PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 3, 2026

In the opinion of Quarles & Brady LLP, Bond Counsel, under existing law interest on the Notes is included in gross income for federal income tax purposes. See "TAXABILITY OF INTEREST" herein. The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

New Issue **Rating: Moody's Ratings "Aaa"**

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.

CITY OF OCONOMOWOC, WISCONSIN
(Waukesha County)

$6,145,000* TAXABLE GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2026B

BID OPENING: November 10, 2026, 10:30 A.M., C.T.
CONSIDERATION: Not later than 11:59 P.M., C.T. on November 10, 2026 (PARAMETERS RESOLUTION)

PURPOSE/AUTHORITY/SECURITY: The $6,145,000* Taxable General Obligation Promissory Notes, Series 2026B (the "Notes") are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the City of Oconomowoc, Wisconsin (the "City"), for public purposes, including providing a development incentive in the City's Tax Incremental District No. 7 for the Social. 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: December 10, 2026

MATURITY: April 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2030	$50,000	2036	$330,000	2042	$475,000
2031	75,000	2037	350,000	2043	520,000
2032	150,000	2038	370,000	2044	550,000
2033	200,000	2039	400,000	2045	580,000
2034	290,000	2040	420,000	2046	625,000
2035	310,000	2041	450,000		

***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. Each maturity or mandatory redemption amount may be increased by up to $385,000. The 2030 maturity or mandatory redemption amount may be decreased by not more than $45,000, the 2031 maturity or mandatory redemption amount may be decreased by not more than $70,000 and the maturities or mandatory redemption amounts in the years 2032 through 2046 may be decreased by not more than $145,000. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: April 1, 2027 and semiannually thereafter.

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

MINIMUM BID: $6,068,187.50.

MAXIMUM BID: $6,759,500.00.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of $122,900 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation.

BOND COUNSEL AND DISCLOSURE COUNSEL: Quarles & Brady LLP.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

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

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. Quarles & Brady LLP will serve as Disclosure Counsel to the City with respect to the Notes. 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.

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BID FORM

CITY OF OCONOMOWOC
COMMON COUNCIL

		Term Expires
Matt Rosek	Mayor	April 2028
Jennifer Aultman Kloth	Alderman	April 2028
Kevin Ellis	Alderman	April 2027
Zack Frankowski	Alderman	April 2028
Erik Jungwirth	Alderman	April 2027
Lou Kowieski	Alderman	April 2028
Charles Schellpeper	Alderman	April 2028
Karen Spiegelberg	Alderman	April 2027
Vacant[1]	Alderman	April 2028

ADMINISTRATION

Mark Frye, City Administrator/Treasurer
Steve Hatton, Director of Finance/Administrative Services
Gina Kozlik, City Clerk

PROFESSIONAL SERVICES

Stan Riffle, Municipal Law & Litigation Group, S.C., City Attorney, Waukesha, Wisconsin

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

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

[1] The vacancy will be filled by a special election scheduled for December 15, 2026.

INTRODUCTORY STATEMENT

This Official Statement contains certain information regarding the City of Oconomowoc, Wisconsin (the "City") and the issuance of its $6,145,000* Taxable General Obligation Promissory Notes, Series 2026B (the "Notes"). **The Common Council adopted a resolution on October 6, 2026 (the "Parameters Resolution"), which authorizes the Director of Finance/Administrative Services or the City Administrator/Treasurer 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 10, 2026, neither the Director of Finance/Administrative Services or the City Administrator/Treasurer 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 Bond Sales link and following the directions at the top of the site.

THE NOTES

GENERAL

The Notes will be issued in fully registered form as to both principal and interest in denominations of $5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of December 10, 2026. The Notes will mature on April 1 in the years and amounts set forth on the cover of this Official Statement. Interest will be payable on April 1 and October 1 of each year, commencing April 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.

OPTIONAL REDEMPTION

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

*Preliminary, subject to change.

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

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

AUTHORITY; PURPOSE

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the City, for public purposes, including providing a development incentive in the City's Tax Incremental District No. 7 for the Social.

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Notes	$6,145,000	
Estimated Interest Earnings	52,500	
Total Sources		**$6,197,500**
Uses		
Estimated Underwriter's Discount	$76,813	
Costs of Issuance	118,600	
Deposit to Project Construction Fund	6,000,000	
Rounding Amount	2,087	
Total Uses		**$6,197,500**

*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

The City received a rating of "Aaa" on the Notes from Moody's Ratings ("Moody's"). 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 MATTERS

An opinion as to the validity of the Notes will be furnished by Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel to the City ("Bond Counsel"). 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). (See "FORM OF LEGAL OPINION" found in Appendix B).

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

TAXABILITY OF INTEREST

Interest on the Notes is included in gross income for present Federal income tax purposes. Interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

ORIGINAL ISSUE DISCOUNT

To the extent that the initial public offering price of certain of the Notes is less than the stated principal amount payable at maturity, such Notes will be considered to be issued with original issue discount unless the amount of original issue discount is "de minimis." The amount of original issue discount with respect to a Note will be "de minimis" if the amount of discount is less than one-fourth of 1% of the principal amount payable at maturity multiplied by the number of complete years from the issue date until the maturity date.

If the amount of discount with respect to a Note is considered "de minimis," then the amount of original issue discount with respect to the Note will be zero. In that case, owners of those Notes will not be required to include any amount of original issue discount in income until the principal amount is repaid, at which time the owner will recognize capital gain (assuming the Note is held as a capital asset) equal to the excess of the amount received at maturity over the issue price.

If the amount of discount with respect to a Note is more than "de minimis," then the Notes will contain original issue discount and owners of the Notes will be required to include original issue discount in income. The Internal Revenue Code of 1986, as amended (the "Code") contains a number of very complex provisions requiring holders of debt instruments with original issue discount to include such original issue discount in income as it accrues ratably over the life of the debt instrument. In the case of a Note with original issue discount, the owner may be required to include the original issue discount in income before the owner receives the associated cash payment, regardless of the owner's regular method of accounting for tax purposes. Any such original issue discount that is included in income is treated in the same manner as interest. Any original issue discount that is included in income by an owner with respect to a Note will increase the holder's tax basis in the Note.

The Code contains certain provisions relating to the accrual of original issue discount (including de minimis original issue discount) in the case of subsequent purchasers of obligations such as the Notes. Owners who do not purchase Notes in the initial public offering should consult their own tax advisors with respect to the tax consequences of the acquisition and ownership of Notes.

Owners who purchase Notes in the initial public offering but at a price different than the initial offering price at which a substantial amount of that maturity of the Notes was sold to the public should consult their own tax advisors with respect to the tax consequences of the acquisition and ownership of the Notes.

Owners of Notes should consult their own tax advisors with respect to the state and local tax consequences of owning the Notes.

BOND PREMIUM

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

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. Owners of Premium Bonds, the interest on which is subject to tax, may make an election to amortize the bond premium and to offset the taxable interest income with the amortizable bond premium for the year. Any amortizable bond premium that reduces the amount of interest income also reduces the owner's

adjusted tax basis in the Note by a corresponding amount. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (for example, upon a sale, exchange, redemption, or payment at maturity) of such Premium Bond. If the election is made, it is effective for all Notes acquired during that year and all future years unless the taxpayer receives permission from the IRS to revoke the election. Owners of Premium Bonds should consult with their tax advisors regarding the calculation and treatment of bond premium for federal income tax purposes, as well as the manner of making the election.

Owners of the Premium Bonds who do not purchase such Premium Bonds in the initial offering at the issue price should consult with their tax advisors regarding the tax consequences of owning the Premium Bonds.

Owners of Premium Bonds should consult with their tax advisors regarding the state and local tax consequences of owning such Premium Bonds.

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.

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 Baker Tilly US, LLP, Milwaukee, Wisconsin, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Official Statement.

RISK FACTORS

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

Taxes: The Notes are general obligations of the 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.

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.

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	$4,702,570,400
2026 Equalized Value Reduced by Tax Increment Valuation	$4,439,893,500
2026 Assessed Value	$4,577,479,100

2026 EQUALIZED VALUE BY CLASSIFICATION

	2026 Equalized Value[1]	Percent of Total Equalized Value
Residential	$3,407,498,600	72.460%
Commercial	1,202,188,300	25.564%
Manufacturing	88,923,800	1.891%
Agricultural	465,100	0.010%
Undeveloped	1,430,100	0.030%
Ag Forest	469,000	0.010%
Other	1,595,500	0.034%
Total	$4,702,570,400	100.000%

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value[1]	Percent Increase/Decrease in Equalized Value
2022	$3,135,815,800	$3,160,762,900	12.81%
2023	3,589,524,300	3,745,228,800	18.49%
2024	3,947,431,052	3,953,102,300	5.55%
2025	4,345,276,800	4,394,385,000	11.16%
2026	4,577,479,100	4,702,570,400	7.01%

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
Scout Cold Storage	Retail Storage	$79,611,332	1.81%
Dayton Hudson Corporation	Retail Distribution	77,702,990	1.77%
Pabst Farms Apartments LLC	Apartments	57,198,510	1.30%
Retreat at Prairie Creek LLC	Apartments	29,715,584	0.68%
Olympia Fields Apartments LLC	Apartments	28,752,483	0.65%
Pabst Farms Station LLC	Mixed Use Retail	25,689,759	0.58%
SRRT Fleet 1, LLC	Retail	24,354,041	0.55%
ProHealth Care Medical Assoc.	Health Care	23,759,904	0.54%
Creekside North Partners LLC	Apartments	23,149,937	0.53%
Creekside North Partners Phase 1 LLC	Apartments	19,575,880	0.45%
Total		$389,510,420	8.86%
City's Total 2025 Equalized Value[2]		$4,394,385,000	

Source: The City.

