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

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 27, 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 Notes is excludable from gross income and is not an item of tax preference for federal income tax purposes; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Notes. The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

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

New Issue **Rating Application Made: Moody's Ratings**

CITY OF BEAVER DAM, WISCONSIN
(Dodge County)

$3,860,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2026A

BID OPENING: November 5, 2026, 10:00 A.M., C.T.
CONSIDERATION: Not later than 11:59 P.M., C.T. on November 5, 2026 (PARAMETERS RESOLUTION)

PURPOSE/AUTHORITY/SECURITY: The $3,860,000* General Obligation Promissory Notes, Series 2026A (the "Notes") are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the City of Beaver Dam, Wisconsin (the "City"), for public purposes, including paying the cost of streets, facility and park improvements and equipment for various municipal departments included in the City's 2026 capital improvement plan. The Notes are general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF NOTES: November 24, 2026

MATURITY: March 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2027	$295,000	2034	$130,000	2041	$170,000
2028	270,000	2035	135,000	2042	180,000
2029	275,000	2036	140,000	2043	190,000
2030	285,000	2037	145,000	2044	200,000
2031	300,000	2038	150,000	2045	210,000
2032	120,000	2039	155,000	2046	220,000
2033	125,000	2040	165,000		

***MATURITY ADJUSTMENTS:** The City reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of $5,000 each, up to a maximum of $115,000 per maturity or mandatory redemption amount. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: March 1, 2027 and semiannually thereafter.

OPTIONAL REDEMPTION: Notes maturing on March 1, 2036 and thereafter are subject to call for prior optional redemption on March 1, 2035 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

MINIMUM BID: $3,811,750.

MAXIMUM BID: $4,168,800.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of $77,200 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation.

BOND COUNSEL: Quarles & Brady LLP.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

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

REPRESENTATIONS

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

This Official Statement is not to be construed as a contract with the 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. Bond Counsel has not participated in the preparation of this Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the delivery of the Notes.

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

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

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

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

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

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

CLOSING CERTIFICATES

Upon delivery of the Notes, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Notes and all times subsequent thereto up to and including the time of the delivery of the Notes, this Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Notes; (3) a certificate evidencing the due execution of the Notes, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Notes, (b) neither the corporate existence or boundaries of the City nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Notes have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the City which indicates that the City does not expect to use the proceeds of the Notes in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

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BID FORM

CITY OF BEAVER DAM
COMMON COUNCIL

		Term Expires
Bobbi Marck	Mayor	April 2029
Jeff Bierman	Alderperson	April 2028
Kevin Burnett	Alderperson	April 2027
Frank Ferree	Alderperson	April 2027
Mick Fischer	Alderperson	April 2027
Chris Ganske	Alderperson	April 2027
Jennifer Hiley	Alderperson	April 2028
Monica Keel	Alderperson	April 2027
Cris Olson	Alderperson	April 2028
Andrew Perkins	Alderperson	April 2028
Bart Radke	Alderperson	April 2028
Julie Wendt	Alderperson	April 2028
Nancy Wild	Alderperson	April 2027
Jack Yuds	Alderperson	April 2027
Zach Zopp	Alderperson	April 2028

ADMINISTRATION

Larry Bierke, City Administrator
Kayla Larson, Finance DirectorTreasurer
Tracey Ferron, City Clerk

PROFESSIONAL SERVICES

Stafford Rosenbaum LLP, City Attorney, Madison, Wisconsin

Quarles & Brady LLP, Bond Counsel, Milwaukee, Wisconsin

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

INTRODUCTORY STATEMENT

This Official Statement contains certain information regarding the City of Beaver Dam, Wisconsin (the "City") and the issuance of its $3,860,000* General Obligation Promissory Notes, Series 2026A (the "Notes"). **The Common Council adopted a resolution on October 5, 2026 (the "Parameters Resolution"), which authorizes the Finance Director/Treasurer or the City Administrator to accept a bid for the Notes if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on November 5, 2026, neither the Finance Director/Treasurer nor the City Administrator will have the authority to accept a bid for the Notes, and all bids for the Notes will be rejected.**

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Waukesha, Wisconsin, (262) 785-1520, the 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 Debt Issuance link and following the directions at the top of the site.

THE NOTES

GENERAL

The Notes will be issued in fully registered form as to both principal and interest in denominations of $5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of November 24, 2026. The Notes will mature on March 1 in the years and amounts set forth on the cover of this Official Statement. Interest will be payable on March 1 and September 1 of each year, commencing March 1, 2027, to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). All Notes of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

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

The 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.

*Preliminary, subject to change.

OPTIONAL REDEMPTION

At the option of the City, the Notes maturing on or after March 1, 2036 shall be subject to optional redemption prior to maturity on March 1, 2035 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

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

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

AUTHORITY; PURPOSE

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the City, for public purposes, including paying the cost of streets, facility and park improvements and equipment for various municipal departments included in the City's 2026 capital improvement plan.

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Notes	$3,860,000	
Estimated Interest Earnings	34,503	
Total Sources		**$3,894,503**
Uses		
Estimated Underwriter's Discount	$48,250	
Costs of Issuance	82,650	
Deposit to Project Construction Fund	3,760,568	
Rounding Amount	3,035	
Total Uses		**$3,894,503**

*Preliminary, subject to change.

SECURITY

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

RATING

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

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

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

CONTINUING DISCLOSURE

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

On the date of issue and delivery of the Notes, the City shall execute and deliver a Continuing Disclosure Certificate, under which the City will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the City are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the City to comply with the Disclosure Undertaking will not constitute an event of default on the Notes. However, such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

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

LEGAL OPINION

An opinion as to the validity of the Notes and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City ("Bond Counsel"), and will be available at the time of delivery of the Notes. The legal opinion will be issued on the basis of existing law and will state that the Notes are valid and binding general obligations of the City; provided that the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding).

STATEMENT REGARDING COUNSEL PARTICIPATION

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

TAX EXEMPTION

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

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

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

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

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

ORIGINAL ISSUE DISCOUNT

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

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

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

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

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

BOND PREMIUM

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

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

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

MUNICIPAL ADVISOR

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

MUNICIPAL ADVISOR AFFILIATED COMPANIES

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, 2025 have been audited by Wipfli LLP, Sterling, 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 Notes without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

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

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

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

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

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

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

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

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

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

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

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

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

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

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

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

Assessed Value

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

CURRENT PROPERTY VALUATIONS

2026 Equalized Value	$2,178,118,000
2026 Equalized Value Reduced by Tax Increment Valuation	$1,827,338,600
2026 Assessed Value	$2,128,634,300

2026 EQUALIZED VALUE BY CLASSIFICATION

	2026 Equalized Value[1]	Percent of Total Equalized Value
Residential	$1,249,371,100	57.360%
Commercial	798,241,400	36.648%
Manufacturing	130,133,500	5.975%
Agricultural	189,500	0.009%
Undeveloped	114,900	0.005%
Ag Forest	67,600	0.003%
Total	$2,178,118,000	100.000%

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value[1]	Percent Increase/Decrease in Equalized Value
2022	$1,473,508,900	$1,562,336,300	12.38%
2023	1,647,811,300	1,716,575,000	9.87%
2024	1,741,069,400	1,759,956,100	2.53%
2025	1,862,554,700	1,926,305,800	9.45%
2026	2,128,634,300	2,178,118,000	13.07%

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

[1] Includes tax increment valuation.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2025 Equalized Value[1]	Percent of City's Total Equalized Value
Wal-mart	Distribution Center/Retail	$45,424,119	2.36%
Spirit Realty LP (Vintage Parts)	Parts Warehousing/Distribution	25,433,945	1.32%
Mayville Engineering Company (MEC)	Manufacturing	24,621,084	1.28%
Beaver Dam Cold Storage	Frozen Food Storage/Distribution	20,893,110	1.08%
Metalcraft of Mayville Inc.	Manufacturing	20,430,486	1.06%
Beaver Dam Infrastructure Inc.	Frozen Food Storage	19,681,654	1.02%
SSM Health Care of WI	Healthcare	18,680,443	0.97%
Spring Lake Apartments LLC	Apartments	15,560,585	0.81%
Northwoods Commercial Properties	Paper Conversion	13,854,127	0.72%
Beaver Dam Woodland Drive LLC	Apartments	12,965,096	0.67%
Total		$217,544,649	11.29%
City's Total 2025 Equalized Value[2]		$1,926,305,800	

Source: The City.

DEBT

DIRECT DEBT[3]

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Notes)*	$50,466,746

Revenue Debt (see schedules following)

Total revenue debt secured by sewer revenues	$7,370,257
Total revenue debt secured by water revenues	$3,518,876

*Preliminary, subject to change.

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

[2] Includes tax increment valuation.

[3] Outstanding debt is as of the dated date of the Notes.

Other Debt

Issue Date	Original Amount	Purpose	Final Maturity	Principal Outstanding
12/20/2022	$ 186,446	2023 Elgin Pelican Sweeper	4/1/28	$66,602

DEBT PAYMENT HISTORY

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

FUTURE FINANCING

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	$2,178,118,000
Multiply by 5%	0.05
Statutory Debt Limit[1]	$108,905,900
Less: General Obligation Debt*	(50,466,746)
Unused Debt Limit*	$58,439,154

*Preliminary, subject to change.

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

City of Beaver Dam, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 11/24/2026)

	Promissory Notes Series 2018A		Promissory Notes Series 2019A		Promissory Notes Series 2019B		Promissory Notes Series 2020A		Refunding Bonds Series 2020C	
Dated	07/26/2018		04/24/2019		04/24/2019		08/05/2020		09/22/2020	
Amount	$3,710,000		$4,170,000		$2,155,000		$6,120,000		$3,940,000	
Maturity	09/01		04/01		04/01		03/01		11/01	
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2027	640,000	18,240	505,000	48,975	255,000	33,525	665,000	34,100	430,000	19,150
2028			730,000	30,450	490,000	22,350	670,000	20,750	420,000	10,550
2029			650,000	9,750	500,000	7,500	700,000	10,550	400,000	6,350
2030							705,000	3,525	235,000	2,350
2031										
2032										
2033										
2034										
2035										
2036										
2037										
2038										
2039										
2040										
2041										
2042										
2043										
2044										
2045										
2046										
	640,000	18,240	1,885,000	89,175	1,245,000	63,375	2,740,000	68,925	1,485,000	38,400

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City of Beaver Dam, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 11/24/2026)

	Promissory Notes Series 2021A		Refunding Bonds Series 2022A		Promissory Notes Series 2023A		Promissory Notes Series 2024A		State Trust Fund Loan	
Dated	04/28/2021		04/28/2022		05/17/2023		07/02/2024		11/22/2024	
Amount	$7,850,000		$15,180,000		$3,355,000		$11,010,000		$2,620,000	
Maturity	03/01		03/01		03/01		03/01		03/15	
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2027	805,000	61,205	650,000	488,719	305,000	94,025	395,000	442,275	647,723	102,087
2028	880,000	44,355	775,000	453,094	300,000	78,900	420,000	421,900	679,918	69,892
2029	860,000	30,610	775,000	414,344	300,000	63,900	455,000	400,025	714,105	35,705
2030	935,000	19,588	845,000	373,844	300,000	48,900	465,000	377,025		
2031	965,000	6,755	1,245,000	321,594	300,000	33,900	530,000	352,150		
2032			1,550,000	259,469	330,000	19,800	570,000	324,650		
2033			1,000,000	212,219	330,000	6,600	600,000	295,400		
2034			855,000	182,609			635,000	264,525		
2035			825,000	155,844			605,000	233,525		
2036			800,000	129,438			635,000	202,525		
2037			750,000	104,250			665,000	170,025		
2038			675,000	80,672			495,000	143,500		
2039			575,000	59,578			510,000	123,400		
2040			525,000	40,688			520,000	102,800		
2041			475,000	23,188			540,000	81,600		
2042			425,000	7,438			565,000	59,500		
2043							590,000	36,400		
2044							615,000	12,300		
2045										
2046										
	4,445,000	162,513	12,745,000	3,306,984	2,165,000	346,025	9,810,000	4,043,525	2,041,746	207,685

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City of Beaver Dam, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 11/24/2026)

	Promissory Notes Series 2025A		State Trust Fund Loan (Taxable)		Promissory Notes Series 2026A							
Dated	08/06/2025		10/24/2025		11/24/2026							
Amount	$4,905,000		$2,500,000		$3,860,000*							
Maturity	03/01		03/15		03/01							
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Estimated Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2027	185,000	213,788	544,529	173,630	295,000	114,093	6,322,252	1,843,811	8,166,063	44,144,494	12.53%	**2027**
2028	190,000	204,413	620,118	98,041	270,000	140,743	6,445,036	1,595,437	8,040,473	37,699,458	25.30%	**2028**
2029	200,000	194,663	651,392	66,768	275,000	131,981	6,480,497	1,372,145	7,852,642	31,218,961	38.14%	**2029**
2030	210,000	184,413	683,961	34,198	285,000	122,738	4,663,961	1,166,580	5,830,541	26,555,000	47.38%	**2030**
2031	225,000	173,538			300,000	112,790	3,565,000	1,000,726	4,565,726	22,990,000	54.45%	**2031**
2032	230,000	162,163			120,000	105,491	2,800,000	871,572	3,671,572	20,190,000	59.99%	**2032**
2033	245,000	150,288			125,000	101,085	2,300,000	765,592	3,065,592	17,890,000	64.55%	**2033**
2034	260,000	137,663			130,000	96,360	1,880,000	681,157	2,561,157	16,010,000	68.28%	**2034**
2035	270,000	124,413			135,000	91,304	1,835,000	605,085	2,440,085	14,175,000	71.91%	**2035**
2036	240,000	112,863			140,000	85,899	1,815,000	530,724	2,345,724	12,360,000	75.51%	**2036**
2037	250,000	103,063			145,000	80,119	1,810,000	457,456	2,267,456	10,550,000	79.10%	**2037**
2038	260,000	92,863			150,000	73,959	1,580,000	390,993	1,970,993	8,970,000	82.23%	**2038**
2039	270,000	82,263			155,000	67,415	1,510,000	332,656	1,842,656	7,460,000	85.22%	**2039**
2040	280,000	71,263			165,000	60,348	1,490,000	275,098	1,765,098	5,970,000	88.17%	**2040**
2041	290,000	59,863			170,000	52,785	1,475,000	217,435	1,692,435	4,495,000	91.09%	**2041**
2042	305,000	47,772			180,000	44,777	1,475,000	159,486	1,634,486	3,020,000	94.02%	**2042**
2043	315,000	34,984			190,000	36,001	1,095,000	107,385	1,202,385	1,925,000	96.19%	**2043**
2044	330,000	21,681			200,000	26,445	1,145,000	60,426	1,205,426	780,000	98.45%	**2044**
2045	350,000	7,438			210,000	16,307	560,000	23,744	583,744	220,000	99.56%	**2045**
2046					220,000	5,544	220,000	5,544	225,544	0	100.00%	**2046**
	4,905,000	2,179,388	2,500,000	372,637	3,860,000	1,566,180	50,466,746	12,463,052	62,929,798			

* Preliminary, subject to change.

