrument evidencing indebtedness of the City to the lender or if any certification or recitation made by the City to the lender under the note is or was false or fraudulent in any material respect, then any amount not paid when due shall be payable on demand and the entire unpaid principal shall, at the option of the lender, and upon prior written notice, mature and become payable in full at the date that is 180 days from the date of the notice.

City of Burlington, Wisconsin
 Schedule of Bonded Indebtedness
 Revenue Debt Secured by Sewerage Revenues
 (As of 06/03/2026)

Dated Amount	Taxable Sewerage System Revenue Bonds (CWFL) Series 2008		Taxable Sewerage System Revenue Bonds (CWFL) Series 2008		Taxable Sewerage System Revenue Bonds (CWFL) Series 2012		Sewerage System Revenue Bonds Series 2017B		Sewerage System Revenue Bonds Series 2022B	
	02/27/2008	\$960,033	07/23/2008	\$4,465,837	10/10/2012	\$7,439,911	05/25/2017	\$1,610,000	06/23/2022	\$520,000
Maturity	05/01		05/01		05/01		05/01		05/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	0	706	0	7,194	0	36,203	0	17,088	0	5,935
2027	59,719	706	276,469	10,836	430,464	66,756	80,000	33,075	45,000	11,128
2028			283,572	3,642	441,764	55,308	80,000	30,775	45,000	9,643
2029					453,360	43,560	80,000	28,375	50,000	8,075
2030					465,261	31,503	80,000	25,875	50,000	6,425
2031					477,474	19,130	85,000	23,194	50,000	4,725
2032					490,008	6,431	90,000	20,238	55,000	2,888
2033							90,000	17,088	55,000	963
2034							95,000	13,731		
2035							100,000	10,075		
2036							100,000	6,200		
2037							105,000	2,100		
2038										
2039										
2040										
2041										
2042										
2043										
2044										
2045										
2046										
	59,719	1,412	560,041	21,672	2,758,330	258,891	985,000	227,813	350,000	49,780

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City of Burlington, Wisconsin
Schedule of Bonded Indebtedness continued
Revenue Debt Secured by Sewerage Revenues
(As of 06/03/2026)

Sewerage System Revenue Bonds Series 2026C								
Dated	06/03/2026							
Amount	56,010,000*							
Maturity	05/01							
Calendar Year Ending	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2026	0	0	0	67,126	67,126	10,723,090	.00%	2026
2027	15,000	381,545	906,652	504,046	1,410,698	9,816,438	8.46%	2027
2028	110,000	268,056	960,336	367,424	1,327,759	8,856,102	17.41%	2028
2029	225,000	262,026	808,360	342,035	1,150,395	8,047,742	24.95%	2029
2030	235,000	253,734	830,261	317,537	1,147,798	7,217,482	32.69%	2030
2031	240,000	244,812	852,474	291,860	1,144,334	6,365,008	40.64%	2031
2032	250,000	235,407	885,008	264,963	1,149,971	5,480,000	48.90%	2032
2033	260,000	225,651	405,000	243,701	648,701	5,075,000	52.67%	2033
2034	270,000	215,288	365,000	229,019	594,019	4,710,000	56.08%	2034
2035	280,000	204,285	380,000	214,360	594,360	4,330,000	59.62%	2035
2036	295,000	192,273	395,000	198,473	593,473	3,935,000	63.30%	2036
2037	305,000	179,373	410,000	181,473	591,473	3,525,000	67.13%	2037
2038	320,000	165,695	320,000	165,695	485,695	3,205,000	70.11%	2038
2039	335,000	150,703	335,000	150,703	485,703	2,870,000	73.24%	2039
2040	350,000	134,605	350,000	134,605	484,605	2,520,000	76.50%	2040
2041	370,000	117,500	370,000	117,500	487,500	2,150,000	79.95%	2041
2042	390,000	99,260	390,000	99,260	489,260	1,760,000	83.59%	2042
2043	405,000	80,180	405,000	80,180	485,180	1,355,000	87.36%	2043
2044	430,000	59,280	430,000	59,280	489,280	925,000	91.37%	2044
2045	450,000	36,400	450,000	36,400	486,400	475,000	95.57%	2045
2046	475,000	12,350	475,000	12,350	487,350	0	100.00%	2046
	6,010,000	3,518,420	10,723,090	4,077,988	14,801,079			

* Preliminary, subject to change. The Concurrent Sewerage Bonds are expected to be issued concurrently with the Notes.

OVERLAPPING DEBT¹

Taxing District	2025 Equalized Value²	% In City	Total G.O. Debt³	City's Proportionate Share
Racine County	\$28,988,438,200	5.2707%	\$210,565,000	\$11,098,249
Burlington Area School District	4,065,851,460	37.9800%	17,220,000	6,540,156
Gateway Technical College District	86,397,448,588	1.7873%	63,250,000	<u>1,130,467</u>
City's Share of Total Overlapping Debt				<u><u>\$18,768,873</u></u>

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$1,544,210,100	Debt/ Per Capita 11,137⁴
Total General Obligation Debt*	\$35,790,367	2.32%	\$3,213.65
City's Share of Total Overlapping Debt	<u>18,768,873</u>	<u>1.22%</u>	<u>1,685.27</u>
Total*	\$54,559,240	3.53%	\$4,898.92

*Preliminary, subject to change.

¹Overlapping debt is as of the dated date of the Bonds. Only those taxing jurisdictions with general obligation debt outstanding are included in this section. Walworth County currently has no general obligation debt outstanding.

²Includes tax increment valuation.

³Outstanding debt based on information obtained on EMMA, Wisconsin Department of Revenue, Wisconsin Department of Public Instruction and the Municipal Advisor's records.

⁴Estimated 2025 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Racine County

Tax Year	Levy for City Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2021/22	\$8,230,180	100%	\$7.46
2022/23	8,452,334	100%	6.62
2023/24	8,288,192	100%	5.96
2024/25	8,765,473	100%	5.99
2025/26	9,983,932	In Process of Collection	6.65

Walworth County

Tax Year	Levy for City Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2021/22	\$15,000	100%	\$6.42
2022/23	69,255	100%	6.63
2023/24	72,041	100%	5.96
2024/25	84,068	100%	5.99
2025/26	106,692	In Process of Collection	6.53

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 was repealed, starting with the property tax assessments as of January 1, 2024. Beginning in 2025, the personal property tax was 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:

Racine

Year Levied/ Year Collected	Schools¹	County	Local	Total
2021/22	\$8.79	\$3.19	\$7.46	\$19.44
2022/23	8.28	2.95	6.62	17.85
2023/24	7.51	2.77	5.96	16.24
2024/25	7.33	2.59	5.99	15.91
2025/26	7.30	2.52	6.65	16.47

Walworth

Year Levied/ Year Collected	Schools¹	County	Local	Total
2021/22	\$8.79	\$2.99	\$6.42	\$18.20
2022/23	8.28	2.62	6.63	17.53
2023/24	7.51	2.28	5.96	15.75
2024/25	7.33	2.08	5.99	15.40
2025/26	7.30	1.98	6.53	15.81

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

LEVY LIMITS

Section 66.0602 of the Wisconsin Statutes, imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of either the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current or zero percent; for a tax incremental district created after December 31, 2024, the valuation

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

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

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

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

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. 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 revenue bonds issued pursuant to Section 66.0621, Wis. Stats., such as the Bonds, any taxes levied to pay debt service on the Bonds because of a revenue shortfall may be excluded from the levy limits.

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 2025, the City received approximately \$951,000 in shared revenue under Chapter 79, Wis. Stats., an increase from the approximately \$927,000 received in 2024. The City is expected to receive approximately \$819,000 in shared revenue under Chapter 79, Wis. Stats. in 2026. 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 as a village in 1886 and as a city on February 27, 1900, and is governed by a Mayor and an eight-member Common Council. The Mayor does not vote except in a case of a tie. All Council members are elected to staggered two-year terms. The City Administrator, HR/Finance Director-Treasurer, Assistant City Administrator and City Clerk are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The City employs a staff of 72 full-time and 32 part-time 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 may not pay the employees' required contribution. During the fiscal year ended December 31, 2022, the fiscal year ended December 31, 2023 and the fiscal year ended December 31, 2024 ("Fiscal Year 2024"), the City's portion of contributions to WRS (not including any employee contributions) totaled \$511,527, \$613,684 and \$672,894, 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, 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. As of December 31, 2024, the total pension liability of the WRS was calculated as \$136.18 billion and the fiduciary net position of the WRS was calculated as \$134.54 billion, resulting in a net pension liability of \$1.64 billion. Accordingly, the City will continue to report a liability for its proportionate share of the net pension liability in its audited financial statements for the year ended December 31, 2025.

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 2024, the City reported a liability of \$661,873 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2023 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 0.04451647% of the aggregate WRS net pension liability as of December 31, 2023.

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 4 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.

¹On 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 represents employees of the City:

Bargaining Unit	Expiration Date of Current Contract
321 Firefighters Local	December 31, 2026
Burlington Police Benevolent Association	December 31, 2025*

*Negotiations on a new contract are currently in mediation.

OTHER POST EMPLOYMENT BENEFITS

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

For Fiscal Year 2024, the City's portion of contributions to the LRLIF totaled \$1,696. For Fiscal Year 2023, the City reported a liability of \$372,124 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2023 based on the City's share of contributions to the LRLIF relative to the contributions of all participating employers. The City's proportion was 0.08088500% of the aggregate LRLIF net OPEB liability as of December 31, 2023.

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 4 in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

LITIGATION

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

MUNICIPAL BANKRUPTCY

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

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

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

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

FUNDS ON HAND (as of March 31, 2026)

Fund	Total Cash and Investments
General Operating Checking	\$2,635,075
RLF Checking	371,832
Muni Court Checking	37,037
Self-Insurance Fund Checking	1,064,786
Tax Account Checking	15,479,412
Bank CMG Tax Checking	19,503
Bank CMG Trust Account Checking	4,355
BankFirst Wautoma (EMS Fund)	71,171
Hinsdale Checking (EMS)	70,393
LGIP	101,988
General Fund Investment	1,871,978
ARPA	452,061
Bond Proceeds	5,771,922
2025B - Debt Service Reserve Fund	135,294
Echo Lake Enumeration	5,045,415
Near-term Borrowing	854,969
Water Bond Reserve	<u>298,429</u>
 Total Funds on Hand	 <u><u>\$34,285,620</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:

	2023 Audited	2024 Audited	2025 Unaudited
Water			
Total Operating Revenues	\$2,799,822	\$2,912,820	\$2,711,845
Less: Operating Expenses	<u>(2,388,695)</u>	<u>(2,311,604)</u>	<u>(2,107,245)</u>
Operating Income	\$411,127	\$601,216	\$604,600
Plus: Depreciation	714,583	718,965	732,989
Interest Income	<u>117,094</u>	<u>168,055</u>	<u>180,200</u>
Revenues Available for Debt Service	<u><u>\$1,242,804</u></u>	<u><u>\$1,488,236</u></u>	<u><u>\$1,517,789</u></u>
Sewer			
Total Operating Revenues	\$3,776,535	\$3,416,016	\$4,113,626
Less: Operating Expenses	<u>(3,485,153)</u>	<u>(3,518,212)</u>	<u>(3,865,318)</u>
Operating Income	\$291,382	(\$102,196)	\$248,308
Plus: Depreciation	1,467,952	1,507,179	1,500,000
Interest Income	<u>52,899</u>	<u>81,084</u>	<u>48,175</u>
Revenues Available for Debt Service	<u><u>\$1,812,233</u></u>	<u><u>\$1,486,067</u></u>	<u><u>\$1,796,483</u></u>
Airport			
Total Operating Revenues	\$1,003,219	\$999,757	\$1,103,940
Less: Operating Expenses	<u>(1,032,279)</u>	<u>(1,057,456)</u>	<u>(1,052,658)</u>
Operating Income	(\$29,060)	(\$57,699)	\$51,282
Plus: Depreciation	89,700	89,700	89,700
Interest Income	<u>13,369</u>	<u>19,186</u>	<u>9,000</u>
Revenues Available for Debt Service	<u><u>\$74,009</u></u>	<u><u>\$51,187</u></u>	<u><u>\$149,982</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 2024 audited financial statements.

FISCAL YEAR ENDING DECEMBER 31				
COMBINED STATEMENT				
	2022	2023	2024	2025
	Audited	Audited	Audited	Unaudited
Revenues				
Taxes & special assessments	\$7,101,987	\$7,359,802	\$7,609,559	\$7,328,965
Intergovernmental	1,310,599	1,277,147	1,849,911	2,181,114
Licenses and permits	373,831	548,180	456,513	383,364
Charges for services	45,260	65,419	193,307	193,041
Fines and forfeitures	65,950	179,326	177,694	68,500
Investment income	37,289	299,479	353,554	214,000
Miscellaneous	246,667	251,709	287,039	24,027
Total Revenues	<u>\$9,181,583</u>	<u>\$9,981,062</u>	<u>\$10,927,577</u>	<u>\$10,393,011</u>
Expenditures				
Current:				
General government	\$1,530,091	\$1,347,379	\$1,349,226	\$1,325,300
Public safety	4,841,393	4,450,199	4,395,358	4,408,314
Public works	2,013,726	2,187,415	2,185,317	2,273,984
Health and human services	5,450	6,576	8,036	5,790
Culture, recreation and education	767,661	622,067	610,098	697,988
Conservation and development	459,579	311,489	340,692	430,492
Capital outlay	0	0	0	0
Total Expenditures	<u>\$9,617,900</u>	<u>\$8,925,125</u>	<u>\$8,888,727</u>	<u>\$9,141,868</u>
Excess of revenues over (under) expenditures	(\$436,317)	\$1,055,937	\$2,038,850	\$1,251,143
Other Financing Sources (Uses)				
Transfers in	475,766	388,109	376,207	517,360
Transfers (out)	(778,391)	(681,731)	(646,548)	(646,548)
Total Other Financing Sources (Uses)	<u>(302,625)</u>	<u>(293,622)</u>	<u>(270,341)</u>	<u>(129,188)</u>
Net changes in Fund Balances	(\$738,942) ¹	\$762,315	\$1,768,509	\$1,121,955
General Fund Balance January 1	\$4,054,539 ²	\$4,053,316 ²	\$4,815,631	\$6,620,446
Prior Period Adjustment	0	0	36,306	0
General Fund Balance December 31	\$3,315,597	\$4,815,631	\$6,620,446	\$7,742,401
DETAILS OF DECEMBER 31 FUND BALANCE				
Nonspendable	\$123,665	\$144,703	\$840,698	\$177,674
Restricted	60,270	1,059,055	1,400,451	843,462
Unassigned	3,131,662	3,613,873	4,381,297	6,723,265
Total	<u>\$3,315,597</u>	<u>\$4,817,631</u>	<u>\$6,622,446</u>	<u>\$7,744,401</u>

¹ The decrease in fund balance was primarily due to an increase in public safety costs due to doubling of the full time firefighter/EMT personnel.

² Beginning net position/fund balance was restated due to the implementation of GASB Statement No. 87 and to correct errors in recording of interfund activity, prepaid insurance, deferred revenues, and longterm debt.

GENERAL FUND BUDGET SUMMARY

FISCAL YEAR ENDING DECEMBER 31

COMBINED STATEMENT

	2026 Adopted Budget¹
Revenues	
Taxes & special assessments	\$7,224,105
Intergovernmental	1,617,369
Licenses and permits	371,595
Charges for services	122,594
Fine and forfeitures	58,500
Investment income	300,000
Miscellaneous	10,000
Total Revenues	\$9,704,163
Expenditures	
Current:	
General government	\$1,399,509
Public safety	4,567,160
Public works	2,456,730
Health and human services	5,450
Culture, recreation and education	754,902
Conservation and development	334,116
Capital outlay	0
Debt service	0
Total Expenditures	\$9,517,867
Excess of revenues over (under) expenditures	\$186,296
Other Financing Sources (Uses)	
Transfers in	517,360
Transfers (out)	(200,000)
Total Other Financing Sources (Uses)	317,360
Net changes in Fund Balances	\$503,656

¹ The 2026 budget was adopted on November 18, 2025.

GENERAL INFORMATION

LOCATION

The City, with a 2020 U.S. Census population of 11,047 and a current estimated population of 11,137 comprises an area of 6.49 square miles and is located approximately 25 miles southwest of the City of Milwaukee.

LARGER EMPLOYERS¹

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Aurora Medical Center	Medical clinic/Hospital	500 ²
Nestle Inc.	Food products	390
Wal-Mart	General merchandise	356
Burlington School District	Secondary education	301
Echo Lake Farm Produce	Frozen foods manufacturer	300
Lavelle Industries	Molded rubber and thermoplastic products	256
Fait Distribution	Wholesale distributor of contact lenses	249
LDV, Inc.	Mobile command center manufacturer	200
Quad/Graphics	Printing	200
St. Gobain/Ardagh Group	Containers and packaging	135

Source: The City.

¹This 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.

²Total number of employees includes multiple locations.

BUILDING PERMITS

	2022	2023	2024	2025	2026 ¹
<u>New Single Family Homes</u>					
No. of building permits	3	2	2	11	7
Valuation	\$1,003,757	\$734,574	\$691,139	\$4,373,334	\$2,540,145
<u>New Multiple Family Buildings</u>					
No. of building permits	1	2	7	2	2
Valuation	\$660,000	\$3,261,976	\$4,458,820	\$187,702	\$379,438
<u>New Commercial/Industrial</u>					
No. of building permits	0	6	2	6	0
Valuation	\$0	\$2,906,000	\$670,000	\$6,120,000	\$0
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	519	521	445	534	121
Valuation	\$18,934,530	\$27,869,966	\$20,265,108	\$22,977,157	\$5,183,809

Source: The City.

¹ As of March 31, 2026.

U.S. CENSUS DATA

Population Trend: The City

2010 U.S. Census Population	10,464
2020 U.S. Census Population	11,047
Percent of Change 2010 - 2020	5.57%
2025 Estimated Population	11,137

Income and Age Statistics

	The City	Racine County	State of Wisconsin	United States
2024 per capita income	\$47,384	\$41,162	\$43,373	\$44,673
2024 median household income	\$83,419	\$78,096	\$77,485	\$80,734
2024 median family income	\$105,321	\$96,973	\$100,141	\$99,999
2024 median gross rent	\$999	\$1,080	\$1,087	\$1,413
2024 median value owner occupied units	\$276,600	\$251,400	\$266,500	\$332,700
2024 median age	40.2 yrs.	40.5 yrs.	40.2 yrs.	38.9 yrs.

	State of Wisconsin	United States
City % of 2024 per capita income	109.25%	106.07%
City % of 2024 median family income	105.17%	105.32%

Housing Statistics

	<u>The City</u>		
	2020	2024	Percent of Change
All Housing Units	4,698	4,850	3.24%

Source: 2010 and 2020 Census of Population and Housing, Wisconsin Demographic Services Center (https://doa.wi.gov/Pages/LocalGovtsGrants/Population_Estimates.aspx) and 2024 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov/cedsci>).

EMPLOYMENT/UNEMPLOYMENT DATA

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

Year	<u>Average Employment</u>	<u>Average Unemployment</u>	
	Racine County	Racine County	State of Wisconsin
2022	96,486	3.4%	2.8%
2023	97,738	3.2%	2.8%
2024	98,175	3.5%	3.0%
2025, December	96,009	3.6%	3.0%
2026, February	94,458	5.2%	4.3% ¹

Source: Wisconsin Department of Workforce Development.

¹Preliminary.

FINANCIAL STATEMENTS

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

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

CITY OF BURLINGTON, WISCONSIN
ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2024

300 N. Pine Street
Burlington, WI 53105
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CITY OF BURLINGTON, WISCONSIN

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CITY OF BURLINGTON, WISCONSIN

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FINANCIAL SECTION

This section includes:

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

Supplemental Schedules

INDEPENDENT AUDITOR'S REPORT

This section includes the opinion of the City's independent auditing firm.



INDEPENDENT AUDITOR'S REPORT

September 8, 2025

The Honorable Mayor
Members of the City Council
City of Burlington, Wisconsin

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 Burlington (the City), Wisconsin as of and for the year ended December 31, 2024, 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 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 Burlington, Wisconsin, as of December 31, 2024, 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. 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 generally accepted 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 generally accepted 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 management's discussion and analysis, the budgetary comparison schedules, and supplementary pension and other post-employment benefit (OPEB) schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

City of Burlington, Wisconsin
September 8, 2025

Supplementary Information

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

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF BURLINGTON, WISCONSIN

Management's Discussion and Analysis

December 31, 2024 (Unaudited)

Our discussion and analysis of the City of Burlington (the City), Wisconsin's financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2024. Please read it in conjunction with City's financial statements, which can be found in the basic financial statements section of this report.

FINANCIAL HIGHLIGHTS

- The City's net position decreased as a result of this year's operations. Net position of the governmental activities decreased by \$424,189, or 0.9 percent and net position of business-type activities decreased by \$415,609, or 1.2 percent.
- During the year, government-wide revenues for the primary government totaled \$21,712,743, while expenses totaled \$22,552,541, resulting in a decrease to net position of \$839,798.
- The City's net position totaled \$78,282,632 on December 31, 2024, which includes 57,195,897 net investment in capital assets, \$3,476,844 subject to external restrictions, and \$17,609,891 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported an increase this year of \$1,768,509 or 36.7 percent, resulting in ending fund balance of \$6,622,446.
- Beginning net position/fund balance were restated to correct errors related to the reporting of notes receivable, capital assets, and accounts receivable.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

The government-wide financial statements provide readers with a broad overview of the City's finances, in a matter similar to a private-sector business.

The Statement of Net Position reports information on all of the City's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the City's property tax base and the condition of the City's infrastructure, is needed to assess the overall health of the City.

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

Management's Discussion and Analysis

December 31, 2024 (Unaudited)

USING THIS ANNUAL REPORT - Continued

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, health and human services, culture, recreation, and education, and conservation and development. The business-type activities of the City include water utility, sewer utility, and airport operations.

Fund Financial Statements

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

Governmental Funds

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

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

The City maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Debt Service, and General Infrastructure funds, which are considered major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for all of the governmental funds, except for the Community Development Block Grant Fund, Tax Increment Financing #5 Fund, and Tax Collection Fund. A budgetary comparison statement for these funds has been provided to demonstrate compliance with this budget.

Proprietary Funds

The City maintains two proprietary fund types: enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City utilizes enterprise funds to account for its water distributions system, sewage treatment plant, sewage pumping stations, sewage collections systems, and airport operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions.

CITY OF BURLINGTON, WISCONSIN

Management's Discussion and Analysis

December 31, 2024 (Unaudited)

USING THIS ANNUAL REPORT - Continued

Proprietary Funds - Continued

The City uses internal service funds to account for its employee health insurance medical claims. This service predominantly benefits governmental rather than business-type functions, and therefore, has been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Utility, Sewer Utility, and Airport Funds, which are considered to be major funds of the City. Conversely, the internal service fund is presented in the proprietary fund financial statements in a single column. Individual fund data for the internal service fund is provided elsewhere in this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's WRS, other post-employment retirement benefit obligations, and budgetary comparison schedules for the General Fund. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service fund is presented immediately following the required supplementary information on pensions.

CITY OF BURLINGTON, WISCONSIN

**Management's Discussion and Analysis
December 31, 2024 (Unaudited)**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the City, assets/deferred outflows exceeded liabilities/deferred inflows by \$78,282,632.