DEBT

DIRECT DEBT[3]

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Notes and the Concurrent Obligations, as defined herein)*	$53,640,000

Revenue Debt (see schedules following)

Total revenue debt secured by water revenues	$8,639,810

*Preliminary, subject to change.

[1] Calculated by dividing the 2025 Assessed Values by the 2025 Aggregate Ratio of assessment for the City. 2026 taxpayer information is not yet available.

[2] Includes tax increment valuation.

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

DEBT PAYMENT HISTORY

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

FUTURE FINANCING

Concurrently with the Notes, the City expects to issue its $6,310,000* General Obligation Promissory Notes, Series 2026A (the "Concurrent Obligations"). The City expects to issue water system revenue bonds in the amount of approximately $3,055,000 through the State of Wisconsin Safe Drinking Water Loan program in 2027 to finance utility system projects. Aside from the preceding, the City has no current plans for additional financing in the next 12 months.

DEBT LIMIT

The constitutional and statutory general obligation debt limit for Wisconsin municipalities, including towns, cities, villages, and counties (Article XI, Section 3 of the Wisconsin Constitution and Section 67.03, Wisconsin Statutes) is 5% of the current equalized value.

Equalized Value	$4,702,570,400
Multiply by 5%	0.05
Statutory Debt Limit	$235,128,520
Less: General Obligation Debt*	(53,640,000)
Unused Debt Limit*	$181,488,520

*Preliminary, subject to change.

City of Oconomowoc, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 12/10/2026)

	Refunding Bonds		Promissory Notes Series 2018A		Promissory Notes Series 2020A		Refunding Bonds Series 2020B		Corporate Purpose Bonds Series 2021A	
Dated	12/18/2012		12/18/2018		05/19/2020		05/19/2020		04/01/2021	
Amount	$4,285,000		$1,500,000		$9,755,000		$9,400,000		$9,650,000	
Maturity	04/01		04/01		04/01		04/01		04/01	
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2027	250,000	33,269	270,000	13,200	1,335,000	131,225	450,000	165,713	450,000	132,250
2028	255,000	26,325	305,000	4,575	1,430,000	89,750	465,000	147,413	450,000	123,250
2029	260,000	19,244			1,635,000	51,950	480,000	133,313	500,000	113,750
2030	270,000	11,788			1,780,000	17,800	495,000	123,563	525,000	105,863
2031	275,000	3,953					510,000	113,513	525,000	99,825
2032							525,000	103,163	550,000	93,100
2033							540,000	92,175	550,000	85,538
2034							555,000	80,194	550,000	77,563
2035							575,000	67,481	575,000	69,406
2036							590,000	54,006	575,000	61,069
2037							610,000	39,375	575,000	52,300
2038							625,000	23,938	575,000	41,950
2039							645,000	8,063	600,000	30,200
2040									600,000	18,200
2041									610,000	6,100
2042										
2043										
2044										
2045										
2046										
	1,310,000	94,578	575,000	17,775	6,180,000	290,725	7,065,000	1,151,906	8,210,000	1,110,363

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City of Oconomowoc, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 12/10/2026)

	Taxable Community Development Bonds Series 2021B		Promissory Notes Series 2022A		Community Development Bonds Series 2022B		Promissory Notes Series 2023A		Promissory Notes Series 2025A	
Dated	04/01/2021		04/27/2022		04/27/2022		12/13/2023		05/29/2025	
Amount	$4,475,000		$4,610,000		$2,735,000		$6,250,000		$2,975,000	
Maturity	04/01		04/01		04/01		04/01		04/01	
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2027	230,000	86,408	465,000	90,450	100,000	79,550	635,000	225,825	205,000	115,725
2028	275,000	81,358	485,000	73,875	100,000	75,550	665,000	193,325	125,000	107,475
2029	275,000	75,858	520,000	58,800	125,000	71,050	700,000	159,200	250,000	98,100
2030	275,000	70,839	545,000	42,825	150,000	65,550	735,000	123,325	140,000	88,350
2031	275,000	66,164	575,000	26,025	150,000	60,300	775,000	85,575	380,000	75,350
2032	270,000	61,260	580,000	8,700	150,000	55,800	810,000	50,000	385,000	56,225
2033	275,000	56,081			150,000	51,300	845,000	16,900	390,000	38,800
2034	275,000	50,581			175,000	46,688			395,000	23,100
2035	275,000	44,806			175,000	41,963			380,000	7,600
2036	300,000	38,550			200,000	36,900				
2037	300,000	31,875			200,000	31,500				
2038	300,000	25,050			225,000	25,425				
2039	300,000	18,075			225,000	18,675				
2040	300,000	10,950			250,000	11,550				
2041	300,000	3,675			260,000	3,900				
2042										
2043										
2044										
2045										
2046										
	4,225,000	721,529	3,170,000	300,675	2,635,000	675,700	5,165,000	854,150	2,650,000	610,725

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City of Oconomowoc, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 12/10/2026)

	Promissory Notes Series 2026A		Taxable Promissory Notes Series 2026B							
Dated	12/10/2026		12/10/2026							
Amount	$6,310,000*		$6,145,000*							
Maturity	04/01		04/01							
Calendar Year Ending	**Principal**	**Estimated Interest**	**Principal**	**Estimated Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2027	35,000	241,433	0	331,571	4,425,000	1,646,617	6,071,617	49,215,000	8.25%	**2027**
2028	45,000	277,192	0	382,582	4,600,000	1,582,669	6,182,669	44,615,000	16.83%	**2028**
2029	50,000	275,406	0	382,582	4,795,000	1,439,251	6,234,251	39,820,000	25.76%	**2029**
2030	100,000	272,523	50,000	381,192	5,065,000	1,303,616	6,368,616	34,755,000	35.21%	**2030**
2031	645,000	257,753	75,000	377,702	4,185,000	1,166,158	5,351,158	30,570,000	43.01%	**2031**
2032	680,000	231,147	150,000	371,364	4,100,000	1,030,759	5,130,759	26,470,000	50.65%	**2032**
2033	705,000	202,713	200,000	361,417	3,655,000	904,923	4,559,923	22,815,000	57.47%	**2033**
2034	745,000	172,404	290,000	347,369	2,985,000	797,898	3,782,898	19,830,000	63.03%	**2034**
2035	785,000	139,882	310,000	329,654	3,075,000	700,792	3,775,792	16,755,000	68.76%	**2035**
2036	825,000	104,813	330,000	310,294	2,820,000	605,632	3,425,632	13,935,000	74.02%	**2036**
2037	125,000	83,784	350,000	289,724	2,160,000	528,558	2,688,558	11,775,000	78.05%	**2037**
2038	130,000	77,911	370,000	267,556	2,225,000	461,829	2,686,829	9,550,000	82.20%	**2038**
2039	150,000	71,298	400,000	243,455	2,320,000	389,765	2,709,765	7,230,000	86.52%	**2039**
2040	155,000	63,807	420,000	217,789	1,725,000	322,295	2,047,295	5,505,000	89.74%	**2040**
2041	165,000	55,669	450,000	190,558	1,785,000	259,902	2,044,902	3,720,000	93.06%	**2041**
2042	175,000	46,904	475,000	161,605	650,000	208,509	858,509	3,070,000	94.28%	**2042**
2043	185,000	37,506	520,000	129,968	705,000	167,474	872,474	2,365,000	95.59%	**2043**
2044	190,000	27,615	550,000	95,460	740,000	123,075	863,075	1,625,000	96.97%	**2044**
2045	200,000	17,230	580,000	59,018	780,000	76,248	856,248	845,000	98.42%	**2045**
2046	220,000	5,940	625,000	20,156	845,000	26,096	871,096	0	100.00%	**2046**
	6,310,000	2,662,928	6,145,000	5,251,010	53,640,000	13,742,064	67,382,064			

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

City of Oconomowoc, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Water Revenues
(As of 12/10/2026)

	Water System Revenue Bonds (SDWFL) [1] Series 2024
Dated	12/11/2024
Amount	$9,027,678
Maturity	05/01

Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2027	396,401	185,715	396,401	185,715	582,116	8,243,409	4.59%	**2027**
2028	405,122	176,899	405,122	176,899	582,020	7,838,287	9.28%	**2028**
2029	414,034	167,888	414,034	167,888	581,922	7,424,253	14.07%	**2029**
2030	423,143	158,679	423,143	158,679	581,822	7,001,110	18.97%	**2030**
2031	432,452	149,267	432,452	149,267	581,720	6,568,657	23.97%	**2031**
2032	441,966	139,649	441,966	139,649	581,615	6,126,691	29.09%	**2032**
2033	451,690	129,819	451,690	129,819	581,508	5,675,001	34.32%	**2033**
2034	461,627	119,772	461,627	119,772	581,399	5,213,375	39.66%	**2034**
2035	471,783	109,505	471,783	109,505	581,287	4,741,592	45.12%	**2035**
2036	482,162	99,011	482,162	99,011	581,173	4,259,430	50.70%	**2036**
2037	492,769	88,287	492,769	88,287	581,056	3,766,661	56.40%	**2037**
2038	503,610	77,327	503,610	77,327	580,937	3,263,051	62.23%	**2038**
2039	514,690	66,126	514,690	66,126	580,815	2,748,361	68.19%	**2039**
2040	526,013	54,678	526,013	54,678	580,691	2,222,348	74.28%	**2040**
2041	537,585	42,978	537,585	42,978	580,563	1,684,763	80.50%	**2041**
2042	549,412	31,021	549,412	31,021	580,433	1,135,351	86.86%	**2042**
2043	561,499	18,801	561,499	18,801	580,300	573,852	93.36%	**2043**
2044	573,852	6,312	573,852	6,312	580,164	0	100.00%	**2044**
	8,639,810	1,821,734	8,639,810	1,821,734	10,461,544			

[1] Pursuant to the Wisconsin Capital Finance Office, Project No. 5452-04, the amount of disbursements as of October 14, 2026 is $8,462,401.91. 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
Waukesha County	$102,884,496,600	4.5707%	$113,800,000	$5,201,457
Oconomowoc Area School District	12,058,737,624	38.9972%	57,965,000	22,604,727
Waukesha County Technical College	105,454,590,874	4.4593%	28,660,000	1,278,035
City's Share of Total Overlapping Debt				$29,084,219

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value $4,702,570,400	Debt/ Per Capita 20,971[4]
Total General Obligation Debt*	$53,640,000	1.14%	$2,557.82
City's Share of Total Overlapping Debt	29,084,219	0.62%	1,386.88
Total*	$82,724,219	1.76%	$3,944.70

*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	$12,755,173	100%	$4.70
2022/23	15,429,994	100%	5.07
2023/24	16,132,660	100%	4.51
2024/25	16,239,077	100%	4.35
2025/26	16,902,412	100%	4.11
2026/27[1]	17,960,145	To be collected	4.05

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.

[1] The budgeted levy is expected to be adopted on November 3, 2026.

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	Other[2]	Total
2021/22	$8.83	$1.68	$4.70	$0.02	$15.23
2022/23	8.52	1.53	5.07	0.02	15.14
2023/24	6.34	1.39	4.51	0.01	12.25
2024/25	6.40	1.35	4.35	0.01	12.11
2025/26	6.03	1.27	4.11	0.01	11.42

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.

[2] Includes taxes levied for special purpose districts such as metropolitan sewerage districts, sanitary districts, and public inland lake protection districts. Tax increment values are not included.

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 2025, the City received approximately $723,000 in shared revenue under Chapter 79, Wis. Stats., an increase from the approximately $708,000 received in 2024. The City is expected to receive approximately $746,000 in 2026 and approximately $761,000 in 2027 in shared revenue under Chapter 79, Wis. Stats. 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 1865 and is governed by a Mayor and an eight-member Common Council. The Mayor does not vote except in the case of a tie. All council members are elected to two-year terms. The appointed City Administrator/Treasurer, Director of Finance/Administrative Services and City Clerk are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The City employs a staff of 126 full-time and 191 part-time employees. All eligible employees in the City are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The WRS is a cost-sharing multiple-employer defined benefit pension plan. The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

City employees are generally required to contribute half of the actuarially determined contributions, and the City 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 $874,965, $970,651, and $1,063,406, 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. As of December 31, 2025, the total pension liability of the WRS was calculated as $146.97 billion and the fiduciary net position of the WRS was calculated as $149.25 billion, resulting in a net pension asset of $2.29 billion. Accordingly, the City will report an asset for its proportionate share of the net pension asset of the WRS in its audited financial statements for the year ending December 31, 2026.

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 $1,074,924 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 0.06541793% 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 5 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 unit represents employees of the City:

Bargaining Unit	Expiration Date of Current Contract
Oconomowoc Professional Police Association	December 31, 2026

OTHER POST EMPLOYMENT BENEFITS

Eligible retirees may remain on the City's group health plan, but are responsible for payment of 100% of the premiums with no contribution by the City. The City's auditors have determined that such other post-employment benefits are not material for inclusion in the City's audited financial statements.

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[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.

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 September 30, 2026)

Fund	Total Cash and Investments
General	$18,334,951
Special Revenue	7,266,563
Debt Service	513,318
Capital Projects	11,624,576
Enterprise Funds	46,834,728
Internal Service Fund	1,192,822
Total Funds on Hand	$85,766,958

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
Electric			
Total Operating Revenues	$26,293,287	$25,956,341	$28,076,367
Less: Operating Expenses	(23,985,240)	(23,078,533)	(25,164,846)
Operating Income	$2,308,047	$2,877,808	$2,911,521
Plus: Depreciation	2,373,917	2,518,127	2,652,110
Interest Income	617,076	714,118	727,591
Revenues Available for Debt Service	$5,299,040	$6,110,053	$6,291,222
Water			
Total Operating Revenues	$4,452,383	$4,440,756	$5,066,865
Less: Operating Expenses	(3,450,439)	(3,289,610)	(3,557,061)
Operating Income	$1,001,944	$1,151,146	$1,509,804
Plus: Depreciation	1,127,091	1,220,478	1,279,220
Interest Income	194,103	128,520	128,380
Revenues Available for Debt Service	$2,323,138	$2,500,144	$2,917,404
Wastewater			
Total Operating Revenues	$4,778,056	$5,129,611	$5,481,994
Less: Operating Expenses	(4,278,928)	(4,598,118)	(5,016,262)
Operating Income	$499,128	$531,493	$465,732
Plus: Depreciation	1,658,334	1,834,448	2,106,007
Interest Income	1,227,002	1,444,425	1,395,416
Revenues Available for Debt Service	$3,384,464	$3,810,366	$3,967,155

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.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31			
	2022 Audited	**2023 Audited**	**2024 Audited**	**2025 Audited**
Revenues				
Taxes and special assessments	$8,618,124	$11,144,255	$11,320,876	$12,054,108
Intergovernmental	1,957,637	2,214,378	2,928,813	3,353,460
Licenses and permits	1,912,543	1,574,200	1,885,039	2,071,465
Fines, forfeitures and penalties	323,727	316,539	302,273	278,073
Public charges for services	725,423	751,135	816,680	843,212
Intergovernmental charges	34,304	33,702	37,824	30,358
Interdepartmental charges	4,570	4,595	4,620	4,645
Miscellaneous revenues	807,181	1,699,134	1,945,534	1,901,518
Total Revenues	$14,383,509	$17,737,938	$19,241,659	$20,536,839
Expenditures				
Current:				
General government	$1,601,042	$1,537,498	$1,669,783	$1,742,605
Public safety	6,606,869	8,227,443	9,364,510	10,374,826
Public works	2,654,298	2,751,277	3,051,425	3,203,167
Health and human services	103,005	114,459	116,184	132,568
Culture and recreation	3,222,394	3,294,029	3,466,590	3,632,252
Conservation and development	896,269	914,817	1,028,504	1,394,461
Total Expenditures	$15,083,877	$16,839,523	$18,696,996	$20,479,879
Excess of revenues over (under) expenditures	($700,368)	$898,415	$544,663	$56,960
Other Financing Sources (Uses)				
Transfers in	$2,016,700	$2,263,709	$2,119,908	$2,080,498
Transfers (out)	(400,865)	(1,435,000)	(3,104,254)	(1,077,939)
Total Other Financing Sources (Uses)	1,615,835	828,709	(984,346)	1,002,559
Net changes in Fund Balances	$915,467	$1,727,124	($439,683)	$1,059,519
General Fund Balance January 1	$10,902,178	$11,817,645	$13,544,769	$13,105,086
General Fund Balance December 31	$11,817,645	$13,544,769	$13,105,086	$14,164,605
DETAILS OF DECEMBER 31 FUND BALANCE				
Nonspendable	$490,777	$887,526	$672,274	$2,014,376
Restricted	5,734	964,291	0	0
Commited	216,769	503,993	418,754	267,066
Assigned	1,045,209	1,493,772	1,503,895	1,424,630
Unassigned (Deficit)	10,059,156	9,695,187	10,510,163	10,458,533
Total	$11,817,645	$13,544,769	$13,105,086	$14,164,605

GENERAL FUND BUDGET SUMMARY

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31	
	2026 Adopted Budget [1]	**2027 Preliminary Budget [2]**
Revenues		
Taxes and special assessments	$12,726,231	$13,251,109
Integovernmental	3,153,893	3,210,759
Licenses and permits	1,460,200	1,482,700
Fines, forfeitures and penalties	294,500	287,500
Public charges for services	739,595	741,843
Intergovernmental chareges	34,000	34,000
Interdepartmental charges	3,950	3,950
Miscellaneous revenues	772,284	816,890
Total Revenues	$19,184,653	$19,828,751
Expenditures		
General government	$2,141,095	$2,002,919
Public safety	10,607,065	11,468,459
Public works	3,357,979	3,449,901
Health and human services	139,905	127,406
Culture and recreation	3,898,665	4,059,592
Conservation and development	560,094	598,269
Total Expenditures	$20,704,803	$21,706,546
Excess of revenues over (under) expenditures	($1,520,150)	($1,877,795)
Other Financing Sources (Uses)		
Transfers in	1,806,000	1,877,795
Transfers (out)	(885,850)	(673,500)
Total Other Financing Sources (Uses)	$920,150	$1,204,295
Net changes in Fund Balances	($600,000) [3]	($673,500) [3]

[1] The 2026 budget was adopted on November 4, 2025.