City of Beaver Dam, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Sewerage Revenues
(As of 11/24/2026)

	Sewerage System Revenue Bonds (CWFL) Series 2009		Sewerage System Revenue Bonds (CWFL) Series 2021		Sewerage System Revenue Bonds (CWFL) Series 2021B		Sewerage System Revenue Bonds (CWFL) Series 2023		Sewerage System Revenue Bonds (CWFL) Series 2024	
Dated	12/23/2009		04/14/2021		08/12/2021		09/27/2023		09/25/2024	
Amount	$10,317,086		$1,089,544		$1,145,000		$2,432,892		$397,531	
Maturity	05/01		05/01		05/01		05/01		05/01	
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2027	673,858	46,398	49,129	10,896	115,000	8,925	105,204	44,579	16,771	8,574
2028	691,836	28,180	49,859	10,161	115,000	7,775	107,460	42,298	17,168	8,173
2029	710,294	9,475	50,599	9,415	120,000	6,000	109,765	39,969	17,574	7,762
2030			51,350	8,658	120,000	3,600	112,120	37,589	17,989	7,342
2031			52,113	7,890	120,000	1,200	114,525	35,158	18,415	6,911
2032			52,887	7,110			116,981	32,675	18,850	6,471
2033			53,672	6,319			119,490	30,139	19,296	6,020
2034			54,469	5,516			122,054	27,549	19,752	5,558
2035			55,278	4,701			124,672	24,903	20,219	5,085
2036			56,099	3,874			127,346	22,200	20,698	4,601
2037			56,932	3,035			130,077	19,439	21,187	4,106
2038			57,777	2,183			132,868	16,619	21,688	3,599
2039			58,635	1,319			135,718	13,738	22,201	3,080
2040			59,506	442			138,629	10,796	22,726	2,549
2041							141,602	7,790	23,264	2,005
2042							144,640	4,720	23,814	1,448
2043							147,742	1,585	24,377	878
2044									24,954	295
2045										
2046										
	2,075,988	84,053	758,306	81,521	590,000	27,500	2,130,891	411,746	370,943	84,458

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City of Beaver Dam, Wisconsin
Schedule of Bonded Indebtedness continued
Revenue Debt Secured by Sewerage Revenues
(As of 11/24/2026)

Sewerage System Revenue Bonds
(CWFL)
Series 2026

Dated	10/28/2026
Amount	$1,444,129
Maturity	05/01

Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2027	56,051	36,917	1,016,013	156,290	1,172,303	6,354,245	13.79%	**2027**
2028	57,500	35,139	1,038,823	131,726	1,170,549	5,315,422	27.88%	**2028**
2029	58,987	33,633	1,067,219	106,255	1,173,473	4,248,203	42.36%	**2029**
2030	60,512	32,089	361,971	89,278	451,248	3,886,232	47.27%	**2030**
2031	62,076	30,504	367,128	81,664	448,792	3,519,104	52.25%	**2031**
2032	63,680	28,879	252,399	75,135	327,534	3,266,705	55.68%	**2032**
2033	65,327	27,211	257,785	69,689	327,474	3,008,920	59.17%	**2033**
2034	67,015	25,501	263,290	64,123	327,414	2,745,630	62.75%	**2034**
2035	68,748	23,746	268,917	58,435	327,352	2,476,713	66.40%	**2035**
2036	70,525	21,946	274,667	52,621	327,288	2,202,046	70.12%	**2036**
2037	72,348	20,099	280,544	46,679	327,224	1,921,502	73.93%	**2037**
2038	74,218	18,205	286,551	40,606	327,157	1,634,950	77.82%	**2038**
2039	76,137	16,262	292,691	34,399	327,089	1,342,260	81.79%	**2039**
2040	78,105	14,268	298,966	28,054	327,020	1,043,294	85.84%	**2040**
2041	80,124	12,223	244,990	22,018	267,008	798,304	89.17%	**2041**
2042	82,195	10,125	250,648	16,294	266,942	547,656	92.57%	**2042**
2043	84,320	7,973	256,439	10,436	266,875	291,217	96.05%	**2043**
2044	86,499	5,765	111,453	6,060	117,513	179,764	97.56%	**2044**
2045	88,735	3,500	88,735	3,500	92,235	91,029	98.76%	**2045**
2046	91,029	1,177	91,029	1,177	92,206	0	100.00%	**2046**
	1,444,129	405,160	7,370,257	1,094,439	8,464,696			

City of Beaver Dam, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Water Revenues
(As of 11/24/2026)

	Water System Revenue Bonds (SDWFL) Series 2023		Water System Revenue Bonds (SDWFL) Series 2024		Water System Revenue Bonds (SDWFL) 1) Series 2026							
Dated	09/27/2023		09/25/2024		09/23/2026							
Amount	$1,936,939		$695,698		$1,164,233							
Maturity	05/01		05/01		05/01							
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2027	83,762	35,494	29,751	15,211	46,199	29,894	159,713	80,599	240,311	3,359,163	4.54%	**2027**
2028	85,559	33,678	30,455	14,499	47,292	25,882	163,306	74,059	237,365	3,195,858	9.18%	**2028**
2029	87,394	31,823	31,175	13,770	48,410	24,751	166,980	70,344	237,323	3,028,878	13.92%	**2029**
2030	89,269	29,928	31,912	13,024	49,555	23,592	170,736	66,544	237,281	2,858,142	18.78%	**2030**
2031	91,184	27,993	32,667	12,261	50,727	22,406	174,578	62,660	237,237	2,683,564	23.74%	**2031**
2032	93,140	26,016	33,440	11,479	51,927	21,192	178,506	58,687	237,193	2,505,058	28.81%	**2032**
2033	95,137	23,997	34,231	10,679	53,155	19,950	182,523	54,625	237,148	2,322,535	34.00%	**2033**
2034	97,178	21,934	35,040	9,860	54,412	18,678	186,630	50,471	237,102	2,135,905	39.30%	**2034**
2035	99,263	19,827	35,869	9,021	55,699	17,376	190,830	46,224	237,054	1,945,075	44.72%	**2035**
2036	101,392	17,675	36,717	8,163	57,016	16,043	195,125	41,881	237,006	1,749,950	50.27%	**2036**
2037	103,567	15,477	37,586	7,284	58,364	14,679	199,517	37,440	236,956	1,550,434	55.94%	**2037**
2038	105,788	13,232	38,474	6,385	59,745	13,282	204,007	32,898	236,906	1,346,427	61.74%	**2038**
2039	108,057	10,938	39,384	5,464	61,158	11,852	208,599	28,254	236,854	1,137,827	67.67%	**2039**
2040	110,375	8,595	40,316	4,522	62,604	10,389	213,295	23,506	236,801	924,532	73.73%	**2040**
2041	112,743	6,203	41,269	3,557	64,085	8,891	218,097	18,650	236,747	706,436	79.92%	**2041**
2042	115,161	3,758	42,245	2,569	65,600	7,357	223,006	13,685	236,691	483,429	86.26%	**2042**
2043	117,631	1,262	43,244	1,558	67,152	5,787	228,027	8,607	236,635	255,402	92.74%	**2043**
2044			44,267	523	68,740	4,180	113,007	4,704	117,711	142,395	95.95%	**2044**
2045					70,366	2,536	70,366	2,536	72,901	72,030	97.95%	**2045**
2046					72,030	852	72,030	852	72,881	0	100.00%	**2046**
	1,696,599	327,829	658,044	149,827	1,164,233	299,569	3,518,876	777,226	4,296,102			

1) Pursuant to the Wisconsin Capital Finance Office, Project No. 4764-14, the amount of disbursements as of October 25, 2026, is $1,006,971.43. The schedule shown assumes full draws of the loan.

OVERLAPPING DEBT[1]

Taxing District	2026 Equalized Value[2]	% In City	Total G.O. Debt[3]	City's Proportionate Share
Dodge County	$12,608,908,200	17.2744%	$13,935,000	$2,407,188
Moraine Park Technical College District	52,756,487,368	4.1286%	81,125,000	3,349,327
Beaver Dam School District	3,291,875,678	66.1665%	127,390,000	84,289,504
City's Share of Total Overlapping Debt				$90,046,019

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value $2,178,118,000	Debt/ Per Capita 16,763[4]
Total General Obligation Debt*	$50,466,746	2.32%	$3,010.60
City's Share of Total Overlapping Debt	90,046,019	4.13%	5,371.71
Total*	$140,512,765	6.45%	$8,382.32

*Preliminary, subject to change.

[1] Overlapping debt is as of the dated date of the Notes. Only those taxing jurisdictions with general obligation debt outstanding are included in this section.

[2] Includes tax increment valuation.

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

[4] Estimated 2026 population.

TAX LEVIES, COLLECTIONS AND RATES

TAX LEVIES AND COLLECTIONS

Tax Year	Levy for City Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per $1,000
2021/22	$12,407,491	100%	$9.26
2022/23	13,335,333	100%	8.90
2023/24	15,034,313	100%	9.12
2024/25	13,370,894	100%	7.96
2025/26	13,936,982	100%	7.62

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:

Year Levied/ Year Collected	Schools[1]	County	Local	Total
2021/22	$8.83	$4.60	$9.26	$22.69
2022/23	8.24	4.07	8.90	21.21
2023/24	7.67	3.64	9.12	20.43
2024/25	7.44	3.39	7.96	18.79
2025/26	7.43	3.30	7.62	18.35

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

LEVY LIMITS

Section 66.0602 of the Wisconsin Statutes, imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of either the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current or zero percent; for a tax incremental district created after December 31, 2024, the valuation factor includes 90% of the equalized value increase due to new construction that is located in a tax incremental district, but does not include any improvements removed in a tax incremental district). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. In 2018, and in each year thereafter, the base amount is the actual levy for the immediately preceding year plus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes (an amount equal to the property taxes formerly levied on certain items of personal property), and the levy limit is the base amount multiplied by the valuation factor, minus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

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

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

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

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.

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

REVENUE FROM THE STATE

In addition to local property taxes described above, a number of State programs exist which provide revenue to the City. One such program is commonly known as shared revenue which, pursuant to sec. 79.036, Wis. Stats., provides funding to the City that can be used for any public purpose. Chapter 79, Wis. Stats. includes other revenue sharing programs, which each have their own requirements. 2023 Wisconsin Act 12 ("Act 12") created a supplement to shared revenue, with payments to the City beginning in 2024. This supplemental shared revenue may be used only for the purposes specified in section 79.037, Wis. Stats. In 2026, the City received approximately $1,855,600 in shared revenue under Chapter 79, Wis. Stats., an increase from the approximately $1,796,800 received in 2025. The City is expected to receive approximately $2,694,200 in shared revenue under Chapter 79, Wis. Stats. in 2027. In future years, the amount of supplemental shared revenue could grow if State sales tax collections grow.

THE ISSUER

CITY GOVERNMENT

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

EMPLOYEES; PENSIONS

The City employs a staff of 120 full-time, 28 part-time, and 114 seasonal employees. All eligible employees in the City are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The WRS is a cost-sharing multiple-employer defined benefit pension plan. The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

City employees are generally required to contribute half of the actuarially determined contributions, and the City generally may not pay the employees' required contribution. During the fiscal year ended December 31, 2023, the fiscal year ended December 31, 2024 and the fiscal year ended December 31, 2025 ("Fiscal Year 2025"), the City's portion of contributions to WRS (not including any employee contributions) totaled $1,056,881, $1,139,976 and $1,313,498, 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, 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.

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 2025, the City reported a liability of $1,292,850 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2024 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 0.07868046% of the aggregate WRS net pension liability as of December 31, 2024.

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 12 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.

The following bargaining units represent employees of the City:

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

*Beaver Dam Fire Department (Paid on Call) contract is in the process of starting negotiations.

[1] On July 3, 2024, a Wisconsin circuit court judge issued a decision in the case *Abbotsford Education Association vs. Wisconsin Employment Relations Commission, Case No. 2023CV3152*, denying the Wisconsin State Legislature's intervening motion to dismiss the plaintiffs' challenge to the different classifications the Act created regarding collective bargaining rights. The Circuit 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 Circuit Court issued an order granting the plaintiffs' motion for judgment on the pleadings and striking down substantial portions of the Act. The Circuit Court's decision was appealed to the Wisconsin Court of Appeals. On January 23, 2025, the Court of Appeals granted a motion to stay the decision pending outcome of the appeal. On July 29, 2026, the Court of Appeals overturned the Circuit Court's decision and upheld the Act. On August 17, 2026, the plaintiffs petitioned the Wisconsin Supreme Court for review, and no guarantee can be made regarding the outcome of the matter.

OTHER POST EMPLOYMENT BENEFITS

The City provides "other post-employment benefits" ("OPEB") (i.e., post-employment benefits, other than pension benefits, owed to its employees and former employees) to employees who have terminated their employment with the City and have satisfied specified eligibility standards through a single-employer defined benefit plan. Membership of the plan consisted of 25 retirees receiving benefits and 111 active plan members as of December 31, 2025, the date of the latest actuarial valuation.

OPEB calculations are required to be updated every two years. Prior to fiscal years beginning after June 15, 2017, OPEB calculations were required to be prepared in accordance with Statement No. 45 of the Governmental Accounting Standards Board ("GASB 45") regarding retiree health and life insurance benefits, and related standards. For fiscal years beginning after June 15, 2017, OPEB calculations are required to be prepared in accordance with Statement No. 75 of the Governmental Accounting Standards Board ("GASB 75"). An actuarial study for the plan prepared in accordance with GASB 75 was most recently completed by Foster & Foster in February of 2026 with a valuation date of December 31, 2025 (the "Actuarial Report").

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

As of December 31, 2025, the plan's total OPEB liability was $2,254,751 and the plan fiduciary net position was $0, resulting in a net OPEB liability of $2,254,751.

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

The City does not pay directly for retirees' post-employment benefits. The City has some obligations for post-employment benefits as mandated by State Statutes. Specifically, the City is required to allow retirees to be covered by the City's health care plan as long as the retiree pays his/her premiums. Retiree membership in a health care plan typically increases costs of the premiums. This increased cost is commonly known as implicit price subsidy.

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 2025, the City's portion of contributions to the LRLIF totaled $2,635. For Fiscal Year 2025, the City reported a liability of $490,238 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2024 based on the City's share of contributions to the LRLIF relative to the contributions of all participating employers. The City's proportion was 0.12530800% of the aggregate LRLIF net OPEB liability as of December 31, 2024.

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 13 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 Notes or otherwise questioning the validity of the Notes.

MUNICIPAL BANKRUPTCY

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

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

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

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

FUNDS ON HAND (as of August 31, 2026)

Fund	Total Cash and Investments
General	$9,578,479
Special Revenue	605,716
Debt Service	1,450,484
Capital Projects	5,851,911
Enterprise Funds	13,952,236
Total Funds on Hand	$31,438,826

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 Audited
Water			
Total Operating Revenues	$3,581,804	$3,478,708	$4,744,042
Less: Operating Expenses	(3,348,025)	(4,189,594)	(3,639,791)
Operating Income	$233,779	($710,886)	$1,104,251
Plus: Depreciation	1,142,969	1,188,894	1,013,395
Interest Income	171,278	160,475	244,608
Revenues Available for Debt Service	$1,548,026	$638,483	$2,362,254
Sewer			
Total Operating Revenues	$6,601,172	$6,084,919	$7,334,735
Less: Operating Expenses	(5,354,634)	(5,677,840)	(5,736,404)
Operating Income	$1,246,538	$407,079	$1,598,331
Plus: Depreciation	1,588,304	1,622,702	1,648,333
Interest Income	184,168	277,857	341,930
Revenues Available for Debt Service	$3,019,010	$2,307,638	$3,588,594
Storm Water			
Total Operating Revenues	$1,618,442	$1,773,340	$1,741,824
Less: Operating Expenses	(1,107,634)	(1,107,405)	(1,246,753)
Operating Income	$510,808	$665,935	$495,071
Plus: Depreciation	503,826	528,262	541,581
Interest Income	67,063	113,678	139,088
Revenues Available for Debt Service	$1,081,697	$1,307,875	$1,175,740

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 2025 audited financial statements.