	Net Position					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Current and Other Assets	\$ 24,910,916	23,622,149	13,137,496	11,990,105	38,048,412	35,612,254
Capital Assets	57,240,468	56,739,280	36,434,837	36,957,533	93,675,305	93,696,813
Total Assets	82,151,384	80,361,429	49,572,333	48,947,638	131,723,717	129,309,067
Deferred Outflows	5,420,228	7,769,102	654,635	1,051,096	6,074,863	8,820,198
Total Assets/Deferred Outflows	87,571,612	88,130,531	50,226,968	49,998,734	137,798,580	138,129,265
Long-Term Liabilities	26,217,080	25,519,446	14,604,559	13,879,188	40,821,639	39,398,634
Other Liabilities	3,382,026	2,715,416	1,963,826	1,903,899	5,345,852	4,619,315
Total Liabilities	29,599,106	28,234,862	16,568,385	15,783,087	46,167,491	44,017,949
Deferred Inflows	12,665,113	13,713,696	683,344	935,156	13,348,457	14,648,852
Total Liabilities/Deferred Inflows	42,264,219	41,948,558	17,251,729	16,718,243	59,515,948	58,666,801
Net Position						
Net Investment in Capital Assets	34,655,324	37,594,042	22,540,573	23,187,234	57,195,897	60,781,276
Restricted	3,198,234	1,790,672	278,610	278,610	3,476,844	2,069,282
Unrestricted	7,453,835	6,797,259	10,156,056	9,814,647	17,609,891	16,611,906
Total Net Position	45,307,393	46,181,973	32,975,239	33,280,491	78,282,632	79,462,464

A large portion of the City's net position, \$57,195,897 or 73.1 percent, reflects its investment in capital assets (for example, land, construction in progress, building and improvements, land improvements and structures, machinery and equipment, infrastructure, and lease assets), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$3,476,844 or 4.4 percent, of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining 22.5 percent, or \$17,609,891, represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

CITY OF BURLINGTON, WISCONSIN

**Management's Discussion and Analysis
December 31, 2024 (Unaudited)**

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Changes in Net Position

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues						
Charges for Services	\$ 1,789,359	2,107,501	7,328,593	7,579,576	9,117,952	9,687,077
Operating Grants/Contributions	868,255	722,715	—	20,000	868,255	742,715
Capital Grants/Contributions	44,000	—	71,262	112,860	115,262	112,860
General Revenues						
Property Taxes	8,360,233	8,603,378	—	—	8,360,233	8,603,378
Room Taxes	190,639	120,660	—	—	190,639	120,660
Intergovernmental	1,187,992	707,636	—	—	1,187,992	707,636
Investment Income	794,157	590,457	268,325	183,362	1,062,482	773,819
Other General Revenues	767,973	473,524	41,955	107	809,928	473,631
Total Revenues	14,002,608	13,325,871	7,710,135	7,895,905	21,712,743	21,221,776
Expenses						
General Government	2,251,068	2,165,118	—	—	2,251,068	2,165,118
Public Safety	6,224,378	5,898,088	—	—	6,224,378	5,898,088
Public Works	3,518,467	3,469,571	—	—	3,518,467	3,469,571
Health and Human Services	8,036	6,576	—	—	8,036	6,576
Culture, Recreation, and Education	1,857,689	1,798,019	—	—	1,857,689	1,798,019
Conservation and Development	439,013	534,364	—	—	439,013	534,364
Interest on Long-Term Debt	891,050	809,918	—	—	891,050	809,918
Water Utility	—	—	2,556,525	2,627,188	2,556,525	2,627,188
Sewer Utility	—	—	3,748,859	3,727,963	3,748,859	3,727,963
Airport	—	—	1,057,456	1,032,279	1,057,456	1,032,279
Total Expenses	15,189,701	14,681,654	7,362,840	7,387,430	22,552,541	22,069,084
Change in Net Position						
Before Transfers	(1,187,093)	(1,355,783)	347,295	508,475	(839,798)	(847,308)
Transfers	762,904	388,109	(762,904)	(388,109)	—	—
Change in Net Position	(424,189)	(967,674)	(415,609)	120,366	(839,798)	(847,308)
Net Position - Beginning as						
Previously Reported	46,181,973	47,149,647	33,280,491	33,160,125	79,462,464	80,309,772
Restatement - Error Correction	(450,391)	—	110,357	—	(340,034)	—
Net Position - Beginning as Restated	45,731,582	47,149,647	33,390,848	33,160,125	79,122,430	80,309,772
Net Position - Ending	45,307,393	46,181,973	32,975,239	33,280,491	78,282,632	79,462,464

Management's Discussion and Analysis
December 31, 2024 (Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

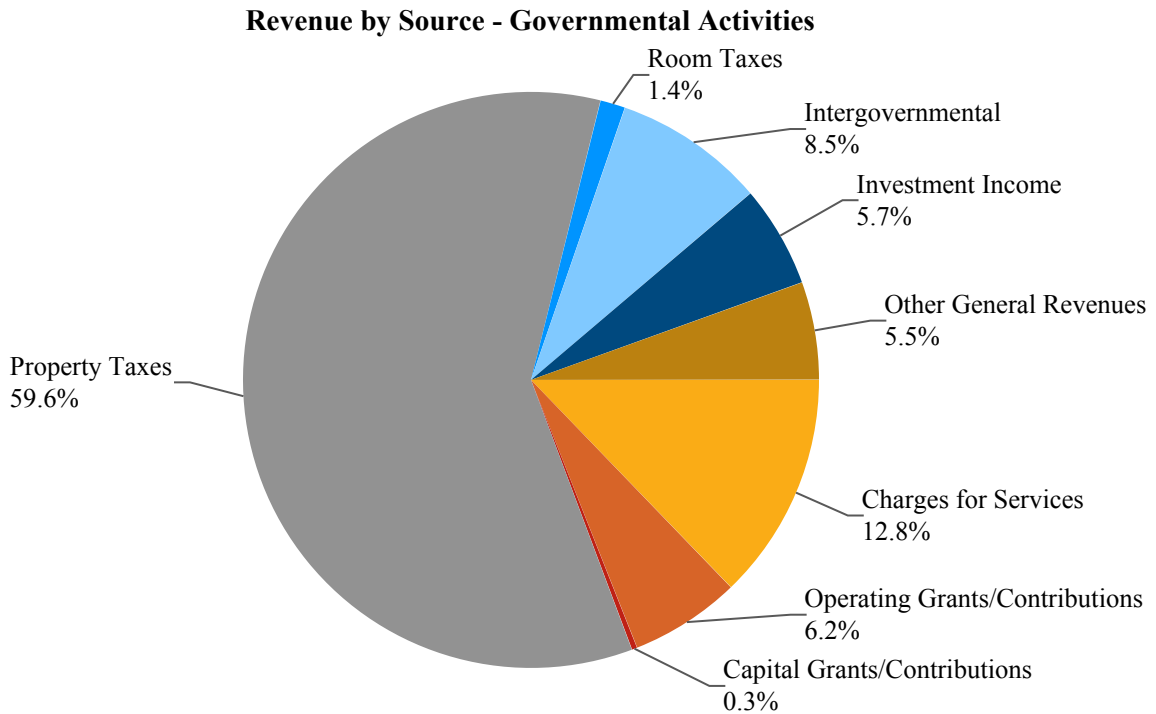
Net position of the City's governmental activities decreased by 0.9 percent (\$45,307,393 in 2024 compared to a restated \$45,731,582 in 2023). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$7,453,835 at December 31, 2024.

Net position of business-type activities decreased by 1.2 percent (\$32,975,239 in 2024 compared to a restated \$33,390,848 in 2023).

Governmental Activities

Revenues for governmental activities totaled \$14,002,608, while the cost of all governmental functions totaled \$15,189,701. This results in a deficit of \$1,187,093 prior to transfers in of \$762,904. In 2023, revenues of \$13,325,871 fell short of expenses of \$14,681,654, resulting in a deficit of \$1,355,783 prior to transfers in of \$388,109. The deficit in 2024 was due to revenues falling short of actual expenses as charges for services and property taxes decreased compared to the prior year while expenses increased in all functions, except for conservation and development.

The following table graphically depicts the major revenue sources of the City. It depicts very clearly the reliance of property taxes to fund governmental activities. It also clearly identifies the less significant percentage the City receives from intergovernmental revenues.



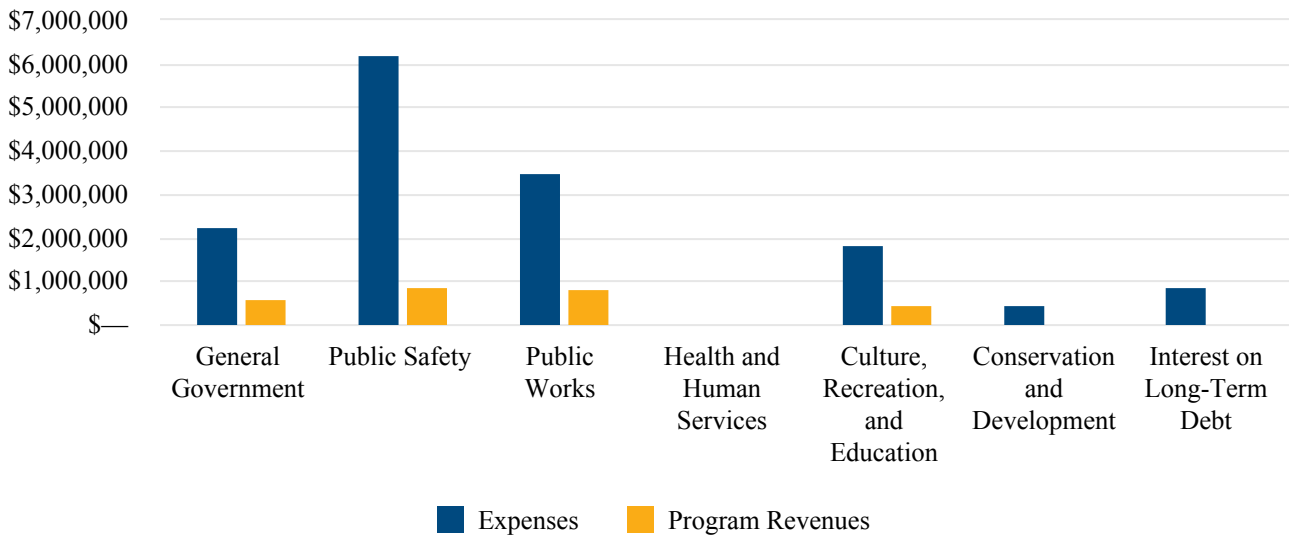
Management's Discussion and Analysis
December 31, 2024 (Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Governmental Activities - Continued

The 'Expenses and Program Revenues' Table identifies those governmental functions where program expenses greatly exceed revenues.

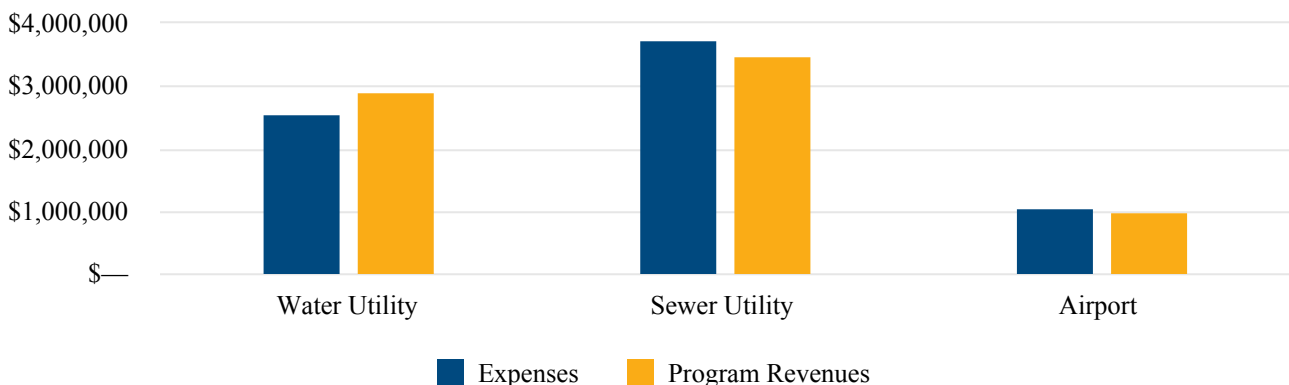
Expenses and Program Revenues - Governmental Activities



Business-Type activities

Business-Type activities posted total revenues of \$7,710,135, while the cost of all business-type activities totaled \$7,362,840. This results in a surplus of \$347,295 prior to transfers out of \$762,904. In 2023, revenues of \$7,895,905 exceeded expenses of \$7,387,430, resulting in a surplus of \$508,475 prior to transfers out of \$388,109. The operating surplus in 2024 is primarily due to an increase in charges for services resulting from higher water and sewer rates and usage in the current year, as well as sewer expenses coming in lower than expected.

Expenses and Program Revenues - Business-Type Activities



The above graph compares program revenues to expenses for utility operations.

CITY OF BURLINGTON, WISCONSIN

Management's Discussion and Analysis

December 31, 2024 (Unaudited)

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

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

The City's governmental funds reported combining ending fund balances of \$13,794,030, which is \$590,230, or 4.4 percent, higher than last year's restated total of \$13,267,494. Of the \$13,794,030 total, \$3,799,726, or approximately 27.5 percent, of the fund balance constitutes unassigned fund balance.

The General Fund reported a positive change in fund balance for the year of \$1,768,509, an increase of 36.7 percent. This was due to a minimization of expenditures as well as a more accurate allocation of EMS expenditures to the EMS fund.

The General Fund is the chief operating fund of the City. At December 31, 2024, unassigned fund balance in the General Fund was \$4,381,297, which represents 66.2 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 49.3 percent of total General Fund expenditures.

The Debt Service Fund reported an ending fund balance of \$533,249, this is a decrease of \$558,780, or 51.2 percent, from the prior year. The decrease is due to the timing difference in the property tax levy for debt service.

The General Infrastructure Fund reported an ending fund balance of \$2,310,728, this is an increase of \$1,678,769, or 265.6 percent, from the prior year. The increase is primarily due to the issuance of General Obligatory Promissory Note of 2024A.

Proprietary Funds

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

The City reports the Water Utility, Sewer Utility, and Airport Funds as major proprietary funds. The City intends to run the fund at a breakeven rate. Periodically, there will be an annual surplus or draw down due to timing of capital projects. The Burlington Municipal Waterworks draws, treats, and distributes an average of 1.4 million gallons of potable drinking water from five groundwater wells daily. Water is sold on a tiered volumetric rate with most customers paying \$2.75 per one hundred cubic feet in addition to fixed service charges, public fire protection charges, and private fire protection charges (if applicable). The Wastewater Utility collects, transmits, and treats an average of 2.6 million gallons of wastewater daily. The utility serves residential, commercial, and industrial customers within the City of Burlington and the Bohner's Lake Sanitary District and Brown's Lake Sanitary District. Customers pay a volumetric rate of \$4.50 per one hundred cubic feet in addition to fixed service charges. Industrial and high strength discharges pay additional surcharges based on the strength of their waste.

CITY OF BURLINGTON, WISCONSIN

**Management's Discussion and Analysis
December 31, 2024 (Unaudited)**

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS - Continued

Proprietary Funds - Continued

The Water Utility Fund reported an ending fund balance of \$15,187,441, this is an increase of \$120,578, or 0.8 percent, from the prior year. The increase is due to an increase in charges for services resulting from higher rates and usage in the current year. Additionally, the increase is attributable to an increase in interest income, as well as a decrease in operations and maintenance expenses.

The Sewer Utility Fund reported an ending fund balance of \$16,013,791, this is a decrease of \$471,820, or 2.9 percent, from the prior year. The decrease is due to sewer revenues being lower and transfers out being higher than anticipated.

The Airport Fund reported an ending fund balance of \$1,774,007, this is a decrease of \$64,367, or 3.5 percent, from the prior year. The decrease is due to an increase in expenses due to new and renewed service contracts.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City Council made no budget amendments to the General Fund during the year. General Fund actual revenues for the year totaled \$10,927,577, compared to budgeted revenues of \$10,937,588. Revenues for taxes came in lower than budgeted.

The General Fund actual expenditures for the year were \$472,801 lower than budgeted (\$8,888,727 actual compared to \$9,361,528 budgeted). Expenditures for all functions came in lower than budgeted.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business type activities as of December 31, 2024 was \$93,675,305 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, building and improvements, land improvements and structures, machinery and equipment, infrastructure, and lease assets.

	Capital Assets - Net of Depreciation					
	Governmental		Business-Type		Totals	
	Activities	Activities	Activities	Activities	2024	2023
	2024	2023	2024	2023	2024	2023
Land	\$ 24,089,365	24,089,365	1,164,332	1,164,332	25,253,697	25,253,697
Construction in Progress	1,814,635	993,014	—	—	1,814,635	993,014
Building and Improvements	5,912,013	5,933,209	7,645,797	8,249,481	13,557,810	14,182,690
Land Improvements and Structures	1,088,415	1,197,003	482,234	550,183	1,570,649	1,747,186
Machinery and Equipment	1,517,168	1,628,833	1,128,690	1,274,410	2,645,858	2,903,243
Infrastructure	22,709,809	22,353,178	26,013,784	25,992,315	48,723,593	48,345,493
Lease Assets - Equipment	109,063	157,981	—	—	109,063	157,981
Totals	57,240,468	56,352,583	36,434,837	37,230,721	93,675,305	93,583,304

CITY OF BURLINGTON, WISCONSIN

**Management's Discussion and Analysis
December 31, 2024 (Unaudited)**

CAPITAL ASSETS - Continued

This year's major additions included:

Construction in Progress	\$	1,263,841
Building and Improvements		770,735
Land Improvements and Structures		22,191
Machinery and Equipment		462,079
Infrastructure		<u>1,966,747</u>
		<u>4,485,593</u>

Additional information on the City's capital assets can be found in Note 3 of this report.

DEBT ADMINISTRATION

At year-end, the City had total outstanding debt of \$41,274,480 as compared to \$38,177,086 the previous year, an increase of 8.1 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
General Obligation Bonds Payable	\$ 20,500,000	21,500,000	2,375,000	2,595,000	22,875,000	24,095,000
Notes Payable	4,530,000	1,258,393	2,380,000	105,000	6,910,000	1,363,393
Installment Contracts Payable	435,041	515,233	—	—	435,041	515,233
Intergovernmental Payable	26,788	40,183	—	—	26,788	40,183
Leases Payable	108,890	152,108	—	—	108,890	152,108
Revenue Bonds Payable	—	—	10,918,761	12,011,169	10,918,761	12,011,169
Total	<u>25,600,719</u>	<u>23,465,917</u>	<u>15,673,761</u>	<u>14,711,169</u>	<u>41,274,480</u>	<u>38,177,086</u>

The City maintains an Aa- rating from Moody's for general obligation debt. This rating has not changed in the past five years. State statutes limit the amount of general obligation debt a non-home rule governmental entity may issue to 5.0 percent of its total assessed valuation. The current debt limit for the City is \$73,860,230.

Additional information on the City's long-term debt can be found in Note 3 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City's elected and appointed officials considered many factors when setting the fiscal year 2025 budget, including tax rates, such as state-mandated levy limits, and fees that will be charged for its various activities. The state of the economy was a major factor, as the City is faced with a similar economic environment as many other local municipalities are faced with, including inflation, and unemployment rates, employee attraction and retention, and ability to procure equipment.

CITY OF BURLINGTON, WISCONSIN

Management's Discussion and Analysis

December 31, 2024 (Unaudited)

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Office of Budget and Finance, 300 N. Pine Street. Burlington, WI 53105.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

Government-Wide Financial Statements

Fund Financial Statements

Governmental Funds

Proprietary Funds

Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CITY OF BURLINGTON, WISCONSIN

Statement of Net Position

December 31, 2024

See Following Page

CITY OF BURLINGTON, WISCONSIN

**Statement of Net Position
December 31, 2024**

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 15,775,447	11,155,397	26,930,844
Receivables - Net of Allowances			
Taxes	6,741,152	—	6,741,152
Accounts	673,853	1,364,783	2,038,636
Leases	363,104	276,966	640,070
Notes	1,394,140	—	1,394,140
Internal Balances	(177,487)	177,487	—
Inventory/Prepays	140,707	162,863	303,570
Total Current Assets	<u>24,910,916</u>	<u>13,137,496</u>	<u>38,048,412</u>
Noncurrent Assets			
Capital Assets			
Nondepreciable	25,904,000	1,164,332	27,068,332
Depreciable	75,804,611	86,959,093	162,763,704
Accumulated Depreciation	(44,468,143)	(51,688,588)	(96,156,731)
Total Noncurrent Assets	<u>57,240,468</u>	<u>36,434,837</u>	<u>93,675,305</u>
Total Assets	<u>82,151,384</u>	<u>49,572,333</u>	<u>131,723,717</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - WRS	5,320,421	624,824	5,945,245
Deferred Items - LRLIF	99,807	29,811	129,618
Total Deferred Outflows of Resources	<u>5,420,228</u>	<u>654,635</u>	<u>6,074,863</u>
Total Assets and Deferred Outflows of Resources	<u>87,571,612</u>	<u>50,226,968</u>	<u>137,798,580</u>

The notes to the financial statements are an integral part of this statement.

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 1,070,611	386,988	1,457,599
Accrued Payroll	245,991	35,544	281,535
Deposits Payable	238,825	100,445	339,270
Accrued Interest Payable	234,076	—	234,076
Unavailable Revenues	7,646	—	7,646
Current Portion of Long-Term Liabilities	1,584,877	1,440,849	3,025,726
Total Current Liabilities	<u>3,382,026</u>	<u>1,963,826</u>	<u>5,345,852</u>
Noncurrent Liabilities			
Compensated Absences Payable	198,231	47,904	246,135
Claims Payable	297,475	—	297,475
Net Pension Liability - WRS	592,312	69,561	661,873
Net OPEB Liability - LRLIF	286,537	85,587	372,124
General Obligation Bonds Payable - Net	20,064,453	2,223,175	22,287,628
Notes Payable - Net	4,337,672	2,408,444	6,746,116
Installment Contracts Payable	352,658	—	352,658
Intergovernmental Payable	13,393	—	13,393
Leases Payable	74,349	—	74,349
Revenue Bonds Payable	—	9,769,888	9,769,888
Total Noncurrent Liabilities	<u>26,217,080</u>	<u>14,604,559</u>	<u>40,821,639</u>
Total Liabilities	<u>29,599,106</u>	<u>16,568,385</u>	<u>46,167,491</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	8,890,690	—	8,890,690
Leases	339,707	255,364	595,071
Grants	61,107	—	61,107
Deferred Items - WRS	3,198,241	375,598	3,573,839
Deferred Items - LRLIF	175,368	52,382	227,750
Total Deferred Inflows of Resources	<u>12,665,113</u>	<u>683,344</u>	<u>13,348,457</u>
Total Liabilities and Deferred Inflows of Resources	<u>42,264,219</u>	<u>17,251,729</u>	<u>59,515,948</u>
NET POSITION			
Net Investment in Capital Assets	34,655,324	22,540,573	57,195,897
Restricted			
DeRozier Funds	32,683	—	32,683
Debt Service	299,173	—	299,173
Economic Development	2,866,378	—	2,866,378
Debt Covenants	—	278,610	278,610
Unrestricted	<u>7,453,835</u>	<u>10,156,056</u>	<u>17,609,891</u>
Total Net Position	<u>45,307,393</u>	<u>32,975,239</u>	<u>78,282,632</u>

The notes to the financial statements are an integral part of this statement.

CITY OF BURLINGTON, WISCONSIN

Statement of Activities

For the Fiscal Year Ended December 31, 2024

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 2,251,068	329,009	205,900	44,000
Public Safety	6,224,378	808,838	44,375	—
Public Works	3,518,467	208,036	609,810	—
Health and Human Services	8,036	—	—	—
Culture, Recreation, and Education	1,857,689	443,476	8,170	—
Conservation and Development	439,013	—	—	—
Interest on Long-Term Debt	891,050	—	—	—
Total Governmental Activities	15,189,701	1,789,359	868,255	44,000
Business-Type Activities				
Water Utility	2,556,525	2,912,820	—	4,437
Sewer Utility	3,748,859	3,416,016	—	66,825
Airport	1,057,456	999,757	—	—
Total Business-Type Activities	7,362,840	7,328,593	—	71,262
Total Primary Government	22,552,541	9,117,952	868,255	115,262

General Revenues

- Taxes
 - Property Taxes
 - Payments in Lieu of Taxes
 - Room Taxes
 - Other Taxes
- Intergovernmental - Unrestricted
 - Shared Taxes from State
 - Fire Insurance Taxes from State
 - ARPA
- Municipal Services
- Investment Income
- Miscellaneous
- Transfers - Internal Activity

Change in Net Position

- Net Position - Beginning as Previously Reported
- Restatement - Error Correction
- Net Position - Beginning as Restated

Net Position - Ending

The notes to the financial statements are an integral part of this statement.

Net (Expenses)/Revenues		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
(1,672,159)	—	(1,672,159)
(5,371,165)	—	(5,371,165)
(2,700,621)	—	(2,700,621)
(8,036)	—	(8,036)
(1,406,043)	—	(1,406,043)
(439,013)	—	(439,013)
(891,050)	—	(891,050)
<u>(12,488,087)</u>	<u>—</u>	<u>(12,488,087)</u>
—	360,732	360,732
—	(266,018)	(266,018)
—	(57,699)	(57,699)
<u>—</u>	<u>37,015</u>	<u>37,015</u>
<u>(12,488,087)</u>	<u>37,015</u>	<u>(12,451,072)</u>
8,360,233	—	8,360,233
226,516	—	226,516
190,639	—	190,639
219,251	—	219,251
927,039	—	927,039
60,981	—	60,981
198,166	—	198,166
1,806	—	1,806
794,157	268,325	1,062,482
322,206	41,955	364,161
762,904	(762,904)	—
<u>12,063,898</u>	<u>(452,624)</u>	<u>11,611,274</u>
<u>(424,189)</u>	<u>(415,609)</u>	<u>(839,798)</u>
46,181,973	33,280,491	79,462,464
(450,391)	110,357	(340,034)
<u>45,731,582</u>	<u>33,390,848</u>	<u>79,122,430</u>
<u>45,307,393</u>	<u>32,975,239</u>	<u>78,282,632</u>

The notes to the financial statements are an integral part of this statement.

CITY OF BURLINGTON, WISCONSIN

Balance Sheet - Governmental Funds

December 31, 2024

	General	Debt Service	Capital Projects General Infrastructure	Nonmajor	Totals
ASSETS					
Cash and Investments	\$ 7,834,833	533,249	2,516,055	4,627,282	15,511,419
Receivables - Net of Allowances					
Taxes	4,740,019	2,001,133	—	—	6,741,152
Accounts	231,003	—	—	442,850	673,853
Leases	363,104	—	—	—	363,104
Notes	—	—	—	1,394,140	1,394,140
Due from Other Funds	1,463,997	—	—	—	1,463,997
Advances to Other Funds	706,931	—	—	207,755	914,686
Prepays	133,767	—	—	6,940	140,707
Total Assets	15,473,654	2,534,382	2,516,055	6,678,967	27,203,058
LIABILITIES					
Accounts Payable	756,458	—	205,327	107,107	1,068,892
Accrued Payroll	233,773	—	—	12,218	245,991
Deposits Payable	238,825	—	—	—	238,825
Unavailable Revenues	7,646	—	—	—	7,646
Due to Other Funds	177,487	—	—	1,463,997	1,641,484
Advances from Other Funds	207,755	—	—	706,931	914,686
Total Liabilities	1,621,944	—	205,327	2,290,253	4,117,524
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	6,889,557	2,001,133	—	—	8,890,690
Leases	339,707	—	—	—	339,707
Grants	—	—	—	61,107	61,107
Total Deferred Inflows of Resources	7,229,264	2,001,133	—	61,107	9,291,504
Total Liabilities and Deferred Inflows of Resources	8,851,208	2,001,133	205,327	2,351,360	13,409,028
FUND BALANCES					
Nonspendable	840,698	—	—	6,940	847,638
Restricted	1,400,451	533,249	2,310,728	3,271,734	7,516,162
Assigned	—	—	—	1,630,504	1,630,504
Unassigned	4,381,297	—	—	(581,571)	3,799,726
Total Fund Balances	6,622,446	533,249	2,310,728	4,327,607	13,794,030
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	15,473,654	2,534,382	2,516,055	6,678,967	27,203,058

The notes to the financial statements are an integral part of this statement.