[2] The 2027 budget is expected to be adopted on November 3, 2026.

[3] The budgeted use of fund balance reflects the use of uncommitted surplus for one-time use for capital projects. The City updated it's fund balance policy on August 18, 2026 to increase the minimum General Fund balance target from 25% to 35% of the subsequent year's budgeted expenditures of the General Fund and the Capital Project Fund - Capital Improvements. The City expects to continue to be in compliance with its new 35% fund balance policy.

GENERAL INFORMATION

LOCATION

The City, with a 2020 U.S. Census population of 18,203 and a current estimated population of 20,971 comprises an area of 12.48 square miles and is located in southeastern Wisconsin, approximately 30 miles west of Milwaukee, Wisconsin.

LARGER EMPLOYERS[1]

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Roundy's Distribution Center	Retail distribution center	800
Target Corporation	Retail distribution center	600
Rogers Behavioral Health	Inpatient and Residential Treatment Programs	570
Oconomowoc Area School District	Elementary and secondary education	512
ProHealth Oconomowoc Memorial Hospital	Medical facility	391
The City	Municipal government and services	317
Bruno Independent Living Aids	Manufacturer of mobility aids	300
Shore Haven	Continuing care retirement community	300
CL & D	Flexographic printing	200
Sentry Equipment Corporation	Water sample equipment manufacturer	175

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

	2022	2023	2024	2025	2026[1]
New Single Family Homes					
No. of building permits	80	114	118	187	125
Valuation	$22,651,642	$39,973,209	$42,924,515	$75,351,009	$51,185,990
New Multiple Family Buildings					
No. of building permits	28	9	54	1	1
Valuation	$9,335,000	$3,295,000	$55,302,272	$29,582,000	$6,800,000
New Commercial/Industrial					
No. of building permits	17	6	11	13	3
Valuation	$18,123,498	$25,489,776	$31,541,849	$107,200,306	$4,280,019
All Building Permits *(including additions and remodelings)*					
No. of building permits	2,300	1,151	1,104	604	421
Valuation	$123,498,824	$101,855,783	$156,533,115	$233,593,582	$75,310,249

Source: The City.

[1] As of September 30, 2026.

U.S. CENSUS DATA

Population Trend: The City

2010 U.S. Census Population	15,759
2020 U.S. Census Population	18,203
Percent of Change 2010 - 2020	15.51%
2026 Estimated Population	20,971

Income and Age Statistics

	The City	Waukesha County	State of Wisconsin	United States
2024 per capita income	$53,735	$58,126	$43,373	$44,673
2024 median household income	$106,425	$106,076	$77,485	$80,734
2024 median family income	$142,031	$132,381	$100,141	$99,999
2024 median gross rent	$1,301	$1,356	$1,087	$1,413
2024 median value owner occupied units	$394,500	$398,200	$266,500	$332,700
2024 median age	42.6 yrs.	43.5 yrs.	40.2 yrs.	38.9 yrs.

	State of Wisconsin	United States
City % of 2024 per capita income	123.89%	120.29%
City % of 2024 median family income	141.83%	142.03%

Housing Statistics

	The City		
	2020	2024	Percent of Change
All Housing Units	8,043	8,025	-0.22%

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	Waukesha County	Waukesha County	State of Wisconsin
2022	215,968	2.4%	2.8%
2023	218,860	2.5%	2.8%
2024	219,265	2.6%	3.0%
2025[1]	216,353	2.9%	3.2%
2026, September[1]	218,642	2.7%	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.



CITY OF OCONOMOWOC, WISCONSIN

2025 Annual Comprehensive Financial Report

As of and for the Year Ended December 31, 2025

INTRODUCTORY SECTION

CITY OF OCONOMOWOC

Oconomowoc, Wisconsin

Annual Comprehensive Financial Report

As of and for the Year Ended December 31, 2025

CITY OF OCONOMOWOC

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CITY OF OCONOMOWOC

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June 26, 2026

To the Honorable Mayor, Members of the City Council and Citizens of the City of Oconomowoc:

The annual comprehensive financial report for the City of Oconomowoc for the year ended December 31, 2025, is hereby submitted. This report consists of management's representations concerning the finances of the City of Oconomowoc. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City Council retained the accounting firm of Baker Tilly US, LLP to perform an audit of the City's financial statements. Baker Tilly US, LLP has issued an unmodified ("clean") opinion on the City of Oconomowoc's financial statements as of and for the year ended December 31, 2025. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City, first incorporated as a town in 1844, and then as a city in 1865, is located in western Waukesha County, in the southeastern part of Wisconsin, 30 miles west of downtown Milwaukee. The City currently has a land area of approximately 13 square miles and a population of 20,179. The City is empowered to levy a property tax on real property located within its boundaries. The City also has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the City Council.

The City has operated under a mayor-council form of government since its incorporation. Policymaking and legislative authority is vested in the City Council, which consists of a mayor and an eight-member council. This governing council is responsible, among other things, for passing ordinances, adopting the budget, and hiring the City's administrator. The city administrator is responsible for carrying out the policies and ordinances of the governing council and for overseeing the day-to-day operations of the City government. The mayor is responsible for appointing committees, boards and commissions, subject to the approval of the City Council. The mayor and the council are elected on a non-partisan basis. Council members are elected from within their respective districts to two-year staggered terms, with four council members elected every year. The mayor is elected at large for two-year terms.

The City provides a full range of services including police and fire protection; sanitation services; the construction and maintenance of streets, highways, and other infrastructure; recreational activities and cultural events. In addition to the general activities, the City Council exercises control over the Wastewater, Water, and Electric Utilities, and therefore they have been included as an integral part of the City's financial statements. The Oconomowoc Area School District is an autonomous entity and has not met the established criteria for inclusion in the reporting entity and accordingly, is excluded from this report.

The annual budget serves as the foundation for the City of Oconomowoc's financial planning and controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget appropriation approved by the City Council. Activities of the general fund, special revenue funds, and the debt service fund are included in the annual appropriated budget. Project-length budgets are prepared for capital project funds, but appropriations are updated annually with carryover resolutions. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department and individual fund level.

Local Economy

The City's growth tends to follow the pattern of the national economy trends; however, the City's growth has outpaced the average growth within our county nine out of the last 10 years. Over the long-term, the City is likely to continue to experience significant residential and commercial growth in the years ahead as development from the Milwaukee area edges toward Oconomowoc. Because of its easy access to points east and west, provided by Interstate Highway I-94 and the four-lane State Highway 16, a significant portion of the City's population commutes to work in the Milwaukee area. In 2025, the City had net new construction growth of 3.38% or $133.6 million.

The City is home to a diverse business base. The 145-acre Oconomowoc Corporate Center features office and light industrial sites for several area companies. An 87-room TownePlace Suites by Marriott extended-stay hotel in the Oconomowoc Corporate Center opened in 2022 and has generated significant room tax.

The Pabst Farms area is a mixed-use development with industrial, commercial, residential, school and institutional uses with open space preservation. The Wisconsin Brewing Company Park opened in 2022 and is home to the Lake Country DockHounds baseball team. The outdoor athletic facility has been used for other athletic and outdoor events that provide families with fun and affordable entertainment. The Hackney House multi-family development was substantially completed in 2023, which added approximately 300 units comprised of apartments and townhomes. In 2025, significant projects within the Pabst Farms area include Wingspan, a technology and innovation hub, groundbreaking on a new Costco location, and new corporate headquarters for Wis-Pak Corporation.

The City's 2024 overall net property tax rate of $10.75 per $1,000 of estimated actual value ranks 184 out of all 190 Wisconsin cities. In 2025 the City's overall net property tax rate decreased to $10.26 and improved its ranking to 186 out of all 190 Wisconsin cities. The decrease is primarily the result of the City's assessed value increasing 9.8% compared to the overall tax levy increasing only 4.1%.

As a public power community, the City is able to provide its residential customers with electric rates averaging approximately 30 percent lower than the rates charged by the large investor-owned utility that services the surrounding communities. Oconomowoc's average 2025 annual water and sewer charges per household were both favorable compared to the average for area Wisconsin communities.

Local economic indicators continued their favorable trends. For example, Waukesha County's unemployment rate continued to compare favorably to the state and national average rates as well as the City's adjusted gross income per tax return compared favorably to Wisconsin's average. We expect these trends to remain favorable in the future.