	FISCAL YEAR ENDING DECEMBER 31			
COMBINED STATEMENT				
	2022 Audited	**2023 Audited**	**2024 Audited**	**2025 Audited**
Revenues				
Taxes	$9,327,023	$9,026,551	$9,111,010	$8,912,189
Intergovernmental	3,519,470	3,929,689	4,563,313	5,466,567
Licenses and permits	412,433	468,929	670,899	2,378,744
Fines and forfeits	194,889	189,062	175,421	183,926
Public charges for services	1,310,713	1,486,924	1,873,243	1,691,223
Intergovernmental charges	6,445	5,578	6,148	14,066
Miscellaneous	(300,387)	796,355	1,016,915	1,540,325
Total Revenues	$14,470,586	$15,903,088	$17,416,949	$20,187,040
Expenditures				
Current:				
General government	$1,602,449	$1,899,289	$2,135,273	$1,889,414
Public safety	8,738,317	9,198,131	11,032,047	11,279,581
Public works	1,752,247	1,903,371	2,300,631	2,196,212
Health and human services	1,012,880	61,465	57,043	70,067
Culture and recreation	2,002,705	2,160,917	2,280,377	3,629,659
Conservation and development	252,553	163,706	192,021	204,320
Total Expenditures	$15,361,151	$15,386,879	$17,997,392	$19,269,253
Excess of revenues over (under) expenditures	($890,565)	$516,209	($580,443)	$917,787
Other Financing Sources (Uses)				
Long-term debt issued	$0	$0	$3,092,905	$850,000
Transfers in	493,855	504,471	466,090	462,192
Transfers (out)	0	0	(1,527,093)	(1,686,638)
Total Other Financing Sources (Uses)	493,855	504,471	2,031,902	(374,446)
Net changes in Fund Balances	($396,710)	$1,020,680	$1,451,459	$543,341
General Fund Balance January 1	$5,154,006	$4,757,296	$5,777,976	$7,229,435
General Fund Balance December 31	$4,757,296	$5,777,976	$7,229,435	$7,772,776
DETAILS OF DECEMBER 31 FUND BALANCE				
Nonspendable	$184,483	$187,352	$209,122	$202,629
Restricted	0	0	0	2,098,029
Assigned	594,242	0	179,791	171,008
Unassigned	3,978,571	5,590,624	6,840,522	5,301,110
Total	$4,757,296	$5,777,976	$7,229,435	$7,772,776

GENERAL FUND BUDGET SUMMARY

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31 2026 Adopted Budget[1]
Revenues	
Taxes	$9,561,814
Integovernmental	5,021,913
Licenses and permits	576,900
Fines and forfeits	200,000
Public charges for services	1,998,068
Intergovernmental charges	387,000
Miscellaneous	992,679
Total Revenues	$18,738,374
Expenditures	
General government	$2,514,537
Public safety	10,503,545
Public works	2,102,365
Health and human services	69,736
Culture and recreation	2,172,587
Conservation and development	165,000
Total Expenditures	$17,527,770
Excess of revenues over (under) expenditures	$1,210,604
Other Financing Sources (Uses)	
Long-term debt issued	$0
Transfers in	197,600
Transfers (out)	(1,408,204)
Total Other Financing Sources (Uses)	(1,210,604)
Net changes in Fund Balances	$0

[1] The 2026 budget was adopted on November 17, 2025.

GENERAL INFORMATION

LOCATION

The City, with a 2020 U.S. Census population of 16,708 and a current preliminary estimated population of 16,763 comprises an area of 8.54 square miles and is located approximately 62 miles northwest of Milwaukee and 35 miles northeast of Madison.

LARGER EMPLOYERS[1]

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Wal-Mart Distribution Center & Transportation Dept.	Warehouse/distribution center & transportation dept.	668
Beaver Dam Unified School District	Elementary and secondary education	437
Marshfield Medical Center Beaver Dam	Hospital	430
Richelieu Foods Inc.	Frozen pizza	400
Wal-Mart	Retail	375
The City	Municipal government and services	292
Kraft Heinz Company	Cream cheese products	280
Metalcraft	Manufacturing	225
Mayville Engineering Company	Electro-coating, liquid & powder coating	223
Mittera Group	Commercial printer	125

Source: The City, Data Axle Reference Solutions, written and telephone survey, Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development.

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

BUILDING PERMITS (as of September 30, 2026)

	2022	2023	2024	2025	2026
New Single Family Homes					
No. of building permits	215	21	27	15	8
Valuation	$6,264,200	$5,029,600	$8,140,000	$4,721,000	$4,200,000
New Multiple Family Buildings					
No. of building permits	2	0	6	5	0
Valuation	$2,550,000	$0	$9,900,000	$12,035,000	$0
New Commercial/Industrial					
No. of building permits	109	4	1	6	7
Valuation	$22,035,400	$4,006,000	$27,900,000	$353,160,000	$145,859,000
All Building Permits *(including additions and remodelings)*					
No. of building permits	326	307	316	316	279
Valuation	$30,849,600	$29,047,760	$70,460,150	$401,190,800	$162,771,200

Source: The City.

U.S. CENSUS DATA

Population Trend: The City

2010 U.S. Census Population	16,214
2020 U.S. Census Population	16,708
Percent of Change 2010 - 2020	3.05%
2026 Estimated Population	16,763

Income and Age Statistics

	The City	Dodge County	State of Wisconsin	United States
2024 per capita income	$37,703	$38,304	$43,373	$44,673
2024 median household income	$66,673	$75,929	$77,485	$80,734
2024 median family income	$88,374	$94,523	$100,141	$99,999
2024 median gross rent	$959	$988	$1,087	$1,413
2024 median value owner occupied units	$201,900	$231,900	$266,500	$332,700
2024 median age	40.1 yrs.	43.0 yrs.	40.2 yrs.	38.9 yrs.

	State of Wisconsin	United States
City % of 2024 per capita income	86.93%	84.40%
City % of 2024 median family income	88.25%	88.37%

Housing Statistics

	The City		
	2020	2024	Percent of Change
All Housing Units	7,699	7,831	1.71%

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.

	Average Employment	Average Unemployment	
Year	Dodge County	Dodge County	State of Wisconsin
2022	47,262	2.5%	2.8%
2023	48,101	2.4%	2.8%
2024	48,314	2.6%	3.0%
2025[1]	48,096	2.7%	3.2%
2026, September[1]	50,344	2.3%	2.9%

Source: Wisconsin Department of Workforce Development.

[1] Preliminary.

APPENDIX A

FINANCIAL STATEMENTS

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

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

WIPFLI

City of Beaver Dam, Wisconsin

Financial Report

Year Ended December 31, 2025

City of Beaver Dam

Financial Statements and Supplementary Financial Information

Year Ended December 31, 2025

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City of Beaver Dam

Financial Statements and Supplementary Financial Information

Year Ended December 31, 2025

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WIPFLI

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Beaver Dam (the "City"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Beaver Dam, as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

"Wipfli" is the brand name under which Wipfli LLP and Wipfli Advisory LLC and its respective subsidiary entities provide professional services. Wipfli LLP and Wipfli Advisory LLC (and its respective subsidiary entities) practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations, and professional standards. Wipfli LLP is a licensed independent CPA firm that provides attest services to its clients, and Wipfli Advisory LLC provides tax and business consulting services to its clients. Wipfli Advisory LLC and its subsidiary entities are not licensed CPA firms.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

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Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule - general fund, the schedules of the employer's proportionate share of the net pension and OPEB liability (asset) and employer contributions – Wisconsin Retirement System and LRLIF, and the schedule of changes in the employer's total OPEB liability and related ratios - City OPEB plan be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

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

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2026, on our consideration of the City of Beaver Dam's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP

Sterling, Illinois
September 16, 2026

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Government-Wide Financial Statements

City of Beaver Dam

Statement of Net Position

December 31, 2025

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments - unrestricted	$ 22,490,739	$ 14,578,141	$ 37,068,880
Cash and investments - restricted	-	2,186,857	2,186,857
Receivables			
Taxes	10,715,531	-	10,715,531
Accounts	554,458	842,033	1,396,491
Leases	-	4,361,884	4,361,884
Special Assessments	129,888	1,372	131,260
Loans	2,279,370	-	2,279,370
Other asset	-	679,792	679,792
Internal balances	45,113	(45,113)	-
Inventories and prepaid items	202,629	235,771	438,400
Capital assets, nondepreciable	7,740,001	2,501,379	10,241,380
Capital assets, depreciable, net	49,320,540	51,411,458	100,731,998
Total assets	93,478,269	76,753,574	170,231,842
Deferred outflows related to pensions/OPEB	7,056,021	1,268,575	8,324,596
Liabilities:			
Accounts payable	1,940,127	944,591	2,884,718
Other accrued liabilities	357,348	71,289	428,637
Accrued interest	609,135	178,907	788,042
Unearned revenue	-	72,100	72,100
Special deposits	1,812,454	-	1,812,454
Long-term obligations			
Due within one year	4,373,254	2,084,699	6,457,953
Due in more than one year	44,607,493	19,324,227	63,931,720
Total liabilities	53,699,811	22,675,813	76,375,624
Deferred inflows of resources:			
Unearned property taxes	15,583,390	-	15,583,390
Deferred inflows related to leases	-	4,478,804	4,478,804
Deferred inflows related to pensions/OPEB	3,977,453	686,406	4,663,859
Total deferred inflows of resources	19,560,843	5,165,210	24,726,053
Net position:			
Net investment in capital assets	16,875,821	33,646,778	50,522,599
Restricted	8,375,726	-	8,375,726
Unrestricted	2,022,089	16,534,348	18,556,437
Total net position	$ 27,273,636	$ 50,181,126	$ 77,454,762

See accompanying notes to the financial statements.

City of Beaver Dam

Statement of Activities

For the Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities:				
General government	$ 2,688,020	$ 2,470,234	$ 438,306	$ -
Public safety	12,353,833	1,583,330	432,765	-
Public works	5,755,191	371,149	1,925,314	1,034,659
Health and human services	70,067	61,617	-	-
Culture, recreation and education	4,061,161	77,216	-	823,101
Conservation and development	5,394,143	6,079	284,000	25,623
Interest and fiscal charges	1,275,288	-	-	-
Total governmental activities	31,597,703	4,569,625	3,080,385	1,883,383
Business-type activities:				
Water utility	3,768,323	4,744,042	-	207,931
Wastewater utility	6,093,031	7,334,735	-	118,102
Stormwater utility	1,392,669	1,741,824	-	58,760
Solid waste	1,083,534	1,094,603	-	-
Total business-type activities	12,337,557	14,915,204	-	384,793
Total	$ 43,935,260	$ 19,484,829	$ 3,080,385	$ 2,268,176
General revenues:				
Taxes:				
Property taxes, levied for general purposes				
Tax increments				
Other taxes				
Cable television revenues				
Federal and state grants and other contributions not restricted to specific functions				
Investment income (loss)				
Gain sale of assets				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning				
Net position - ending				

See accompanying notes to the financial statements.

City of Beaver Dam

Statement of Activities - Continued
For the Year Ended December 31, 2025

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
	$ 220,520	$ -	$ 220,520
	(10,337,738)	-	(10,337,738)
	(2,424,069)	-	(2,424,069)
	(8,450)	-	(8,450)
	(3,160,844)	-	(3,160,844)
	(5,078,441)	-	(5,078,441)
	(1,275,288)	-	(1,275,288)
	(22,064,310)	-	(22,064,310)
	-	1,183,650	1,183,650
	-	1,359,806	1,359,806
	-	407,915	407,915
	-	11,069	11,069
	-	2,962,440	2,962,440
	(22,064,310)	2,962,440	(19,101,870)
	13,370,893	-	13,370,893
	1,563,215	-	1,563,215
	279,302	-	279,302
	146,383	-	146,383
	3,223,917	53,210	3,277,127
	979,747	727,564	1,707,311
	(191,256)	5,139	(186,117)
	165,083	-	165,083
	462,192	(462,192)	-
	19,999,476	323,721	20,323,197
	(2,064,834)	3,286,161	1,221,327
	29,338,470	46,894,965	76,233,435
	$ 27,273,636	$ 50,181,126	$ 77,454,762

See accompanying notes to the financial statements.

Fund Financial Statements

City of Beaver Dam

Balance Sheet - Governmental Funds

December 31, 2025

	General Fund	Housing Rehabilitation Fund	Debt Service Fund
Assets:			
Cash and investments	$ 14,753,657	$ 314,461	$ 328,713
Receivables			
Taxes	3,769,439	-	5,155,288
Accounts	445,376	-	-
Special assessments	-	-	-
Loans	-	2,279,370	-
Due from other funds	589,483	-	-
Prepaid expenses	202,629	-	-
Total assets	$ 19,760,584	$ 2,593,831	$ 5,484,001
Liabilities, Deferred Inflows of Resources and Fund Balances:			
Liabilities:			
Accounts payable	$ 903,121	$ 4,423	$ -
Other accrued liabilities	357,348	-	-
Deposits	1,783,103	-	-
Due to other funds	121,009	-	-
Total liabilities	3,164,581	4,423	-
Deferred inflows of resources:			
Property taxes	8,637,298	-	5,155,288
Unavailable revenue	185,928	2,279,370	-
Total deferred inflows of resources	8,823,226	2,279,370	5,155,288
Fund balances:			
Nonspendable	202,629	-	-
Restricted	2,098,029	310,038	328,713
Assigned	171,009	-	-
Unassigned	5,301,110	-	-
Total fund balances	7,772,777	310,038	328,713
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 19,760,584	$ 2,593,831	$ 5,484,001

See accompanying notes to the financial statements.

City of Beaver Dam

Balance Sheet - Governmental Funds

December 31, 2025

	Capital Projects Fund	TID No. 7	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Cash and investments	$ 5,227,085	$ 572,548	$ 1,294,275	$ 22,490,739
Receivables				
Taxes	-	680,271	1,110,533	10,715,531
Accounts	-	-	109,082	554,458
Special assessments	129,888	-	-	129,888
Loans	-	-	-	2,279,370
Due from other funds	-	-	-	589,483
Prepaid expenses	-	-	-	202,629
Total assets	$ 5,356,973	$ 1,252,819	$ 2,513,890	$ 36,962,098
Liabilities, Deferred Inflows of Resources and Fund Balances:				
Liabilities:				
Accounts payable	$ 939,684	$ 2,555	$ 90,344	$ 1,940,127
Other accrued liabilities	-	-	-	357,348
Deposits	29,351	-	-	1,812,454
Due to other funds	-	-	423,361	544,370
Total liabilities	969,035	2,555	513,705	4,654,299
Deferred inflows of resources:				
Property taxes	-	680,271	1,110,533	15,583,390
Unavailable revenue	129,888	-	-	2,595,186
Total deferred inflows of resources	129,888	680,271	1,110,533	18,178,576
Fund balances:				
Nonspendable	-	-	-	202,629
Restricted	4,258,050	569,993	1,139,616	8,704,439
Assigned	-	-	-	171,009
Unassigned	-	-	(249,964)	5,051,146
Total fund balances	4,258,050	569,993	889,652	14,129,223
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 5,356,973	$ 1,252,819	$ 2,513,890	$ 36,962,098

See accompanying notes to the financial statements.

City of Beaver Dam

Reconciliation of the Balance Sheet - Governmental Funds - to the Statement of Net Position

December 31, 2025

Total fund balance - governmental funds	$	14,129,223
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund statements		57,060,541
Other long-term assets are not available to pay current expenditures and therefore are deferred in the funds		2,595,186
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the fund statements:		
Deferred outflows of resources		7,056,021
Deferred inflows of resources		(3,977,453)
Some liabilities are not due and payable in the current period and, therefore are not reported in the funds:		
Bonds and notes payable		(40,842,903)
Debt premium		(1,584,720)
Landfill postclosure liability		(388,163)
Compensated absences		(2,486,809)
Net pension liability		(1,085,709)
Post-employment benefits payable		(2,592,443)
Accrued interest on long-term obligations		(609,135)
Total net position of governmental activities	$	27,273,636

See accompanying notes to the financial statements.

City of Beaver Dam

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2025

	General Fund	Housing Rehabilitation Fund	Debt Service Fund
Revenues:			
Taxes	$ 8,912,189	$ -	$ 4,738,006
Intergovernmental	5,466,567	-	-
Licenses and permits	2,378,744	-	-
Fines and forfeits	183,926	-	-
Public charges for services	1,691,223	-	-
Intergovernmental charges	14,066	-	-
Miscellaneous	1,540,325	96,788	-
Total revenues	20,187,040	96,788	4,738,006
Expenditures:			
Current:			
General government	1,889,414	-	2,109
Public safety	11,279,581	-	-
Public works	2,196,212	-	-
Health and human services	70,067	-	-
Culture and recreation	3,629,659	-	-
Conservation and development	204,320	94,875	-
Debt service:			
Principal	-	-	3,635,000
Interest and fiscal charges	-	-	1,103,006
Capital outlay	-	-	-
Total expenditures	19,269,253	94,875	4,740,115
Excess of revenues over (under) expenditures	917,787	1,913	(2,109)
Other Financing Sources (Uses)			
Long-term debt issued	850,000	-	-
Premium on debt issued	-	-	-
Sales of capital assets	-	-	-
Transfers in	462,192	-	-
Transfers out	(1,686,638)	-	-
Total other financing sources (uses)	(374,446)	-	-
Net Change in Fund Balances	543,341	1,913	(2,109)
Fund Balances - beginning, as previously reported	7,229,436	308,125	330,822
Change in reporting entity	-	-	
Fund Balances - beginning, as restated	7,229,436	308,125	330,822
Fund Balances - ending	$ 7,772,777	$ 310,038	$ 328,713

See accompanying notes to the financial statements.