CITY OF BURLINGTON, WISCONSIN

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

December 31, 2024

Total Governmental Fund Balances \$ 13,794,030

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 funds. 57,240,468

Deferred outflows (inflows) of resources related to the pensions not reported in the funds.

Deferred Items - WRS 2,122,180

Deferred Items - LRLIF (75,561)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Compensated Absences Payable (247,789)

Net Pension Liability - WRS (592,312)

Net OPEB Liability - LRLIF (286,537)

General Obligation Bonds Payable (20,500,000)

Notes Payable - Net (4,662,672)

Installment Contracts Payable (435,041)

Intergovernmental Payable (26,788)

Leases Payable (108,890)

Unamortized Bond Premium - Net (644,453)

Accrued Interest Payable (234,076)

Internal service funds are used by the City to charge the costs of health and dental insurance benefits to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position. (35,166)

Net Position of Governmental Activities 45,307,393

CITY OF BURLINGTON, WISCONSIN

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2024**

	General	Debt Service	Capital Projects General Infrastructure	Nonmajor	Totals
Revenues					
Taxes	\$ 7,390,308	1,387,080	—	—	8,777,388
Special Assessments	219,251	—	—	—	219,251
Intergovernmental	1,849,911	—	—	250,336	2,100,247
Licenses and Permits	456,513	—	—	—	456,513
Charges for Services	193,307	—	—	961,845	1,155,152
Fines and Forfeitures	177,694	—	—	—	177,694
Investment Income	353,554	17,882	210,854	189,011	771,301
Miscellaneous	287,039	—	—	35,167	322,206
Total Revenues	10,927,577	1,404,962	210,854	1,436,359	13,979,752
Expenditures					
General Government	1,349,226	—	—	—	1,349,226
Public Safety	4,395,358	—	—	1,448,590	5,843,948
Public Works	2,185,317	—	—	—	2,185,317
Health and Human Services	8,036	—	—	—	8,036
Culture, Recreation, and Education	610,098	—	—	910,673	1,520,771
Conservation and Development	340,692	—	—	98,321	439,013
Capital Outlay	—	—	2,496,958	1,634,088	4,131,046
Debt Service					
Principal Retirement	—	1,358,585	—	56,613	1,415,198
Interest and Fiscal Charges	—	605,157	104,496	281,892	991,545
Total Expenditures	8,888,727	1,963,742	2,601,454	4,430,177	17,884,100
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,038,850	(558,780)	(2,390,600)	(2,993,818)	(3,904,348)
Other Financing Sources (Uses)					
Debt Issuance	—	—	3,550,000	—	3,550,000
Premium on Debt Issuance	—	—	132,672	—	132,672
Disposal of Capital Assets	—	—	—	49,002	49,002
Transfers In	376,207	—	386,697	751,548	1,514,452
Transfers Out	(646,548)	—	—	(105,000)	(751,548)
	(270,341)	—	4,069,369	695,550	4,494,578
Net Change in Fund Balances	1,768,509	(558,780)	1,678,769	(2,298,268)	590,230
Fund Balances - Beginning as Previously Reported	4,817,631	1,092,029	631,959	6,725,875	13,267,494
Restatement - Error Correction	36,306	—	—	(100,000)	(63,694)
Fund Balances - Beginning as Restated	4,853,937	1,092,029	631,959	6,625,875	13,203,800
Fund Balances - Ending	6,622,446	533,249	2,310,728	4,327,607	13,794,030

The notes to the financial statements are an integral part of this statement.

CITY OF BURLINGTON, WISCONSIN

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities - Governmental Activities
For the Fiscal Year Ended December 31, 2024**

Net Change in Fund Balances - Total Governmental Funds \$ 590,230

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlays	2,965,633
Depreciation Expense	(2,071,873)
Disposals - Cost	(76,332)
Disposals - Accumulated Depreciation	70,457

The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.

Change in Deferred Items - WRS	(1,230,340)
Change in Deferred Items - LRLIF	4,842

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.

Change in Compensated Absences Payable	(30,644)
Change in Net Pension Liability/(Asset) - WRS	1,447,131
Change in Net OPEB Liability - LRLIF	(42,936)
Issuance of Debt	(3,550,000)
Issuance of Premium on Debt	(132,672)
Retirement of Debt	1,415,198
Amortization of Premium on Debt	40,406

Changes to accrued interest on long-term debt in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

60,089

Internal service funds are used by the City to charge the costs of health and dental insurance benefits to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

116,622

Changes in Net Position of Governmental Activities (424,189)

CITY OF BURLINGTON, WISCONSIN

Statement of Net Position - Proprietary Funds

December 31, 2024

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Airport	Totals	Activities
	Utility	Utility			Self Insurance
ASSETS					
Current Assets					
Cash and Investments	\$ 5,546,273	5,010,097	599,027	11,155,397	264,028
Receivables - Net of Allowances					
Accounts	812,916	551,867	—	1,364,783	—
Leases	—	—	276,966	276,966	—
Due from Other Funds	100,186	77,301	—	177,487	—
Inventory	15,985	654	78,452	95,091	—
Prepays	18,104	46,969	2,699	67,772	—
Total Current Assets	<u>6,493,464</u>	<u>5,686,888</u>	<u>957,144</u>	<u>13,137,496</u>	<u>264,028</u>
Noncurrent Assets					
Capital Assets					
Nondepreciable	260,027	778,671	125,634	1,164,332	—
Depreciable	29,244,124	54,563,700	3,151,269	86,959,093	—
Accumulated Depreciation	(12,918,654)	(36,606,816)	(2,163,118)	(51,688,588)	—
Total Noncurrent Assets	<u>16,585,497</u>	<u>18,735,555</u>	<u>1,113,785</u>	<u>36,434,837</u>	<u>—</u>
Total Assets	<u>23,078,961</u>	<u>24,422,443</u>	<u>2,070,929</u>	<u>49,572,333</u>	<u>264,028</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Items - WRS	269,256	355,568	—	624,824	—
Deferred Items - LRLIF	15,231	14,580	—	29,811	—
Total Deferred Outflows of Resources	<u>284,487</u>	<u>370,148</u>	<u>—</u>	<u>654,635</u>	<u>—</u>
Total Assets and Deferred Outflows of Resources	<u>23,363,448</u>	<u>24,792,591</u>	<u>2,070,929</u>	<u>50,226,968</u>	<u>264,028</u>

The notes to the financial statements are an integral part of this statement.

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Airport	Totals	Activities
	Utility	Utility			Self Insurance
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 154,932	190,498	41,558	386,988	1,719
Accrued Payroll	19,699	15,845	—	35,544	—
Accrued Interest	58,526	41,919	—	100,445	—
Current Portion of Long-Term Debt	461,112	979,737	—	1,440,849	—
Total Current Liabilities	694,269	1,227,999	41,558	1,963,826	1,719
Long-Term Liabilities					
Compensated Absences Payable	22,990	24,914	—	47,904	—
Claims Payable	—	—	—	—	297,475
Net Pension Liability - WRS	29,976	39,585	—	69,561	—
Net OPEB Liability - LRLIF	43,728	41,859	—	85,587	—
General Obligation Bonds - Net	868,175	1,355,000	—	2,223,175	—
Notes Payable - Net	2,138,788	269,656	—	2,408,444	—
Revenue Bonds Payable	4,189,461	5,580,427	—	9,769,888	—
Total Long-Term Liabilities	7,293,118	7,311,441	—	14,604,559	297,475
Total Liabilities	7,987,387	8,539,440	41,558	16,568,385	299,194
DEFERRED INFLOWS OF RESOURCES					
Leases	—	—	255,364	255,364	—
Deferred Items - WRS	161,857	213,741	—	375,598	—
Deferred Items - LRLIF	26,763	25,619	—	52,382	—
Total Deferred Inflows of Resources	188,620	239,360	255,364	683,344	—
Total Liabilities and Deferred Inflows of Resources	8,176,007	8,778,800	296,922	17,251,729	299,194
NET POSITION					
Net Investment in Capital Assets	9,049,709	12,377,079	1,113,785	22,540,573	—
Restricted - Debt Covenants	132,019	146,591	—	278,610	—
Unrestricted (Deficit)	6,005,713	3,490,121	660,222	10,156,056	(35,166)
Total Net Position	15,187,441	16,013,791	1,774,007	32,975,239	(35,166)

The notes to the financial statements are an integral part of this statement.

CITY OF BURLINGTON, WISCONSIN

**Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended December 31, 2024**

	Business-Type Activities - Enterprise Funds				Governmental
	Water Utility	Sewer Utility	Airport	Totals	Self Insurance
Operating Revenues					
Charges for Services	\$ 2,881,485	3,416,016	—	6,297,501	—
Fuel Sales	—	—	893,058	893,058	—
Interfund Services	—	—	—	—	2,432,689
Other	31,335	—	106,699	138,034	25,546
Total Operating Revenues	2,912,820	3,416,016	999,757	7,328,593	2,458,235
Operating Expenses					
Operation and Maintenance	1,592,639	2,011,033	191,435	3,795,107	—
Fuel for Resale	—	—	776,321	776,321	—
Insurance Claims and Administration	—	—	—	—	2,364,469
Depreciation	718,965	1,507,179	89,700	2,315,844	—
Total Operating Expenses	2,311,604	3,518,212	1,057,456	6,887,272	2,364,469
Operating Income (Loss)	601,216	(102,196)	(57,699)	441,321	93,766
Nonoperating Revenues (Expenses)					
Investment Income	168,055	81,084	19,186	268,325	22,856
Interest Expense	(244,921)	(230,647)	—	(475,568)	—
Miscellaneous	—	41,955	—	41,955	—
	(76,866)	(107,608)	19,186	(165,288)	22,856
Income (Loss) Before Transfers and Contributions	524,350	(209,804)	(38,513)	276,033	116,622
Capital Contributions	4,437	66,825	—	71,262	—
Transfers Out	(408,209)	(328,841)	(25,854)	(762,904)	—
	(403,772)	(262,016)	(25,854)	(691,642)	—
Change in Net Position	120,578	(471,820)	(64,367)	(415,609)	116,622
Net Position - Beginning as Previously Reported	15,020,256	16,421,861	1,838,374	33,280,491	(151,788)
Restatement - Error Correction	46,607	63,750	—	110,357	—
Net Position - Beginning as Restated	15,066,863	16,485,611	1,838,374	33,390,848	(151,788)
Net Position - Ending	15,187,441	16,013,791	1,774,007	32,975,239	(35,166)

The notes to the financial statements are an integral part of this statement.

CITY OF BURLINGTON, WISCONSIN

**Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended December 31, 2024**

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Airport	Totals	Activities
	Utility	Utility			Self Insurance
Cash Flows from Operating Activities					
Receipts from Customers and Users	\$ 2,963,352	3,705,957	1,050,934	7,720,243	—
Interfund Services	—	—	—	—	2,458,235
Payments to Employees	(416,362)	(606,818)	—	(1,023,180)	—
Payments to Suppliers	(1,269,452)	(1,795,799)	(990,945)	(4,056,196)	(2,394,100)
	<u>1,277,538</u>	<u>1,303,340</u>	<u>59,989</u>	<u>2,640,867</u>	<u>64,135</u>
Cash Flows from Noncapital Financing Activities					
Transfers Out	(408,209)	(328,841)	(25,854)	(762,904)	—
Cash Flows from Capital and Related Financing Activities					
Purchase of Capital Assets	(636,302)	(812,396)	—	(1,448,698)	—
Issuance of Debt	2,100,680	274,904	—	2,375,584	—
Retirement of Debt	(393,746)	(940,404)	—	(1,334,150)	—
Interest Expense	(244,921)	(230,647)	—	(475,568)	—
	<u>825,711</u>	<u>(1,708,543)</u>	<u>—</u>	<u>(882,832)</u>	<u>—</u>
Cash Flows from Investing Activities					
Investment Income	168,055	81,084	19,186	268,325	22,856
Net Change in Cash and Cash Equivalents	1,863,095	(652,960)	53,321	1,263,456	86,991
Cash and Cash Equivalents - Beginning	3,683,178	5,663,057	545,706	9,891,941	177,037
Cash and Cash Equivalents - Ending	<u>5,546,273</u>	<u>5,010,097</u>	<u>599,027</u>	<u>11,155,397</u>	<u>264,028</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	601,216	(102,196)	(57,699)	441,321	93,766
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in)					
Operating Activities					
Depreciation	718,965	1,507,179	89,700	2,315,844	—
Other Income (Expense)	—	41,955	—	41,955	—
(Increase) Decrease in Current Assets	50,532	247,986	51,177	349,695	—
Increase (Decrease) in Current Liabilities	(93,175)	(391,584)	(23,189)	(507,948)	(29,631)
Net Cash Provided by Operating Activities	<u>1,277,538</u>	<u>1,303,340</u>	<u>59,989</u>	<u>2,640,867</u>	<u>64,135</u>
Noncash Capital and Related Financing Activities					
Capital Contributions	4,437	66,825	—	71,262	—

The notes to the financial statements are an integral part of this statement.

CITY OF BURLINGTON, WISCONSIN

Statement of Fiduciary Net Position

December 31, 2024

	<u>Custodial Tax Collection</u>
ASSETS	
Cash and Cash Equivalents	\$ 4,918,809
Receivables	
Taxes	<u>9,580,912</u>
Total Assets	<u>14,499,721</u>
LIABILITIES	
Due to Other Governments	<u>14,499,721</u>
NET POSITION	
Net Position Restricted for Individuals, Organizations, and Other Governments	<u><u>—</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF BURLINGTON, WISCONSIN

**Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2024**

	<u>Custodial Tax Collection</u>
Additions	
Collection of Property Tax	\$ 10,494,191
Deductions	
Distributions to Other Governments	<u>10,494,191</u>
Change in Fiduciary Net Position	—
Net Position Restricted for Individuals, Organizations, and Other Governments	
Beginning	<u>—</u>
Ending	<u><u>—</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF BURLINGTON, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Burlington, Wisconsin, is a municipal corporation governed by an elected mayor and eight-member council. The City's major operations include highway and street maintenance and reconstruction, forestry, building code enforcement, public improvements, economic development, planning and zoning, waterworks and sewerage services, airport services, and general administrative services.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the City's accounting policies established in GAAP and used by the City are described below.

REPORTING ENTITY

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government. Management has determined that there are no fiduciary component units that are required to be included in the financial statements of the City and there are no discretely component units to include in the reporting entity.

BASIS OF PRESENTATION

Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's general government, public safety, public works, health and human, culture, recreation, and education, and conservation and development services are classified as governmental activities. The City's water utility, sewer utility, and airport services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The City's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (general government, public safety, public works, etc.) The functions are supported by general government revenues (property taxes, room taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (general government, public safety, public works, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property tax, room taxes, intergovernmental revenues, investment income, etc.).

CITY OF BURLINGTON, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Statements - Continued

The City does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City may electively add funds, as major funds, which either have debt outstanding or a specific or community focus. The nonmajor funds are combined in a single column in the fund financial statements. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the City:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City maintains four nonmajor special revenue funds.

CITY OF BURLINGTON, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Governmental Funds - Continued

Debt Service Funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Debt Service Fund is treated as a major fund and is used account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The General Infrastructure Fund, a major fund, accounts for the City's road improvement program. Additionally, the City maintains five nonmajor capital projects funds.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the City:

Enterprise Funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The City maintains three major enterprise funds. The Water Utility fund accounts for the activities of operating the water distributions system. The Sewer Utility fund accounts for the activities of operating the sewage treatment plant, sewage pumping stations, and collections systems. The Airport Fund accounts for the activities of the City's airport operations.

Internal Service Funds are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the City on a cost-reimbursement basis. The City maintains one internal service fund. The Self Insurance Fund accounts for the City's risk financing activities related to its employee health insurance medical claims. The City's internal service funds are presented in the proprietary funds financial statements. Because the principal users of the internal services are the City's governmental activities, the financial statements of the internal service funds are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity (general government, public safety, public works, etc.).

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support City programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

Custodial Funds are used to account for assets held by the City in a purely custodial capacity. The Tax Collection Fund accounts for advance tax collections in December on behalf of other taxing bodies such as the school district, technical college, and county

Notes to the Financial Statements

December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fiduciary Funds - Continued

The City's fiduciary funds are presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the City, these funds are not incorporated into the government-wide statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary and custodial funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and custodial funds equity is classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The City recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

Notes to the Financial Statements

December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Basis of Accounting - Continued

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, room taxes, licenses, permits, investment revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary and custodial funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

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 City's enterprise funds, and of the City's internal service fund are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND FUND BALANCE/NET POSITION

Cash and Investments

For the purpose of the Statement of Net Position, cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the proprietary funds' Statement of Cash Flows, cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Internal service fund services provided and used are not eliminated in the process of consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

CITY OF BURLINGTON, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

**ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND FUND BALANCE/
NET POSITION - Continued**

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, notes, and accounts. Business-type activities report utility charges as their major receivables.

Inventory/Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. Inventory/prepays are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000, depending on asset class, or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets are the same as those used for the general capital assets. PSC guidelines are followed for depreciation related to the Water Utility.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings and Improvements	50 - 75 Years
Land Improvements and Structures	30 Years
Machinery and Equipment	5 - 10 Years
Infrastructure	30 - 50 Years
Lease Assets - Equipment	5 Years

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents a consumption/acquisition of net assets that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Notes to the Financial Statements

December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

**ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND FUND BALANCE/
NET POSITION - Continued**

Pensions

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

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 the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Compensated Absences

City employees earn vacation time in varying amounts in accordance with City policy. All full-time employees are eligible for paid vacation annually on the anniversary of their date of hire. Payments for vacation will be made at rates in effect when the benefits are used. Employees can carry up to five days of vacation to the following year, but it must be used in the first quarter of the following year.

All regular full-time employees who have completed 30 calendar days of employment are eligible to earn sick leave at the rate of one day per month. Employees may accumulate sick leave to a maximum of 150 days. It is the City's policy to pay for unused sick leave upon retirement or death at a rate of \$75 per day. The City determined its liability for accumulated sick pay benefits payable based on the option of applying \$75 per day toward health insurance premiums.

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

Notes to the Financial Statements

December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

**ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND FUND BALANCE/
NET POSITION - Continued**

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method.

Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

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.

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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

Unrestricted - All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

CITY OF BURLINGTON, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The City reviews and adopts its annual budget by December or earlier of the preceding year. The budgetary information included in the accompanying financial statements is comprised of the originally approved budget plus or minus approved revisions of budgeted revenues and expenditures. These budgets are adopted on a basis consistent with GAAP. Management control of the budgetary process has been established at the departmental level of expenditure. A department can be a fund, cost center, program or other activity for which control of expenditures is considered desirable. Budget appropriations for certain capital projects funds are project oriented, often possessing multi-year lives; consequently, budgeted capital projects expenditures are controlled through fund balances. The budget may be amended for supplemental appropriations periodically during the year. Budget changes require a two thirds approval by the City Council. The City did not budget for the Community Development Block Grant Fund, Tax Increment Financing #5 Fund, and Tax Collection Fund. There were no budget amendments for 2024.

EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures/expenses over budget as of the date of this report:

Fund	Excess
Library Operations	\$ 126,520
Equipment Replacement	468,846
Water Utility	23,987
Airport	21,252
Self Insurance	394,889

DEFICIT FUND BALANCE/NET POSITION

The following funds had a deficit fund balance/net position as of the date of this report:

Fund	Deficit
Community Development Block Grant	\$ 55,134
EMS	362,220
Equipment Replacement	164,217
Self Insurance	35,166

CITY OF BURLINGTON, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds except the custodial fund. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the City's funds.

Permitted Deposits and Investments - Statutes authorize the City to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Local Government Investment Pool.

The Local Government Investment Pool (LGIP) is an investment pool managed by the Wisconsin Department of Administration, which allows governments within the State to pool their funds for investment purposes. LGIP is not registered with the SEC as an investment company. Investments in LGIP are valued at the share price, which is the price for which the investment could be sold.

Deposits. At year-end, the carrying amount of the City's deposits for governmental and business-type activities totaled \$21,717,756 and the bank balances totaled \$25,584,130.

Investments. At year-end, the City has the following investments:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Securities	\$ 3,692,730	3,353,638	339,092	—	—
U.S. Agency Securities	551,742	258,305	293,437	—	—
Municipal Bonds	838,949	585,274	253,675	—	—
LGIP	129,667	129,667	—	—	—
Totals	5,213,088	4,326,884	886,204	—	—

The City has the following recurring fair value measurements as of year-end:

- U.S. Treasury Securities of \$3,692,730 are valued using quoted market prices (Level 1 inputs)
- U.S. Agency Securities of \$551,742 are valued using a matrix pricing model (Level 2 inputs)
- Municipal Bonds of \$838,949 are valued using the matrix pricing model (Level 2 inputs)
- LGIP of \$129,667 is measured using the net asset value (NAV) per share as determined by the pool.

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

CITY OF BURLINGTON, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy addresses interest rate risk by limiting the maturity of any security in accordance with state statutes and structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in security instruments authorized under State Statute, the City's investment policy further states that safety of principal is the foremost objective of the City. At year-end, the City's investments in U.S. Agency Securities are rated AAA to AA+ by Standard and Poor's, municipal bonds are rated Aa3 by Moody's, and LGIP is not rated.

Custodial Credit Risk - Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy states that the City shall maintain balances with its banking financial institutions that do not exceed the combined amount FDIC insurance and State Deposit Guarantee Fund insurance, along with the amount of collateralized deposits per an agreement with its primary banking institution. However, deposits may temporarily exceed the insured and collateralized amounts during periods when property taxes are collected. Deposits in local banks and the Wisconsin Government Investment Pool ("LGIP") are also insured by the State Deposit Guarantee Fund ("SDGF") in the amount of \$400,000 per financial institution. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

Custodial Credit Risk - Investments. For an investment, this is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City mitigates custodial credit risk for investments by maintaining a list of financial institutions, public depositories, and broker/dealers authorized by resolution or provide deposit and investment services. All financial institutions, public depositories, and broker/dealers authorized by resolution to provide deposit and investment services must supply appropriate audited financial statements demonstrating compliance with state and federal capital adequacy guidelines. At year-end, the City's investments in U.S. Agency Securities are all insured or registered with the City or its agent in the City's name and the City's investment in the LGIP is not subject to custodial credit risk.

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City's investment policy does not address concentration of credit risk. At year-end, the City does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

PROPERTY TAXES

Property taxes for 2023 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about January 31, and July 31. The County collects such taxes and remits them periodically.