Long-term Financial Planning

The City continues to focus on how to improve Oconomowoc's services and vitality. The City has committed to various actions to improve long-term financial planning efforts.

The City uses both its Zoning Ordinance and 2050 Comprehensive Land Use Plan, adopted in 2019, to manage development until the year 2050. In addition to the Comprehensive Land Use Plan, the City has also adopted plans relating to Downtown revitalization, parking, waterfronts, the Southwest Summit Avenue area, and the River West Neighborhood. These plans focus on the applicable specific areas within the City and the unique characteristics

each space encompasses. Together, these documents serve as guides to growth and development in the City and the surrounding area. As long-range planning tools, these documents are concerned with a wide variety of environmental, economic and social factors for areas currently within the City's corporate limits and beyond. City officials use these land use plans as a policy guide to direct community development decisions, to assist with community facility budgeting, and to focus and stimulate private housing, business, and industrial investment decisions. These plans contain detailed recommendations for community character, land use, transportation, recreation, community facilities, and utilities, as well as extensive recommendations to ensure the implementation of the plans.

The City of Oconomowoc has established the revitalization of the downtown and adjoining neighborhoods as a top priority. It is a goal of the City to maintain the downtown as a healthy, vibrant area and a center of community activities. As a result of this effort the Common Council approved and created Tax Incremental District (TID) #4 during 2003. The district was created to finance public works improvements, provide incentives to the private sector to assist in the elimination of blighted conditions and lastly to stimulate planned commercial, housing and mixed-use development within the district. The final Waterfront Improvements project in TID #4 (City Green) was funded through escrow in 2025 and is anticipated to begin in 2026. The City adopted a resolution to terminate this district in March of 2026 which will return approximately $53 million of value onto the tax roll for the 2026 Tax year (2027 Budget year). Following a final audit, TID #4 is expected to be fully closed and residual fund balance returned to the underlying taxing jurisdictions by March 2027.

In 2017, the City approved the creation of TID #5 and #6, to finance public works improvements, provide incentives to the private sector to assist in the elimination of blighted conditions and lastly to stimulate planned commercial, housing and mixed-use development within the districts, to further enhance the downtown area. TID #5 estimated costs within the district are estimated to total $6.0 million while TID #6 estimated project costs total $10.5 million. Private developers in both districts have created upscale housing with lakefront views that continues to strengthen the heart of the City’s downtown.

The City continues to expand and improve areas outside of the downtown area as well. The City worked collaboratively with the local school district, a residential developer and a church to develop a large area in the northeast part of the City. The result of this effort is the City’s Northeast Regional Park, the Meadow View Elementary School, the Prairie Creek Ridge Subdivision, and the St. Matthew’s Church. Amenities including a public shelter and restroom and pickleball courts have enhanced the area as developers continue to add new homes to the Prairie Creek Ridge Subdivision.

In 2021, the City created TID #7 to eliminate blight in the southwest area of the City referred to as Olympia Fields. The City has invested $16.0 million in the necessary infrastructure to spur development through a public/private partnership at Olympia Fields. The City plans to invest an additional $1.5 million to complete the remaining infrastructure to support demand for Olympia Fields development. Through the development and redevelopment of the area, Wangard development is undertaking and ensuring $64.5 million in guaranteed increment investment to occur between 2024 and 2027. In 2023, the City amended TID #7 for the Olde Highlander development which includes a mix of commercial, institutional and multifamily residential improvements anticipated to result in $57 million in tax increment. The project plan includes an $8.4 million investment by the City for infrastructure to start the development. In 2025, the City amended the TID #7 project plan to enable an additional $86.6 million of incremental value including retail, commercial, office, residential and redevelopment of the blighted former ski chalet into an entertainment venue (The Social). $12.5 million of the additional $16 million in project costs are fully guaranteed.

In addition to the efforts detailed above, each year the City updates and adopts a five-year long-term financial plan/capital improvement plan. This plan focuses on the strategic initiatives of the City and addresses the City’s capital and operating needs over the subsequent five-year period. This document assists the Council in setting the priorities of the City as well as determining how to finance the needs of the City in the future in conjunction with the City’s strategic plan.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Oconomowoc for its annual comprehensive financial report (annual report) for the year ended December 31, 2024. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state or local government financial reports. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized annual report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Oconomowoc received its first Certificate of Achievement in 1994 and received it in all subsequent years except for 1997 when a report was not submitted. We believe that our current annual report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report was made possible through the dedicated services of the Finance Department staff, other City departments, and our independent auditors. We express our appreciation to all the City staff that assisted and contributed to the preparation of this report. We also thank the Mayor, the City Council, and the City Administrator – without their leadership and continuing support, preparation of this report would not have been possible.

Sincerely,



Steve Hatton
Director of Finance and Administration

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Oconomowoc
Wisconsin

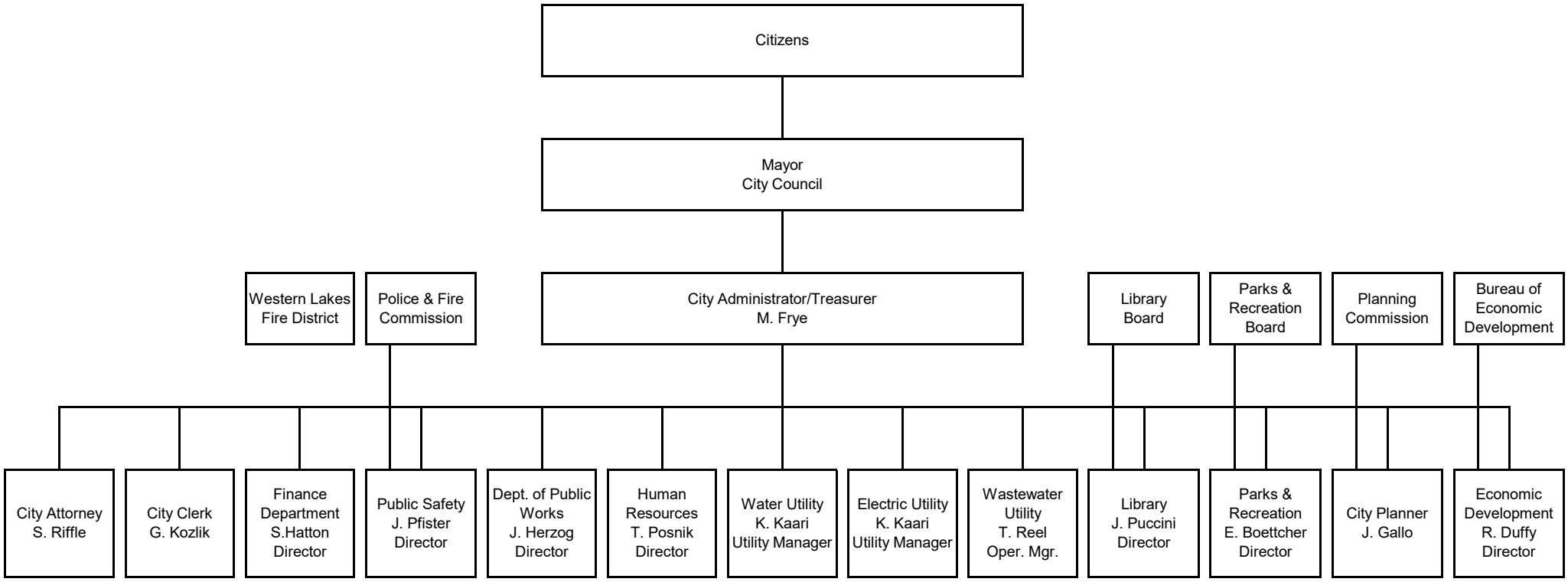
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morrill

Executive Director/CEO

City of Oconomowoc
Organizational Chart



CITY OF OCONOMOWOC, WISCONSIN
List of Elected and Appointed Officials
December 31, 2025

ELECTED OFFICIALS

Mayor		Robert Magnus
Council Member	District 1	Matt Mulder
	District 1	Karen Spiegelberg
	District 2	Rusty McConnell
	District 2	Charles Schellpeper
	District 3	Erik Jungwirth
	District 3	Matt Rosek
	District 4	Jennifer Aultman Kloth
	District 4	Kevin Ellis
Municipal Court Judge		Timothy Kay

APPOINTED OFFICIALS

Administrator/Treasurer	Mark Frye
Attorney	Stan Riffle
Assistant Attorney	Jeffrey Ek
Clerk	Gina Kozlik
Finance Director	Steve Hatton
Human Resources Director	Tony Posnik
Public Safety Director	James Pfister
Public Works Director	Jason Herzog
City Engineer	Stanley Sugden
Library Director	Jennifer Puccini
Parks and Recreation Director	Eric Boettcher
Economic Development Director	Robert Duffy
City Planner	Jason Gallo
Wastewater Operations Manager	Tim Reel
Electric & Water Operations Manager	Kevin Kaari

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report

To the City Council of
City of Oconomowoc, 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 Oconomowoc (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 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 as of December 31, 2025 and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Special Revenue Fund - Park and Recreation Facilities Impact Fees 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 (GAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS 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 GAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2026 on our consideration of the City'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.