City of Beaver Dam

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2025

	Capital Projects Fund	TID No. 7	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	$ -	$ 574,533	$ 988,682	$ 15,213,410
Special assessments	90,093	-	-	90,093
Intergovernmental	1,000,623	1,768	1,128,489	7,597,447
Licenses and permits	-	-	-	2,378,744
Fines and forfeits	-	-	-	183,926
Public charges for services	-	-	-	1,691,223
Intergovernmental charges	-	-	-	14,066
Miscellaneous	229,830	90,136	74,798	2,031,877
Total revenues	1,320,546	666,437	2,191,969	29,200,786
Expenditures:				
Current:				
General government	9,553	186,999	28,826	2,116,901
Public safety	-	-	-	11,279,581
Public works	-	2,794	839,718	3,038,724
Health and human services	-	-	-	70,067
Culture and recreation	-	-	-	3,629,659
Conservation and development	40,294	4,500,000	547,328	5,386,817
Debt service:				
Principal	-	275,000	200,000	4,110,000
Interest and fiscal charges	53,080	115,614	74,850	1,346,550
Capital outlay	6,491,327	105,369	191,756	6,788,452
Total expenditures	6,594,254	5,185,776	1,882,478	37,766,751
Excess of revenues over (under) expenditures	(5,273,708)	(4,519,339)	309,491	(8,565,965)
Other Financing Sources (Uses)				
Long-term debt issued	1,850,000	2,500,000	-	5,200,000
Premium on debt issued	79,433	-	-	79,433
Sales of capital assets	157,217	-	-	157,217
Transfers in	1,902,678	-	118,956	2,483,826
Transfers out	-	-	(334,996)	(2,021,634)
Total other financing sources (uses)	3,989,328	2,500,000	(216,040)	5,898,842
Net Change in Fund Balances	(1,284,380)	(2,019,339)	93,451	(2,667,123)
Fund Balances - beginning, as previously restated	5,542,430	-	3,385,533	16,796,346
Change within reporting entity	-	2,589,332	(2,589,332)	-
Fund Balances - beginning, as restated	5,542,430	2,589,332	796,201	16,796,346
Fund Balances - ending	$ 4,258,050	$ 569,993	$ 889,652	$ 14,129,223

See accompanying notes to the financial statements.

City of Beaver Dam

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2025

Net change in fund balance - governmental funds	$ (2,667,123)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital expenditures reported in governmental fund statements	5,587,213
Depreciation expense reported in the statement of activities	(3,085,259)
The net effect of miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(348,473)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(18,284)
Vested employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. This amount is the net effect of the changes in employee benefit accounts	(549,456)
Debt issued, including premiums, provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.	(5,200,000)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.	
The amount of long-term debt principal payments in the current year is	4,110,000
This is the decrease in the landfill postclosure liability	35,287
Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid; in the statement of activities interest is reported as it accrues.	71,262
Change in net position - governmental activities	$ (2,064,833)

See accompanying notes to the financial statements.

City of Beaver Dam

Statement of Net Position - Proprietary Funds

December 31, 2025

	Water Utility	Wastewater Utility	Stormwater Utility	Non-Major - Solid Waste	Total
Assets:					
Current assets:					
Cash and investments - unrestricted	$ 3,965,581	$ 7,278,097	$ 3,205,011	$ 129,452	$ 14,578,141
Cash and investments - restricted	241,507	1,945,350	-	-	2,186,857
Accounts receivable	459,015	277,044	46,173	61,173	843,405
Lease receivable-current	39,530	-	-	-	39,530
Due from other funds	-	-	46,294	74,715	121,009
Inventory	178,136	11,641	45,994	-	235,771
Total current assets	4,883,769	9,512,132	3,343,472	265,340	18,004,713
Noncurrent assets:					
Other asset	679,792	-	-	-	679,792
Lease receivable-noncurrent	4,322,354	-	-	-	4,322,354
Capital assets, nondepreciable	1,024,726	1,028,072	448,581	-	2,501,379
Capital assets, depreciable	15,370,771	23,687,406	12,353,281	-	51,411,458
Total noncurrent assets	21,397,643	24,715,478	12,801,862	-	58,914,983
Total assets	26,281,412	34,227,610	16,145,334	265,340	76,919,696
Deferred outflows related to pensions/OPEB	449,397	559,483	176,518	83,177	1,268,575
Total assets and deferred outflows of resources	$ 26,730,809	$ 34,787,093	$ 16,321,852	$ 348,517	$ 78,188,271
Liabilities:					
Current liabilities:					
Accounts payable	$ 549,528	$ 207,331	$ 46,434	$ 141,298	$ 944,591
Other accrued liabilities	64,999	122,682	62,332	183	250,196
Unearned revenue	-	72,100	-	-	72,100
Due to other funds	119,128	46,994	-	-	166,122
Current portion of long-term debt	223,810	1,247,429	606,005	7,455	2,084,699
Total current liabilities	957,465	1,696,536	714,771	148,936	3,517,708
Noncurrent liabilities:					
Long term debt	4,347,107	10,539,195	3,645,834	26,321	18,558,457
Compensated absences	100,567	270,615	34,901	-	406,083
Net pension liability	73,484	90,683	29,210	13,764	207,141
Post-employment benefits	51,312	84,938	11,076	5,220	152,546
Total noncurrent liabilities	4,572,470	10,985,431	3,721,021	45,305	19,324,227
Total liabilities	5,529,935	12,681,967	4,435,792	194,241	22,841,935
Deferred inflow of resources:					
Deferred inflows related to leases	4,478,804	-	-	-	4,478,804
Deferred inflows related to pensions/OPEB	242,912	304,344	94,582	44,568	686,406
Total deferred inflow of resources	4,721,716	304,344	94,582	44,568	5,165,210
Net position:					
Net investment in capital assets	11,957,762	13,093,004	8,596,012	-	33,646,778
Unrestricted	4,521,396	8,707,778	3,195,466	109,708	16,534,348
Total net position	16,479,158	21,800,782	11,791,478	109,708	50,181,126
Total liabilities, deferred inflows of resources and net position	$ 26,730,809	$ 34,787,093	$ 16,321,852	$ 348,517	$ 78,188,271

See accompanying notes to the financial statements.

City of Beaver Dam

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
For the Year Ended December 31, 2025

	Water Utility	Wastewater Utility	Stormwater Utility	Non-Major - Solid Waste	Total
Operating revenues:					
Charges for services	$ 4,592,521	$ 7,236,514	$ 1,728,374	$ 1,076,704	$ 14,634,113
Other operating revenues	151,521	98,221	13,450	17,899	281,091
Total operating revenues	4,744,042	7,334,735	1,741,824	1,094,603	14,915,204
Operating expenses:					
Operation and maintenance	2,626,396	4,088,071	705,172	1,083,534	8,503,173
Depreciation and amortization	1,013,395	1,648,333	541,581	-	3,203,309
Total operating expenses	3,639,791	5,736,404	1,246,753	1,083,534	11,706,482
Operating income	1,104,251	1,598,331	495,071	11,069	3,208,722
Nonoperating revenues (expenses):					
Interest income	244,608	341,930	139,088	1,938	727,564
Interest expense	(123,314)	(319,373)	(129,919)	-	(572,606)
Debt issuance costs	(5,218)	(37,254)	(15,997)	-	(58,469)
State grants	-	22,331	-	53,210	75,541
Gain on sale of assets	4,622	517	-	-	5,139
Total nonoperating revenues (expenses)	120,698	8,151	(6,828)	55,148	177,169
Net income before capital contributions and transfers	1,224,949	1,606,482	488,243	66,217	3,385,891
Capital contributions	207,931	95,771	58,760	-	362,462
Transfers out	(443,549)	(18,643)	-	-	(462,192)
Change in net position	989,331	1,683,610	547,003	66,217	3,286,161
Net position - beginning	15,489,827	20,117,172	11,244,475	43,491	46,894,965
Net position - ending	$ 16,479,158	$ 21,800,782	$ 11,791,478	$ 109,708	$ 50,181,126

See accompanying notes to the financial statements.

City of Beaver Dam

Statement of Cash Flows - Proprietary Funds

For the Year Ended December 31, 2025

	Water Utility	Wastewater Utility	Stormwater Utility	Non-Major - Solid Waste	Total
Cash flows from operating activities:					
Cash received from customers	$ 4,330,889	$ 7,246,940	$ 1,733,090	$ 1,087,508	$ 14,398,427
Cash payments to suppliers	(2,193,426)	(3,700,401)	(388,156)	(878,301)	(7,160,284)
Cash payments to employees	(596,867)	(662,299)	(291,282)	(128,786)	(1,679,234)
Net cash from operating activities	1,540,596	2,884,240	1,053,652	80,421	5,558,909
Cash flows from noncapital financing activities:					
Due to/from other funds	(54,421)	1,678	(3,913)	(6,117)	(62,773)
Transfer out	(443,549)	(18,643)	-	-	(462,192)
Net cash from noncapital financing activities	(497,970)	(16,965)	(3,913)	(6,117)	(524,965)
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(1,370,743)	(1,454,972)	(416,793)	-	(3,242,508)
Sale of capital assets	4,622	517	-	-	5,139
Capital contributions	207,931	95,771	58,760	-	362,462
State grants		22,331	-	53,210	75,541
Proceeds from debt	310,000	1,895,000	-	-	2,205,000
Principal payments on long-term debt	(258,889)	(1,235,961)	(629,428)	-	(2,124,278)
Interest payments on long-term debt	(134,991)	(317,047)	(152,208)	-	(604,246)
Debt issuance costs	(5,218)	(37,254)	(15,997)	-	(58,469)
Issuance of bond premiums	9,120	55,750	15,997	-	80,867
Net cash from capital and related financing activities	(1,238,168)	(975,865)	(1,139,669)	53,210	(3,300,492)
Cash flows from investing activities:					
Interest income received	244,608	341,930	139,088	1,938	727,564
Change in cash and cash equivalents	49,066	2,233,340	49,158	129,452	2,461,016
Cash and cash equivalents - beginning	4,158,022	6,990,107	3,155,853	-	14,303,982
Cash and cash equivalents - ending	$ 4,207,088	$ 9,223,447	$ 3,205,011	$ 129,452	$ 16,764,998
Reconciliation of operating income to net cash from operating activities:					
Operating income	$ 1,104,251	$ 1,598,331	$ 495,071	$ 11,069	$ 3,208,722
Adjustments to reconcile operating income to net cash from operating activities					
Depreciation and amortization	1,013,395	1,648,333	541,581	-	3,203,309
Depreciation charges to clearing and other utilities	67,966	-	-	-	67,966
Changes in assets, liabilities and deferrals					
Receivables	(351,509)	(87,795)	(8,734)	(7,095)	(455,133)
Inventory	(12,603)	2,803	38,828	-	29,028
Pension related deferrals and liabilities	29,572	35,392	5,311	11,101	81,376
Accounts payable	(220,343)	(359,632)	(18,279)	69,783	(528,471)
Accrued liabilities	3,104	(18,758)	484	(2,419)	(17,589)
Compensated absences	(31,593)	65,566	(610)	(2,018)	31,345
Deferred inflows - leases	(61,644)	-	-	-	(61,644)
Net cash from operating activities	$ 1,540,596	$ 2,884,240	$ 1,053,652	$ 80,421	$ 5,558,909

See accompanying notes to the financial statements.

City of Beaver Dam

Statement of Fiduciary Net Position

December 31, 2025

	Custodial Funds
Assets:	
Cash and investments	$ 6,576,280
Receivables	
Taxes	13,047,052
Total assets	$ 19,623,332
Liabilities:	
Due to other governments	$ 19,623,332

See accompanying notes to the financial statements.

City of Beaver Dam

Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2025

	Custodial Funds
Additions:	
Property tax collections for other governments	$ 18,190,302
Deductions:	
Payments of property taxes to other governments	$ 18,190,302
Change in net position	-
Net position - beginning of year	-
Net position - end of year	$ -

See accompanying notes to the financial statements.

Note 1: Summary of Significant Accounting Policies

Introduction

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

Reporting Entity

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

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

Basis of Presentation

Government-Wide Financial Statements

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

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

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water, wastewater, stormwater, and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

Fund Financial Statements

Fund financial statements of the reporting entity are organized into individual funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses.

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

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

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

The City reports the following major governmental funds:

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

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

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

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

Tax Incremental District #7 – This fund is used to account for all financial resources used to fund the project plan costs of the City's Tax Incremental District No. 7.

The City reports the following major proprietary funds:

Water Utility – This fund accounts for the City's operation and maintenance of the water distribution system for residents, business entities, and public authorities of the City. Revenues are derived primarily from user charges and connection fees.

Wastewater Utility – This fund accounts for the City's operation and maintenance of the wastewater treatment and disposal system for residents, business entities and public authorities of the City. Revenues are derived primarily from user charges and connection fees.

Stormwater Utility – This fund accounts for the City's operation and maintenance of the stormwater treatment and disposal system. Revenues are derived primarily from user charges and connection fees.

Measurement Focus and Basis of Accounting

The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

are recognized when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as fund liabilities when expected to be paid with expendable available financial resources.

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

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

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

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

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

Deposits and Investments

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

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

Note 1: Summary of Significant Accounting Policies (Continued)

Deposits and Investments (Continued)

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

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

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

Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

Fair Value Measurements

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

Restricted Assets

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

Note 1: Summary of Significant Accounting Policies (Continued)

Receivables and Revenue Recognition

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

The 2024 tax levy is budgeted as property tax revenue for the year 2025 and is recognized as revenue in 2025 to the extent available. Real property tax assessments for the 2024 tax levy were based on assessed valuations as of January 1, 2024. The City levied property taxes pursuant to law in December 2024, at which time an enforceable legal claim is attached to properties. The County obtains liens on property for which taxes are delinquent on the third Tuesday in October each year. The County pays the City in full for real estate taxes by August 31 each year.

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

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

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

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

Lease Receivable

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

Note 1: Summary of Significant Accounting Policies (Continued)

Inventories and Prepaid Items

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

Payments made to vendors for services that will benefit periods beyond December 31, 2025, are recorded as prepayments. The cost of these services is recorded as expense when consumed rather than when purchased.

Capital Assets

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

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

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

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

Interfund Transactions

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

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

Note 1: Summary of Significant Accounting Policies (Continued)

Long-Term Obligations

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

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

Accumulated Unpaid Sick Pay and Other Employee Benefit Amounts

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

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

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

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

Other Post-Employment Benefits (OPEB). The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring following:

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

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

Deferred Outflows/Inflows of Resources

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

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

Note 1: Summary of Significant Accounting Policies (Continued)

Net Position

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

Fund Balances

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

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

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

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

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

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

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

Note 1: Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncement

During the fiscal year ended December 31, 2025, the City of Beaver Dam implemented the following GASB Pronouncements:

GASB Statement No. 102: *Certain Risk Disclosures*: As of January 1, 2025, the City implemented GASB Statement No. 102. The statement requires state and local governments to disclose information in notes to financial statements about specific, known risks related to concentrations and constraints that make them vulnerable to a substantial impact. The City adopted this guidance retroactively for the year beginning January 1, 2025. There was no financial impact on the City as a result of implementing this standard.