CITY OF BURLINGTON, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the fiscal year was as follows:

	Restated Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 24,089,365	—	—	24,089,365
Construction in Progress	993,014	1,263,841	442,220	1,814,635
	<u>25,082,379</u>	<u>1,263,841</u>	<u>442,220</u>	<u>25,904,000</u>
Depreciable Capital Assets				
Building and Improvements	10,151,906	169,870	—	10,321,776
Land Improvements and Structures	3,469,845	22,191	—	3,492,036
Machinery and Equipment	8,838,332	340,663	76,332	9,102,663
Infrastructure	51,032,253	1,611,288	—	52,643,541
Lease Assets - Equipment	244,595	—	—	244,595
	<u>73,736,931</u>	<u>2,144,012</u>	<u>76,332</u>	<u>75,804,611</u>
Less Accumulated Depreciation				
Building and Improvements	4,218,697	191,066	—	4,409,763
Land Improvements and Structures	2,272,842	130,779	—	2,403,621
Machinery and Equipment	7,209,499	446,453	70,457	7,585,495
Infrastructure	28,679,075	1,254,657	—	29,933,732
Lease Assets - Equipment	86,614	48,918	—	135,532
	<u>42,466,727</u>	<u>2,071,873</u>	<u>70,457</u>	<u>44,468,143</u>
Total Net Depreciable Capital Assets	<u>31,270,204</u>	<u>72,139</u>	<u>5,875</u>	<u>31,336,468</u>
Total Net Capital Assets	<u>56,352,583</u>	<u>1,335,980</u>	<u>448,095</u>	<u>57,240,468</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 21,375
Public Safety	380,430
Public Works	1,333,150
Culture, Recreation, and Education	<u>336,918</u>
	<u>2,071,873</u>

CITY OF BURLINGTON, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS - Continued

Business-Type Activities

Business-type capital asset activity for the fiscal year was as follows:

	Restated Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 1,164,332	—	—	1,164,332
Depreciable Capital Assets				
Buildings and Improvements	31,587,216	600,865	146,724	32,041,357
Land Improvements	2,139,263	—	—	2,139,263
Machinery and Equipment	12,220,378	121,416	14,268	12,327,526
Infrastructure	39,831,978	797,679	178,710	40,450,947
	<u>85,778,835</u>	<u>1,519,960</u>	<u>339,702</u>	<u>86,959,093</u>
Less Accumulated Depreciation				
Buildings and Improvements	23,337,735	1,204,549	146,724	24,395,560
Land Improvements	1,589,080	67,949	—	1,657,029
Machinery and Equipment	10,945,968	267,136	14,268	11,198,836
Infrastructure	13,839,663	776,210	178,710	14,437,163
	<u>49,712,446</u>	<u>2,315,844</u>	<u>339,702</u>	<u>51,688,588</u>
Total Net Depreciable Capital Assets	<u>36,066,389</u>	<u>(795,884)</u>	<u>—</u>	<u>35,270,505</u>
Total Net Capital Assets	<u>37,230,721</u>	<u>(795,884)</u>	<u>—</u>	<u>36,434,837</u>

Depreciation expense was charged to business-type activities as follows:

	Depreciation	Share of Meter Depreciation	Depreciation Expense
Water Utility	\$ 753,346	(34,381)	718,965
Sewer Utility	1,472,798	34,381	1,507,179
Airport	89,700	—	89,700
	<u>2,315,844</u>	<u>—</u>	<u>2,315,844</u>

CITY OF BURLINGTON, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LEASES RECEIVABLE

The City has entered into various right-to-use lease agreements as lessor for airport hangars, space rentals, and cell tower space. The leases receivable had a balance of \$640,070 as of December 31, 2024. The City is required to receive various monthly principal and interest payments. The City used the incremental borrowing rate as the interest rate for the right-to-use asset agreements if an interest rate was not provided in the lease agreement. The City leases airport hangars, space rentals, and cell tower space for various terms under long-term, noncancellable lease agreements. The leases expire at various dates through 2051. The future principal and interest lease payments as of the year-end were as follows:

Fiscal Year	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 64,713	11,681	12,157	8,672
2026	66,297	9,345	12,538	8,306
2027	36,430	7,549	12,939	7,923
2028	39,513	6,225	13,349	7,530
2029	156,151	9,716	13,772	7,127
2030-2034	—	—	68,520	29,219
2035-2039	—	—	54,784	19,460
2040-2044	—	—	51,804	11,422
2045-2049	—	—	32,681	4,206
2050-2051	—	—	4,422	257
	<u>363,104</u>	<u>44,516</u>	<u>276,966</u>	<u>104,122</u>

INTERFUND BALANCES

Interfund balances result from the time lag between when transactions are recorded in the accounting system and payments between funds are made as well as advances in anticipation of receipts to cover temporary cash shortages. The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 1,463,997
Water Utility	General	100,186
Sewer Utility	General	<u>77,301</u>
		<u>1,641,484</u>

CITY OF BURLINGTON, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

INTERFUND ADVANCES

Interfund advances represent coverage of significant cash shortages. These amounts will be paid over several years. Interfund advances as of the date of this report are as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 706,931
Nonmajor Governmental	General	<u>207,755</u>
		<u><u>914,686</u></u>

INTERFUND TRANSFERS

Interfund transfers for the fiscal year consisted of the following:

Transfer In	Transfer Out	Amount
General	Water Utility	\$ 342,904 (1)
General	Sewer Utility	7,449 (1)
General	Airport	25,854 (1)
General Infrastructure	Water Utility	65,305 (1)
General Infrastructure	Sewer Utility	321,392 (1)
Nonmajor Governmental	General	646,548 (2)
Nonmajor Governmental	Nonmajor Governmental	<u>105,000 (1)</u>
		<u><u>1,514,452</u></u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations

LONG-TERM DEBT

Leases Payable

The City has the following leases payable outstanding at year end:

Lease	Start Date	End Date	Payments	Interest Rate
Axon Body Cameras	April 1, 2023	April 1, 2027	\$39,985 annually	5.00%
Axon Squad Cameras	August 1, 2020	August 1, 2025	\$10,836 - \$24,399 annually	5.00%

CITY OF BURLINGTON, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Leases Payable - Continued

During the fiscal year, the City has recognized \$48,918 of lease expenses. The future principal and interest lease payments as of the year-end were as follows:

Fiscal Year	Governmental Activities	
	Principal	Interest
2025	\$ 34,541	5,444
2026	36,268	3,717
2027	38,081	1,906
	<u>108,890</u>	<u>11,067</u>

General Obligation Bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$3,155,000 General Obligation Street Improvement Bonds of 2012A, due in annual installments of \$50,000 to \$400,000, plus interest at 2.00% to 2.80% through maturity on April 1, 2032.	\$ 2,210,000	—	200,000	2,010,000
\$7,990,000 General Obligation Corporate Purpose Bonds of 2017A, due in annual installments of \$215,000 to \$560,000, plus interest at 2.00% to 3.38% through maturity on April 1, 2037.	5,165,000 120,000	— —	470,000 30,000	4,695,000 90,000
\$1,285,000 General Obligation Corporate Purpose Bonds of 2019A, due in annual installments of \$25,000 to \$100,000, plus interest at 3.00% through maturity on April 1, 2039.	820,000 315,000	— —	10,000 15,000	810,000 300,000

CITY OF BURLINGTON, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

General Obligation Bonds - Continued

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$5,405,000 General Obligation Corporate Purpose Bonds of 2021A, due in annual installments of \$160,000 to \$435,000, plus interest at 2.00% through maturity on April 1, 2041.	\$ 2,550,000 880,000 1,280,000	— — —	180,000 70,000 105,000	2,370,000 810,000 1,175,000
\$1,415,000 General Obligation Corporate Purpose Bonds of 2022A, due in annual installments of \$50,000 to \$80,000, plus interest at 3.00% to 3.60% through maturity on April 1, 2042.	1,365,000	—	65,000	1,300,000
\$9,390,000 General Obligation Corporate Purpose Bonds of 2023A, due in annual installments of \$75,000 to \$890,000, plus interest at 4.00% to 5.00% through maturity on October 1, 2043.	9,390,000	—	75,000	9,315,000
	<u>24,095,000</u>	<u>—</u>	<u>1,220,000</u>	<u>22,875,000</u>

Notes Payable

The City enters into notes payable to provide funds for acquisition of capital assets. Notes payable have been issued for governmental and business-type activities. Notes payable are direct obligations and pledge the full faith and credit of the City. Notes payable currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$1,495,000 General Obligation Promissory Notes of 2017D, due in annual installments of \$145,000 to \$165,000, plus interest at 2.00% to 2.25% through maturity on April 1, 2027.	\$ 630,000	—	150,000	480,000
\$940,000 General Obligation Promissory Notes of 2020A, due in annual installments of \$80,000 to \$100,000, plus interest at 0.50% to 1.40% through maturity on April 1, 2030.	580,000 105,000	— —	80,000 15,000	500,000 90,000

CITY OF BURLINGTON, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Notes Payable - Continued

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$96,000 State of Wisconsin Note Payable of 2022, due in annual installments of \$49,606, plus interest at 2.50% through maturity on March 15, 2024.	\$ 48,393	—	48,393	—
\$5,840,000 General Obligatory Promissory Note of 2024A, due in annual installments of \$130,000 to \$425,000, plus interest at 4.00% to 5.00% through maturity on April 1, 2044.	—	3,550,000	—	3,550,000
	—	2,025,000	—	2,025,000
	—	265,000	—	265,000
	<u>1,363,393</u>	<u>5,840,000</u>	<u>293,393</u>	<u>6,910,000</u>

Intergovernmental Payable

The City also issues installment contracts payable to provide funds for the purchase of capital assets. Installment contracts currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$136,681 Intergovernmental Payable of 2017: Radio, due in annual installments of \$13,395, interest-free through maturity on July 1, 2026.	\$ 40,183	—	13,395	26,788

Installment Contract Payable

The City also issues installment contracts payable to provide funds for the purchase of capital assets. Installment contracts currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$1,147,507 Installment Contract of 2013: Honeywell Equipment, due in annual installments of \$93,316 including interest at 2.698% through maturity on November 15, 2029.	\$ 515,233	—	80,192	435,041

CITY OF BURLINGTON, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Revenue Bonds

The City also issued bonds for which the City pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$960,910 Taxable Sewerage System Revenue Bonds of 2008A, due in annual installments of \$38,131 to \$59,719, plus interest at 2.365% through maturity on May 1, 2027.	\$ 230,724	—	55,675	175,049
\$4,528,149 Taxable Sewerage System Revenue Bonds of 2008B, due in annual installments of \$176,036 to \$283,571, plus interest at 2.569% through maturity on May 1, 2028.	1,348,590	—	256,211	1,092,379
\$7,722,769 Taxable Sewerage System Revenue Bonds of 2012, due in annual installments of \$318,696 to \$490,008, plus interest at 2.625% through maturity on May 1, 2032.	3,984,778	—	398,270	3,586,508
\$2,044,276 Waterworks System Revenue Bonds of 2012, due in annual installments of \$82,473 to \$126,265, plus interest at 2.20% through maturity on May 1, 2031.	937,206	—	108,424	828,782
\$1,610,000 Sewerage System Revenue Bonds of 2017B, due in annual installments of \$65,000 to \$105,000, plus interest at 1.30% to 4.00% through maturity on May 1, 2037.	1,205,000	—	70,000	1,135,000

CITY OF BURLINGTON, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Revenue Bonds - Continued

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$896,473 Taxable Waterworks System Revenue Bonds of 2017C, due in annual installments of \$37,729 to \$49,402, plus interest at 1.87% through maturity on May 1, 2037.	\$ 614,871	—	38,828	576,043
\$1,575,000 Waterworks System Revenue Bonds of 2019B, due in annual installments of \$25,000 to \$115,000, plus interest at 3.00% to 4.00% through maturity on May 1, 2039.	1,480,000	—	70,000	1,410,000
\$520,000 Sewerage System Revenue Bonds of 2022B, due in annual installments of \$40,000 to \$55,000, plus interest at 2.90% to 3.50% through maturity on May 1, 2033.	480,000	—	40,000	440,000
\$645,000 Waterworks System Revenue Bonds of 2022C, due in annual installments of \$35,000 to \$55,000, plus interest at 2.90% to 3.75% through maturity on May 1, 2037.	610,000	—	35,000	575,000
\$1,120,000 Waterworks System Revenue Bonds of 2023B, due in annual installments of \$20,000 to \$80,000, plus interest at 4.00% through maturity on May 1, 2043.	1,120,000	—	20,000	1,100,000
	<u>12,011,169</u>	<u>—</u>	<u>1,092,408</u>	<u>10,918,761</u>

CITY OF BURLINGTON, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Long-Term Liabilities Activity

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 217,145	30,644	—	247,789	49,558
Net Pension Liability - WRS	2,039,443	—	1,447,131	592,312	—
Net OPEB Liability - LRLIF	243,601	42,936	—	286,537	—
General Obligation Bonds Payable	21,500,000	—	1,000,000	20,500,000	1,080,000
Plus: Unamortized Premium	684,859	—	40,406	644,453	—
Notes Payable	1,258,393	3,550,000	278,393	4,530,000	325,000
Plus: Unamortized Premium	—	132,672	—	132,672	—
Installment Contract Payable	515,233	—	80,192	435,041	82,383
Intergovernmental Payable	40,183	—	13,395	26,788	13,395
Leases Payable	152,108	—	43,218	108,890	34,541
	<u>26,650,965</u>	<u>3,756,252</u>	<u>2,902,735</u>	<u>27,504,482</u>	<u>1,584,877</u>
Business-Type Activities					
Compensated Absences	\$ 65,199	—	5,319	59,880	11,976
Net Pension Liability - WRS	269,004	—	199,443	69,561	—
Net OPEB Liability - LRLIF	96,487	—	10,900	85,587	—
General Obligation Bonds Payable	2,595,000	—	220,000	2,375,000	225,000
Plus: Unamortized Premium	77,777	—	4,602	73,175	—
Notes Payable	105,000	2,290,000	15,000	2,380,000	55,000
Plus: Unamortized Premium	—	85,584	2,140	83,444	—
Revenue Bonds Payable	12,011,169	—	1,092,408	10,918,761	1,148,873
	<u>15,219,636</u>	<u>2,375,584</u>	<u>1,549,812</u>	<u>16,045,408</u>	<u>1,440,849</u>

For governmental activities, payments on the net pension liability and the net OPEB liability are being expended by the General Fund. The general obligation bonds payable and installment contracts payable are being expended by the Debt Service Fund. The notes payable are being expended by the Debt Service and Tax Increment Financing #5 Funds. Payments on the intergovernmental payable and leases payable are being made by the Equipment Replacement Fund.

For business type activities, the net pension liability, the net OPEB liability, the general obligation bonds payable, the notes payable, and the revenue bonds payable are expended by the Water Utility and Sewer Utility Funds.

CITY OF BURLINGTON, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Governmental Activities							
	General Obligation Bonds Payable		Notes Payable		Installment Contracts Payable		Intergovernmental Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,080,000	691,184	325,000	199,147	82,383	10,933	13,395	—
2026	1,165,000	658,242	365,000	155,332	84,633	8,683	13,393	—
2027	1,185,000	621,627	380,000	144,453	86,945	6,371	—	—
2028	1,160,000	584,813	220,000	134,993	89,320	3,996	—	—
2029	1,140,000	548,300	225,000	127,035	91,760	1,556	—	—
2030	1,220,000	510,381	230,000	118,721	—	—	—	—
2031	1,295,000	468,862	155,000	110,625	—	—	—	—
2032	1,295,000	425,159	155,000	102,875	—	—	—	—
2033	985,000	384,408	160,000	95,800	—	—	—	—
2034	1,055,000	347,351	170,000	89,200	—	—	—	—
2035	1,125,000	309,406	180,000	82,200	—	—	—	—
2036	1,175,000	268,728	190,000	74,800	—	—	—	—
2037	1,240,000	225,519	195,000	67,100	—	—	—	—
2038	1,005,000	184,810	200,000	59,200	—	—	—	—
2039	1,040,000	147,172	210,000	51,000	—	—	—	—
2040	1,005,000	109,172	225,000	42,300	—	—	—	—
2041	1,040,000	70,820	230,000	33,200	—	—	—	—
2042	970,000	32,040	230,000	24,000	—	—	—	—
2043	320,000	6,400	235,000	14,700	—	—	—	—
2044	—	—	250,000	5,000	—	—	—	—
Totals	20,500,000	6,594,394	4,530,000	1,731,681	435,041	31,539	26,788	—

Utility Bond Covenant Compliance

Debt covenants on outstanding water and sewer revenue bonds require for each fund respectively to maintain debt reserved of \$132,019 and \$146,591 approximately. At December 31, 2024 the City had enough resources in these funds to fund the reserve requirements.

Resolutions for water and sewer revenue bonds specify that a debt service fund be established for monthly deposits of principal and interest payments coming due. An investment account has been set aside to separate these funds. This account was properly funded at December 31, 2024.

CITY OF BURLINGTON, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Debt Service Requirements to Maturity - Continued

Fiscal Year	Business-Type Activities					
	General Obligation Bonds Payable		Notes Payable		Revenue Bonds Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 225,000	48,850	55,000	120,570	1,148,873	298,400
2026	230,000	43,925	100,000	95,158	1,170,879	268,611
2027	240,000	38,775	100,000	90,753	1,213,438	237,668
2028	215,000	33,925	105,000	86,206	1,180,435	205,471
2029	225,000	29,350	105,000	81,515	916,845	176,599
2030	235,000	24,550	110,000	76,680	947,201	150,972
2031	90,000	21,100	100,000	71,700	967,944	124,418
2032	90,000	19,100	100,000	66,700	870,039	98,355
2033	90,000	17,100	110,000	62,000	385,873	79,474
2034	90,000	15,100	115,000	57,500	346,731	67,439
2035	90,000	13,100	115,000	52,900	357,605	55,726
2036	100,000	10,975	120,000	48,200	363,495	43,603
2037	100,000	8,725	125,000	43,300	384,403	30,893
2038	100,000	6,475	130,000	38,200	180,000	21,300
2039	100,000	4,225	130,000	33,000	185,000	15,125
2040	75,000	2,350	135,000	27,700	70,000	10,600
2041	80,000	800	140,000	22,200	75,000	7,700
2042	—	—	150,000	16,400	75,000	4,700
2043	—	—	160,000	10,200	80,000	1,600
2044	—	—	175,000	3,500	—	—
Totals	<u>2,375,000</u>	<u>338,425</u>	<u>2,380,000</u>	<u>1,104,382</u>	<u>10,918,761</u>	<u>1,898,654</u>

Legal Debt Margin

The Wisconsin Statutes restrict the City's general obligation debt to 5% of the equalized value of all property in the City. This amount is compared below with the outstanding debt on December 31, 2024.

Equalized Value - 2024	<u>\$ 1,477,204,600</u>
Bonded Debt Limit - 5.00% of Equalized Value	73,860,230
Amount of Debt Applicable to Limit	<u>29,811,788</u>
Legal Debt Margin	<u>44,048,442</u>

CITY OF BURLINGTON, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of December 31, 2024:

Governmental Activities		
Capital Assets - Net of Accumulated Depreciation	\$	57,240,468
Plus: Unspent Bond Proceeds		4,083,852
Less Capital Related Debt:		
Accounts Payable		(291,152)
General Obligation Bonds Payable		(20,500,000)
Notes Payable		(4,530,000)
Installment Contracts Payable		(435,041)
Intergovernmental Payable		(26,788)
Leases Payable		(108,890)
Unamortized Premium		<u>(777,125)</u>
Net Investment in Capital Assets		<u><u>34,655,324</u></u>
Business-Type Activities		
Capital Assets - Net of Accumulated Depreciation	\$	36,434,837
Plus: Unspent Bond Proceeds		1,936,116
Less Capital Related Debt:		
General Obligation Bonds Payable		(2,375,000)
Notes Payable		(2,380,000)
Revenue Bonds Payable		(10,918,761)
Unamortized Premium		<u>(156,619)</u>
Net Investment in Capital Assets		<u><u>22,540,573</u></u>

FUND BALANCE CLASSIFICATIONS

In the governmental fund financial statements, the City considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The City first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

CITY OF BURLINGTON, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, City Council; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by City Council’s intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the City Council itself or b) a body or official to which the City Council has delegated the authority to assign amounts to be used for specific purposes. The City’s highest level of decision-making authority is the City Council, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Debt Service	Capital Projects General Infrastructure	Nonmajor	Totals
Fund Balances					
Nonspendable					
Advances to Other Funds	\$ 706,931	—	—	—	706,931
Prepays	133,767	—	—	6,940	140,707
	<u>840,698</u>	<u>—</u>	<u>—</u>	<u>6,940</u>	<u>847,638</u>
Restricted					
DeRozier Funds	32,683	—	—	—	32,683
Debt Service	—	533,249	—	—	533,249
Economic Development	—	—	—	3,271,734	3,271,734
Capital Projects	1,367,768	—	2,310,728	—	3,678,496
	<u>1,400,451</u>	<u>533,249</u>	<u>2,310,728</u>	<u>3,271,734</u>	<u>7,516,162</u>
Assigned					
Library Operations	—	—	—	309,516	309,516
Revolving Loan	—	—	—	593,286	593,286
General Capital Projects	—	—	—	649,652	649,652
Facade Grants	—	—	—	78,050	78,050
	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,630,504</u>	<u>1,630,504</u>
Unassigned	<u>4,381,297</u>	<u>—</u>	<u>—</u>	<u>(581,571)</u>	<u>3,799,726</u>
Total Fund Balances	<u>6,622,446</u>	<u>533,249</u>	<u>2,310,728</u>	<u>4,327,607</u>	<u>13,794,030</u>

CITY OF BURLINGTON, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

REPORTING UNITS AFFECTED BY RESTATEMENTS OF BEGINNING BALANCES

Error Corrections. In the previous year, the City incorrectly reported a note receivable as an expenditure. This error overstated the Revolving Loan Fund and the net position of governmental activities in the government-wide statements and understated the fund balance of the General Fund.

Beginning balances in capital assets were restated due to the correction of the payment allocation for the 2021 streets program. This error understated the net position of the governmental activities, business-type activities, Water Utility Fund, and Sewer Utility Fund.

In the previous year, the City recorded a receivable which had been previously collected. This error understated the fund balance of the Sewer Utility Fund and the net position of business-type activities in the government-wide statements.

The following is a summary of the net position/fund balances as originally reported and as restated:

	Primary Government		Governmental		Enterprise	
	Government Activities	Business-Type Activities	General	Nonmajor Governmental	Water Utility	Sewer Utility
Beginning Net Position						
/Fund Balance	\$ 46,181,973	33,280,491	4,817,631	6,725,875	15,020,256	16,421,861
Error Corrections						
Notes Receivable	(63,694)	—	36,306	(100,000)	—	—
Capital Assets	(386,697)	273,188	—	—	46,607	226,581
Accounts Receivable	—	(162,831)	—	—	—	(162,831)
	(450,391)	110,357	36,306	(100,000)	46,607	63,750
Beginning Net Position						
/Fund Balance	45,731,582	33,390,848	4,853,937	6,625,875	15,066,863	16,485,611

NOTE 4 - OTHER INFORMATION

RISK MANAGEMENT

The City has purchased commercial insurance policies for various risks of loss related to litigation, theft, damage or destruction of assets, errors or omissions, injuries to employees, or natural disasters. Payments of premiums for these policies are recorded as expenditures or expenses in the various funds of the City.

The City is also exposed to various risks of loss related to medical claims. The City's risk management fund (an internal service fund) is used to account for and finance its uninsured health risks of loss. Under this program the risk management fund provides coverage for up to a maximum of \$55,000 for each individual's total claims with group claims limited to 125% of expected claims. The City purchases commercial insurance for health claims in excess of coverage provided by the fund. Settled claims have not exceeded this commercial insurance coverage since inception of the fund.

CITY OF BURLINGTON, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 4 - OTHER INFORMATION - Continued

RISK MANAGEMENT - Continued

All funds of the City participate in the health program and are charged amounts needed to pay prior and current year claims and to establish a reserve for future insurance costs. That reserve had a deficit fund balance of \$35,166 at December 31, 2024 and is reported as internal service fund net position. The claims payable of \$297,475 reported in the fund at December 31, 2024 is based on the amount of the loss that can be reasonably estimated at year end.

Changes in the fund's reported liability amount are as follows:

	2024	2023
Claims Payable - Beginning	\$ 327,106	115,648
Incurred Claims	1,580,138	2,284,936
Claims Paid	<u>(1,609,769)</u>	<u>(2,073,478)</u>
Claims Payable - Ending	<u>297,475</u>	<u>327,106</u>

CONTINGENT LIABILITIES

Litigation

From time to time, the City is party to various pending claims and legal proceedings with respect to employment, civil rights, property taxes and other matters. 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.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN

Wisconsin Retirement System (WRS)

Plan Descriptions

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

Notes to the Financial Statements

December 31, 2024

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Wisconsin Retirement System (WRS) - Continued

Plan Descriptions - Continued

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 occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to 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.

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

CITY OF BURLINGTON, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Wisconsin Retirement System (WRS) - Continued

Plan Descriptions - Continued

Year	Core Fund Adjustment	Variable Fund Adjustment
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%
2023	1.6%	(21.0%)

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

During the reporting period, the WRS recognized \$672,894 in contributions from the employer.

Contributions rates as of December 31, 2024 are:

Employee Category	Employee	Employer
General (including teachers, executive, and elected official)	6.90%	6.90%
Protective with Social Security	6.90%	14.30%
Protective without Social Security	6.90%	19.10%

CITY OF BURLINGTON, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Wisconsin Retirement System (WRS) - Continued

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

At December 31, 2024, the City reported a net pension liability of \$661,873 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, rolled forward to December 31, 2023. 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, 2023, the City's proportion was 0.04451647%, which was an increase of 0.00094197% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the City recognized pension expense of \$449,633.

For the year ended December 31, 2024, 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	Totals
Differences Between Expected and Actual Experience	\$ 2,668,667	(3,534,666)	(865,999)
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	2,306,522	—	2,306,522
Changes of Assumptions	288,491	—	288,491
Changes in Proportion and Differences Between Employer			
Contributions and Proportionate Share of Contributions	8,671	(39,173)	(30,502)
Total Pension Expense to be Recognized			
in Future Periods	5,272,351	(3,573,839)	1,698,512
Pension Contributions Made Subsequent			
to the Measurement Date	672,894	—	672,894
Total Deferred Amounts Related to Pensions	5,945,245	(3,573,839)	2,371,406

\$672,894 reported as deferred outflows of resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

CITY OF BURLINGTON, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Wisconsin Retirement System (WRS) - Continued

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

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2025	\$ 343,936
2026	356,943
2027	1,441,468
2028	(443,835)
2029	—
Thereafter	—
Total	<u>1,698,512</u>

Actuarial Assumptions

The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	December 31, 2022
Measurement Date of Net Pension Liability	December 31, 2023
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	6.80%
Discount Rate	6.80%
Salary Increases	
Wage Inflation	3.00%
Seniority/Merit	0.10% - 5.60%
Mortality	2020 WRS Experience Mortality Table
Post-Retirement Adjustments*	1.70%

CITY OF BURLINGTON, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Wisconsin Retirement System (WRS) - Continued

Actuarial Assumptions

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

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total pension liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the December 31, 2022 actuarial valuation.