Baker Tilly US, LLP

Milwaukee, Wisconsin
June 26, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As management of the City of Oconomowoc (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 4 – 7 of this report.

Overview of the Financial Statements

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

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

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by taxes and intergovernmental revenues, such as grants, from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, public works, sanitation, health and human services, culture and recreation and conservation and development. Business-type activities include electric, water and wastewater utilities.

The government-wide financial statements include not only the City of Oconomowoc itself, but also any component units. Component units are legally separate entities for which a primary government is financially accountable. The City has not identified any component units that are required to be included.

The government-wide financial statements can be found on pages 25 – 26 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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

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

Budgetary comparison statements are included in the basic financial statements for the general fund and the parks and recreation facilities impact fees special revenue fund. Budgetary comparison schedules for all other special revenue funds, the debt service fund and capital projects funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the City's adopted and final revised budget.

The basic governmental fund financial statements can be found on pages 27 – 38 of this report.

Proprietary funds. Proprietary funds generally report services for which the City charges customers a fee. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Services such as the electric, water and wastewater utilities are provided to customers external to the City organization. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its technology, risk management, and fleet maintenance systems. Because this service predominantly benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the electric, water and wastewater utilities, all of which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 39 – 41 of this report.

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

The basic fiduciary fund financial statements can be found on pages 42 – 43 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 44 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City of Oconomowoc's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 79 – 80 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds, as well as the individual fund statements and schedules are presented immediately following the required supplementary information on pension benefits. Combining and individual fund statements can be found on pages 81 – 109 of this report.

The City has also included a statistical section with 10 years of comparative financial, demographic, and operational data. This information can be found on pages 110 – 133 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by $301,886,483 at the close of the most recent fiscal year.

City of Oconomowoc's Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Assets:						
Non-Capital assets	$ 55,179,386	$ 51,430,531	$ 52,686,304	$ 52,023,012	$ 107,865,690	$ 103,453,543
Capital assets	111,634,428	105,965,439	164,631,479	147,497,585	276,265,907	253,463,024
Total assets	166,813,814	157,395,970	217,317,783	199,520,597	384,131,597	356,916,567
Deferred Outflows of Resources:						
Deferred outflows related to pension	4,534,335	6,084,914	1,821,886	2,442,420	6,356,221	8,527,334
Total deferred outflows	4,534,335	6,084,914	1,821,886	2,442,420	6,356,221	8,527,334
Liabilities:						
Current and other liabilities	4,236,365	3,568,099	6,575,533	4,126,869	10,811,898	7,694,968
Long-term liabilities	40,842,604	41,220,626	12,300,535	7,532,747	53,143,139	48,753,373
Total liabilities	45,078,969	44,788,725	18,876,068	11,659,616	63,955,037	56,448,341
Deferred Inflows of Resources:						
Deferred inflows related to pension	2,191,331	3,575,660	971,188	1,516,418	3,162,519	5,092,078
Property taxes	21,483,779	20,190,528	-	-	21,483,779	20,190,528
Total deferred inflows	23,675,110	23,766,188	971,188	1,516,418	24,646,298	25,282,606
Net Position:						
Net investment in capital assets	77,516,786	70,474,599	149,182,967	139,837,484	226,699,753	210,312,083
Restricted	9,115,737	7,110,724	12,084,280	12,293,246	21,200,017	19,403,970
Unrestricted	15,961,547	17,340,648	38,025,166	36,656,253	53,986,713	53,996,901
Total net position	$ 102,594,070	$ 94,925,971	$ 199,292,413	$ 188,786,983	$ 301,886,483	$ 283,712,954

The largest portion of the City's net position (75.1%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens, and they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (7.0%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($53,986,713) may be used to meet the government's ongoing obligations to citizens and creditors.

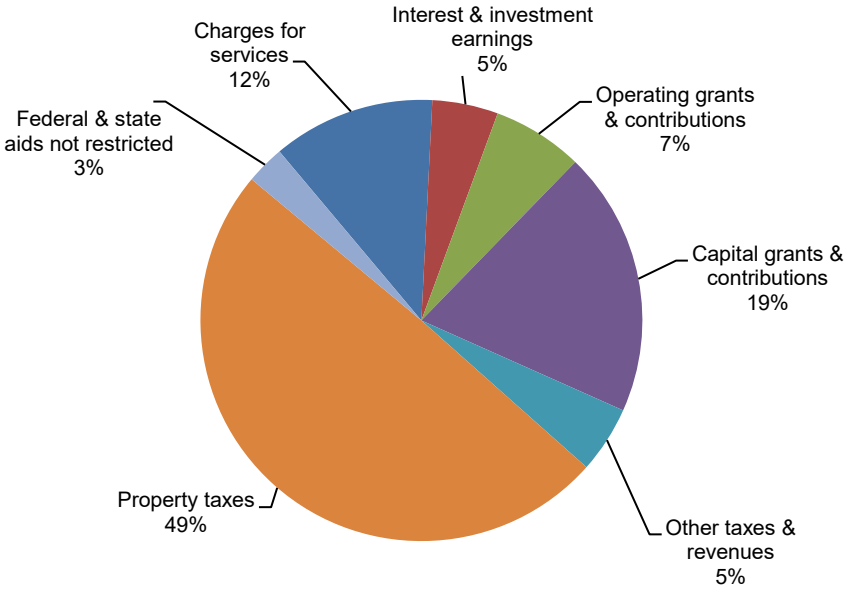
The following table provides a summary of the City's changes in net position.

City of Oconomowoc's Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Revenues:						
Program Revenues						
Charges for services	$4,544,600	$4,330,354	$40,872,432	$37,746,884	$45,417,032	$42,077,238
Operating grants and contributions	2,537,678	2,366,095	-	-	2,537,678	2,366,095
Capital grants and contributions	7,416,821	10,984,083	3,490,091	8,641,541	10,906,912	19,625,624
General Revenues						
Property taxes	18,884,840	18,206,390	-	-	18,884,840	18,206,390
Other taxes	883,197	766,738	-	-	883,197	766,738
Federal & state aids not restricted to specific functions	1,083,389	845,683	-	-	1,083,389	845,683
Interest & investment earnings	1,836,214	2,017,688	2,251,387	2,287,063	4,087,601	4,304,751
Miscellaneous	984,877	964,277	-	-	984,877	964,277
Total Revenues	38,171,616	40,481,308	46,613,910	48,675,488	84,785,526	89,156,796
Expenses:						
General government	1,796,716	1,829,622	-	-	1,796,716	1,829,622
Public safety	11,823,273	10,484,346	-	-	11,823,273	10,484,346
Public works	8,183,424	11,055,403	-	-	8,183,424	11,055,403
Sanitation	1,301,251	1,222,800	-	-	1,301,251	1,222,800
Health and human services	132,432	115,606	-	-	132,432	115,606
Culture and recreation	4,493,739	4,613,338	-	-	4,493,739	4,613,338
Conservation and development	3,640,625	2,190,659	-	-	3,640,625	2,190,659
Interest and fiscal charges	1,137,555	1,063,255	-	-	1,137,555	1,063,255
Electric Utility	-	-	25,166,653	23,079,836	25,166,653	23,079,836
Water Utility	-	-	3,823,640	3,434,891	3,823,640	3,434,891
Wastewater Utility	-	-	5,112,689	4,707,652	5,112,689	4,707,652
Total Expenses	32,509,015	32,575,029	34,102,982	31,222,379	66,611,997	63,797,408
Increase (decrease) in net position before transfers and special item	5,662,601	7,906,279	12,510,928	17,453,109	18,173,529	25,359,388
Transfers	2,005,498	2,044,908	(2,005,498)	(2,044,908)	-	-
Change in net position	7,668,099	9,951,187	10,505,430	15,408,201	18,173,529	25,359,388
Beginning net position	94,925,971	84,974,784	188,786,983	173,378,782	283,712,954	258,353,566
Ending net position	$102,594,070	$94,925,971	$199,292,413	$188,786,983	$301,886,483	$283,712,954

Governmental activities. Total net position for the governmental activities increased $7.7 million during the current fiscal year due to various items, including interest earnings of $1.3 million over budget as well as $2.4 million in impact fee collections. The City had decreases in capital grants and contributions for developer contributed infrastructure, various park grants and donations and impact fees. These capital grants and contributions are revenue in the year received; however, the depreciation expense on the related assets is allocated over the useful life of the assets. Net investment in capital assets increased 10.0%, or $7.0 million, which is mainly due to contributed capital assets. Capital assets purchased and contributed during the year totaled approximately $14.5 million, of which $4.5 million was contributed. Refer to the discussion regarding capital assets later in this analysis for further details. Restricted net position increased approximately $2.0 million, which is a result of the increased collections in the Highway and Park impact fee funds.