Note 2: Cash and Investments

The City's cash and investment balances at December 31, 2025 were as follows:

	Amount	Fair Value Level
Deposits with financial institutions	$ 24,599,005	N/A
Cash on hand	3,250	N/A
Wisconsin Local Government Investment Pool	18,313,321	N/A
Investments:		
Money market funds	111,139	Level 2
U.S. agencies	1,504,242	Level 2
Mutual funds - equity	1,301,060	Level 1
Total	$ 45,832,017	

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

Government-wide statement of net position	
Cash and investments - unrestricted	$ 37,068,880
Cash and investments - restricted	2,186,857
Fiduciary fund statement of net position	
Cash and investments	6,576,280
Total	$ 45,832,017

Deposits

Deposits at each bank in the state of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 for the combined amount of all time and savings accounts (including NOW accounts) and $250,000 for all demand deposit accounts (interest-bearing and non-interest-bearing). Accounts at each

Note 2: Cash and Investments (Continued)

institution outside the state of Wisconsin are insured by the FDIC up to $250,000 for the combined total of all deposit accounts. In addition, the State of Wisconsin Public Depository Guarantee Fund guarantees the City's deposits up to $1,000,000 per public depository. However, due to the relatively small size of the Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy is that funds may be only invested up to $500,000 at any financial institution unless the excess is collateralized. The City has no policy regarding foreign currency risk.

As of December 31, 2025, the City's bank balance of $25,473,810 was exposed to custodial credit risk as follows: $714,631 was covered by FDIC insurance, $870,834 was covered by the State of Wisconsin, and $13,824,038 was covered by collateral held in the City's name, and $10,064,308 was uninsured and uncollateralized.

Investments

The City has investments in the Wisconsin local government investment pool (LGIP). The LGIP is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2025, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value. The LGIP operates and reports to participants on the amortized cost basis. LGIP pool shares are bought and redeemed at $1 based on the amortized cost of the investments in the LGIP. The investment in LGIP is not subject to the fair value hierarchy disclosures.

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

Investment Type	Total	12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
U.S. agencies	$ 1,504,242	$ 125,332	$ 350,390	$ 904,182	$ 124,338

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

Note 3: Loans Receivable

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

The City is limited by the Wisconsin Department of Administration to the amount of program income from economic development loans that it may retain to be loaned to other businesses and/or the amount of time for which funds may be held without use. Program income includes the principal and interest received from economic development loan repayments. At December 31, 2025, the City has not exceeded the maximum amount of program income that it may retain or the amount of time for which funds may be held without use.

Note 4: Lessor Receivable

The City leases tower and ground space to a cellular operating companies. The lease term for one lease is for five years beginning February 1, 2021 and can be renewed every 5 years for an additional 6 five-year terms. Annual lease payments started at $32,413 and increase 3% each year. The payments are discounted at a rate of 1%. Total receipts on this lease were $37,919 for the year ended December 31, 2025. The lease term for another lease is for five years beginning February 10, 2021 and can be renewed every 5 years for an additional 7 five-year terms. Monthly lease payments started at $2,701 and increase 3% every year. The payments are discounted at a rate of 1%. Total receipts on this lease were $35,337 for the year ended December 31, 2025. The lease term for the third lease is for five years beginning February 1, 2021 and can be renewed every 5 years for an additional 4 five-year terms. Annual lease payments started at $29,409 and increase 3% each year. The payments are discounted at a rate of 1%. Total receipts on this lease were $33,820 for the year ended December 31, 2025. The lessor contributed equipment in the amount of $200,000 during the year ended December 31, 2022 in exchange for future required payments on the lease. The future minimum lease payments expected for these leases are as follows:

	Principal	Interest
2026	$ 39,530	$ 36,303
2027	42,583	35,919
2028	45,760	35,507
2029	65,196	35,062
2030	83,987	42,006
2031 - 2035	494,267	192,727
2036 - 2040	644,598	169,444
2041 - 2045	825,483	134,147
2046 - 2050	792,498	93,534
2051 - 2055	798,485	52,535
2055 - 2060	451,338	17,699
2061 - 2062	78,159	729
Total	$ 4,361,884	$ 845,612

Note 5: Interfund Balances and Activity

Interfund receivable and payable balances in the fund financial statements on December 31, 2025, are as follows:

Due From:	Due To: General Fund	Due To: Stormwater Utility	Due To: Solid Waste Utility
TID No. 9	$ 350,000	$ -	$ -
TID No. 10	295	-	-
Transit Fund	73,066	-	-
Water Utility	119,128	-	-
Wastewater Utility	46,994	-	-
General Fund	-	46,294	74,715
Totals	$ 589,483	$ 46,294	$ 74,715

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These amounts include balances of working capital loans to funds which the general fund expects to collect in the subsequent year.

Transfer To:	Transfer From: General Fund	Transfer From: TIF 6 Fund	Transfer From: Water Utility	Transfer From: Wastewater Utility	Transfer From: ARPA Fund
General Fund	$ -	$ -	$ 443,549	$ 18,643	$ -
Transit Fund	75,000	-	-	-	-
Capital Project Fund	1,611,638	-	-	-	291,040
ARPA Fund	-	43,956	-	-	-
Totals	$ 1,686,638	$ 43,956	$ 443,549	$ 18,643	$ 291,040

The purpose of the transfer from the Water and Wastewater Utility's was for the tax equivalent payment. The transfers from General Fund to the Capital Project Fund, from ARPA fund to Capital Projects, and from the TIF 6 fund to the ARPA Fund were to finance capital projects. The purpose of the transfer from the General Fund to the Transit Fund was to finance operations.

Note 6: Capital Assets

Capital asset balances and activity for the year ended December 31, 2025, were as follows:

Governmental Activities:	Balance 12/31/24	Increases	Decreases	Balance 12/31/25
Capital assets, not being depreciated:				
Land	$ 4,624,562	$ -	$ -	$ 4,624,562
Construction in progress	3,759,029	2,713,150	(3,356,740)	3,115,439
Total capital assets, not being depreciated	8,383,591	2,713,150	(3,356,740)	7,740,001
Capital assets, being depreciated:				
Land improvements	8,351,115	1,045,827	-	9,396,942
Buildings	27,021,955	-	-	27,021,955
Machinery and equipment	5,965,938	411,164	-	6,377,102
Furniture and fixtures	624,315	-	-	624,315
Vehicles	7,073,127	4,773,812	(817,586)	11,029,353
Other assets	4,048,001	-	-	4,048,001
Roads	33,761,707	-	-	33,761,707
Bridges	1,699,524	-	-	1,699,524
Traffic signals	842,556	-	-	842,556
Street lights	1,170,784	-	-	1,170,784
Total capital assets, being depreciated	90,559,022	6,230,803	(817,586)	95,972,239
Accumulated depreciation:				
Land improvements	(1,670,329)	(284,947)	-	(1,955,276)
Buildings	(9,978,261)	(943,001)	-	(10,921,262)
Machinery and equipment	(4,639,033)	(223,507)	-	(4,862,540)
Furniture and fixtures	(582,171)	(12,720)	-	(594,891)
Vehicles	(4,290,283)	(501,096)	469,113	(4,322,266)
Other assets	(4,048,001)	(32,324)	-	(4,080,325)
Roads	(17,122,379)	(978,725)	-	(18,101,104)
Bridges	(539,370)	(33,764)	-	(573,134)
Traffic signals	(522,556)	(26,097)	-	(548,653)
Street lights	(643,170)	(49,078)	-	(692,248)
Total accumulated depreciation	(44,035,553)	(3,085,259)	469,113	(46,651,699)
Total capital assets, being depreciated, net	46,523,469	3,145,544	(348,473)	49,320,540
Governmental activities capital assets, net	$ 54,907,060	$ 5,858,694	$ (3,705,213)	$ 57,060,541

Note 6: Capital Assets (Continued)

Depreciation expense was charged to the governmental functions as follows:

Governmental activities:	
General government	$ 525,893
Public safety	652,677
Public works	1,475,317
Culture, recreation and education	431,372
Total depreciation expense, governmental activities	$ 3,085,259

Water Utility	**Balance 12/31/24**	**Increases**	**Decreases**	**Balance 12/31/25**
Capital assets, not being depreciated:				
Land and land rights	$ 164,343	$ -	$ -	$ 164,343
Construction in progress	70,522	789,861	-	860,383
Total capital assets, not being depreciated	234,865	789,861	-	1,024,726
Capital assets, being depreciated:				
Source of supply	798,008	-	-	798,008
Pumping	2,582,925	-	-	2,582,925
Water treatment	8,372,236	-	-	8,372,236
Transmission and distribution	20,125,950	438,828	(42,159)	20,522,619
General equipment	946,428	141,639	(2,360)	1,085,707
Total capital assets, being depreciated	32,825,547	580,467	(44,519)	33,361,495
Accumulated depreciation:				
Source of supply	(480,195)	(20,733)	-	(500,928)
Pumping	(1,292,615)	(77,352)	-	(1,369,967)
Water treatment	(7,821,662)	(282,036)	-	(8,103,698)
Transmission and distribution	(6,856,336)	(444,804)	42,159	(7,258,981)
General equipment	(729,990)	(29,520)	2,360	(757,150)
Total accumulated depreciation	(17,180,798)	(854,445)	44,519	(17,990,724)
Total capital assets, being depreciated, net	15,644,749	(273,978)	-	15,370,771
Water utility capital assets, net	$ 15,879,614	$ 515,883	$ -	$ 16,395,497

Note 6: Capital Assets (Continued)

Wastewater Utility	Balance 12/31/24	Increases	Decreases	Balance 12/31/25
Capital assets, not being depreciated:				
Land and land rights	$ 10,437	$ -	$ -	$ 10,437
Construction in progress	59,211	958,424	-	1,017,635
Total capital assets, not being depreciated	69,648	958,424	-	1,028,072
Capital assets, being depreciated:				
Collection system	16,403,409	196,067	-	16,599,476
Collecting system pumping	3,963,818	21,447	-	3,985,265
Treatment and disposal	31,429,056	180,989	(18,099)	31,591,946
General equipment	4,253,294	98,045	-	4,351,339
Total capital assets, being depreciated	56,049,577	496,548	(18,099)	56,528,026
Accumulated depreciation:				
Wastewater plant	(31,210,386)	(1,648,333)	18,099	(32,840,620)
Total accumulated depreciation	(31,210,386)	(1,648,333)	18,099	(32,840,620)
Total capital assets, being depreciated, net	24,839,191	(1,151,785)	-	23,687,406
Wastewater utility capital assets, net	$ 24,908,839	$ (193,361)	$ -	$ 24,715,478

Note 6: Capital Assets (Continued)

Stormwater Utility	Balance 12/31/24	Increases	Decreases	Balance 12/31/25
Capital assets, not being depreciated:				
Construction in progress	$ 129,548	$ 358,033	$ (39,000)	$ 448,581
Total capital assets, not being depreciated	129,548	358,033	(39,000)	448,581
Capital assets, being depreciated:				
Stormwater infrastructure	19,161,507	97,760	-	19,259,267
Lease asset - Transportation equipment	270,946	-	-	270,946
Total capital assets, being depreciated	19,432,453	97,760	-	19,530,213
Accumulated depreciation:				
Stormwater infrastructure	(6,624,053)	(534,048)	-	(7,158,101)
Lease asset - Transportation equipment	(11,298)	(7,533)	-	(18,831)
Total accumulated depreciation	(6,635,351)	(541,581)	-	(7,176,932)
Total capital assets, being depreciated, net	12,797,102	(443,821)	-	12,353,281
Stormwater utility capital assets, net	$ 12,926,650	$ (85,788)	$ (39,000)	$ 12,801,862

Note 7: Unavailable Revenue

Unavailable revenue is recorded in the governmental funds for amounts not yet available and for resources received prior to being earned by the City. Related revenue is recognized when these amounts become available or when earned. The composition of deferred balances in the Governmental funds as of December 31, 2025 is as follows:

	General Fund	Capital Projects Fund	Housing Rehabilitation Fund	Total
Loan receivable	$ -	$ -	$ 2,279,370	$ 2,279,370
Special assessments not yet due	-	129,888	-	129,888
Ambulance receivables	185,928	-	-	185,928
Total	$ 185,928	$ 129,888	$ 2,279,370	$ 2,595,186

Note 8: Long-Term Obligations

Long-term obligations of the City are as follows:

Governmental activities	Balance 01/01/25	Additions	Reductions	Balance 12/31/25	Amounts Due Within One Year
General obligation debt	$ 39,752,903	$ 5,200,000	$ 4,110,000	$ 40,842,903	$ 4,373,254
Bond Premiums	1,782,929	79,433	277,642	1,584,720	-
Subtotals	41,535,832	5,279,433	4,387,642	42,427,623	4,373,254
Total OPEB Liability-Health	2,069,155	111,596	-	2,180,751	-
Net OPEB Liability-Life	479,130	-	67,438	411,692	-
Net Pension Liability	976,479	109,230	-	1,085,709	-
Landfill post-closure care	423,450	-	35,287	388,163	-
Compensated Absences	2,451,683	35,126	-	2,486,809	-
Totals	$ 47,935,729	$ 5,535,385	$ 4,490,367	$ 48,980,747	$ 4,373,254

The Debt Service Fund typically has been used to liquidate general obligation debt other than debt used for TID funds, in which those funds liquidate the portion of the debt allocated to those funds. The General Fund liquidates the landfill post-closure care liability. Pension, OPEB and compensated absences are liquidated by all funds in proportionate to the payroll recognized in each fund.

Business-type activities	Balance 01/01/25	Additions	Reductions	Balance 12/31/25	Amounts Due Within One Year
Revenue bonds	$ 10,039,642	$ -	$ 1,014,850	$ 9,024,792	$ 1,037,250
General obligation debt	9,952,097	2,205,000	1,080,000	11,077,097	1,016,594
Bond Premiums	403,847	80,867	40,573	444,141	-
Subtotals	20,395,586	2,285,867	2,135,423	20,546,030	2,053,844
Net Pension Liability	186,008	21,133	-	207,141	-
Total OPEB Liability-Health	77,314	-	3,314	74,000	-
Net OPEB Liability-Life	91,269	-	12,723	78,546	-
Lease obligations	126,554	-	29,428	97,126	30,855
Compensated Absences	365,166	40,917	-	406,083	-
Totals	$ 21,241,897	$ 2,347,917	$ 2,180,888	$ 21,408,926	$ 2,084,699

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

Note 8: Long-Term Obligations (Continued)

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the City. Notes and bonds in the governmental funds will be retired by future property tax levies. Business-type activities debt is payable by revenues from user fees of those funds, or if the revenues are not sufficient, by future tax levies.