Long-Term Expected Return on Plan Assets

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

Core Fund Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return	Long-Term Expected Real Rate of Return
Public Equity	40.0%	7.3%	4.5%
Public Fixed Income	27.0%	5.8%	3.0%
Inflation Sensitive	19.0%	4.4%	1.7%
Real Estate	8.0%	5.8%	3.0%
Private Equities/Debt	18.0%	9.6%	6.7%
Leverage	(12.0%)	3.7%	1.0%
Total Core Fund	100.0%	7.4%	4.6%
Variable Fund Asset Class			
U.S. Equities	70.0%	6.8%	4.0%
International Equities	30.0%	7.6%	4.8%
Total Variable Fund	100.0%	7.7%	4.5%

Notes to the Financial Statements

December 31, 2024

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Wisconsin Retirement System (WRS) - 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 3.77% (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, 2023. 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 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/(asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.80%)	Current Rate (6.80%)	1% Increase (7.80%)
City's Proportionate Share of the Net Pension Liability/(Asset)	\$ 6,397,327	661,873	(3,351,466)

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/aboutetf/reports-and-studies/financial-reports-and-statements>.

Notes to the Financial Statements

December 31, 2024

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

Local Retiree Life Insurance Fund (LRLIF)

Plan Description

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

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

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 post-retirement 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:

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

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2023 are as listed below:

CITY OF BURLINGTON, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Local Retiree Life Insurance Fund (LRLIF) - Continued

Plan Description - Continued

<u>Attained Age</u>	<u>Basic</u>	<u>Supplemental</u>
Under 30	0.0500	0.0500
30-34	0.0600	0.0600
35-39	0.0700	0.0700
40-44	0.0800	0.0800
45-49	0.1200	0.1200
50-54	0.2200	0.2200
55-59	0.3900	0.3900
60-64	0.4900	0.4900
65-69	0.5700	0.5700

During the reporting period, the LRLIF recognized \$1,696 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, 2024, the City reported a liability of \$372,124 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022 rolled forward to December 31, 2023. 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, 2023, the City's proportion was 0.08088500%, which was a decrease of 0.00838100% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the City recognized pension expense of \$19,615.

CITY OF BURLINGTON, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Local Retiree Life Insurance Fund (LRLIF) - Continued

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

For the year ended December 31, 2024, 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	Totals
Differences Between Expected and Actual Experience	\$ —	(32,934)	(32,934)
Net Difference Between Projected and Actual			
Earnings on OPEB Plan Investments	5,027	—	5,027
Changes of Assumptions	116,404	(146,535)	(30,131)
Changes in Proportion and Differences Between Employer			
Contributions and Proportionate Share of Contributions	6,491	(48,281)	(41,790)
Total OPEB Expense to be Recognized			
in Future Periods	127,922	(227,750)	(99,828)
OPEB Contributions Made Subsequent			
to the Measurement Date	1,696	—	1,696
 Total Deferred Amounts Related to OPEB	 129,618	 (227,750)	 (98,132)

\$1,696 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended December 31, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2025	\$ (12,010)
2026	(4,364)
2027	(19,765)
2028	(32,080)
2029	(30,649)
Thereafter	(960)
Total	(99,828)

CITY OF BURLINGTON, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Local Retiree Life Insurance Fund (LRLIF) - Continued

Actuarial Assumptions

The total OPEB 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, 2022
Measurement Date of Net OPEB Liability	December 31, 2023
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	3.26%
Long-Term Expected Rate of Return	4.25%
Discount Rate	3.32%
Salary Increases	
Wage Inflation	3.00%
Seniority/Merit	0.10% - 5.60%
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, 2023 is based upon a roll-forward of the liability calculated from the December 31, 2022 actuarial valuation.

Long-Term Expected Return on Plan Assets

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

CITY OF BURLINGTON, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Local Retiree Life Insurance Fund (LRLIF) - Continued

Asset Allocation Targets and Expected Returns

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Intermediate Credit Bonds	Bloomberg US Interm Credit	40.00%	2.32%
US Mortgages	Bloomberg US MBS	60.00%	2.52%
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 3.32% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.76% for the prior year. The change in the discount rate was primarily caused by the decrease in the municipal bond rate from 3.72% as of December 31, 2022 to 3.26% as of December 31, 2023. 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 BURLINGTON, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Local Retiree Life Insurance Fund (LRLIF) - Continued

Sensitivity of the City's Proportionate Share of the Net Pension Liability 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 3.32%, 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 one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (2.32%)	Current Rate (3.32%)	1% Increase (4.32%)
City's Proportionate Share of the Net OPEB Liability	\$ 500,000	372,124	274,513

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule Employer Contributions
 - Wisconsin Retirement System Fund - Last Ten Fiscal Years
 - Local Retiree Life Insurance Fund
- Schedule of Proportionate Share of the Net Pension Liability/(Asset)
 - Wisconsin Retirement System Fund - Last Ten Fiscal Years
 - Local Retiree Life Insurance Fund
- Notes to the Required Supplementary Information
 - Wisconsin Retirement System Fund
 - Local Retiree Life Insurance Fund
- Budgetary Comparison Schedules
 - General Fund

Notes to the Required Supplementary Information

Budgetary Information - Budgets are adopted on a basis consistent with generally accepted accounting principles.

CITY OF BURLINGTON, WISCONSIN

Wisconsin Retirement System

Schedule of Employer Contributions - Last Ten Fiscal Years

December 31, 2024

Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	\$ 369,564	\$ 369,564	\$ —	\$ 4,351,295	8.49%
2016	346,167	346,167	—	4,234,746	8.17%
2017	343,934	343,934	—	4,325,346	7.95%
2018	386,927	386,927	—	4,471,203	8.65%
2019	389,096	389,096	—	4,420,807	8.80%
2020	401,809	401,809	—	4,627,531	8.68%
2021	494,113	494,113	—	5,129,714	9.63%
2022	511,527	511,527	—	5,352,394	9.56%
2023	613,684	613,684	—	5,560,373	11.04%
2024	672,894	672,894	—	5,741,222	11.72%

CITY OF BURLINGTON, WISCONSIN

**Local Retiree Life Insurance Fund
Schedule of Employer Contributions
December 31, 2024**

Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2018	\$ 1,802	\$ 1,802	\$ —	\$ 3,991,195	0.05%
2019	1,673	1,673	—	4,126,000	0.04%
2020	1,617	1,617	—	4,502,000	0.04%
2021	1,822	1,822	—	4,665,000	0.04%
2022	1,636	1,636	—	5,490,007	0.03%
2023	1,620	1,620	—	5,109,000	0.03%
2024	1,696	1,696	—	5,260,000	0.03%

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

CITY OF BURLINGTON, WISCONSIN

Wisconsin Retirement System Fund

Schedule of Proportionate Share of the Net Pension Liability/(Asset) - Last Ten Fiscal Years

December 31, 2024

Fiscal Year	Proportion of the Net Pension Liability/(Asset)	Proportionate Share of the Net Pension Liability/(Asset)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2015	0.03809625%	\$ (935,748)	\$ 4,351,295	(21.51%)	102.74%
2016	0.03723434%	605,052	4,351,295	13.91%	98.20%
2017	0.03654138%	301,188	4,234,746	7.11%	99.12%
2018	0.03675877%	(1,091,411)	4,325,346	(25.23%)	102.93%
2019	0.03740726%	1,330,833	4,471,203	29.76%	96.45%
2020	0.03813539%	(1,229,659)	4,420,807	(27.82%)	102.96%
2021	0.04008478%	(2,502,548)	4,627,531	(54.08%)	105.26%
2022	0.04147872%	(3,343,261)	5,129,714	(65.17%)	106.02%
2023	0.04357450%	2,308,447	5,352,394	43.13%	95.72%
2024	0.04451647%	661,873	5,560,373	11.90%	98.85%

Note:

The amounts presented were determined as of the prior fiscal year-end.

CITY OF BURLINGTON, WISCONSIN

**Local Retiree Life Insurance Fund
Schedule of Proportionate Share of the Net OPEB Liability
December 31, 2024**

Fiscal Year	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of Total OPEB Liability
2018	0.09490900%	\$ 285,541	\$ 3,991,195	7.15%	44.81%
2019	0.08685600%	224,118	3,991,195	5.62%	48.69%
2020	0.08945100%	380,900	4,126,000	9.23%	37.58%
2021	0.09138200%	502,667	4,502,000	11.17%	31.36%
2022	0.09200100%	543,760	4,665,000	11.66%	29.57%
2023	0.08926600%	340,088	5,490,007	6.19%	38.81%
2024	0.08088500%	372,124	5,109,000	7.28%	33.90%

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

The amounts presented were determined as of the prior fiscal year-end.

CITY OF BURLINGTON, WISCONSIN

Wisconsin Retirement System

Notes to the Required Supplementary Information

December 31, 2024

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

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

CITY OF BURLINGTON, WISCONSIN

Wisconsin Retirement System

Notes to the Required Supplementary Information - Continued

December 31, 2024

Valuation Date	December 31, 2021
Actuarial Cost Method	Frozen Entry Age
Amortization Method	Level Percent of Payroll-Closed Amortization Period
Amortization Period	30 Years closed from date of participation in WRS
Asset Valuation Method	Five Year Smoothed Market (Closed)
Actuarial Assumptions	
Net Investment Rate of Return	5.40%
Weighted Based on Assumed Rate for:	
Pre-Retirement	6.80%
Post-Retirement	5.00%
Salary Increases	
Wage Inflation	3.00%
Seniority/Merit	0.10% - 5.60%
Post Retirement Benefit Adjustments*	1.70%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2018-2020.
Mortality	2020 WRS Experience Tables. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010.

*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 BURLINGTON, WISCONSIN

Local Retiree Life Insurance Fund

Notes to the Required Supplementary Information

December 31, 2024

Change in Benefit Terms: There were no recent changes in benefit terms.

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

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

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

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

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

CITY OF BURLINGTON, WISCONSIN

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 8,595,090	8,595,090	7,390,308
Special Assessments	65,000	65,000	219,251
Intergovernmental	1,682,858	1,682,858	1,849,911
Licenses and Permits	399,670	399,670	456,513
Charges for Services	50,570	50,570	193,307
Fines and Forfeitures	66,000	66,000	177,694
Investment Income	15,400	15,400	353,554
Miscellaneous	63,000	63,000	287,039
Total Revenues	<u>10,937,588</u>	<u>10,937,588</u>	<u>10,927,577</u>
Expenditures			
General Government	1,440,022	1,440,022	1,349,226
Public Safety	4,480,359	4,480,359	4,395,358
Public Works	2,375,759	2,375,759	2,185,317
Health and Human Services	9,371	9,371	8,036
Culture, Recreation, and Education	704,274	704,274	610,098
Conservation and Development	351,743	351,743	340,692
Total Expenditures	<u>9,361,528</u>	<u>9,361,528</u>	<u>8,888,727</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,576,060</u>	<u>1,576,060</u>	<u>2,038,850</u>
Other Financing Sources (Uses)			
Transfers In	515,000	515,000	376,207
Transfers Out	(1,587,080)	(1,587,080)	(646,548)
	<u>(1,072,080)</u>	<u>(1,072,080)</u>	<u>(270,341)</u>
Net Change in Fund Balance	<u>503,980</u>	<u>503,980</u>	<u>1,768,509</u>
Fund Balance - As Previously Reported			4,817,631
Restatement - Error Correction			36,306
Fund Balance - Beginning as Restated			<u>4,853,937</u>
Fund Balance - Ending			<u>6,622,446</u>

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules - Major Governmental Funds
- Combining Statements - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Enterprise Funds
- Budgetary Comparison Schedules - Internal Service Fund

INDIVIDUAL FUND SCHEDULES

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditures for specified purposes.

Library Operations Fund

The Library Operations Fund is used to account for the day-to-day operations and services provided by the municipal library.

Community Development Block Grant Fund

The Community Development Block Grant Fund is used to account for economic development projects, community development, and public services.

Revolving Loan Fund

The Revolving Loan Fund is used to account for funds loaned to existing and start up businesses that encourage additional employment as well as an increased tax base.

EMS Fund

The EMS Fund is used to account for ambulatory services.

DEBT SERVICE FUND

The Debt Service Fund is used account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Financing is provided by the annual tax levy. The Debt Service Fund is a major fund.

INDIVIDUAL FUND SCHEDULES - Continued

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by Proprietary and Trust Funds.

General Infrastructure Fund

The General Infrastructure Fund is used to account for the City's road improvement program.

Tax Increment Financing #5 Fund

The Tax Increment Financing #5 Fund is used to account for the development of the Aurora Health Center, which included infrastructure specific to undeveloped property.

Tax Increment Financing #6 Fund

The Tax Increment Financing #6 Fund is used to account for water and sewer infrastructure to undeveloped properties that will encourage a large mixed use development.

General Capital Projects Fund

The General Capital Projects Fund is used to account for lost revenue due to the COVID-19 pandemic.

Equipment Replacement Fund

The Equipment Replacement Fund is used to account for large equipment purchases outside of department line items.

Façade Grants Fund

The Façade Grants Fund is used to account for façade renovations of historic buildings in downtown.

ENTERPRISE FUNDS

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

Water Utility Fund

The Water Utility Fund is used to account for the activities of operating the water distributions system.

INDIVIDUAL FUND SCHEDULES - Continued

ENTERPRISE FUNDS - Continued

Sewer Utility Fund

The Sewer Utility Fund is used to account for the activities of operating the sewage treatment plant, sewage pumping stations, and collections systems.

Airport Fund

The Airport Fund is used to account for for the activities of the City's airport operations.

INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for the financing of goods or services provided by one department or agency of the City, to other departments or agencies or other governmental units, on a cost-reimbursement basis.

Self Insurance Fund

The Self Insurance Fund is used to account for the City's risk financing activities related to its employee health insurance medical claims.

CUSTODIAL FUNDS

The Custodial Funds are used to account for assets held by the City in a trustee capacity or as a custodian for individuals, private organizations, and/or other governmental units

Tax Collection Fund

The Tax Collection Fund is used to account for advance tax collections in December on behalf of other taxing bodies such as the school district, technical college, and county.

CITY OF BURLINGTON, WISCONSIN

General Fund

Schedule of Revenues - Budget and Actual

For the Fiscal Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
Taxes			
Property Taxes	\$ 8,358,990	8,358,990	6,973,153
Payment in Lieu of Taxes	106,100	106,100	226,516
Room Tax	130,000	130,000	190,639
	<u>8,595,090</u>	<u>8,595,090</u>	<u>7,390,308</u>
Special Assessments			
Sidewalks	15,000	15,000	12,384
Street Improvements	50,000	50,000	206,867
	<u>65,000</u>	<u>65,000</u>	<u>219,251</u>
Intergovernmental			
Shared Taxes from State	925,579	925,579	927,039
Fire Insurance Taxes from State	55,787	55,787	60,981
General Transportation Aid	532,895	532,895	564,362
Personal Property Aid	—	—	54,346
Video Service Provider Aid	27,865	27,865	27,865
Exempt Computer Aid	41,866	41,866	41,866
Recycling Grants	30,240	30,240	30,298
State Safety Aid	2,500	2,500	39,575
Police Training Aid	3,300	3,300	4,800
Clean Sweep Grant	24,443	24,443	15,150
Aid in Lieu of Tax	1,800	1,800	—
Municipal Services	1,583	1,583	1,806
Park Grants	—	—	80,000
Other Grants	35,000	35,000	1,823
	<u>1,682,858</u>	<u>1,682,858</u>	<u>1,849,911</u>
Licenses and Permits			
Business and Occupational Licenses	53,360	53,360	48,766
Building and Electrical Permits	158,400	158,400	202,273
Cable License	110,000	110,000	100,457
Cell Tower Permit	61,000	61,000	83,017
Other	16,910	16,910	22,000
	<u>399,670</u>	<u>399,670</u>	<u>456,513</u>

CITY OF BURLINGTON, WISCONSIN

General Fund

Schedule of Revenues - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
Charges for Services			
Clerk's Revenue	\$ 5,000	5,000	6,190
Police Department	5,000	5,000	27,752
Fire Department	20,250	20,250	8,766
Street Department	550	550	5,763
Parks Fees	15,000	15,000	76,257
Other	4,770	4,770	68,579
	<u>50,570</u>	<u>50,570</u>	<u>193,307</u>
Fines and Forfeitures			
Court Fines	35,000	35,000	143,877
Parking Violations	31,000	31,000	33,817
	<u>66,000</u>	<u>66,000</u>	<u>177,694</u>
Investment Income	<u>15,400</u>	<u>15,400</u>	<u>353,554</u>
Miscellaneous	<u>63,000</u>	<u>63,000</u>	<u>287,039</u>
Total Revenues	<u><u>10,937,588</u></u>	<u><u>10,937,588</u></u>	<u><u>10,927,577</u></u>

CITY OF BURLINGTON, WISCONSIN

General Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
General Government			
Mayor and City Council	\$ 75,577	75,577	105,595
Municipal Court	85,518	85,518	81,844
Administration	544,530	544,530	511,034
Assessor	45,100	45,100	52,736
City Clerk	86,143	86,143	89,076
Finance	388,336	388,336	333,018
Elections	42,818	42,818	38,021
City Attorney	172,000	172,000	137,902
	<u>1,440,022</u>	<u>1,440,022</u>	<u>1,349,226</u>
Public Safety			
Police	3,497,967	3,497,967	3,595,899
Fire	786,378	786,378	675,776
Building Inspector	196,014	196,014	123,683
	<u>4,480,359</u>	<u>4,480,359</u>	<u>4,395,358</u>
Public Works			
Streets	1,724,288	1,724,288	1,531,268
Trash and Recycle	651,471	651,471	654,049
	<u>2,375,759</u>	<u>2,375,759</u>	<u>2,185,317</u>
Health and Human Services			
Animal Shelter	6,300	6,300	6,150
Senior Citizens	3,071	3,071	1,886
	<u>9,371</u>	<u>9,371</u>	<u>8,036</u>
Culture, Recreation, and Education			
Parks	671,574	671,574	584,308
Forestry	31,700	31,700	25,790
Historical Society	1,000	1,000	—
	<u>704,274</u>	<u>704,274</u>	<u>610,098</u>
Conservation and Development			
Economic Development	250,000	250,000	231,704
Plan Commission	101,743	101,743	108,988
	<u>351,743</u>	<u>351,743</u>	<u>340,692</u>
Total Expenditures	<u><u>9,361,528</u></u>	<u><u>9,361,528</u></u>	<u><u>8,888,727</u></u>

CITY OF BURLINGTON, WISCONSIN

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Taxes	\$ 1,387,080	1,387,080	1,387,080
Investment Income	1,500	1,500	17,882
Total Revenues	<u>1,388,580</u>	<u>1,388,580</u>	<u>1,404,962</u>
Expenditures			
Debt Service			
Principal Retirement	1,358,585	1,358,585	1,358,585
Interest and Fiscal Charges	1,066,442	1,066,442	605,157
Total Expenditures	<u>2,425,027</u>	<u>2,425,027</u>	<u>1,963,742</u>
Net Change in Fund Balance	<u>(1,036,447)</u>	<u>(1,036,447)</u>	(558,780)
Fund Balance - Beginning			<u>1,092,029</u>
Fund Balance - Ending			<u><u>533,249</u></u>

CITY OF BURLINGTON, WISCONSIN

General Infrastructure - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
Revenues			
Investment Income	\$ 2,500	2,500	210,854
Expenditures			
Capital Outlay	6,801,000	6,801,000	2,496,958
Debt Service			
Interest and Fiscal Charges	—	—	104,496
Total Expenditures	6,801,000	6,801,000	2,601,454
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,798,500)	(6,798,500)	(2,390,600)
Other Financing Sources			
Debt Issuance	6,801,000	6,801,000	3,550,000
Premium on Debt Issuance	—	—	132,672
Transfers In	—	—	386,697
	6,801,000	6,801,000	4,069,369
Net Change in Fund Balance	2,500	2,500	1,678,769
Fund Balance - Beginning			631,959
Fund Balance - Ending			2,310,728

CITY OF BURLINGTON, WISCONSIN

**Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2024**

		Special Revenue	
	Library Operations	Community Development Block Grant	Revolving Loan
ASSETS			
Cash and Investments	\$ 336,302	173,286	—
Receivables - Net of Allowances			
Accounts	—	36,256	—
Notes	—	234,500	1,159,640
Advances to Other Funds	—	207,755	—
Prepays	6,940	—	—
Total Assets	<u>343,242</u>	<u>651,797</u>	<u>1,159,640</u>
LIABILITIES			
Accounts Payable	14,568	—	—
Accrued Payroll	12,218	—	—
Due to Other Funds	—	—	566,354
Advances from Other Funds	—	706,931	—
Total Liabilities	<u>26,786</u>	<u>706,931</u>	<u>566,354</u>
DEFERRED INFLOWS OF RESOURCES			
Grants	—	—	—
Total Liabilities and Deferred Inflows of Resources	<u>26,786</u>	<u>706,931</u>	<u>566,354</u>
FUND BALANCES			
Nonspendable	6,940	—	—
Restricted	—	—	—
Assigned	309,516	—	593,286
Unassigned	—	(55,134)	—
Total Fund Balances	<u>316,456</u>	<u>(55,134)</u>	<u>593,286</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>343,242</u>	<u>651,797</u>	<u>1,159,640</u>

EMS	Capital Projects					Totals
	Tax Increment Financing #5	Tax Increment Financing #6	General Capital Projects	Equipment Replacement	Façade Grants	
—	56,230	3,219,798	763,616	—	78,050	4,627,282
406,594	—	—	—	—	—	442,850
—	—	—	—	—	—	1,394,140
—	—	—	—	—	—	207,755
—	—	—	—	—	—	6,940
406,594	56,230	3,219,798	763,616	—	78,050	6,678,967
6,714	—	4,294	52,857	28,674	—	107,107
—	—	—	—	—	—	12,218
762,100	—	—	—	135,543	—	1,463,997
—	—	—	—	—	—	706,931
768,814	—	4,294	52,857	164,217	—	2,290,253
—	—	—	61,107	—	—	61,107
768,814	—	4,294	113,964	164,217	—	2,351,360
—	—	—	—	—	—	6,940
—	56,230	3,215,504	—	—	—	3,271,734
—	—	—	649,652	—	78,050	1,630,504
(362,220)	—	—	—	(164,217)	—	(581,571)
(362,220)	56,230	3,215,504	649,652	(164,217)	78,050	4,327,607
406,594	56,230	3,219,798	763,616	—	78,050	6,678,967

CITY OF BURLINGTON, WISCONSIN

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended December 31, 2024

	Special Revenue		
	Library Operations	Community Development Block Grant	Revolving Loan
Revenues			
Intergovernmental	\$ 8,170	—	—
Charges for Services	367,219	—	—
Investment Income	8,096	—	13,640
Miscellaneous	26,873	—	—
Total Revenues	410,358	—	13,640
Expenditures			
Public Safety	—	—	—
Culture, Recreation, and Education	910,673	—	—
Conservation and Development	—	—	1,003
Capital Outlay	—	—	—
Debt Service			
Principal Retirement	—	—	—
Interest and Fiscal Charges	—	—	—
Total Expenditures	910,673	—	1,003
Excess (Deficiency) of Revenues Over (Under) Expenditures	(500,315)	—	12,637
Other Financing Sources (Uses)			
Disposal of Capital Assets	—	—	—
Transfers In	446,548	—	—
Transfers Out	(5,000)	—	—
	441,548	—	—
Net Change in Fund Balances	(58,767)	—	12,637
Fund Balances - Beginning as Previously Reported	375,223	(55,134)	680,649
Restatement - Error Correction	—	—	(100,000)
Fund Balances - Beginning as Restated	375,223	(55,134)	580,649
Fund Balances - Ending	316,456	(55,134)	593,286

EMS	Capital Projects					Totals
	Tax Increment Financing #5	Tax Increment Financing #6	General Capital Projects	Equipment Replacement	Façade Grants	
—	—	—	198,166	44,000	—	250,336
594,626	—	—	—	—	—	961,845
12,228	—	52,444	41,501	60,134	968	189,011
8,294	—	—	—	—	—	35,167
615,148	—	52,444	239,667	104,134	968	1,436,359
1,448,590	—	—	—	—	—	1,448,590
—	—	—	—	—	—	910,673
—	—	56,208	—	5,594	35,516	98,321
—	—	16,997	198,166	1,418,925	—	1,634,088
—	—	—	—	56,613	—	56,613
—	—	273,933	—	7,959	—	281,892
1,448,590	—	347,138	198,166	1,489,091	35,516	4,430,177
(833,442)	—	(294,694)	41,501	(1,384,957)	(34,548)	(2,993,818)
—	—	—	—	49,002	—	49,002
—	—	—	—	305,000	—	751,548
(100,000)	—	—	—	—	—	(105,000)
(100,000)	—	—	—	354,002	—	695,550
(933,442)	—	(294,694)	41,501	(1,030,955)	(34,548)	(2,298,268)
571,222	56,230	3,510,198	608,151	866,738	112,598	6,725,875
—	—	—	—	—	—	(100,000)
571,222	56,230	3,510,198	608,151	866,738	112,598	6,625,875
(362,220)	56,230	3,215,504	649,652	(164,217)	78,050	4,327,607

CITY OF BURLINGTON, WISCONSIN

Library Operations - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
Grants	\$ 900	900	8,170
Charges for Services	361,864	361,864	367,219
Investment Income	600	600	8,096
Miscellaneous	2,000	2,000	26,873
Total Revenues	<u>365,364</u>	<u>365,364</u>	<u>410,358</u>
Expenditures			
Culture, Recreation, and Education	<u>784,153</u>	<u>784,153</u>	<u>910,673</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(418,789)</u>	<u>(418,789)</u>	<u>(500,315)</u>
Other Financing Sources (Uses)			
Transfers In	446,548	446,548	446,548
Transfers Out	(5,000)	(5,000)	(5,000)
	<u>441,548</u>	<u>441,548</u>	<u>441,548</u>
Net Change in Fund Balance	<u><u>22,759</u></u>	<u><u>22,759</u></u>	<u>(58,767)</u>
Fund Balance - Beginning			<u>375,223</u>
Fund Balance - Ending			<u><u>316,456</u></u>