GOVERNMENTAL ACTIVITIES REVENUES

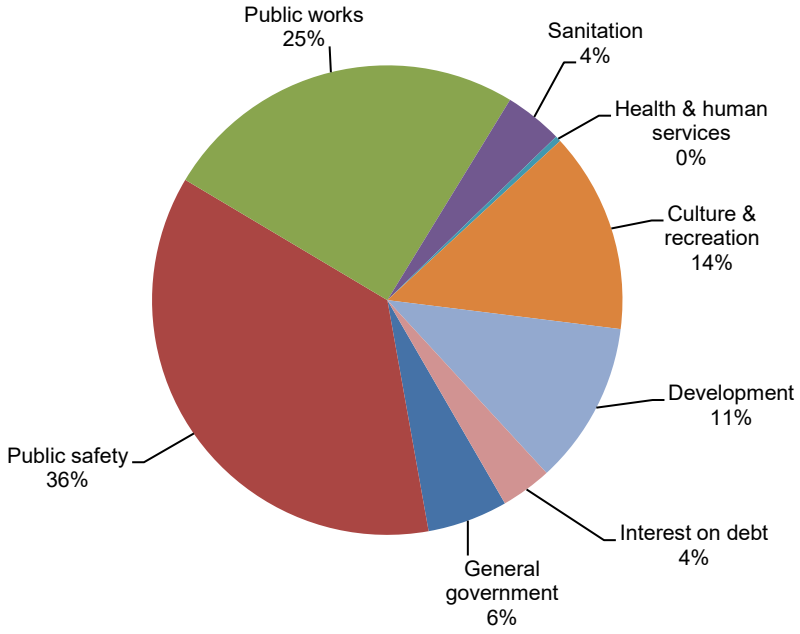


As graphically portrayed above, the City received a significant amount of its revenue from property taxes (49%) in 2025. Property taxes accounted for 45% of revenue in 2024. The percentage of property taxes increased due to decreased capital contributions; however, property taxes levied increased by $678,450 or 3.7% from 2024. The tax increase is due to increased tax increment, net new construction and slightly decreased debt service requirements. Capital grants and contributions decreased $3.6 million from 2024, which is a result of lower developer street contributions, reduced impact fees collected, and a reduction in Parks, Recreation and Forestry grants and donations for various projects.

The City received 12% of its revenue from charges for services, which increased slightly from the prior year due to increased boat launch collections as well as increased garbage collection fees due to increased residential development. Operating grants and contributions saw various increases from 2024 including an increase in state transportation and library aids, as well as a sizable watershed grant.

Interest and investment earnings were 5% of revenue for 2025 and 2024, with revenues decreasing $181,474 due to lower interest rates. Federal and state aids not restricted shifted from 2% in 2024 to 3% in 2025 due to Wisconsin Act 12, which significantly increased shared revenue for municipalities. Other taxes and revenues remained comparable to the prior year.

GOVERNMENTAL ACTIVITIES FUNCTIONAL EXPENSES

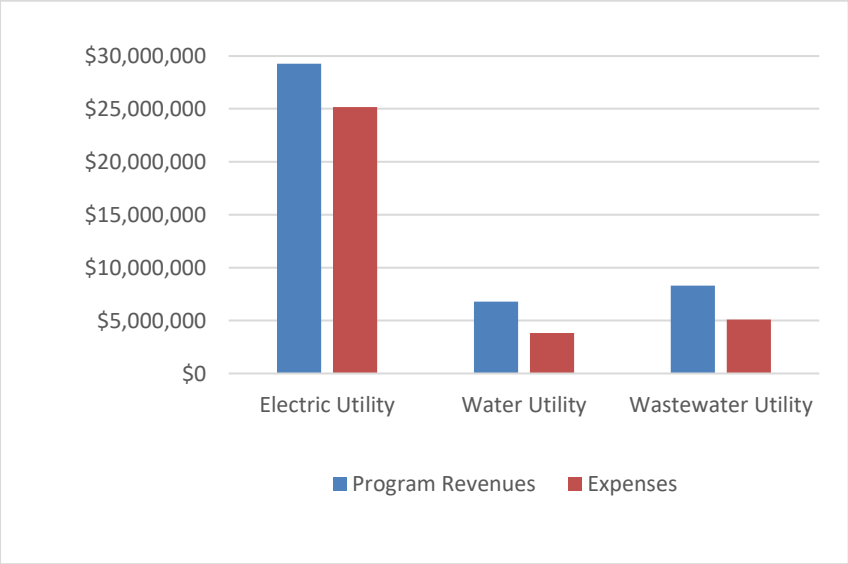


This graph shows the distribution by function of the total governmental activities cost of $32,509,015, which is in line with 2024 levels. Public works accounted for 25% of expenses in 2025, which was a significant decrease from 34% of expenses in 2024. The main factors that resulted in a $2.9 million decrease from the prior year are due to a 2024 infrastructure investment that was not repeated in 2025 as well as increased depreciation on a higher level of capital assets at year-end 2024. The public works decrease as well as a $1.3 million increase in public safety expense led to public safety shifting from 32% of expenses in 2024 to 36% of expenses in 2025. Police department increases included increased wages and benefits related to a cost-of-living adjustment (COLA) as well as increases in health insurance and Wisconsin Retirement contribution rates. $676,143 of the public safety increase is due to increased cost for the contracted fire district.

While wages and health insurance increased, overall culture and recreation expenses decreased $119,599 due to lower capitalized projects from the previous year. Tourism increased spending on promotional efforts and donations towards the Chapman Park trailhead restroom, Fowler Lake fountain, and downtown trash receptacle replacements. Parks, Recreation and Forestry department increases include increased spending on capital projects in addition to increased wage and benefit costs. Development increased significantly in 2025 due to TIF #5 funding of the boat launch project and TIF #4 funding towards the City Green. Other categories remained relatively comparable to the prior year.

Business-type activities. Total net position for the business-type activities increased approximately $10.5 million during the current fiscal year. This increase was less than the prior year primarily due to a decrease in contributed capital as well as increased cost of purchased power.

BUSINESS TYPE ACTIVITIES
Program Revenues vs. Expenses



Business-type activities are shown above comparing costs to revenues generated by related services. Operating income from the electric, water and wastewater utilities totaled $4,887,057. Operating income increased from the previous year as a result of the cost of electric purchased power being more than offset by increased charges for services in the electric utility and rate increases for the water and wastewater utilities.

Financial Analysis of the Governmental Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $27.8 million. Of this amount $2.02 million is considered non-spendable based on form and $10.0 million is restricted by outside parties for specific purposes. The Council committed a total of $5.7 million in fund balance for future projects and spending. These commitments are not legally obligated but can only be reversed by future Council action. The Council, City Administrator and/or Finance Director assigned $1.4 million for future budget items, including carryovers of certain budget surpluses into the next year and various other projects.

Total unassigned fund balance for governmental funds totaled $8.7 million. The general fund portion of the unassigned fund balance is the largest segment at $10.5 million. The general fund unassigned fund balance is offset by the negative fund balances in the TID #5, TID #6 and TID #8 capital projects funds and the transportation facilities impact fees special revenue fund. These negative balances are the result of internal advances that will be paid with future revenues. The City Council adopted a reserve policy that requires an emergency reserve of 25% of the general operating fund and levy funded capital projects fund expenditures. As of the end of the year, the fund balance required under the reserve policy was $5.9 million; therefore, the remaining unassigned fund balance was $4.6 million.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance of the general fund was $14.2 million, which is an increase of $1,059,519 from the previous year. The 2022 tax levy (2023 property tax revenue) included a permanent increase of $2.2 million due to the fire district funding referendum. This referendum significantly increased fire and EMS service levels to the City, with increased services phased in over three years. The 2025

phase in was 100% of the referendum amount which was fully utilized to fund fire expenditures in 2025. The total accumulated reserve of $1.4 million was transferred from the general fund to the fire/ambulance reserve special revenue fund in 2024 and is being used to offset future fire district costs. This decrease to fund balance is offset by the various favorable revenue and expenditure variances noted in the General Fund Budgetary Highlights section below. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 51% of total general fund expenditures, while total fund balance represents 69% of that same amount. Unassigned fund balance compared to total expenditures is slightly reduced compared to the prior year percentage. The total fund balance compared to expenditures is down from the previous year due to an increase in total expenditures from increased fire department expenses in conjunction with increased wage and benefit costs across the other service functions/programs.

The park and recreation facilities impact fees special revenue fund is used to account for the collection of park and recreation impact fees and the related project expenditures. During 2025, fund balance increased $1.3 million to end at a surplus of $1,924,430. The increase was due to the collection of impact fees in excess of capital outlay in 2025. Increased impact fees were collected for projects including the Pabst 59 Residential Apartments, the Evin and various neighborhoods including Prairie Creek Ridge, Olde Highlander and Arrowood.

The debt service fund is utilized to account for and report transactions relating to the issuance and payment of existing debt. The debt service fund balance decreased $60,983 to end at a surplus of $330,887.

The capital improvements fund is used to account for general City capital improvement transactions. At the end of 2025 the fund balance of the capital improvements fund was $4.8 million, an increase of $248,737 from the prior year. This increase is due to open projects at the end of 2025 to be completed in 2026.

The TID #7 capital projects fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for project costs of the City's Tax Incremental District. At the end of 2025 the fund balance of the TID #7 capital projects fund was $3.8 million, an increase of $163,617 from the prior year. Current year expenditures include $523,000 in debt service and administrative costs associated with amendment #2 to the district.