General obligation debt at December 31, 2025 is comprised of the following individual issues:

	Governmental Activities			
	Issue Dates	Interest Rates %	Final Maturity	Balance 12/31/25
Promissory notes	07/27/17	2.25%	09/01/26	$ 200,000
Promissory notes	07/26/18	2.00-3.00%	08/01/26	785,000
Promissory Notes	04/24/19	2.00-3.00%	04/01/29	1,310,000
Taxable GO notes	04/24/19	3.00%	04/01/29	1,425,000
Promissory Notes	08/05/20	1.00-2.00%	03/01/30	2,035,000
Refunding Bonds	09/22/20	1.00-2.00%	11/01/30	1,925,000
Promissory Notes	04/28/21	1.15-3.00%	03/01/31	4,270,000
Promissory Notes	04/28/22	3.50-5.00%	03/01/42	13,395,000
Promissory Notes	05/17/23	4.00-5.00%	03/01/33	2,480,000
Promissory Notes	06/17/24	4.00-5.00%	03/01/44	5,575,000
State Trust Fund loan	11/22/24	5.00%	03/01/29	2,242,903
Promissory Notes	08/04/25	4.00-5.00%	03/01/45	2,700,000
State Trust Fund loan	09/22/25	5.00%	03/01/30	2,500,000
Total general obligation debt				$ 40,842,903

	Business-Type Activities			
	Issue Dates	Interest Rates %	Final Maturity	Balance 12/31/25
Promissory notes	07/27/17	2.25%	09/01/26	$ 125,000
Promissory notes	07/26/18	2.00-3.00%	08/01/26	405,000
Promissory notes	04/24/19	2.00-3.00%	04/01/29	1,015,000
Promissory notes	08/05/20	1.00-2.00%	03/01/30	1,340,000
Promissory notes	04/28/21	1.15-3.00%	03/01/31	945,000
Promissory notes	06/17/24	2.37%	03/01/44	4,665,000
State Trust Fund loan	11/22/24	5.00%	03/01/29	377,097
Promissory notes	08/04/25	4.00-5.00%	03/01/45	2,205,000
Total general obligation debt				$ 11,077,097

Note 8: Long-Term Obligations (Continued)

The 2025 equalized valuation of the City as certified by the Wisconsin Department of Revenue is $1,926,305,800. The legal debt limit and margin of indebtedness as of December 31, 2025, in accordance with Section 67.03(1)(a) of the Wisconsin Statues, are as follows:

Legal debt limit (5% of $1,926,305,800)	$ 96,315,290
Deduct: Long-term debt applicable to debt margin	(51,920,000)
Add: Debt service fund assets available	328,713
Margin of indebtedness	$ 44,724,003

	Business-Type Activities			
	Issue Dates	Interest Rates %	Final Maturity	Balance 12/31/25
2009 CWF Revenue Bonds	11/01/10	2.67%	05/01/29	$ 2,732,334
2021 CWF Revenue Bonds	04/14/21	1.49%	04/01/40	806,716
Revenue bonds	08/12/21	1.00-2.00%	03/01/31	705,000
2023 CWF Revenue Bonds	09/27/23	2.15%	05/01/43	2,233,886
2023 SDW Revenue Bonds	09/27/23	2.15%	05/01/43	1,778,602
2024 CWF Revenue Bonds	09/25/24	2.37%	05/01/44	317,966
2024 SDW Revenue Bonds	09/25/24	2.37%	05/01/44	450,288
Total revenue bonds				$ 9,024,792

Debt service requirements to maturity are as follows:

	Governmental Activities General Obligation Debt		Business-Type Activities General Obligation Debt	
Year Ended:	Principal	Interest	Principal	Interest
2026	$ 4,373,254	$ 1,260,963	$ 1,016,594	$ 313,221
2027	4,943,524	1,249,073	1,088,727	276,358
2028	5,047,175	1,017,417	1,137,862	242,865
2029	5,078,216	842,628	1,137,282	213,374
2030	3,697,712	679,743	696,250	190,938
2031-2035	9,542,750	1,950,398	1,802,250	768,893
2036-2040	5,405,000	760,826	2,045,000	448,050
2041-2044	2,755,272	145,300	2,153,132	140,351
Totals	$ 40,842,903	$ 7,906,348	$ 11,077,097	$ 2,594,050

Note 8: Long-Term Obligations (Continued)

	Business-Type Activities Revenue Bonds		Business-Type Activities Lease obligations	
Year Ended:	**Principal**	**Interest**	**Principal**	**Interest**
2026	$ 1,037,250	$ 187,707	$ 30,855	$ 4,711
2027	1,060,217	163,299	32,351	3,214
2028	1,083,765	138,304	33,920	1,645
2029	1,112,910	112,078	-	-
2030	408,420	94,337	-	-
2031-3035	1,653,512	362,522	-	-
2036-2040	1,697,971	195,136	-	-
2041-2044	970,747	34,495	-	-
Totals	$ 9,024,792	$ 1,287,878	$ 97,126	$ 9,570

There are various requirements associated with the wastewater utility's 2009, 2021, 2023, and 2024 Clean Water Fund bond issues. All Wastewater Utility revenues net of specified operating expenses are pledged as security of the above revenue bonds until the bonds are defeased. Principal and interest paid for 2025 and 2024 were $1,078,405 and $1,056,547 respectively. Total customer net revenues as defined for the same periods were $3,148,443 and $2,220,147. The wastewater utility met debt coverage requirements in both years. Required coverage is 1.10 times annual debt service. Actual debt service coverage in 2025 and 2024 was 2.92 and 2.10, respectively. Additionally, the utility has established a redemption, depreciation, or equipment replacement account as required by the bond resolution. The utility is in compliance with all significant bond issue requirements.

Note 9: Closure and Postclosure Care Cost

State and federal laws and regulations require the City to place a final cover on its solid waste landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for forty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The $388,163 reported as landfill closure and postclosure care liability at December 31, 2025, represents the total amount needed by the City for postclosure care costs according to state and federal regulations. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The City is required by state and federal laws and regulations to provide proof of financial assurance for the postclosure costs. The City is in compliance with these requirements, and, at December 31, 2025, held an insurance policy in the amount of $388,163. The maintenance and monitoring expenses for long-term care will be budgeted for each year by the City and the amount of insurance coverage will be adjusted accordingly.

Note 10: Net Position

Net position reported on the government wide statement of net position at December 31, 2025:

Governmental Activities:	
Net investment in capital assets:	
Land and other nondepreciable assets	$ 7,740,001
Other capital assets, net of accumulated depreciation	49,320,540
Less: related long-term debt outstanding	(40,184,720)
Total net investment in capital assets	16,875,821
Restricted:	
Library	2,098,029
TIF purposes	1,709,609
Capital projects	4,258,050
Housing programs	310,038
Total restricted	8,375,726
Unrestricted	2,022,089
Governmental activities net position	$ 27,273,636

Business-Type Activities:	
Net investment in capital assets:	
Land and other nondepreciable assets	$ 2,501,379
Other capital assets, net of accumulated depreciation	51,411,458
Less: related long-term debt outstanding	(20,266,059)
Total net investment in capital assets	33,646,778
Unrestricted	16,534,348
Business-type activities net position	$ 50,181,126

Note 11: Fund Balance

Fund balance reported on the balance sheet - governmental funds at December 31, 2025:

Nonspendable Fund Balance		
Prepaid expenses	$	202,629
Total nonspendable fund balance	$	202,629
Restricted Fund Balance		
Debt service	$	328,713
Capital projects		4,258,050
TIF purposes		1,709,609
Library		2,098,029
Housing programs		310,038
Total restricted fund balance	$	8,704,439
Assigned Fund Balance		
Water utility payment	$	171,009
Total assigned fund balance	$	171,009
Unassigned Fund Balance		
General fund	$	5,301,110
Transit fund		(38,289)
Bond Issuance		(4,790)
TIF purposes		(206,885)
Total unassigned fund balance	$	5,051,146

Note 12: Employee Retirement Plans - Wisconsin Retirement System

Plan Description

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

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

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

Vesting

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

Benefits Provided

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

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

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

The WRS also provides death and disability benefits for employees.

Note 12: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Postretirement Adjustments

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

Year	Core Fund Adjustment	Variable Fund Adjustment
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)%
2024	3.6 %	15.0 %

Contributions

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

During the reporting period, the WRS recognized $1,313,498 in contributions from the employer.

Note 12: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Contribution rates as of December 31, 2025, are as follows:

Employee Category	Employee	Employer
General, Teachers, executive, and elected officials)	6.95%	6.95%
Protective with Social Security	6.95%	14.95%
Protective without Social Security	6.95%	18.95%
Act 4 Protective County Jailers	14.95%	6.95%

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

At December 31, 2025, the City reported a liability of $1,292,850 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023, rolled forward to December 31, 2024. 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, 2024, the City's proportion was 0.07868046%, which was an increase of 0.00049357% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the City recognized pension expense of $1,723,747.

At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,015,007	$ 3,772,847
Net differences between projected and actual earnings on pension plan investments	1,964,554	-
Change in assumptions	383,613	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	281	38,886
Employer contributions subsequent to the measurement date	1,313,498	-
Totals	$ 7,676,953	$ 3,811,733

Note 12: Employee Retirement Plans - Wisconsin Retirement System (Continued)

$1,313,498 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Net Deferred Outflows (Inflows) of Resources
2026	$ 761,151
2027	2,667,722
2028	(668,765)
2029	(208,386)
Total	$ 2,551,722

Actuarial Assumptions

The total pension liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	December 31, 2023
Measurement date of net pension liability (asset)	December 31, 2024
Experience Study:	January 1, 2021 - December 31, 2023 Published November 19, 2024
Actuarial cost method	Entry age Normal
Asset valuation method	Fair value
Long-term expected rate of return	6.8%
Discount rate	6.8%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.7%
Mortality	2020 WRS Experience Mortality Table
Postretirement adjustments*	1.7%

**No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate. Includes the impact of known Market Recognition Account deferred gains/losses on the liability for dividend payments.*

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. Based on this experience study, actuarial assumptions used to

Note 12: Employee Retirement Plans - Wisconsin Retirement System (Continued)

measure the Total Pension Liability changed from prior year, including seniority (merit) and separation rates. The Total Pension Liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the December 31, 2023 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:

Asset Allocation Targets and Expected Returns
As of December 31, 2024

Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core fund:			
Public equity	38.0%	7.0%	4.3%
Public Fixed income	27.0%	6.1%	3.4%
Private equity/ Debt	20.0%	9.5%	6.7%
Inflation sensitive assets	19.0%	4.8%	2.1%
Real estate	8.0%	6.5%	3.8%
Leverage	(12.0)%	3.7%	1.1%
Total core fund	100.0%	7.5%	4.8%
Variable fund:			
U.S. equities	70.0%	6.5%	3.8%
International equities	30.0%	7.4%	4.7%
Total variable fund	100.0%	6.9%	4.2%

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.6%

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

The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used, subject to an allowable range of up to 20%.

Note 12: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Single Discount Rate: A single discount rate of 6.8% was used to measure the Total Pension Liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.08% (Source: "20-Bond GO Index" is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality as of December 31, 2024. In describing this index, the Bond Buyer notes that the bonds' average quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard and Poor's Corp.'s AA.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate : The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.80%) or 1 percentage point higher (7.80%) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
City's proportionate share of the net pension liability (asset)	$ 12,128,622	$ 1,292,850	$ (6,405,655)

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

At December 31, 2025, the City reported a payable of $4,393 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2025.

Note 13: Other Postemployment Benefits - Local Retiree Life Insurance Fund

Plan Description

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

OPEB Plan Fiduciary Net Position

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

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can 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 postretirement benefit.

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

Contribution rates as of December 31, 2025, are as follows:

Coverage Type	Employer Contribution
50% postretirement coverage	40% of member contribution
25% Post Retirement Coverage	20% of member contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per $1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2024, are as follows:

Note 13: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

Life Insurance
Member Contribution Rates
For the year ended December 31, 2023

Attained Age	Basic	Supplemental
Under 30	$ 0.05	$ 0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

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

During the reporting period, the LRLIF recognized $2,635 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, 2025, the City reported a liability of $490,238 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of January 1, 2024, rolled forward to December 31, 2024. 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, 2024, the City's proportion was 0.12530800%, which was an increase of 0.00132600% from its proportion measured as of December 31, 2023. For the year ended December 31, 2025, the City recognized OPEB expense of $13,257. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 51,002
Net differences between projected and actual earnings on OPEB plan investments	6,733	-
Change in assumptions	120,291	274,963
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,285	48,633
Employer contributions subsequent to the measurement date	2,635	-
Totals	$ 135,944	$ 374,598

Note 13: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

$2,635 reported as deferred outflows of resources related to OPEB resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in expense as follows:

Year Ended December 31	Net Deferred Outflows (Inflows) of Resources
2026	$ (29,352)
2027	(52,112)
2028	(67,358)
2029	(63,815)
2030	(12,751)
Thereafter	(15,901)
Total	$ (241,289)

The total OPEB liability in the January 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	January 1, 2024
Measurement date of net OPEB liability (asset)	December 31, 2024
Experience Study:	January 1, 2021 - December 31, 2023, Published November 19, 2024
Actuarial cost method	Entry age normal
20 year tax-exempt municipal bond yield	4.08%
Long-term expected rate of return	4.25%
Discount rate	4.09%
Salary Increases:	
Inflation	3.00
Seniority/Merit	0.10% - 5.7%
Mortality	2020 WRS Experience Mortality Table

* Based on the Bond Buyer GO 20-Bond Municipal index

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. The Total OPEB Liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the January 1, 2024 actuarial valuation.

Note 13: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

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

Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2024

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Intermediate Credit Bonds	Bloomberg US Interim Credit	40%	2.41%
U.S. Mortgages	Bloomberg US MBS	60%	2.71%
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 4.09% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 3.32% for the prior year. The change in the discount rate was primarily caused by the increase in the municipal bond rate from 3.26% as of December 31, 2023 to 4.08% as of December 31, 2024. 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, 2037.

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.

Note 13: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate: The following presents the City's proportionate share of the net OPEB liability calculated using the discount rate of 4.09%, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.09%) or 1 percentage point higher (5.09%) than the current rate:

	1% Decrease to Discount Rate (3.09%)	Current Discount Rate (4.09%)	1% Increase to Discount Rate (5.09%)
City's proportionate share of the net OPEB liability	$ 655,271	$ 490,238	$ 363,064

Note 14: Other Postemployment Benefits - Healthcare Plan

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

Employees covered by benefit terms - At December 31, 2023, the date of the latest actuarial valuation, there were 111 active and 24 retired members in the plan.

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

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

Actuarial valuation date	December 31, 2024
Measurement date	December 31, 2025
Actuarial Cost Method	Entry age Normal (level percent of salary)
Inflation	2.50%
Discount Rate	4.43%
Healthcare cost trend rates	7.00% decreasing to 6.50%, then decreasing by 0.1% per year down to 4.5% and level thereafter
Actuarial Assumptions	Based on an experience study conducted in 2021 using Wisconsin Retirement System (WRS) experience from 2018-21
Mortality Assumptions	2020 WRS Experience Tables for Active Employees and Healthy Retirees projected with mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010

Note 14: Other Postemployment Benefits - Healthcare Plan (Continued)

Discount rate -The discount rate used to measure the total OPEB liability was 4.43%. This rate is equivalent to the S&P Municipal Bond 20 Year High Grade Index as of the measurement date. The projection of cash flows used to determine the discount rate assumed that the plan would continue to be funded on a pay-as-you-go basis. Based on these assumptions, a 20-year AA municipal bond index was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in Total OPEB Liability	**Increase (Decrease) Total OPEB Liability (a)**
Balances at December 31, 2024	$ 2,146,469
Changes for the year:	
Service cost	164,023
Interest	92,843
Changes of assumptions or other input	(30,576)
Benefit payments	(118,008)
Net changes	108,282
Balances at December 31, 2025	$ 2,254,751

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.43%) or 1 percentage point higher (5.43%) than the current rate:

	1% Decrease (3.43%)	**Current Discount Rate (4.43%)**	**1% Increase (5.43%)**
Total OPEB liability	$ 2,490,945	$ 2,254,751	$ 2,042,376

Note 14: Other Postemployment Benefits - Healthcare Plan (Continued)

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

	1% Decrease (6.0% decreasing to 3.5%)	Health Care Cost Trend Rates (7.0% decreasing to 4.5%)	1% Increase (8.0% decreasing to 5.5%)
Total OPEB liability	$ 2,007,560	$ 2,254,751	$ 2,547,352

For the year ended December 31, 2025, the City recognized OPEB expense of $278,643.

At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 431,478	$ 135,584
Changes in assumptions	80,221	341,944
Totals	$ 511,699	$ 477,528

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

	Deferred Outflows of Resources
2026	21,777
2027	21,777
2028	21,777
2029	21,779
2030	(40,492)
Thereafter	(12,447)
Total	$ 34,171

Note 15: Reconciliation of Deferred Outflows and Inflows

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

	Deferred Outflows	Deferred Inflows
Employee Retirement Plans - Wisconsin Retirement System	$ 7,676,953	$ 3,811,733
Other Postemployment Benefits - Local Retiree Life Insurance Fund	135,944	374,598
Other Postemployment Benefits - Healthcare Plan	511,699	477,528
Totals	$ 8,324,596	$ 4,663,859

Note 16: Tax Incremental District Funds

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

Note 17: Economic Dependency

The wastewater utility has one significant customer who was responsible for approximately 50% of operating revenues in 2025.

Note 18: Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers' compensation for which the City carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There was no significant reduction in the City's insurance coverage in fiscal 2025.