CITY OF BURLINGTON, WISCONSIN

Revolving Loan - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
Revenues			
Investment Income	\$ 4,000	4,000	13,640
Miscellaneous	25,000	25,000	—
Total Revenues	<u>29,000</u>	<u>29,000</u>	<u>13,640</u>
Expenditures			
Conservation and Development	250,000	250,000	1,003
Excess (Deficiency) of Revenues Over (Under) Expenditures	(221,000)	(221,000)	12,637
Other Financing Sources			
Transfers In	50,000	50,000	—
Net Change in Fund Balance	<u>(171,000)</u>	<u>(171,000)</u>	<u>12,637</u>
Fund Balance - As Previously Reported			680,649
Restatement - Error Correction			<u>(100,000)</u>
Fund Balance - Beginning as Restated			<u>580,649</u>
Fund Balance - Ending			<u><u>593,286</u></u>

CITY OF BURLINGTON, WISCONSIN

EMS - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
Revenues			
Charges for Services	\$ 750,000	750,000	594,626
Investment Income	50	50	12,228
Miscellaneous	3,000	3,000	8,294
Total Revenues	<u>753,050</u>	<u>753,050</u>	<u>615,148</u>
Expenditures			
Public Safety	<u>1,561,824</u>	<u>1,561,824</u>	<u>1,448,590</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(808,774)	(808,774)	(833,442)
Other Financing (Uses)			
Transfers Out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>
Net Change in Fund Balance	<u>(908,774)</u>	<u>(908,774)</u>	(933,442)
Fund Balance - Beginning			<u>571,222</u>
Fund Balance - Ending			<u>(362,220)</u>

CITY OF BURLINGTON, WISCONSIN

Tax Increment Financing #6 - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
Revenues			
Investment Income	\$ —	—	52,444
Expenditures			
Conservation and Development	703,875	703,875	56,208
Capital Outlay	—	—	16,997
Debt Service			
Interest and Fiscal Charges	225,848	225,848	273,933
Total Expenditures	929,723	929,723	347,138
Net Change in Fund Balance	<u>(929,723)</u>	<u>(929,723)</u>	(294,694)
Fund Balance - Beginning			<u>3,510,198</u>
Fund Balance - Ending			<u>3,215,504</u>

CITY OF BURLINGTON, WISCONSIN

General Capital Projects - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
ARPA	\$ 577,760	577,760	198,166
Investment Income	160	160	41,501
Total Revenues	<u>577,920</u>	<u>577,920</u>	<u>239,667</u>
Expenditures			
Capital Outlay	<u>512,260</u>	<u>512,260</u>	<u>198,166</u>
Net Change in Fund Balance	<u><u>65,660</u></u>	<u><u>65,660</u></u>	41,501
Fund Balance - Beginning			<u>608,151</u>
Fund Balance - Ending			<u><u>649,652</u></u>

CITY OF BURLINGTON, WISCONSIN

Equipment Replacement - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
Grants	\$ —	—	44,000
Investment Income	3,000	3,000	60,134
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>104,134</u>
Expenditures			
Public Works	15,000	15,000	—
Conservation and Development	10,000	10,000	5,594
Capital Outlay	995,245	995,245	1,418,925
Debt Service			
Principal Retirement	—	—	56,613
Interest and Fiscal Charges	—	—	7,959
Total Expenditures	<u>1,020,245</u>	<u>1,020,245</u>	<u>1,489,091</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,017,245)</u>	<u>(1,017,245)</u>	<u>(1,384,957)</u>
Other Financing Sources			
Disposal of Capital Assets	45,000	45,000	49,002
Transfers In	305,000	305,000	305,000
	<u>350,000</u>	<u>350,000</u>	<u>354,002</u>
Net Change in Fund Balance	<u>(667,245)</u>	<u>(667,245)</u>	(1,030,955)
Fund Balance - Beginning			<u>866,738</u>
Fund Balance - Ending			<u>(164,217)</u>

CITY OF BURLINGTON, WISCONSIN

Façade Grants - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
Revenues			
Investment Income	\$ 150	150	968
Expenditures			
Conservation and Development	50,000	50,000	35,516
Net Change in Fund Balance	<u>(49,850)</u>	<u>(49,850)</u>	(34,548)
Fund Balance - Beginning			<u>112,598</u>
Fund Balance - Ending			<u><u>78,050</u></u>

CITY OF BURLINGTON, WISCONSIN

Water Utility - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
Operating Revenues			
Charges for Services	\$ 3,104,297	3,104,297	2,881,485
Other	10,000	10,000	31,335
Total Operating Revenues	<u>3,114,297</u>	<u>3,114,297</u>	<u>2,912,820</u>
Operating Expenses			
Operations and Maintenance	1,582,616	1,582,617	1,592,639
Depreciation	705,000	705,000	718,965
Total Operating Expenses	<u>2,287,616</u>	<u>2,287,617</u>	<u>2,311,604</u>
Operating Income	<u>826,681</u>	<u>826,680</u>	<u>601,216</u>
Nonoperating Revenues (Expenses)			
Investment Income	1,100	1,100	168,055
Interest Expense	(135,568)	(135,568)	(244,921)
Miscellaneous	3,000	3,000	—
	<u>(131,468)</u>	<u>(131,468)</u>	<u>(76,866)</u>
Income Before Transfers and Contributions	<u>695,213</u>	<u>695,212</u>	<u>524,350</u>
Capital Contributions	2,300	2,300	4,437
Transfers Out	(468,000)	(468,000)	(408,209)
	<u>(465,700)</u>	<u>(465,700)</u>	<u>(403,772)</u>
Change in Net Position	<u>229,513</u>	<u>229,512</u>	<u>120,578</u>
Net Position - As Previously Reported			15,020,256
Restatement - Error Correction			46,607
Net Position - Beginning as Restated			<u>15,066,863</u>
Net Position - Ending			<u>15,187,441</u>

CITY OF BURLINGTON, WISCONSIN

Sewer Utility - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
Operating Revenues			
Charges for Services	\$ 3,362,902	3,362,902	3,416,016
Operating Expenses			
Operations and Maintenance	2,463,825	2,463,825	2,011,033
Depreciation	1,500,000	1,500,000	1,507,179
Total Operating Expenses	3,963,825	3,963,825	3,518,212
Operating (Loss)	(600,923)	(600,923)	(102,196)
Nonoperating Revenues (Expenses)			
Investment Income	2,500	2,500	81,084
Interest Expense	(233,293)	(233,293)	(230,647)
Miscellaneous	3,500	3,500	41,955
	(227,293)	(227,293)	(107,608)
(Loss) Before Transfers and Contributions	(828,216)	(828,216)	(209,804)
Capital Contributions	83,350	83,350	66,825
Transfers Out	—	—	(328,841)
	83,350	83,350	(262,016)
Change in Net Position	(744,866)	(744,866)	(471,820)
Net Position - As Previously Reported			16,421,861
Restatement - Error Correction			63,750
Net Position - Beginning as Restated			16,485,611
Net Position - Ending			16,013,791

CITY OF BURLINGTON, WISCONSIN

Airport - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
Operating Revenues			
Fuel Sales	\$ 865,000	865,000	893,058
Other	125,862	125,862	106,699
Total Operating Revenues	<u>990,862</u>	<u>990,862</u>	<u>999,757</u>
Operating Expenses			
Operations and Maintenance	193,704	193,704	191,435
Fuel for Resale	752,000	752,000	776,321
Depreciation	90,500	90,500	89,700
Total Operating Expenses	<u>1,036,204</u>	<u>1,036,204</u>	<u>1,057,456</u>
Operating (Loss)	(45,342)	(45,342)	(57,699)
Nonoperating Revenues			
Investment Income	—	—	19,186
(Loss) Before Transfers	(45,342)	(45,342)	(38,513)
Transfers Out	(40,000)	(40,000)	(25,854)
Change in Net Position	<u>(85,342)</u>	<u>(85,342)</u>	(64,367)
Net Position - Beginning			<u>1,838,374</u>
Net Position - Ending			<u><u>1,774,007</u></u>

CITY OF BURLINGTON, WISCONSIN

Self Insurance - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
Operating Revenues			
Interfund Services	\$ 2,047,427	2,047,427	2,432,689
Other	5,000	5,000	25,546
Total Operating Revenues	<u>2,052,427</u>	<u>2,052,427</u>	<u>2,458,235</u>
Operating Expenses			
Insurance Claims and Administration	<u>1,969,580</u>	<u>1,969,580</u>	<u>2,364,469</u>
Operating Income	82,847	82,847	93,766
Nonoperating Revenues			
Investment Income	<u>500</u>	<u>500</u>	<u>22,856</u>
Change in Net Position	<u><u>83,347</u></u>	<u><u>83,347</u></u>	116,622
Net Position - Beginning			<u>(151,788)</u>
Net Position - Ending			<u><u>(35,166)</u></u>

SUPPLEMENTAL SCHEDULES

CITY OF BURLINGTON, WISCONSIN

Long-Term Debt Requirements

General Obligation Street Improvement Bonds of 2012A

December 31, 2024

Date of Issue	May 23, 2012
Date of Maturity	April 1, 2032
Authorized Issue	\$3,155,000
Interest Rates	2.00% - 2.80%
Interest Dates	April 1 and October 1
Principal Maturity Date	April 1
Payable at	BOSC, Inc.

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 190,000	50,273	240,273
2026	195,000	45,843	240,843
2027	200,000	41,103	241,103
2028	205,000	36,039	241,039
2029	215,000	30,576	245,576
2030	220,000	24,757	244,757
2031	385,000	16,494	401,494
2032	400,000	5,600	405,600
	<u>2,010,000</u>	<u>250,685</u>	<u>2,260,685</u>

CITY OF BURLINGTON, WISCONSIN

Long-Term Debt Requirements

General Obligation Corporate Purpose Bonds of 2017A

December 31, 2024

Date of Issue	May 25, 2017
Date of Maturity	April 1, 2037
Authorized Issue	\$7,990,000
Interest Rates	2.00% - 3.38%
Interest Dates	April 1 and October 1
Principal Maturity Date	April 1
Payable at	Northland Securities

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 485,000	138,531	623,531
2026	460,000	125,569	585,569
2027	450,000	111,919	561,919
2028	375,000	99,544	474,544
2029	340,000	88,819	428,819
2030	375,000	78,094	453,094
2031	375,000	66,844	441,844
2032	350,000	55,969	405,969
2033	325,000	45,844	370,844
2034	325,000	35,891	360,891
2035	325,000	25,531	350,531
2036	300,000	15,188	315,188
2037	300,000	5,059	305,059
	<u>4,785,000</u>	<u>892,802</u>	<u>5,677,802</u>
Debt Service	\$ 4,695,000		
Water Utility	<u>90,000</u>		
	<u>4,785,000</u>		

CITY OF BURLINGTON, WISCONSIN

Long-Term Debt Requirements

General Obligation Corporate Purpose Bonds of 2019A

December 31, 2024

Date of Issue	May 30, 2019
Date of Maturity	April 1, 2039
Authorized Issue	\$1,285,000
Interest Rate	3.00%
Interest Dates	April 1 and October 1
Principal Maturity Date	April 1
Payable at	Baird

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 45,000	32,625	77,625
2026	55,000	31,125	86,125
2027	55,000	29,475	84,475
2028	60,000	27,750	87,750
2029	65,000	25,875	90,875
2030	70,000	23,850	93,850
2031	65,000	21,825	86,825
2032	70,000	19,800	89,800
2033	70,000	17,700	87,700
2034	75,000	15,525	90,525
2035	80,000	13,200	93,200
2036	100,000	10,500	110,500
2037	100,000	7,500	107,500
2038	100,000	4,500	104,500
2039	100,000	1,500	101,500
	<u>1,110,000</u>	<u>282,750</u>	<u>1,392,750</u>
Debt Service	\$ 810,000		
Sewer Utility	<u>300,000</u>		
	<u>1,110,000</u>		

CITY OF BURLINGTON, WISCONSIN

Long-Term Debt Requirements

General Obligation Corporate Purpose Bonds of 2021A

December 31, 2024

Date of Issue	June 9, 2021
Date of Maturity	April 1, 2041
Authorized Issue	\$5,405,000
Interest Rate	2.00%
Interest Dates	April 1 and October 1
Principal Maturity Date	April 1
Payable at	Northland Securities

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 375,000	83,350	458,350
2026	390,000	75,700	465,700
2027	410,000	67,700	477,700
2028	415,000	59,450	474,450
2029	420,000	51,100	471,100
2030	435,000	42,550	477,550
2031	160,000	36,600	196,600
2032	165,000	33,350	198,350
2033	165,000	30,050	195,050
2034	165,000	26,750	191,750
2035	170,000	23,400	193,400
2036	175,000	19,950	194,950
2037	175,000	16,450	191,450
2038	180,000	12,900	192,900
2039	180,000	9,300	189,300
2040	185,000	5,650	190,650
2041	190,000	1,900	191,900
	<u>4,355,000</u>	<u>596,150</u>	<u>4,951,150</u>
Debt Service	\$ 2,370,000		
Water Utility	810,000		
Sewer Utility	<u>1,175,000</u>		
	<u>4,355,000</u>		

CITY OF BURLINGTON, WISCONSIN

Long-Term Debt Requirements

General Obligation Corporate Purpose Bonds of 2022A

December 31, 2024

Date of Issue	June 23, 2022
Date of Maturity	April 1, 2042
Authorized Issue	\$1,415,000
Interest Rates	3.00% - 3.60%
Interest Dates	April 1 and October 1
Principal Maturity Date	April 1
Payable at	Bankers' Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 65,000	41,280	106,280
2026	65,000	39,330	104,330
2027	75,000	37,230	112,230
2028	75,000	34,980	109,980
2029	70,000	32,805	102,805
2030	70,000	30,705	100,705
2031	75,000	28,474	103,474
2032	70,000	26,190	96,190
2033	65,000	24,064	89,064
2034	70,000	21,885	91,885
2035	70,000	19,575	89,575
2036	70,000	17,265	87,265
2037	75,000	14,835	89,835
2038	75,000	12,285	87,285
2039	75,000	9,697	84,697
2040	75,000	7,072	82,072
2041	80,000	4,320	84,320
2042	80,000	1,440	81,440
	<u>1,300,000</u>	<u>403,432</u>	<u>1,703,432</u>

CITY OF BURLINGTON, WISCONSIN

Long-Term Debt Requirements

General Obligation Corporate Purpose Bonds of 2023A

December 31, 2024

Date of Issue	June 7, 2023
Date of Maturity	October 1, 2043
Authorized Issue	\$9,390,000
Interest Rates	4.00% - 5.00%
Interest Dates	April 1 and October 1
Principal Maturity Date	April 1
Payable at	Fidelity Capital Markets

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 145,000	393,975	538,975
2026	230,000	384,600	614,600
2027	235,000	372,975	607,975
2028	245,000	360,975	605,975
2029	255,000	348,475	603,475
2030	285,000	334,975	619,975
2031	325,000	319,725	644,725
2032	330,000	303,350	633,350
2033	450,000	283,850	733,850
2034	510,000	262,400	772,400
2035	570,000	240,800	810,800
2036	630,000	216,800	846,800
2037	690,000	190,400	880,400
2038	750,000	161,600	911,600
2039	785,000	130,900	915,900
2040	820,000	98,800	918,800
2041	850,000	65,400	915,400
2042	890,000	30,600	920,600
2043	320,000	6,400	326,400
	<u>9,315,000</u>	<u>4,507,000</u>	<u>13,822,000</u>

CITY OF BURLINGTON, WISCONSIN

Long-Term Debt Requirements

General Obligation Promissory Note of 2017D

December 31, 2024

Date of Issue	December 6, 2017
Date of Maturity	April 1, 2027
Authorized Issue	\$1,495,000
Interest Rates	2.00% - 2.25%
Interest Dates	April 1 and October 1
Principal Maturity Date	April 1
Payable at	BOK Financial Securities, Inc.

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 155,000	8,863	163,863
2026	160,000	5,512	165,512
2027	165,000	1,857	166,857
	<u>480,000</u>	<u>16,232</u>	<u>496,232</u>

CITY OF BURLINGTON, WISCONSIN

Long-Term Debt Requirements

General Obligation Promissory Note of 2020A

December 31, 2024

Date of Issue	June 25, 2020
Date of Maturity	April 1, 2030
Authorized Issue	\$940,000
Interest Rates	0.50% - 1.40%
Interest Dates	April 1 and October 1
Principal Maturity Date	April 1
Payable at	Bankers' Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

	Fiscal Year	Principal	Interest	Totals
	2025	\$ 95,000	6,383	101,383
	2026	95,000	5,528	100,528
	2027	100,000	4,524	104,524
	2028	100,000	3,374	103,374
	2029	100,000	2,100	102,100
	2030	100,000	701	100,701
		<u>590,000</u>	<u>22,610</u>	<u>612,610</u>
Debt Service	\$	500,000		
Water Utility		<u>90,000</u>		
		<u>590,000</u>		

CITY OF BURLINGTON, WISCONSIN

Long-Term Debt Requirements

General Obligatory Promissory Note of 2024A

December 31, 2024

Date of Issue	April 1, 2025
Date of Maturity	April 1, 2044
Authorized Issue	\$5,840,000
Interest Rates	4.00% - 5.00%
Interest Dates	April 1 and October 1
Principal Maturity Date	April 1
Payable at	BOK Financial Securities, Inc.

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal		Principal	Interest	Totals
Year				
2025	\$	130,000	304,471	434,471
2026		210,000	239,450	449,450
2027		215,000	228,825	443,825
2028		225,000	217,825	442,825
2029		230,000	206,450	436,450
2030		240,000	194,700	434,700
2031		255,000	182,325	437,325
2032		255,000	169,575	424,575
2033		270,000	157,800	427,800
2034		285,000	146,700	431,700
2035		295,000	135,100	430,100
2036		310,000	123,000	433,000
2037		320,000	110,400	430,400
2038		330,000	97,400	427,400
2039		340,000	84,000	424,000
2040		360,000	70,000	430,000
2041		370,000	55,400	425,400
2042		380,000	40,400	420,400
2043		395,000	24,900	419,900
2044		425,000	8,500	433,500
		<u>5,840,000</u>	<u>2,797,221</u>	<u>8,637,221</u>
Debt Service	\$	3,550,000		
Water Utility		2,025,000		
Sewer Utility		<u>265,000</u>		
		<u>5,840,000</u>		

CITY OF BURLINGTON, WISCONSIN

Long-Term Debt Requirements

Intergovernmental Payable of 2017: Radio

December 31, 2024

Date of Issue	July 1, 2017
Date of Maturity	July 1, 2026
Authorized Issue	\$136,681
Interest Rates	Interest-Free
Interest Dates	July 1
Principal Maturity Date	July 1
Payable at	Racine County

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 13,395	—	13,395
2026	13,393	—	13,393
	<u>26,788</u>	<u>—</u>	<u>26,788</u>

CITY OF BURLINGTON, WISCONSIN

Long-Term Debt Requirements

Installment Contract of 2013: Honeywell Equipment

December 31, 2024

Date of Issue	November 1, 2013
Date of Maturity	November 15, 2029
Authorized Issue	\$1,147,507
Interest Rates	2.698%
Interest Dates	Quarterly
Principal Maturity Date	November 15, 2029
Payable at	U.S. Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 82,383	10,933	93,316
2026	84,633	8,683	93,316
2027	86,945	6,371	93,316
2028	89,320	3,996	93,316
2029	91,760	1,556	93,316
	<u>435,041</u>	<u>31,539</u>	<u>466,580</u>

CITY OF BURLINGTON, WISCONSIN

Long-Term Debt Requirements

Taxable Sewerage System Revenue Bonds of 2008A

December 31, 2024

Date of Issue	February 27, 2008
Date of Maturity	May 1, 2027
Authorized Issue	\$960,910
Interest Rate	2.365%
Interest Dates	May 1 and November 1
Principal Maturity Date	May 1
Payable at	GE Government Finance, Inc.

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 56,991	3,466	60,457
2026	58,339	2,102	60,441
2027	59,719	706	60,425
	<u>175,049</u>	<u>6,274</u>	<u>181,323</u>

CITY OF BURLINGTON, WISCONSIN

Long-Term Debt Requirements

Taxable Sewerage System Revenue Bonds of 2008B

December 31, 2024

Date of Issue	July 23, 2008
Date of Maturity	May 1, 2028
Authorized Issue	\$4,528,149
Interest Rate	2.569%
Interest Dates	May 1 and November 1
Principal Maturity Date	May 1
Payable at	GE Government Finance, Inc.

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 262,794	24,688	287,482
2026	269,545	17,850	287,395
2027	276,469	10,836	287,305
2028	283,571	3,642	287,213
	<u>1,092,379</u>	<u>57,016</u>	<u>1,149,395</u>

CITY OF BURLINGTON, WISCONSIN

Long-Term Debt Requirements

Taxable Sewerage System Revenue Bonds of 2012

December 31, 2024

Date of Issue	October 10, 2012
Date of Maturity	May 1, 2032
Authorized Issue	\$7,722,769
Interest Rate	2.625%
Interest Dates	May 1 and November 1
Principal Maturity Date	May 1
Payable at	State of Wisconsin Safe Drinking Water Loan Program

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 408,724	88,781	497,505
2026	419,453	77,912	497,365
2027	430,464	66,756	497,220
2028	441,764	55,308	497,072
2029	453,360	43,560	496,920
2030	465,261	31,503	496,764
2031	477,474	19,130	496,604
2032	490,008	6,431	496,439
	<u>3,586,508</u>	<u>389,381</u>	<u>3,975,889</u>

CITY OF BURLINGTON, WISCONSIN

Long-Term Debt Requirements

Waterworks System Revenue Refunding Bonds of 2012

December 31, 2024

Date of Issue	February 22, 2012
Date of Maturity	May 1, 2031
Authorized Issue	\$2,044,276
Interest Rate	2.20%
Interest Dates	May 1 and November 1
Principal Maturity Date	May 1
Payable at	State of Wisconsin Clean Water Fund Program

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 110,810	17,014	127,824
2026	113,248	14,550	127,798
2027	115,739	12,031	127,770
2028	118,285	9,457	127,742
2029	120,888	6,826	127,714
2030	123,547	4,137	127,684
2031	126,265	1,387	127,652
	<u>828,782</u>	<u>65,402</u>	<u>894,184</u>

CITY OF BURLINGTON, WISCONSIN

**Long-Term Debt Requirements
Sewerage System Revenue Bonds of 2017B
December 31, 2024**

Date of Issue	May 25, 2017
Date of Maturity	May 1, 2037
Authorized Issue	\$1,610,000
Interest Rate	1.30% - 4.00%
Interest Dates	May 1 and November 1
Principal Maturity Date	May 1
Payable at	Bankers' Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 75,000	37,156	112,156
2026	75,000	35,206	110,206
2027	80,000	33,075	113,075
2028	80,000	30,775	110,775
2029	80,000	28,375	108,375
2030	80,000	25,875	105,875
2031	85,000	23,193	108,193
2032	90,000	20,237	110,237
2033	90,000	17,088	107,088
2034	95,000	13,731	108,731
2035	100,000	10,075	110,075
2036	100,000	6,200	106,200
2037	105,000	2,100	107,100
	<u>1,135,000</u>	<u>283,086</u>	<u>1,418,086</u>

CITY OF BURLINGTON, WISCONSIN

Long-Term Debt Requirements

Taxable Waterworks System Revenue Bonds of 2017C

December 31, 2024

Date of Issue	June 28, 2017
Date of Maturity	May 1, 2037
Authorized Issue	\$896,473
Interest Rate	1.87%
Interest Dates	May 1 and November 1
Principal Maturity Date	May 1
Payable at	State of Wisconsin Safe Drinking Water Loan Program

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 39,554	10,402	49,956
2026	40,294	9,656	49,950
2027	41,047	8,895	49,942
2028	41,815	8,120	49,935
2029	42,597	7,331	49,928
2030	43,393	6,527	49,920
2031	44,205	5,708	49,913
2032	45,031	4,874	49,905
2033	45,873	4,024	49,897
2034	46,731	3,158	49,889
2035	47,605	2,276	49,881
2036	48,495	1,377	49,872
2037	49,403	462	49,865
	<u>576,043</u>	<u>72,810</u>	<u>648,853</u>

CITY OF BURLINGTON, WISCONSIN

**Long-Term Debt Requirements
Waterworks System Revenue Bonds of 2019B
December 31, 2024**

Date of Issue	May 30, 2019
Date of Maturity	May 1, 2039
Authorized Issue	\$1,575,000
Interest Rate	3.00% - 4.00%
Interest Dates	May 1 and November 1
Principal Maturity Date	May 1
Payable at	Bernardi Securities

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 75,000	43,950	118,950
2026	75,000	40,950	115,950
2027	80,000	37,850	117,850
2028	85,000	34,550	119,550
2029	85,000	31,575	116,575
2030	90,000	28,950	118,950
2031	90,000	26,250	116,250
2032	95,000	23,475	118,475
2033	95,000	20,625	115,625
2034	100,000	17,700	117,700
2035	100,000	14,700	114,700
2036	105,000	11,625	116,625
2037	110,000	8,400	118,400
2038	110,000	5,100	115,100
2039	115,000	1,725	116,725
	<u>1,410,000</u>	<u>347,425</u>	<u>1,757,425</u>

CITY OF BURLINGTON, WISCONSIN

**Long-Term Debt Requirements
Sewerage System Revenue Bonds of 2022B
December 31, 2024**

Date of Issue	June 23, 2022
Date of Maturity	May 1, 2033
Authorized Issue	\$520,000
Interest Rate	2.90% - 3.50%
Interest Dates	May 1 and November 1
Principal Maturity Date	May 1
Payable at	Bernardi Securities

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 45,000	13,828	58,828
2026	45,000	12,522	57,522
2027	45,000	11,128	56,128
2028	45,000	9,642	54,642
2029	50,000	8,075	58,075
2030	50,000	6,425	56,425
2031	50,000	4,725	54,725
2032	55,000	2,888	57,888
2033	55,000	962	55,962
	<u>440,000</u>	<u>70,195</u>	<u>510,195</u>

CITY OF BURLINGTON, WISCONSIN

Long-Term Debt Requirements

Waterworks System Revenue Bonds of 2022C

December 31, 2024

Date of Issue	June 23, 2022
Date of Maturity	May 1, 2037
Authorized Issue	\$645,000
Interest Rate	2.90% - 3.75%
Interest Dates	May 1 and November 1
Principal Maturity Date	May 1
Payable at	Bankers' Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 35,000	19,381	54,381
2026	35,000	18,365	53,365
2027	40,000	17,197	57,197
2028	40,000	15,877	55,877
2029	40,000	14,557	54,557
2030	45,000	13,155	58,155
2031	45,000	11,625	56,625
2032	45,000	10,050	55,050
2033	45,000	8,475	53,475
2034	50,000	6,750	56,750
2035	50,000	4,875	54,875
2036	50,000	3,001	53,001
2037	55,000	1,031	56,031
	<u>575,000</u>	<u>144,339</u>	<u>719,339</u>

CITY OF BURLINGTON, WISCONSIN

**Long-Term Debt Requirements
Waterworks System Revenue Bonds of 2023B
December 31, 2024**

Date of Issue	July 7, 2023
Date of Maturity	May 1, 2043
Authorized Issue	\$1,120,000
Interest Rate	4.00%
Interest Dates	May 1 and November 1
Principal Maturity Date	May 1
Payable at	Robert W. Baird & Co.

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 40,000	43,200	83,200
2026	40,000	41,600	81,600
2027	45,000	39,900	84,900
2028	45,000	38,100	83,100
2029	45,000	36,300	81,300
2030	50,000	34,400	84,400
2031	50,000	32,400	82,400
2032	50,000	30,400	80,400
2033	55,000	28,300	83,300
2034	55,000	26,100	81,100
2035	60,000	23,800	83,800
2036	60,000	21,400	81,400
2037	65,000	18,900	83,900
2038	70,000	16,200	86,200
2039	70,000	13,400	83,400
2040	70,000	10,600	80,600
2041	75,000	7,700	82,700
2042	75,000	4,700	79,700
2043	80,000	1,600	81,600
	<u>1,100,000</u>	<u>469,000</u>	<u>1,569,000</u>

FORM OF LEGAL OPINION

(See following pages)

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

June 3, 2026

Re: City of Burlington, Wisconsin ("Issuer")
\$2,665,000 Waterworks System Revenue Bonds, Series 2026B,
dated June 3, 2026 ("Bonds")

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

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

The Bonds are issued pursuant to Section 66.0621, Wisconsin Statutes, and a resolution adopted by the Common Council of the Issuer on April 8, 2026, as supplemented by the Approving Certificate dated _____, 2026 (collectively, the "Bond Resolution"). Pursuant to the Bond Resolution, the Bonds are issued on a parity with the Issuer's outstanding Waterworks System Revenue Bonds, Series 2012, dated February 22, 2012, Taxable Waterworks System Revenue Bonds, Series 2017C, dated June 28, 2017, Waterworks System Revenue Bonds, Series 2019B, dated May 30, 2019, Waterworks System Revenue Bonds, Series 2022C, dated June 23, 2022, Waterworks System Revenue Bonds, Series 2023B, dated June 7, 2023 and Waterworks System Revenue Bonds, Series 2025B, dated July 2, 2025 (collectively, the "Prior Bonds"). The Issuer covenanted in the Bond Resolution that revenues of the Waterworks System (the "System") of the Issuer which are deposited in the Special Redemption Fund provided by the Bond Resolution (the "Revenues") shall at all times be sufficient to pay the principal of and interest on the Prior Bonds and the Bonds as the same falls due.

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

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2027	\$ 40,000	___%
2028	95,000	___
2029	95,000	___
2030	100,000	___
2031	105,000	___
2032	110,000	___
2033	110,000	___
2034	115,000	___
2035	120,000	___
2036	125,000	___
2037	130,000	___

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2038	\$140,000	___%
2039	145,000	___
2040	150,000	___
2041	160,000	___
2042	165,000	___
2043	175,000	___
2044	185,000	___
2045	195,000	___
2046	205,000	___

Interest is payable semi-annually on May 1 and November 1 of each year commencing on May 1, 2027.

The Bonds maturing on May 1, 2035 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on May 1, 2034 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

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

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

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

1. The Issuer is duly created and validly existing under the Constitution and laws of the State of Wisconsin with the power to adopt the Bond Resolution, perform the agreements on its part contained therein and issue the Bonds.
2. The Bond Resolution has been duly adopted by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer.
3. The Bonds have been lawfully authorized and issued by the Issuer pursuant to the laws of the State of Wisconsin now in force and are valid and binding special obligations of the Issuer in accordance with their terms payable solely from the Revenues of the System. The Bonds, together with interest thereon, do not constitute an indebtedness of the Issuer nor a charge against its general credit or taxing power.
4. The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds 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 Bonds 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 Bonds in order for interest on the Bonds 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 Bonds to be included in gross income retroactively to the date of issuance of the Bonds. 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 Bonds.

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

We express no opinion regarding the creation, perfection or priority of any security interest in the Revenues or other funds created by the Bond Resolution or on the sufficiency of the Revenues.

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

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

QUARLES & BRADY LLP

BOOK-ENTRY-ONLY SYSTEM

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

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

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Burlington, Racine and Walworth Counties, Wisconsin (the "Issuer") in connection with the issuance of \$2,665,000 Waterworks System Revenue Bonds, Series 2026B, dated June 3, 2026 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on April 8, 2026, as supplemented by an Approving Certificate, dated _____, 2026 (collectively, the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

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

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

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

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

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

"Final Official Statement" means the Final Official Statement dated _____, 2026 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 Burlington, Racine and Walworth Counties, 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 300 North Pine Street, Burlington, Wisconsin 53105, phone (262) 342-1161, fax (262) 763-3474.

"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, 2025, 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. THE BONDS - Description of Waterworks System

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 3rd day of June, 2026.

(SEAL)

Jon E. Schultz II
Mayor

Diahnn Halbach
City Clerk

FORM OF PARAMETERS RESOLUTION

(See following pages)

Resolution No. _____

**RESOLUTION AUTHORIZING THE ISSUANCE AND
ESTABLISHING PARAMETERS FOR THE SALE OF NOT TO EXCEED
\$2,665,000 WATERWORKS SYSTEM REVENUE BONDS, SERIES 2026B**

WHEREAS, the City of Burlington, Racine and Walworth Counties, Wisconsin (the "City") owns and operates its Waterworks System (the "System") which is operated for a public purpose as a public utility; and

WHEREAS, under the provisions of Section 66.0621, Wisconsin Statutes, any municipality in the State of Wisconsin may, by action of its governing body, provide funds for extending, adding to and improving a public utility from the proceeds of bonds, which bonds are payable only from the income and revenues of such utility and are secured by a pledge of the revenues of the utility; and

WHEREAS, pursuant to a resolution adopted on February 14, 2012 and ratified on February 21, 2012 (the "2012 Resolution"), the City has heretofore issued its Waterworks System Revenue Bonds, Series 2012, dated February 22, 2012 (the "2012 Bonds") which bonds are payable from the Revenues of the System; and

WHEREAS, pursuant to a resolution adopted on June 20, 2017 (the "2017 Resolution"), the City has heretofore issued its Taxable Waterworks System Revenue Bonds, Series 2017C, dated June 28, 2017 (the "2017 Bonds") which bonds are payable from the Revenues of the System on a parity with the 2012 Bonds; and

WHEREAS, pursuant to a resolution adopted on May 7, 2019 (the "2019 Resolution"), the City has heretofore issued its Waterworks System Revenue Bonds, Series 2019B, dated May 30, 2019 (the "2019 Bonds") which bonds are payable from the Revenues of the System on a parity with the 2012 Bonds and the 2017 Bonds; and

WHEREAS, pursuant to a resolution adopted on June 7, 2022 (the "2022 Resolution"), the City has heretofore issued its Waterworks System Revenue Bonds, Series 2022C, dated June 23, 2022 (the "2022 Bonds") which bonds are payable from the Revenues of the System on a parity with the 2012 Bonds, the 2017 Bonds and the 2019 Bonds; and

WHEREAS, pursuant to a resolution adopted on April 5, 2023, as supplemented by an Approving Certificate, dated May 17, 2023 (collectively, the "2023 Resolution"), the City has heretofore issued its Waterworks System Revenue Bonds, Series 2023B, dated June 7, 2023 (the "2023 Bonds") which bonds are payable from the Revenues of the System on a parity with the 2012 Bonds, the 2017 Bonds, the 2019 Bonds and the 2022 Bonds; and

WHEREAS, pursuant to a resolution adopted on May 6, 2025, as supplemented by an Approving Certificate, dated June 11, 2025 (collectively, the "2025 Resolution"), the City has heretofore issued its Waterworks System Revenue Bonds, Series 2025B, dated July 2, 2025 (the "2025 Bonds") which bonds are payable from the Revenues of the System on a parity with the 2012 Bonds, the 2017 Bonds, the 2019 Bonds, the 2022 Bonds and the 2023 Bonds (collectively, the 2012 Bonds, the 2017 Bonds, the 2019 Bonds, the 2022 Bonds, the 2023 Bonds and the 2025

Bonds shall be referred to herein as the "Prior Bonds" and the 2012 Resolution, the 2017 Resolution, the 2019 Resolution, the 2022 Resolution, the 2023 Resolution and the 2025 Resolution shall be referred to herein as the "Prior Resolutions"); and

WHEREAS, the Prior Resolutions permit the issuance of additional bonds payable from the Revenues of the System on a parity with the Prior Bonds upon compliance with certain conditions; and

WHEREAS, to the best of the Common Council's knowledge, information and belief, the City complies with such conditions; and

WHEREAS, the City has determined that certain additions, improvements and extensions to the System including the 2026 and 2027 capital improvement plan (collectively, the "Project") are necessary to adequately supply the needs of the City and the residents thereof; and

WHEREAS, it is necessary, desirable and in the best interests of the City to authorize and sell waterworks system revenue bonds for such purpose payable solely from the Revenues, which bonds are to be authorized and issued pursuant to the provisions of Section 66.0621, Wisconsin Statutes, on a parity with the Prior Bonds; and

WHEREAS, other than the Prior Bonds, the City has no bonds or obligations outstanding which are payable from the Revenues of the System; and

WHEREAS, it is the finding of the Common Council that it is in the best interest of the City to direct its financial advisor, Ehlers & Associates, Inc. ("Ehlers"), to take the steps necessary for the City to offer and sell Waterworks System Revenue Bonds, Series 2026B (the "Bonds") at public sale and to obtain bids for the purchase of the Bonds; and

WHEREAS, the City Clerk (in consultation with Ehlers) is hereby authorized and directed to cause the sale of the Bonds to be publicized at such times and in such manner as the City Clerk may determine and to cause copies of a complete Notice of Sale and other pertinent data to be forwarded to interested bidders as the City Clerk may determine; and

WHEREAS, in order to facilitate the sale of the Bonds in a timely manner, the Common Council hereby finds and determines that it is necessary, desirable and in the best interest of the City to delegate to either (1) the City Administrator or (2) the HR/Finance Director-Treasurer (each, an "Authorized Officer") the authority to accept on behalf of the City the bid for the Bonds that results in the lowest true interest cost for the Bonds (the "Proposal") and meets the terms and conditions provided for in this Resolution by executing a certificate in substantially the form attached hereto as Exhibit A and incorporated herein by reference (the "Approving Certificate").

NOW, THEREFORE, the Common Council of the City of Burlington, Racine and Walworth Counties, Wisconsin, do resolve that:

Section 1A. Authorization and Sale of the Bonds; Parameters. For the purpose of paying the costs of the Project, the City is authorized to borrow pursuant to Section 66.0621, Wisconsin Statutes, the principal sum of not to exceed TWO MILLION SIX HUNDRED SIXTY-FIVE

THOUSAND DOLLARS (\$2,665,000) upon the terms and subject to the conditions set forth in this Resolution. Subject to satisfaction of the condition set forth in Section 18 of this Resolution, the Mayor and City Clerk are hereby authorized, empowered and directed to make, execute, issue and sell to the financial institution that submitted the Proposal (the "Purchaser"), on behalf of and in the name of the City, the Bonds in a principal amount of not to exceed TWO MILLION SIX HUNDRED SIXTY-FIVE THOUSAND DOLLARS (\$2,665,000). The purchase price to be paid to the City for the Bonds shall not be less than 98.75% nor more than 110.00% of the principal amount of the Bonds.

Section 1B. Terms of the Bonds. The Bonds shall be designated "Waterworks System Revenue Bonds, Series 2026B"; shall be issued in the aggregate principal amount of up to \$2,665,000; shall be dated as of their date of issuance; shall be in the denomination of \$5,000 or any integral multiple thereof; shall be numbered R-1 and upward; and shall mature or be subject to mandatory redemption on the dates and in the principal amounts set forth below, provided that the principal amount of each maturity or mandatory redemption amount may be (1) increased by up to \$75,000 or decreased by up to \$35,000 in the year 2027 and (2) increased or decreased by up to \$75,000 per maturity or mandatory redemption amount in the years 2028 to 2046. The schedule below assumes the Bonds are issued in the aggregate principal amount of \$2,665,000.

<u>Date</u>	<u>Principal Amount</u>
05-01-2027	\$ 40,000
05-01-2028	95,000
05-01-2029	95,000
05-01-2030	100,000
05-01-2031	105,000
05-01-2032	110,000
05-01-2033	110,000
05-01-2034	115,000
05-01-2035	120,000
05-01-2036	125,000
05-01-2037	130,000
05-01-2038	140,000
05-01-2039	145,000
05-01-2040	150,000
05-01-2041	160,000
05-01-2042	165,000
05-01-2043	175,000
05-01-2044	185,000
05-01-2045	195,000
05-01-2046	205,000

Interest shall be payable semi-annually on May 1 and November 1 of each year commencing on May 1, 2027. The true interest cost on the Bonds (computed taking the Purchaser's compensation into account) shall not exceed 5.00%. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board.

The schedule of maturities or mandatory redemptions is found to be such that the amount of annual debt service payments is reasonable in accordance with prudent municipal utility practices and will be confirmed in the Approving Certificate.

The Bonds, together with interest thereon, shall not constitute an indebtedness of the City nor a charge against its general credit or taxing power. The Bonds, together with interest thereon, shall be payable only out of the Debt Service Fund provided for in Section 4 herein, and shall be a valid claim of the registered owner or owners thereof only against the Debt Service Fund and the Revenues of the System pledged to such fund, on a parity with the pledge granted to the owners of the Prior Bonds. Sufficient Revenues are hereby pledged to said Debt Service Fund, and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Prior Bonds, the Bonds and any Parity Bonds as the same becomes due.

The Bonds maturing on May 1, 2035 and thereafter are subject to redemption prior to maturity, at the option of the City, on May 1, 2034 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity, by lot (as selected by the Depository), at the principal amount thereof, plus accrued interest to the date of redemption. If the Proposal specifies that certain of the Bonds are subject to mandatory redemption, the terms of such mandatory redemption shall be set forth on an attachment to the Approving Certificate. Upon the optional redemption of any of the Bonds subject to mandatory redemption, the principal amount of such Bonds so redeemed shall be credited against the mandatory redemption payments established for such Bonds in such manner as the City shall direct.

Section 2. Form of the Bonds. The Bonds shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit B and incorporated herein by this reference.

Section 3. Definitions. In addition to the words defined elsewhere in this Resolution, the following words shall have the following meanings unless the context or use indicates another or different meaning or intent:

"Annual Debt Service Requirement" means the total amount of principal and interest due in any Fiscal Year on the Bonds, the Prior Bonds and Parity Bonds.

"Bond Year" means the one-year period ending on a principal payment date or mandatory redemption date for the Bonds.

"Code" means the Internal Revenue Code of 1986, as amended.

"DTC" means The Depository Trust Company, New York, New York, or any successor securities depository for the City with respect to the Bonds.

"Fiscal Year" means the fiscal year adopted by the City for the System, which is currently the calendar year.

"Net Revenues" means the Revenues minus all Operation and Maintenance Expenses of the System.

"Operation and Maintenance Expenses" or "Current Expenses" means the reasonable and necessary costs of operating, maintaining, administering and repairing the System, including salaries, wages, costs of materials and supplies, insurance and audits, but excluding depreciation, debt service, tax equivalents and capital expenditures.

"Parity Bonds" means additional bonds or obligations issued on a parity as to pledge and lien with the Bonds in accordance with the provisions of Section 7 of this Resolution.

"Reserve Requirement" means an amount, determined as of the date of issuance of the Bonds, equal to the least of (a) the amount required to be on deposit in the Reserve Account prior to the issuance of the Bonds, plus the amount permitted to be deposited therein from proceeds of the Bonds pursuant to Section 148(d)(1) of the Code and Regulations; (b) the maximum annual debt service on the Bonds, the 2025 bonds, the 2023 Bonds, the 2022 Bonds and the 2019 Bonds in any Bond Year; and (c) 125% of average annual debt service on the Bonds, the 2025 Bonds, the 2023 Bonds, the 2022 Bonds and the 2019 Bonds; provided, however, after the 2019 Bonds are no longer outstanding, that on an ongoing basis the Reserve Requirement shall never exceed the remaining maximum annual principal and interest due on the outstanding obligations secured by the Reserve Account in any Bond Year. If Parity Bonds which are to be secured by the Reserve Account are issued, the Reserve Requirement shall mean an amount, determined as of the date of issuance of the Parity Bonds, equal to the least of (a) the amount required to be on deposit in the Reserve Account prior to the issuance of such Parity Bonds, plus the amount permitted to be deposited therein from proceeds of the Parity Bonds pursuant to Section 148(d)(1) of the Code and Regulations; (b) the maximum annual debt service on outstanding obligations secured by the Reserve Account and the Parity Bonds to be issued in any Bond Year; and (c) 125% of average annual debt service on the outstanding obligations secured by the Reserve Account and the Parity Bonds to be issued; provided, however, after the 2019 Bonds are no longer outstanding, that on an ongoing basis the Reserve Requirement shall never exceed the remaining maximum annual principal and interest due on the outstanding obligations secured by the Reserve Account and Parity Bonds in any Bond Year.

"Revenues" or "Gross Earnings" means the gross earnings of the System, including earnings of the System derived from waterworks charges imposed by the City, all payments to the City under any service agreements between the City and any contract users of the System, any funds appropriated by the Common Council pursuant to Section 5 below and any other monies received from any source including all rentals and fees and any special assessments levied and collected in connection with the Project;

"System" means the entire Waterworks System of the City including all property of every nature now or hereafter owned by the City for the extraction, collection, storage, treatment, transmission, distribution, metering and discharge of industrial and potable public water, including all improvements and extensions thereto made by the City while any of the Bonds and Parity Bonds remain outstanding, including all real and personal property of every nature comprising part of or used or useful in connection with such Waterworks System and including all appurtenances, contracts, leases, franchises and other intangibles.

Section 4. Income and Revenue Funds. When the Bonds shall have been delivered in whole or in part, the Revenues shall be set aside into the following separate and special funds,

which were created and established by an ordinance adopted on March 17, 1964, continued by the Prior Resolutions and are hereby further continued and shall be used and applied as described below:

- (a) Waterworks System Operation and Maintenance Fund (the "Operation and Maintenance Fund"), which shall be used for the payment of Current Expenses.
- (b) Waterworks System Revenue Bond and Interest Special Redemption Fund (the "Debt Service Fund"), which shall be used for the payment of the principal of, premium, if any, and interest on the Prior Bonds, the Bonds and Parity Bonds as the same becomes due. The minimum amounts to be deposited for debt service on the Bonds, in addition to all amounts to be deposited to pay debt service on the Prior Bonds, will be set forth on a schedule to be attached to the Approving Certificate.
- (c) Reserve Account, which was established by a resolution adopted December 6, 1995 and is hereby continued within the Debt Service Fund which shall be used for the payment of the principal and interest on the Bonds, the 2025 Bonds, the 2023 Bonds, the 2022 Bonds, the 2019 Bonds and any Parity Bonds secured by the Reserve Account at any time when there shall be insufficient money in the Debt Service Fund for said purpose. The Reserve Account does not secure the payment of principal or interest on the 2012 Bonds or the 2017 Bonds.
- (d) Waterworks System Depreciation Fund (the "Depreciation Fund"), which shall be used to provide a proper and adequate depreciation account for the System.
- (e) Waterworks System Surplus Fund (the "Surplus Fund"), which shall first be used whenever necessary to meet requirements of the Operation and Maintenance Fund including the one month reserve, the Debt Service Fund, including the Reserve Account, and the Depreciation Fund. Any money then remaining in the Surplus Fund at the end of any Fiscal Year may be used only as permitted and in the order specified in Section 66.0811(2), Wis. Stats. Money thereafter remaining in the Surplus Fund may be transferred to any of the funds or accounts provided in this section.

Section 4A. Application of Revenues. After the delivery of the Bonds, the Gross Earnings of the System shall be deposited monthly to the funds listed below in the following order of priority and in the manner set forth below:

- (a) to the Operation and Maintenance Fund, in an amount equal to the estimated Current Expenses for such month and for the following month (after giving effect to available amounts in said Fund from prior deposits);
- (b) to the Debt Service Fund, an amount equal to one-sixth (1/6) of the next installment of interest coming due on the Prior Bonds, the Bonds and any Parity Bonds then outstanding and an amount equal to one-twelfth (1/12) of the installment of principal of the Prior Bonds, the Bonds and any Parity Bonds

coming due during such Bond Year (after giving effect to available amounts in said Fund from accrued interest, any premium or any other source);

- (c) to the Reserve Account only at such times that the amount on deposit is not equal to the Reserve Requirement, an amount equal to one-twelfth of the Reserve Requirement until the amount accumulated in the Reserve Account (after giving effect to amounts deposited in the Reserve Account from Bond proceeds pursuant to Section 8 hereof, from other funds, from any investment earnings or any other source) equals the Reserve Requirement;
- (d) to the Depreciation Fund, an amount determined by the Common Council to be sufficient to provide a proper and adequate depreciation account for the System; and
- (e) to the Surplus Fund, any amount remaining after the monthly transfers required above have been completed.

Transfers to the Operation and Maintenance Fund, the Debt Service Fund, the Reserve Account, the Depreciation Fund and the Surplus Fund shall be made monthly not later than the tenth day of each month, and such transfer shall be applicable to monies on deposit as of the last day of the month preceding. Any other transfers and deposits to any fund required or permitted by subsection (a) through (e) of this Section, except transfers or deposits which are required to be made immediately or annually, shall be made on or before the tenth day of the month. Any transfer or deposit required to be made at the end of any Fiscal Year shall be made within sixty (60) days after the close of such Fiscal Year. If the tenth day of any month shall fall on a day other than a business day, such transfer or deposit shall be made on the next succeeding business day.

It is the express intent and determination of the Common Council that the amounts deposited in the Debt Service Fund shall be sufficient in any event to pay the interest on the Prior Bonds, the Bonds and any Parity Bonds as the same accrues and the principal thereof as the same matures, and to meet the Reserve Requirement.

The City covenants and agrees that at any time that the Reserve Account is drawn on and the amount in the Reserve Account shall be less than the Reserve Requirement, an amount equal to one-twelfth of the Reserve Requirement will be paid monthly into the Reserve Account from those funds in the Debt Service Fund, the Operation and Maintenance Fund, the Depreciation Fund and the Surplus Fund which are in excess of the minimum amounts required above to be paid therein until the Reserve Requirement will again have accumulated in the Reserve Account. No such payments need be made into the Reserve Account at such times as the monies in the Reserve Account are equal to the highest remaining annual debt service requirement on the Bonds, the 2025 Bonds, the 2023 Bonds, the 2022 Bonds, the 2019 Bonds and any Parity Bonds secured by the Reserve Account in any Bond Year. If at any time the amount on deposit in the Reserve Account exceeds the Reserve Requirement, the excess shall be transferred to the Debt Service Fund and used to pay principal and interest on the Bonds, the 2025 Bonds, the 2023 Bonds, the 2022 Bonds and the 2019 Bonds. If for any reason there shall be insufficient funds on hand in the Debt Service Fund to meet principal or interest becoming due on the Bonds, the

2025 Bonds, the 2023 Bonds, the 2022 Bonds, and the 2019 Bonds or Parity Bonds secured by the Reserve Account, then all sums then held in the Reserve Account shall be used to pay the portion of interest or principal on such Bonds, the 2025 Bonds, the 2023 Bonds, the 2022 Bonds and the 2019 Bonds or Parity Bonds becoming due as to which there would otherwise be default, and thereupon the payments required above shall again be made into the Reserve Account until an amount equal to the Reserve Requirement is on deposit in the Reserve Account. Funds in the Reserve Account shall not be used to pay principal of or interest on the 2012 Bonds or the 2017 Bonds.

Funds in the Debt Service Fund in excess of the minimum amounts required to be paid therein plus reserve requirements may be transferred to the Surplus Fund.