Note 19: Commitments and Contingencies

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

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

Note 20: Adjustments to and Restatements of Beginning Balances

During 2025, a change in the reporting entity resulted in adjustments to and restatements of beginning fund balance, as follows:

	12/31/2024 As Previously Reported	Change in Reporting Entity (A)	12/31/2024 As Restated
Governmental Funds			
Major Funds:			
TID #7	$ -	$ 2,589,332	$ 2,589,332
Nonmajor Governmental Funds	3,385,533	(2,589,332)	796,201
Total Governmental Funds	$ 3,385,533	$ -	$ 3,385,533

(A) - Change in reporting entity - TID #7 changed from non-major in 2024 to major in 2025 .

Required Supplementary Information

City of Beaver Dam

Budgetary Comparison Schedule - General Fund
For the Year Ended December 31, 2025

Revenues:	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Taxes				
General property	$ 8,632,888	$ 8,632,888	$ 8,632,887	$ (1)
Room tax	225,000	225,000	279,182	54,182
Retained sales tax	110	110	120	10
Total taxes	8,857,998	8,857,998	8,912,189	54,191
Intergovernmental				
Shared revenue	2,555,841	2,555,841	2,684,092	128,251
Exempt computer aid	46,679	46,679	46,679	-
Personal property aid	515,265	515,265	515,953	688
Fire insurance tax	100,000	100,000	114,676	14,676
Police training aid	9,600	9,600	9,920	320
Local transportation aids	1,256,407	1,256,407	1,255,312	(1,095)
Other highway aids	65,215	65,215	65,216	1
Video service provider aids	41,895	41,895	41,895	-
Carbon reduction grants	-	223,200	223,200	-
Other state payments	-	-	31,763	31,763
School district reimb. - police liason	210,500	210,500	179,875	(30,625)
Library aids	274,130	274,130	297,986	23,856
Total intergovernmental	5,075,532	5,298,732	5,466,567	167,835
Licenses and permits				
Business and occupational licences	10,000	10,000	10,040	40
Liquor and malt beverage licenses	13,000	13,000	12,383	(617)
Cigarette licenses	2,100	2,100	2,500	400
Dog and cat licenses	8,200	8,200	7,012	(1,188)
Sundry licenses	1,750	1,750	2,550	800
Cable TV Franchise fees	165,000	165,000	146,383	(18,617)
Building permits	220,000	220,000	2,026,639	1,806,639
Electrical permits	20,000	20,000	71,378	51,378
Plumbing permits	20,000	20,000	91,243	71,243
Street opening permits	20,000	20,000	8,366	(11,634)
Special event permits	-	-	250	250
Total licenses and permits	480,050	480,050	2,378,744	1,898,694

See Accompanying Notes to Required Supplementary Information

City of Beaver Dam

Budgetary Comparison Schedule - General Fund
For the Year Ended December 31, 2025

Revenues (continued)	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Fines and forfeits				
Court fines and penalties	$ 190,000	$ 190,000	$ 157,126	$ (32,874)
Parking violations	20,000	20,000	26,800	6,800
Total fines and forfeits	210,000	210,000	183,926	(26,074)
Public charges for services				
Publication fees	700	700	1,325	625
Fire protection fees	683,934	935,700	681,291	(254,409)
Engineering fees	10,000	10,000	21,269	11,269
Parking lots, ramps and meters	28,000	28,000	39,866	11,866
Inspection Fees	15,000	15,000	10,926	(4,074)
Recreation programs	75,000	75,000	67,888	(7,112)
Ambulance fees	948,000	696,234	862,579	166,345
Weed control	10,000	10,000	6,079	(3,921)
Total public charges for services	1,770,634	1,770,634	1,691,223	(79,411)
Intergovernmental charges for services				
Public works charges	-	-	6,497	6,497
Revenue from departments	62,000	62,000	7,569	(54,431)
Total intergovernmental charges for services	62,000	62,000	14,066	(47,934)
Miscellaneous				
Interest on investments	257,600	257,600	475,809	218,209
Library endowment investment income	-	-	125,632	125,632
Rent	5,401	5,401	5,401	-
Donations and contributions	1,000	2,000	9,632	7,632
Library endowment gifts	-	-	832,429	832,429
Miscellaneous	42,500	42,500	91,422	48,922
Total miscellaneous	306,501	307,501	1,540,325	1,232,824
Total revenues	16,762,715	16,986,915	20,187,040	3,200,125

See Accompanying Notes to Required Supplementary Information

City of Beaver Dam

Budgetary Comparison Schedule - General Fund

For the Year Ended December 31, 2025

Expenditures:	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
General government				
City council	$ 104,777	$ 104,777	$ 92,403	$ 12,374
Municipal court	131,500	131,500	132,131	(631)
Mayor	28,310	28,310	23,466	4,844
City Administrator	203,980	203,980	207,196	(3,216)
Clerk and personnel officer	105,500	105,500	105,920	(420)
Elections	79,150	79,150	76,524	2,626
Finance	233,508	233,508	133,742	99,766
Assessment of property	55,525	55,525	60,049	(4,524)
Municipal facilities	520,175	520,175	515,734	4,441
Personnel	160,000	160,000	153,763	6,237
Employee Recognition	5,000	5,000	2,480	2,520
Auditing and special accounting	30,000	30,000	31,335	(1,335)
Bad debt and illegal taxes	6,000	6,000	71,007	(65,007)
Property and liability insurance	95,000	95,000	104,740	(9,740)
Workers compensation insurance	180,000	180,000	169,722	10,278
Unemployment compensation	6,000	6,000	8,022	(2,022)
Other general government	-	-	1,180	(1,180)
Unallocated reserve funds	106,244	106,244	-	106,244
Total general government	2,050,669	2,050,669	1,889,414	161,255
Public safety				
Police	5,318,425	5,318,425	5,347,322	(28,897)
Traffic control	62,160	62,160	63,540	(1,380)
Crossing guards	122,000	122,000	125,882	(3,882)
Fire	4,066,545	4,066,545	4,548,228	(481,683)
Building inspection	196,900	196,900	1,177,351	(980,451)
Sealer of weights and measures	4,000	4,000	6,000	(2,000)
Emergency government	13,275	13,275	11,258	2,017
Total public safety	9,783,305	9,783,305	11,279,581	(1,496,276)
Public works				
Public works machinery	303,045	303,045	299,813	3,232
Garage	249,205	249,205	263,326	(14,121)
Engineering	174,250	174,250	113,993	60,257
Public works supervision	107,200	107,200	106,731	469
Street repair	214,776	214,776	197,256	17,520
Street maintenance/pavement marking	21,885	21,885	14,655	7,230
Snow and ice control	302,000	302,000	269,834	32,166
Tree control	101,498	102,498	83,445	19,053
Street lighting	199,200	488,400	520,081	(31,681)
Employee benefits	385,168	385,168	327,078	58,090
Total public works	2,058,227	2,348,427	2,196,212	152,215

See Accompanying Notes to Required Supplementary Information

City of Beaver Dam

Budgetary Comparison Schedule - General Fund
For the Year Ended December 31, 2025

Expenditures (continued):	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Cudget Positive (Negative)
Health and human services				
Animal control	$ 60,000	$ 60,000	$ 65,000	$ (5,000)
Cemetery	4,736	4,736	5,067	(331)
Total health and human services	64,736	64,736	70,067	(5,331)
Culture and recreation				
Library	60,000	60,000	53,693	6,307
Library - county funding	981,005	981,005	873,387	107,618
Library endowment spending	-	-	1,510,946	(1,510,946)
Community activities and services	427,564	427,564	385,762	41,802
Recreation programs and events	151,766	151,766	68,443	83,323
Celebration and entertainment	36,300	36,300	31,095	5,205
Weed control	18,550	18,550	16,943	1,607
Parks	645,555	645,555	689,390	(43,835)
Total culture and recreation	2,320,740	2,320,740	3,629,659	(1,308,919)
Conservation and development				
Tourism	165,000	165,000	196,098	(31,098)
Lake development	8,400	8,400	8,222	178
Total conservation and development	173,400	173,400	204,320	(30,920)
Total expenditures	16,451,077	16,741,277	19,269,253	(2,527,976)
Excess (deficiency) of revenues over expenditures	311,638	245,638	917,787	672,149
Other Financing Sources (Uses):				
Debt Proceeds	850,000	850,000	850,000	-
Transfers in	525,000	525,000	462,192	(62,808)
Transfers out	(1,686,638)	(1,686,638)	(1,686,638)	-
	(311,638)	(311,638)	(374,446)	(62,808)
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	(66,000)	543,341	609,341
Fund balance - beginning	7,229,436	7,229,436	7,229,436	-
Fund balance - ending	$ 7,229,436	$ 7,163,436	$ 7,772,777	$ 609,341

See Accompanying Notes to Required Supplementary Information

City of Beaver Dam

Notes to Budgetary Comparison Schedule - General Fund

Note 1: Budgetary Information

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

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

Note 2: Excess of Expenditures Over Appropriations

For the year ended December 31, 2025, the General Fund had expenditures in excess of appropriations for the following categories:

	Budget	Actual	Actual Over Budget
Municipal court	$ 131,500	$ 132,131	$ 631
City Administrator	203,980	207,196	3,216
Clerk and Personnel officer	105,500	105,920	420
Assessment of property	55,525	59,907	4,382
Auditing and special accounting	30,000	31,335	1,335
Bad and illegal taxes	6,000	71,007	65,007
Property and liability insurance	95,000	104,740	9,740
Unemployment compensation	6,000	8,022	2,022
Other general government	-	17,800	17,800
Police	5,264,425	5,347,322	82,897
Crossing guards	122,000	125,882	3,882
Traffic Control	62,160	63,540	1,380
Fire	4,066,545	4,548,228	481,683
Building inspection	196,900	1,177,351	980,451
Sealer of weights and measures	4,000	6,000	2,000
Garage	249,205	263,326	14,121
Street Lighting	488,400	520,081	31,681
Cemetery	4,736	5,067	331
Animal control	60,000	65,000	5,000
Library endowment spending	-	1,510,946	1,510,946
Parks	645,555	689,390	43,835
Tourism	165,000	196,098	31,098

City of Beaver Dam

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

Last 10 Years

Schedule of the Employer's Proportionate Share of the Net Pension Liability (Asset)
Wisconsin Retirement System (WRS)

Last 10 Calendar Years

Measurement Date December 31,	City's Proportion of the Net Pension Liability (Asset)	City's Proportionate Share of the Net Pension Liability (Asset)	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of it's Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.07868046 %	$ 1,292,850	$ 9,286,803	13.92 %	98.79 %
2023	0.07818689	1,162,487	9,036,027	12.87	98.85
2022	0.07669165	4,062,896	8,576,381	47.37	95.72
2021	0.07469366	(6,020,446)	8,332,240	(72.25)	106.02
2020	0.07383858	(4,609,844)	8,193,994	(56.26)	105.26
2019	0.07209419	(2,324,646)	7,745,342	(30.01)	102.96
2018	0.06972823	2,480,711	7,610,363	32.60	96.45
2017	0.06636500	(1,970,451)	7,224,049	(27.28)	102.93
2016	0.06516400	537,104	6,969,264	7.71	99.12
2015	0.06391500	1,041,640	6,851,478	15.20	98.20

Schedule of the Employer Contributions
Wisconsin Retirement System (WRS)

Last 10 Fiscal Years

Year Ended December 31,	Contractually Required Contributions for the Fiscal Period	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll for the Fiscal Year	Contributions as a Percentage of Covered Payroll
2025	$ 1,313,498	$ 1,313,498	-	$ 10,311,716	12.74 %
2024	1,139,976	1,139,976	-	9,286,803	12.28
2023	1,056,881	1,056,881	-	9,036,027	11.70
2022	922,610	922,610	-	8,576,381	10.76
2021	883,517	883,517	-	8,332,240	10.60
2020	852,401	852,401	-	8,193,994	10.40
2019	757,107	757,107	-	7,745,342	9.77
2018	757,572	757,572	-	7,610,363	9.95
2017	711,990	711,990	-	7,224,049	9.86
2016	618,072	618,072	-	6,969,264	8.87

City of Beaver Dam

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

Last 10 Years

Notes to the Schedules:

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

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

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

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

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

See Independent Auditor's Report.

City of Beaver Dam

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

	2024	2023	2022	2021	2020
Valuation Date:	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Actuarial Cost Method:	Frozen Entry Age Level Percent of Payroll-Closed	Frozen Entry Age Level Percent of Payroll-Closed	Frozen Entry Age Level Percent of Payroll-Closed	Frozen Entry Age Level Percent of Payroll-Closed	Frozen Entry Age Level Percent of Payroll-Closed
Amortization Method:	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS
Amortization Period:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Asset Valuation Method:					
Net Investment Rate of Return:	5.4%	5.4%	5.4%	5.4%	5.4%
Pre-retirement:	6.8%	6.8%	7.0%	7.0%	7.0%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Wage Inflation:	3.0%	3.0%	3.0%	3.0%	3.0%
Seniority/Merit:	0.1%-5.7%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.7%	1.7%	1.9%	1.9%	1.9%

City of Beaver Dam

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

	2024	2023	2022	2021	2020
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.
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.	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.	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).

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

City of Beaver Dam

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

	2019	2018	2017	2016	2015
Valuation Date:	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
Actuarial Cost Method:	Frozen Entry Age Level Percent of Payroll-Closed	Frozen Entry Age Level Percent of Payroll-Closed	Frozen Entry Age Level Percent of Payroll-Closed	Frozen Entry Age Level Percent of Payroll-Closed	Frozen Entry Age Level Percent of Payroll-Closed
Amortization Method:	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS
Amortization Period:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Asset Valuation Method:					
Actuarial Assumptions					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%	2.1%

City of Beaver Dam

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

	2019	2018	2017	2016	2015
Retirement Age:	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.

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

City of Beaver Dam

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

Last 10 Years*

Schedule of the Employer's Proportionate Share of the Net OPEB Liability (Asset)
Local Retiree Life Insurance Fund (LRLIF)

Last 10 Calendar Years*

Measurement Date December 31,	City's Proportion of the Net OPEB Liability (Asset)	City's Proportionate Share of the Net OPEB Liability (Asset)	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2024	0.12530800 %	$ 490,238	$ 9,150,000	5.36 %	37.20 %
2023	0.12398200	570,398	8,580,000	6.65	33.90
2022	0.12470800	475,116	8,310,000	5.72	38.81
2021	0.13999300	827,409	8,068,000	10.26	29.57
2020	0.14018500	771,119	7,761,000	9.94	31.36
2019	0.14534400	618,903	7,493,000	8.26	37.58
2018	0.14680700	378,812	7,187,000	5.27	48.69
2017	0.14209900	427,516	5,975,669	7.15	44.81

Schedule of the Employer Contributions
Local Retiree Life Insurance Fund (LRLIF)

Last 10 Fiscal Years*

Year Ended December 31,	Contractually Required Contributions for the Fiscal Period	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll for the Fiscal Period	Contributions as a Percentage of Covered Payroll
2025	$ 2,635	$ 2,635	$ -	$ 9,544,834	0.0276 %
2024	2,526	2,526	-	9,150,000	0.0276
2023	2,502	2,502	-	8,580,000	0.0292
2022	2,865	2,865	-	8,310,000	0.0345
2021	2,627	2,627	-	8,068,000	0.0326
2020	2,627	2,627	-	7,761,000	0.0338
2019	2,627	2,627	-	7,493,000	0.0351
2018	2,523	2,523	-	7,187,000	0.0351

City of Beaver Dam

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

Last 10 Years*

Notes to the Schedules:

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

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

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

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

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

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

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

See Independent Auditor's Report.