Money in the Surplus Fund shall first be used when necessary to meet requirements of the Operation and Maintenance Fund including the one month reserve, the Debt Service Fund including the Reserve Account, and the Depreciation Fund. Any money then remaining in the Surplus Fund at the end of any Fiscal Year may be used only as permitted and in the order specified in Section 66.0811(2), Wisconsin Statutes. Money thereafter remaining in the Surplus Fund may be transferred to any of the funds or accounts created by this section.

Section 5. Service to the City. The reasonable cost and value of any service rendered to the City by the System by furnishing water services for public purposes, including reasonable health protection charges, shall be charged against the City and shall be paid by it in monthly installments as the service accrues, out of the current revenues of the City collected or in the process of collection, exclusive of the Revenues, and out of the tax levy of the City made by it to raise money to meet its necessary current expenses. It is hereby found and determined that the reasonable cost and value of such service to the City in each year shall be in an amount which, together with Revenues of the System, will produce Net Revenues equivalent to not less than 1.25 times the Annual Debt Service Requirement. Such compensation for such service rendered to the City shall, in the manner provided hereinabove, be paid into the separate and special funds described in Section 4 of this Resolution. However, such payment is subject to (a) annual appropriations by the Common Council therefor, (b) approval of the Wisconsin Public Service Commission, or successors to its function, if necessary, and (c) applicable levy limits, if any; and neither this Resolution nor such payment shall be construed as constituting an obligation of the City to make any such appropriation over and above the reasonable cost and value of services rendered to the City and its inhabitants or to make any subsequent payment over and above such reasonable cost and value.

Section 6. Operation of System; City Covenants. It is covenanted and agreed by the City with the owner or owners of the Bonds, and each of them, that:

(a) The City will faithfully and punctually perform all duties with reference to the System required by the Constitution and Statutes of the State of Wisconsin, including the making and collecting of reasonable and sufficient rates lawfully established for services rendered by the System, and will collect and segregate the Revenues of the System and apply them to the respective funds and accounts described hereinabove;

(b) The City will not sell, lease, or in any manner dispose of the System, including any part thereof or any additions, extensions, or improvements that may be made part thereto, except that the City shall have the right to sell, lease or otherwise dispose of any property of the System found by the Common Council to be neither necessary nor useful in the operation of the System, provided the proceeds received from such sale, lease or disposal shall be paid into the Debt Service Fund or applied to the acquisition or construction of capital facilities for use in the normal operation of the System, and such payment shall not reduce the amounts otherwise required to be paid into the Debt Service Fund;

(c) The City will cause the Project to be completed as expeditiously as reasonably possible;

(d) The City will pay or cause to be paid all lawful taxes, assessments, governmental charges, and claims for labor, materials or supplies which if unpaid could become a lien upon the System or its Revenues or could impair the security of the Bonds;

(e) The City will maintain in reasonably good condition and operate the System, and will establish, charge and collect such lawfully established rates and charges for the service rendered by the System, so that in each Fiscal Year Net Revenues shall not be less than 125% of the Annual Debt Service Requirement, and so that the Revenues of the System herein agreed to be set aside to provide for the payment of the Prior Bonds, the Bonds and Parity Bonds and the interest thereon as the same becomes due and payable, and to meet the Reserve Requirement, will be sufficient for those purposes;

(f) The City will prepare a budget not less than sixty days prior to the end of each Fiscal Year and, in the event such budget indicates that the Net Revenues for each Fiscal Year will not exceed the Annual Debt Service Requirement for each corresponding Fiscal Year by the proportion stated hereunder, will take any and all steps permitted by law to increase rates so that the aforementioned proportion of Net Revenues to the Annual Debt Service Requirement shall be accomplished as promptly as possible;

(g) The City will keep proper books and accounts relative to the System separate from all other records of the City and will cause such books and accounts to be audited annually by a recognized independent firm of certified public accountants including a balance sheet and a profit and loss statement of the System as certified by such accountants. Each such audit, in addition to whatever matters may be thought proper by the accountants to be included therein shall include the following: (1) a statement in detail of the income and expenditures of the System for the Fiscal Year; (2) a statement of the Net Revenues of the System for such Fiscal Year; (3) a balance sheet as of the end of such Fiscal Year; (4) the accountants' comment regarding the manner in which the City has carried out the requirements of this Resolution and the accountants' recommendations for any changes or improvements in the operation of the System; (5) the number of connections to the System at the end of the Fiscal Year, for each user classification (i.e., residential, commercial, public and industrial); (6) a list of the insurance policies in force at the end of the Fiscal Year setting out as to each policy the amount of the policy, the risks covered, the name of the insurer, and the expiration date of the policy; and (7) the volume of water used as the basis for computing the service charge. The owners of any

of the Bonds shall have at all reasonable times the right to inspect the System and the records, accounts and data of the City relating thereto; and

(h) So long as any of the Bonds are outstanding the City will carry for the benefit of the owners of the Bonds insurance of the kinds and in the amounts normally carried by private companies or other public bodies engaged in the operation of similar systems. All money received for loss of use and occupancy shall be considered Revenue of the System payable into the separate funds and accounts named in Section 4 of this Resolution. All money received for losses under any casualty policies shall be used in repairing the damage or in replacing the property destroyed provided that if the Common Council shall find it is inadvisable to repair such damage or replace such property and that the operation of the System has not been impaired thereby, such money shall be deposited in the Debt Service Fund, but in that event such payments shall not reduce the amounts otherwise required to be paid into the Debt Service Fund.

Section 7. Additional Bonds. The Bonds are issued on a parity with the Prior Bonds. No bonds or obligations payable out of the Revenues of the System may be issued in such manner as to enjoy priority over the Bonds. Additional obligations may be issued if their lien and pledge is junior and subordinate to that of the Bonds. Parity Bonds may be issued only if all of the following conditions are met:

(a) Either:

(i) The Net Revenues for the last completed Fiscal Year preceding the issuance of such additional obligations must have been at least equal to one and one-quarter (1.25) times the average combined annual interest and principal requirements on all Bonds and any Parity Bonds then outstanding payable from the revenues of the System (other than Bonds and any Parity Bonds being refunded), and the obligations so proposed to be issued, for any succeeding Fiscal Year in which there shall be a principal maturity on such outstanding bonds; provided, however, that if prior to the authorization of such additional obligations the City shall have adopted and put into effect a revised schedule of rates, then the Net Revenues of the System for the last completed Fiscal Year which would, according to the calculation of a registered municipal advisor, an independent consulting professional engineer or independent certified public accountant employed for that purpose, have resulted from such rates had they been in effect for such period may be used in lieu of the actual Net Revenues for the last completed Fiscal Year; or

(ii) An independent certified public accountant, a registered municipal advisor or consulting professional engineer provides a calculation setting forth for each of the three Fiscal Years commencing with the Fiscal Year following that in which the projects financed by such additional obligations are to be completed, the projected Net Revenues and the maximum annual interest and principal requirements on all bonds outstanding payable from the Gross Earnings of the System and on the obligations then to be issued (the "Maximum Annual Debt Service Requirement"); and demonstrating that for each such Fiscal Year the projected Net Revenues will be in an amount not less than 125% of such Maximum Annual Debt Service Requirement;

(b) The payments required to be made into the funds and accounts enumerated in Section 4 of this Resolution (including the Reserve Account, but not the Surplus Fund) must have been made in full.

(c) The additional obligations must have principal maturing on May 1 of each year in which principal falls due and interest falling due on May 1 and November 1 of each year.

(d) If the additional obligations are to be secured by the Reserve Account, the amount on deposit in the Reserve Account must be equal to the Reserve Requirement applicable upon the issuance of Parity Bonds as defined in Section 3 of this Resolution.

(e) The proceeds of the additional obligations must be used only for the purpose of providing additions, extensions or improvements to the System, or to refund obligations issued for such purpose.

While the Prior Bonds are outstanding, unless waived by the registered owners, Parity Bonds may be issued only if the conditions set forth in the Resolutions authorizing such Prior Bonds are met.

Section 8. Application of Bond Proceeds. All accrued interest received from the sale of the Bonds shall be deposited into the Debt Service Fund. An amount of proceeds of the Bonds, if any, necessary to make the amount currently on deposit in the Reserve Account equal to the Reserve Requirement shall be deposited in the Reserve Account. The balance of the proceeds, less the expenses incurred in authorizing, issuing and delivering the Bonds, shall be deposited in a special fund designated as "Waterworks System Improvement Fund." Said special fund shall be adequately secured and used solely for the purpose of meeting costs of extending, adding to and improving the System, as described in the preamble hereof. The balance remaining in said Improvement Fund after paying said costs shall be transferred to the Debt Service Fund for use in payment of principal of and interest on the Bonds.

Section 9. Amendment to Resolution. After the issuance of any of the Bonds, no change or alteration of any kind in the provisions of this Resolution may be made until all of the Bonds have been paid in full as to both principal and interest, or discharged as herein provided, except:

a. The City may, from time to time, amend this Resolution without the consent of any of the owners of the Bonds, but only to cure any ambiguity, administrative conflict, formal defect, or omission or procedural inconsistency of this Resolution; and

b. This Resolution may be amended, in any respect, with the written consent of the owners of not less than two-thirds of the principal amount of the Bonds then outstanding, exclusive of Bonds held by the City; provided, however, that no amendment shall permit any change in the pledge of Revenues derived from the System, or in the maturity of any Bond issued hereunder, or a reduction in the rate of interest on any Bond, or in the amount of the principal obligation thereof, or in the amount of the redemption premium payable in the case of redemption thereof, or change the terms upon which the Bonds may be redeemed or make any other modification in the terms of the payment of such principal or interest without the written consent of the owner of each such Bond to which the change is applicable.

Section 10. Defeasance. When all Bonds have been discharged, all pledges, liens, covenants and other rights granted to the owners thereof by this Resolution shall cease. The City may discharge all Bonds due on any date by depositing into a special account on or before that date a sum sufficient to pay the same in full; or if any Bonds should not be paid when due, it may nevertheless be discharged by depositing into a special account a sum sufficient to pay it in full with interest accrued from the due date to the date of such deposit. The City, at its option, may also discharge all Bonds called for redemption on any date when they are prepayable according to their terms, by depositing into a special account on or before that date a sum sufficient to pay them in full, with the required redemption premium, if any, provided that notice of redemption has been duly given as required by this Resolution. The City, at its option, may also discharge all Bonds of said issue at any time by irrevocably depositing in escrow with a suitable bank or trust company a sum of cash and/or bonds or securities issued or guaranteed as to principal and interest of the U.S. Government, or of a commission, board or other instrumentality of the U.S. Government, maturing on the dates and bearing interest at the rates required to provide funds sufficient to pay when due the interest to accrue on each of said Bonds to its maturity or, at the City's option, if said Bond is prepayable to any prior date upon which it may be called for redemption, and to pay and redeem the principal amount of each such Bond at maturity, or at the City's option, if said Bond is prepayable, at its earliest redemption date, with the premium required for such redemption, if any, provided that notice of the redemption of all prepayable Bonds on such date has been duly given or provided for. Upon such payment or deposit, in the amount and manner provided by this Section, all liability of the City with respect to the Bonds shall cease, terminate and be completely discharged, and the owners thereof shall be entitled only to payment out of the money so deposited.

Section 11. Investments and Arbitrage. Monies accumulated in any of the funds and accounts referred to in Sections 4 and 8 hereof which are not immediately needed for the respective purposes thereof, may be invested in legal investments subject to the provisions of Sec. 66.0603(1m), Wisconsin Statutes, until needed. All income derived from such investments shall be credited to the fund or account from which the investment was made; provided, however, that at any time that the Reserve Requirement is on deposit in the Reserve Account, any income derived from investment of the Reserve Account shall be deposited into the Debt Service Fund and used to pay principal and interest on the Bonds. A separate banking account is not required for each of the funds and accounts established under this Resolution; however, the monies in each fund or account shall be accounted for separately by the City and used only for the respective purposes thereof. The proceeds of the Bonds shall be used solely for the purposes for which they are issued but may be temporarily invested until needed in legal investments. No such investment shall be made in such a manner as would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or the Regulations of the Commissioner of Internal Revenue thereunder (the "Regulations").

An officer of the City, charged with the responsibility for issuing the Bonds, shall, on the basis of the facts, estimates and circumstances in existence on the date of closing, make such certifications as are necessary to permit the conclusion that the Bonds are not "arbitrage bonds" under Section 148 of the Code or the Regulations.

Section 12. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the City and the owner or owners of the Bonds, and after issuance of any of the

Bonds no change or alteration of any kind in the provisions of this Resolution may be made, except as provided in Section 9, until all of the Bonds have been paid in full as to both principal and interest. The owner or owners of any of the Bonds shall have the right in addition to all other rights, by mandamus or other suit or action in any court of competent jurisdiction, to enforce such owner's or owners' rights against the City, the governing body thereof, and any and all officers and agents thereof including, but without limitation, the right to require the City, its governing body and any other authorized body, to fix and collect rates and charges fully adequate to carry out all of the provisions and agreements contained in this Resolution.

Section 13. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Bonds eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the City agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations which the City Clerk or other authorized representative of the City is authorized and directed to execute and deliver to DTC on behalf of the City to the extent an effective Blanket Issuer Letter of Representations is not presently on file in the City Clerk's office.

Section 14. Payment of the Bonds; Fiscal Agent. The principal of and interest on the Bonds shall be paid by Bond Trust Services Corporation, which is hereby appointed as the City's registrar and fiscal agent pursuant to the provisions of Section 67.10(2), Wisconsin Statutes (the "Fiscal Agent"). The City hereby authorizes the Mayor and City Clerk or other appropriate officers of the City to enter a Fiscal Agency Agreement between the City and the Fiscal Agent. Such contract may provide, among other things, for the performance by the Fiscal Agent of the functions listed in Wis. Stats. Sec. 67.10(2)(a) to (j), where applicable, with respect to the Bonds.

Section 15. Persons Treated as Owners; Transfer of Bonds. The City shall cause books for the registration and for the transfer of the Bonds to be kept by the Fiscal Agent. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Bond shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Any Bond may be transferred by the registered owner thereof by surrender of the Bond at the office of the Fiscal Agent, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such transfer, the Mayor and City Clerk shall execute and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount, series and maturity and the Fiscal Agent shall record the name of each transferee in the registration book. No registration shall be made to bearer. The Fiscal Agent shall cancel any Bond surrendered for transfer.

The City shall cooperate in any such transfer, and the Mayor and City Clerk are authorized to execute any new Bond or Bonds necessary to effect any such transfer.

Section 16. Record Date. The fifteenth day of each calendar month next preceding each interest payment date shall be the record date for the Bonds (the "Record Date"). Payment of interest on the Bonds on any interest payment date shall be made to the registered owners of the

Bonds as they appear on the registration book of the City at the close of business on the Record Date.

Section 17. Compliance with Federal Tax Laws. (a) The City represents and covenants that the Project and the ownership, management and use of the Project will not cause the Bonds to be "private activity bonds" within the meaning of Section 141 of the Code. The City further covenants that it shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the Bonds including, if applicable, the rebate requirements of Section 148(f) of the Code. The City further covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The City Clerk or other officer of the City charged with the responsibility of issuing the Bonds shall provide an appropriate certificate of the City certifying that the City can and covenanting that it will comply with the provisions of the Code and Regulations.

(b) The City also covenants to use its best efforts to meet the requirements and restrictions of any different or additional federal legislation which may be made applicable to the Bonds provided that in meeting such requirements the City will do so only to the extent consistent with the proceedings authorizing the Bonds and the laws of the State of Wisconsin and to the extent that there is a reasonable period of time in which to comply.

The foregoing covenants shall remain in full force and effect, notwithstanding the defeasance of the Bonds, until the date on which all of the Bonds have been paid in full.

Section 18. Condition on Issuance and Sale of the Bonds. The issuance of the Bonds and the sale of the Bonds are subject to approval by an Authorized Officer of the principal amount, definitive maturities, mandatory redemption provisions, interest rates and purchase price for the Bonds. Satisfaction of such condition shall be evidenced by execution by an Authorized Officer of the Approving Certificate.

The Bonds shall not be issued, sold or delivered until this condition has been satisfied. Upon satisfaction of this condition, an Authorized Officer is authorized to execute the Proposal providing for the sale of the Bonds to the Purchaser.

Section 19. Payment of Issuance Expenses. The City authorizes the Purchaser to forward the amount of the proceeds of the Bonds allocable to the payment of issuance expenses to a financial institution selected by Ehlers at Closing for further distribution as directed by Ehlers.

Section 20. Official Statement. The Common Council hereby directs an Authorized Officer to approve the Preliminary Official Statement with respect to the Bonds and to deem the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by officers of the City in connection with the preparation of such Preliminary Official Statement and Final Official Statement and any addenda to it are hereby ratified and approved. In connection with the closing of the Bonds, the

appropriate City official shall certify the Preliminary Official Statement and Final Official Statement and any addenda. The City Clerk shall cause copies of the Preliminary Official Statement and Final Official Statement and any addenda to be distributed to the Purchaser.

Section 21. Undertaking to Provide Continuing Disclosure. The City hereby covenants and agrees, for the benefit of the owners of the Bonds, to enter into a written undertaking (the "Undertaking") required by the Rule to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the Bonds or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the City to comply with the provisions of the Undertaking shall not be an event of default with respect to the Bonds).

The City Clerk, or other officer of the City charged with the responsibility for issuing the Bonds, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the City's Undertaking.

Section 22. Record Book. The City Clerk shall provide and keep the transcript of proceedings as a separate record book (the "Record Book") and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Bonds in the Record Book.

Section 23. Bond Insurance. If the Purchaser determines to obtain municipal bond insurance with respect to the Bonds, the officers of the City are authorized to take all actions necessary to obtain such municipal bond insurance. The Mayor and City Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the Mayor and City Clerk including provisions regarding restrictions on investment of Bond proceeds, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Bonds by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Bond provided herein.

Section 24. Execution of the Bonds; Closing; Professional Services. The Bonds shall be issued in printed form, executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Clerk, authenticated, if required, by the Fiscal Agent, sealed with its official or corporate seal, if any, or a facsimile thereof, and delivered to the Purchaser upon payment to the City of the purchase price thereof, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Bonds may be imprinted on the Bonds in lieu of the manual signature of the officer but, unless the City has contracted with a fiscal agent to authenticate the Bonds, at least one of the signatures appearing on each Bond shall be a manual signature. In the event that either of the officers whose signatures appear on the Bonds shall cease to be such officers before the Closing, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until the Closing. The aforesaid officers are hereby authorized and directed to do all acts and execute and deliver the Bonds and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The City

hereby authorizes the officers and agents of the City to enter into, on its behalf, agreements and contracts in conjunction with the Bonds, including but not limited to agreements and contracts for legal, trust, fiscal agency, disclosure and continuing disclosure, and rebate calculation services. Any such contract heretofore entered into in conjunction with the issuance of the Bonds is hereby ratified and approved in all respects.

Section 25. Conflicting Ordinances or Resolutions. All prior ordinances, resolutions (other than the Prior Resolutions), rules, or orders, or parts thereof heretofore enacted, adopted or entered, in conflict with the provisions of this Resolution, are hereby repealed and this Resolution shall be in effect from and after its passage. In case of any conflict between this Resolution and any of the Prior Resolutions, the respective Prior Resolution shall control so long as bonds issued by such Prior Resolution, are outstanding.

Adopted, approved and recorded April 8, 2026.

Jon E. Schultz II
Mayor

ATTEST:

Diahnn Halbach
City Clerk

(SEAL)

NOTICE OF SALE

**\$2,665,000* WATERWORKS SYSTEM REVENUE BONDS, SERIES 2026B
CITY OF BURLINGTON, WISCONSIN**

Bids for the purchase of \$2,665,000* Waterworks System Revenue Bonds, Series 2026B (the "Bonds") of the City of Burlington, 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 9:30 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 09:30 A.M., Central Time, on May 13, 2026, at which time they will be opened, read and tabulated. **The Common Council adopted a resolution on April 8, 2026 (the "Parameters Resolution"), which authorizes the HR/Finance Director-Treasurer or the City Administrator to accept a bid for the Bonds if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on May 13, 2026, neither the HR/Finance Director-Treasurer nor the City Administrator will have the authority to accept a bid for the Bonds, and all bids will be rejected.**

AUTHORITY; PURPOSE; SECURITY

The Bonds are being issued pursuant to Section 66.0621, Wisconsin Statutes, by the City, to provide funds for the public purpose of paying the cost of certain additions, improvements and extensions to the City's Waterworks System (the "Waterworks System"). The Bonds are not general obligations of the City but are payable only from and secured by a pledge of Net Revenues (as defined in the Official Statement) of the Waterworks System. The Bonds are being issued on a parity with the City's outstanding Waterworks System Revenue Bonds, Series 2012, dated February 22, 2012, the Taxable Waterworks System Revenue Bonds, Series 2017C, dated June 28, 2017, the Waterworks System Revenue Bonds, Series 2019B, dated May 30, 2019, the Waterworks System Revenue Bonds, Series 2022C, dated June 23, 2022, the Waterworks System Revenue Bonds, Series 2023B, dated June 7, 2023, and the Waterworks System Revenue Bonds, Series 2025B, dated July 2, 2025 with respect to the pledge of Net Revenues.

DATES AND MATURITIES

The Bonds will be dated June 3, 2026, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on May 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2027	\$40,000	2034	\$115,000	2041	\$160,000
2028	95,000	2035	120,000	2042	165,000
2029	95,000	2036	125,000	2043	175,000
2030	100,000	2037	130,000	2044	185,000
2031	105,000	2038	140,000	2045	195,000
2032	110,000	2039	145,000	2046	205,000
2033	110,000	2040	150,000		

ADJUSTMENT OPTION

The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each up to a \$75,000 increase or \$35,000 decrease for the 2027 maturity or mandatory redemption amount, and an increase or decrease of up to \$75,000 per maturity or mandatory redemption amount for the 2028-2046 maturities or mandatory redemption amounts. 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. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BOND OPTION

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

INTEREST PAYMENT DATES AND RATES

Interest will be payable on May 1 and November 1 of each year, commencing May 1, 2027, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

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

PAYING AGENT

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

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after May 1, 2035 shall be subject to optional redemption prior to maturity on May 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 Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

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

DELIVERY

On or about June 3, 2026, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL MATTERS

An opinion as to the validity of the Bonds 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 Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding special obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). (See "FORM OF LEGAL OPINION" found in Appendix B of the Preliminary Official Statement).

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

SUBMISSION OF BIDS

Bids must not be for less than \$2,631,687.50 nor more than \$2,931,500 plus accrued interest on the principal sum of \$2,665,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

- 1) Electronically to bondsale@ehlers-inc.com; or
- 2) Electronically via **PARITY** in accordance with this Notice of Sale until 9:30 A.M., Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact IHS Markit (now part of S&P Global) at <https://ihsmarkit.com/products/municipal-issuance.html> or via telephone (844) 301-7334.

Bids must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of bids. Each bid must be unconditional except as to legality. Neither the City nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit ("Deposit") in the amount of \$53,300 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time

provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

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

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

AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The City reserves the right to reject any and all bids and to waive any informality in any bid. **The Bonds will not be awarded if the TIC (taking the purchaser's compensation into account) exceeds 5% or if the other conditions set forth in the Parameters Resolutions are not satisfied.**

BOND INSURANCE

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

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

CUSIP NUMBERS

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

NOT QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds shall not be "qualified tax-exempt obligations" pursuant to 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 Bonds. 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 Bonds 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 Bonds 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 Bonds, 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 Bonds 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 Bonds) will apply to the initial sale of the Bonds (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 Bonds to the bidder who submits a firm offer to purchase the Bonds 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 Bonds, 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 Bonds 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 Bonds. On its bid form, each bidder must select one of the following two rules for determining the issue price of the Bonds: (1) the first price at which 10% of a maturity of the Bonds (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 Bonds (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 Bonds 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 Bonds, that the underwriters will neither offer nor sell unsold Bonds 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 Bonds 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 Bonds 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 Bonds, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Bonds, 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 Bonds 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 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, 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 Bonds 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 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, 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 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, 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 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Bonds.

(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 Bonds have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Bonds, 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 Bonds 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 Bonds 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 Bonds 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 Bonds 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 Bonds 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 Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds 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 Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds 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 Bonds 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 Bonds 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 Bonds to the public),
- (iii) a purchaser of any of the Bonds 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 Bonds are awarded by the City to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Official Statement relating to the Bonds prior to the bid opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The 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

Diahnn Halbach, City Clerk
City of Burlington, Wisconsin

BID FORM

City of Burlington, Wisconsin (the "City")

May 13, 2026

RE: \$2,665,000* Waterworks System Revenue Bonds, Series 2026B (the "Bonds")
DATED: June 3, 2026

For all or none of the above Bonds, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$ _____ (not less than \$2,631,687.50 nor more than \$2,931,500) plus accrued interest to date of delivery for fully registered Bonds 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	2046
_____ % due	2033	_____ % due	2040		

The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each up to a \$75,000 increase or \$35,000 decrease for the 2027 maturity or mandatory redemption amount, and an increase or decrease of up to \$75,000 per maturity or mandatory redemption amount for the 2028-2046 maturities or mandatory redemption amounts. 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. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

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

A good faith deposit ("Deposit") in the amount of \$53,300 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about June 3, 2026.

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 Official Statement for the Bonds.

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

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

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

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 Bonds.

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 June 3, 2026 of the above bid is \$ _____ and the true interest cost (TIC) is _____ %.

The foregoing offer is hereby accepted on behalf of the City of Burlington, Wisconsin, on May 13, 2026.

By: _____
Title: _____