City of Beaver Dam

Schedules of Changes in Total OPEB Liability and Related Ratios

Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liabilty								
Service cost	$ 164,023	$ 134,629	$ 123,880	$ 168,894	$ 158,789	$ 155,295	$ 60,635	$ 62,515
Interest	92,843	76,823	73,804	48,242	51,154	55,189	53,560	51,532
Changes in benefit terms	-	-	-	-	-	169,838	-	-
Differences between expected and actual experience	-	105,893	101,112	(225,972)	-	689,960	-	-
Changes in assumptions or other input	(30,576)	32,879	42,225	(479,218)	48,722	(67,248)	-	-
Benefit payments	(118,008)	(114,045)	(210,697)	(119,301)	(130,950)	(91,034)	(44,965)	(61,453)
Net Change in OPEB Liability	108,282	236,179	130,324	(607,355)	127,715	912,000	69,230	52,594
Total OPEB liability - beginning	$ 2,146,469	$ 1,910,290	$ 1,779,966	$ 2,387,321	$ 2,259,606	$ 1,347,606	$ 1,278,376	1,225,782
Total OPEB liability - ending	$ 2,254,751	$ 2,146,469	$ 1,910,290	$ 1,779,966	$ 2,387,321	$ 2,259,606	$ 1,347,606	$ 1,278,376
Covered employee payroll	$ 8,171,650	$ 8,171,650	$ 7,442,344	$ 7,442,344	$ 7,138,120	$ 7,138,120	$ 7,854,000	$ 7,700,000
Total OPEB liability as a percentage of covered employee payroll	27.59%	26.27%	25.67%	23.92%	33.44%	31.66%	17.16%	16.60%

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

See Independent Auditor's Report.

Supplementary Financial Information

City of Beaver Dam
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2025

	Transit Fund	ARPA Grant Fund	TID No. 10	TID No. 6	TID No. 8	TID No. 9	Total Nonmajor Governmental Funds
Assets:							
Cash	$ -	$ -	$ -	$ 86,460	$ 1,064,700	$ 143,115	$ 1,294,275
Receivables							
Taxes	-	-	-	91,019	960,256	59,258	1,110,533
Accounts	109,082	-	-	-	-	-	109,082
Total assets	$ 109,082	$ -	$ -	$ 177,479	$ 2,024,956	$ 202,373	$ 2,513,890
Liabilities:							
Accounts Payable	$ 74,305	$ -	$ 4,495	$ 9,362	$ 2,182	$ -	$ 90,344
Due to other funds	73,066	-	295	-	-	350,000	423,361
Total liabilities	147,371	-	4,790	9,362	2,182	350,000	513,705
Deferred inflows of resources:							
Property taxes	-	-	-	91,019	960,256	59,258	1,110,533
Fund balances:							
Restricted	-	-	-	77,098	1,062,518	-	1,139,616
Unassigned	(38,289)	-	(4,790)	-	-	(206,885)	(249,964)
Total fund balances	(38,289)	-	(4,790)	77,098	1,062,518	(206,885)	889,652
Total liabilities, deferred inflows of resources and fund balances	$ 109,082	$ -	$ -	$ 177,479	$ 2,024,956	$ 202,373	$ 2,513,890

City of Beaver Dam

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2025

	Transit Fund	ARPA Grant Fund	TID No. 10	TID No. 6	TID No. 7	TID No. 8	TID No. 9	Total Nonmajor Governmental Funds
Revenues:								
Taxes	$ -	$ -	$ -	$ 96,660	$ -	$ 822,045	$ 69,977	$ 988,682
Intergovernmental	662,802	395,311	-	2,065	-	68,311	-	1,128,489
Miscellaneous	-	16,715	12	7,892	-	41,583	8,596	74,798
Total revenues	662,802	412,026	12	106,617	-	931,939	78,573	2,191,969
Expenditures:								
Current:					-			
General government	3,058	124	-	24,356	-	868	420	28,826
Public works	839,718	-	-	-	-	-	-	839,718
Conservation and development	-	206,108	4,802	87,172	-	241,524	7,722	547,328
Debt service:								
Principal	-	-	-	-	-	125,000	75,000	200,000
Interest	-	-	-	-	-	9,375	65,475	74,850
Capital outlay	74,574	82,183	-	34,999	-	-	-	191,756
Total expenditures	917,350	288,415	4,802	146,527	-	376,767	148,617	1,882,478
Excess of revenues over (under) expenditures	(254,548)	123,611	(4,790)	(39,910)	-	555,172	(70,044)	309,491
Other Financing Uses								
Transfers in	75,000	43,956	-	-	-	-	-	118,956
Transfers out	-	(291,040)		(43,956)	-	-	-	(334,996)
Total other financing uses	75,000	(247,084)	-	(43,956)	-	-	-	(216,040)
Net Change in Fund Balances	(179,548)	(123,473)	(4,790)	(83,866)	-	555,172	(70,044)	93,451
Fund balances at beginning, as previously reported	141,259	123,473	-	160,964	2,589,332	507,346	(136,841)	3,385,533
Change within reporting entity	-	-	-	-	(2,589,332)	-	-	(2,589,332)
Fund Balances - beginning, as restatec	141,259	123,473	-	160,964	-	507,346	(136,841)	796,201
Fund Balances - ending	$ (38,289)	$ -	$ (4,790)	$ 77,098	$ -	$ 1,062,518	$ (206,885)	$ 889,652

Other Reports

WIPFLI

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Beaver Dam (the "City") as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 16, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

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Report on Compliance and Other Matters

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

Purpose of This Report

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

Wipfli LLP

Wipfli LLP

September 16, 2026
Sterling, Illinois

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WIPFLI

Independent Auditor's Report on Compliance for Each Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Beaver Dam's (the "City") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2025.

Basis for Opinion on Major Federal Program

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

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

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Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, G*overnment Auditing Standards*, and the Uniform Guidance we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

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Report on Internal Control Over Compliance

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

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

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

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

Wipfli LLP

Wipfli LLP

September 16, 2026
Sterling, Illinois

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City of Beaver Dam

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2025

Grantor Agency/Pass Through Agency/Program Title	AL Number	Pass-Through Entity Identifying Number	Accrued Revenue 1/1/2025	Cash Received	Expenditures	Accrued Revenue 12/31/2025
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
Passed through Wisconsin Department of Administration						
Community Development Block Grant	14.228	CDBG-LI-12102046	$ -	$ 975,000	$ 975,000	-
U.S. DEPARTMENT OF ENERGY						
Passed through Wisconsin Public Service Commission						
Rural Energy Start Up Program (RESP)	81.128	RESP-2023-04	-	22,331	22,331	-
U.S. DEPARTMENT OF TRANSPORTATION						
Passed through Wisconsin Department of Transportation						
Formula Grants for Rural Areas and Tribal Transit Program	20.509	2025	191,447	456,602	481,047	215,892
Highway Planning and Construction	20.205	N/A	-	223,200	223,200	-
U.S. DEPARTMENT OF TREASURY						
Passed through Wisconsin Department of Administration						
American Recovery and Protection Act	21.027	N/A	(395,311)	-	395,311	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ (203,864)	$ 1,677,133	$ 2,096,889	$ 215,892

See Independent Auditor's Report.
See Notes to Schedule of Federal Awards.

City of Beaver Dam

Notes to the Schedule of Expenditures of Federal Awards

Year Ended December 31, 2025

Note 1: Summary of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards includes the federal award activity of the City under programs of the federal government for the year ended December 31, 2025. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the schedule presents only a selected portion of the operations of the City, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of the City. Expenditures reported on the schedule is reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 2: De Minimis Cost Rate

The City has not elected to use the 15-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3: Subrecipients

The City does not have subrecipients or subrecipient expenditures.

City of Beaver Dam
Schedule of Findings and Questioned Costs
Year Ended December 31, 2025

Section I - Summary of Auditor's Results

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

AL Number	Name of Federal Program or Cluster
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants

Dollar threshold used to distinguish between Type A and Type B programs	$1,000,000
Auditee qualified as a low-risk auditee?	Yes

City of Beaver Dam

Schedule of Findings and Questioned Costs (Continued)

Year Ended December 31, 2025

Section II - Financial Statement Findings

None.

Section III - Federal Findings and Questioned Costs

None

Section IV - Other Issues

Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern?	No
Was a Management Letter or other document conveying audit comments issued as a result of this audit?	Yes
Name of Partner	Matt Schueler, CPA
Date	September 16, 2026

City of Beaver Dam

Summary Schedule of Prior Year Audit Findings

Year Ended December 31, 2025

Financial Statement Findings

None.

Federal Award Findings and Questioned Costs

None.

APPENDIX B

FORM OF LEGAL OPINION

(See following pages)

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

November 24, 2026

Re: City of Beaver Dam, Wisconsin ("Issuer")
$3,860,000 General Obligation Promissory Notes, Series 2026A,
dated November 24, 2026 ("Notes")

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

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

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

Year	Principal Amount	Interest Rate
2027	$295,000	___%
2028	270,000	___
2029	275,000	___
2030	285,000	___
2031	300,000	___
2032	120,000	___
2033	125,000	___
2034	130,000	___
2035	135,000	___
2036	140,000	___
2037	145,000	___
2038	150,000	___
2039	155,000	___
2040	165,000	___
2041	170,000	___
2042	180,000	___
2043	190,000	___
2044	200,000	___
2045	210,000	___
2046	220,000	___

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

The Notes maturing on March 1, 2036 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on March 1, 2035 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity, by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

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

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

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

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

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

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

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

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

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

QUARLES & BRADY LLP

APPENDIX C

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Beaver Dam, Dodge County, Wisconsin (the "Issuer") in connection with the issuance of $3,860,000 General Obligation Promissory Notes, Series 2026A, dated November 24, 2026 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on October 5, 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 Beaver Dam, Dodge County, Wisconsin, which is the obligated person with respect to the Securities.

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

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year ending December 31, 2026, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

1. DEBT - Direct Debt
2. DEBT - Debt Limit
3. VALUATIONS - Current Property Valuations
4. TAX LEVIES, COLLECTIONS AND RATES - Tax Levies and Collections

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;

7. Modification to rights of holders of the Securities, if material;

8. Securities calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution or sale of property securing repayment of the Securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;

13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Listed Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the following conditions are met:

(a)(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or the type of business conducted; or

(ii) This Disclosure Certificate, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of beneficial owners of the Securities, as determined and certified to the Issuer by an underwriter, financial advisor, bond counsel or trustee.

In the event this Disclosure Certificate is amended for any reason other than to cure any ambiguities, inconsistencies, or typographical errors that may be contained herein, the Issuer agrees the next Annual Report it submits after such amendment shall include an explanation of the reasons for the amendment and the impact of the change, if any, on the type of financial statements or operating data being provided.

If the amendment concerns the accounting principles to be followed in preparing financial statements, then the Issuer agrees that it will give an event notice and that the next Annual Report it submits after such amendment will include a comparison between financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 24th day of November, 2026.

_____
Bobbi Marck
Mayor

(SEAL)

_____
Tracey M. Ferron
City Clerk

NOTICE OF SALE

$3,860,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2026A
CITY OF BEAVER DAM, WISCONSIN

Bids for the purchase of $3,860,000* General Obligation Promissory Notes, Series 2026A (the "Notes") of the City of Beaver Dam, Wisconsin (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, municipal advisors to the City, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:00 A.M., Central Time, on November 5, 2026, at which time they will be opened, read and tabulated. **The Common Council adopted a resolution on October 5, 2026 (the "Parameters Resolution"), which authorizes the Finance Director/Treasurer or the City Administrator to accept a bid for the Notes if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on November 5, 2026, neither the Finance Director/Treasurer nor the City Administrator will have the authority to accept a bid for the Notes, and all bids for the Notes will be rejected.**

AUTHORITY; PURPOSE; SECURITY

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the City, for public purposes, including paying the cost of streets, facility and park improvements and equipment for various municipal departments included in the City's 2026 capital improvement plan. The Notes are general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount.

DATES AND MATURITIES

The Notes will be dated November 24, 2026, will be issued as fully registered Notes in the denomination of $5,000 each, or any integral multiple thereof, and will mature on March 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2027	$295,000	2034	$130,000	2041	$170,000
2028	270,000	2035	135,000	2042	180,000
2029	275,000	2036	140,000	2043	190,000
2030	285,000	2037	145,000	2044	200,000
2031	300,000	2038	150,000	2045	210,000
2032	120,000	2039	155,000	2046	220,000
2033	125,000	2040	165,000		

ADJUSTMENT OPTION

The City reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of $5,000 each, up to a maximum of $115,000 per maturity or mandatory redemption amount. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

TERM BOND OPTION

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

INTEREST PAYMENT DATES AND RATES

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

BOOK-ENTRY-ONLY FORMAT

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

PAYING AGENT

The City 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 Notes maturing on or after March 1, 2036 shall be subject to optional redemption prior to maturity on March 1, 2035 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

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

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

DELIVERY

On or about November 24, 2026, the Notes will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Notes is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Notes must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL OPINION

An opinion as to the validity of the Notes and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City ("Bond Counsel"), and will be available at the time of delivery of the Notes. The legal opinion will be issued on the basis of existing law and will state that the Notes are valid and binding general obligations of the City; provided that the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding).

STATEMENT REGARDING COUNSEL PARTICIPATION

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

SUBMISSION OF BIDS

Bids must not be for less than $3,811,750, nor more than $4,168,800, plus accrued interest on the principal sum of $3,860,000 from date of original issue of the Notes to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

1) Electronically to bondsale@ehlers-inc.com; or

2) Electronically via **PARITY** in accordance with this Notice of Sale until 10:00 A.M., Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact 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 $77,200 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

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

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

AWARD

The Notes will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Notes will be awarded by lot. The City reserves the right to reject any and all bids and to waive any informality in any bid. **The Notes will not be awarded if the TIC (taking the purchaser's compensation into account) exceeds 5.50% or if the other conditions set forth in the Parameters Resolution are not satisfied.**

BOND INSURANCE

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

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

CUSIP NUMBERS

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

CONTINUING DISCLOSURE

In order to assist the Underwriter (Syndicate Manager) in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the City will enter into an undertaking for the benefit of the holders of the Notes. A description of the details and terms of the undertaking is set forth in Appendix D of the Official Statement.

NEW ISSUE PRICING

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

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

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

(1) The City shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential investors;

(2) all bidders shall have an equal opportunity to bid;

(3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(4) the City anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

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

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

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

(1) the close of the fifth (5^{th}) business day after the sale date; or

(2) the date on which the underwriters have sold at least 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Notes to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the public),

(iii) a purchaser of any of the Notes is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date that the Notes are awarded by the City to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Official Statement relating to the Notes prior to the bid opening by request from Ehlers at www.ehlers-inc.com by connecting to the Debt Issuance link. The Underwriter (Syndicate Manager) will be provided with an electronic copy of the Final Official Statement within seven business days of the bid acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of $10.00 per copy.

Information for bidders and bid forms may be obtained from Ehlers at 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, Telephone (651) 697-8500.

By Order of the Common Council

Tracey Ferron, City Clerk
City of Beaver Dam, Wisconsin

BID FORM

City of Beaver Dam, Wisconsin (the "City") **November 5, 2026**

RE: $3,860,000* General Obligation Promissory Notes, Series 2026A (the "Notes")
DATED: November 24, 2026

For all or none of the above Notes, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you $_____ (not less than $3,811,750, nor more than $4,168,800) plus accrued interest to date of delivery for fully registered Notes bearing interest rates and maturing in the stated years as follows:

_____	% due	2027	_____	% due	2034	_____	% due	2041
_____	% due	2028	_____	% due	2035	_____	% due	2042
_____	% due	2029	_____	% due	2036	_____	% due	2043
_____	% due	2030	_____	% due	2037	_____	% due	2044
_____	% due	2031	_____	% due	2038	_____	% due	2045
_____	% due	2032	_____	% due	2039	_____	% due	2046
_____	% due	2033	_____	% due	2040			

The City reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of $5,000 each, up to a maximum of $115,000 per maturity or mandatory redemption amount. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

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

A good faith deposit ("Deposit") in the amount of $77,200 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Notes to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about November 24, 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 Notes.

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

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

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

If the competitive sale requirements are not met, we elect to use either the: _____10% test, or the _____hold-the-offering-price rule to determine the issue price of the Notes.

Account Manager: _____ By: _____
Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from November 24, 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 Beaver Dam, Wisconsin, on November 5, 2026.

By: _____

Title: _____