The transportation facilities impact fees special revenue fund is used to account for the collection of transportation impact fees and the related project expenditures. During 2025 fund balance increased $768,954 to end with a surplus of $620,502. The increase was due to the collection of impact fees for various developments compared to minimal public works expenditures. Increased impact fees were collected for projects in the Pabst Farms development, the Evin and various neighborhoods including Prairie Creek Ridge, Olde Highlander and Arrowood. The 2025 surplus will be drawn down with the 2026 project to extend Lake Bluff Drive with cost recovery to be funded with future collections of impact fees.

The TID #4 capital projects fund experienced a decrease in fund balance of $142,323 during the current year to end at a surplus of $167,141. This decrease is due to the establishment of an escrow to support the City Green redevelopment. The TID #5 capital projects fund increased its deficit fund balance to ($1,628,846) in 2025 due to the City Beach Boat Launch and Parking Reconstruction project. The TID #6 capital projects fund reduced its deficit fund balance to ($141,865). The decrease was due to increment collected in excess of administrative, conservation and development expenditures. The TID #8 capital projects fund deficit increased from ($1,220) to ($1,429) due to minimal activity throughout the year.

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

Net investment in capital assets of the electric, water and wastewater utilities increased by $9.3 million as a result of multiple large capital projects completed or in progress at the end of 2025 in addition to $3.5 million of contributed capital. Restricted net position increased due to sewer availability charges collected for projects including Costco, the Pabst 59 Residential Apartments and various neighborhoods including Prairie Creek Ridge, Olde Highlander and Arrowood. Unrestricted net position of the electric, water and wastewater utilities at the end of the year was $38.0 million. The $1.4 million increase in unrestricted net position from the prior year is due to interest earnings and cost of electric purchased power increasing less than charges for services due to rate increases. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The net revision of the original 2025 budget for General Fund expenditures was $1,220,792. Supplemental appropriations or authorized budget amendments were approved by Council as follows:

- $165,534 of continuing General Fund appropriations (carryovers) from the 2024 budget
- $169,288 of revenue and expenditure budget adjustments for donation and grant proceeds
- $400,000 transfer of excess 2025 interest revenue to the Capital Improvements Fund to fund 2026 capital projects
- $485,970 carryover of continuing River Watershed appropriations (carryovers) from the 2024 budget for the Cottonwood Creek restoration project

The General Fund ended the year with a budget surplus of $2.4 million. The surplus is composed of favorable revenue and expenditure variances. The significant items composing the favorable revenue variance are as follows:

- Taxes – public accommodation $68,185 favorable variance: allowable room tax for general operations is the greater of room tax collected in 2014 or 30% of current year room tax, allocation in 2025 was based on 30% of collections, which was higher than the budget of $190,000 based on 2014 room tax collections.
- Taxes – other taxes $22,581 favorable variance: activity represents the agricultural land use conversion fee, which varies from year to year depending on development in the City and is not historically budgeted.
- Intergovernmental – fire insurance tax $10,809 favorable variance: fire dues received from the state are based on an overall state budget and formula and were higher than anticipated. Fire dues received are remitted to Western Lakes Fire District, with the corresponding expenditure over budget.
- Licenses and permits – liquor and malt beverages $10,205 favorable variance: the City issued one unanticipated reserve license.
- Licenses and permits – building permits $375,307, HVAC permits $63,456, electrical permits $84,626, plumbing permits $121,758, and miscellaneous permits $30,338 favorable variances: the City continued to experience increase in development activity with several large projects increasing related permit revenues.
- Fines, forfeitures and penalties – Unfavorable variances were experienced in court penalties and fines ($19,337) and parking violations ($5,232). These were offset by favorable variances in Warrant Fees ($1,204) and Judgements and Damages ($7,938).
- Public charges for services – park and recreation fees $98,252 favorable variance: the recreation department had an increased demand for various youth and adult sports and programs as well as increased Community Center rentals and Boat Launch revenue.
- Public charges for services – planning review fees $9,604 favorable variance: 2025 budget was increased slightly but still conservatively with the assumption that development review for the Planning department would slow down.
- Miscellaneous – interest on investments $692,842 favorable variance: the City budgets interest income conservatively, as these earnings are dependent on the market. Rates averaged 4.4% in 2025, and $400k of these excess funds were transferred to the Capital Improvements Fund in 2025 for 2026 capital projects.
- Miscellaneous – sale of city property $41,688 favorable variance: various vehicles and equipment were taken to auction in 2025. This activity is not historically budgeted for as what is taken to auction each year can fluctuate.

The significant items included in the favorable expenditure variance include:

- General government – $145,375 favorable variance: The Council division had $63,962 of unused contingency funds reserved for legal. The Legal division was under budget as annual legal expenses are dependent on the number of City projects and City related Council agenda packets, which fluctuate each year. City staff utilized the attorney during in person office hours and had the attorney attend meetings if justified by the agenda items during 2025. City Clerk and Finance departments were under budget due to transition of staff and reduced ordinance publication costs.
- Public safety – Police was favorable by $245,455 due to vacancies, differing benefit elections, and new-hire equipment not purchased in 2025 and carried over into 2026. Police support vacancies were held open to enable the future addition of a new patrol officer.
- Public works – $233,047 favorable variance across all divisions except four divisions. $100,000 of this positive variance is due to the carryover of salt purchases to 2026 due to the timing of deliveries to cover the winter season. The Street Maintenance division came in $47,010 under budget due to less than budgeted concrete repairs. The Municipal Garage division was also $42,371 largely due to a budgeted vehicle lift replacement that came in significantly under budget.

- Culture and recreation – $169,121 favorable variance: The Library division was $55,639 under budget due to vacancies as well as lower than budgeted benefit elections. Parks and Recreation was $120,058 under budget across all divisions. Program expenses came in under due to programs not needing new equipment. New boat launch kiosk reduced wages and park supplies not needed as budgeted.
- Conservation and development – $48,720 favorable variance: $41,830 of this is attributable to planning projects that were carried over into 2026 (Geographic Information System and floor plan study projects). An additional $5,900 was carried over into 2026 by Economic Development for Placer AI software implementation.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2025 amounts to $276,265,907 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, machinery and equipment, and infrastructure such as roads, storm sewers, bridges, and utility mains. The following table provides a summary of the City's capital assets.

City of Oconomowoc's Capital Assets
Net of Accumulated Depreciation

	Governmental Activities		Business-type Activities		Total	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Land and land rights	$16,394,575	$16,384,575	$242,294	$242,294	$16,636,869	$16,626,869
Land improvements	10,909,346	6,843,185	-	-	10,909,346	6,843,185
Buildings	14,292,779	13,827,994	6,371,916	6,663,820	20,664,695	20,491,814
Machinery and equipment	5,198,168	4,369,689	28,203,650	26,990,827	33,401,818	31,360,516
Infrastructure	63,662,680	61,372,761	117,131,020	110,510,476	180,793,700	171,883,237
Construction in progress	1,176,880	3,167,235	12,682,599	3,090,168	13,859,479	6,257,403
	$111,634,428	$105,965,439	$164,631,479	$147,497,585	$276,265,907	$253,463,024

Major capital asset events during the current fiscal year are as follows:

- Machinery and equipment additions include two police squad vehicles, three plow trucks, a road grader and a Morbark chipper for Parks.
- Rockwell Park ($1,028,673), Boat Launch/Parking ($3,088,258), NE Regional Park Pickleball expansion ($431,978), and Veterans Memorial Park Parking improvement ($53,486) projects were added to infrastructure totaling $4.6 million.
- Developer dedicated infrastructure for new neighborhoods totaled $4.5 million in 2025.
- Various open park projects at the end of the year include Dog Park upgrades ($130,927), Village Green ($81,585), and Chapman Park improvements/restrooms ($101,378).
- The Electric Utility added $4.7 million of infrastructure including transformers and cable replacement projects that will assist in further improving the reliability of the distribution system.
- The Water Utility added $3.9 million of infrastructure which was mostly underground distribution mains.
- The Wastewater Utility added $5.3 million of infrastructure comprised primarily of collection system and machinery/equipment additions and upgrades.

Additional information on the City's capital assets can be found in Note 4 in the notes to the financial statements.

Long-term obligations. At the end of the current fiscal year, the City had total long-term obligations of $53,143,139. Of this amount, $45,355,000 is comprised of debt backed by the full faith and credit of the government.

City of Oconomowoc's Long Term Obligations

	Governmental Activities		Business-type Activities		Total	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024	12/31/2025	12/31/2024
General obligation debt	$38,650,000	$39,140,000	$6,705,000	$6,215,000	$45,355,000	$45,355,000
Revenue bonds	-	-	4,737,927	515,699	4,737,927	515,699
Subtotal	38,650,000	39,140,000	11,442,927	6,730,699	50,092,927	45,870,699
Net pension liability	771,186	662,728	303,738	286,688	1,074,924	949,416
Compensated absences	506,469	489,547	237,839	219,473	744,308	709,020
Premium	914,949	928,351	316,031	295,887	1,230,980	1,224,238
Total	$40,842,604	$41,220,626	$12,300,535	$7,532,747	$53,143,139	$48,753,373

Debt payments were paid as scheduled during the year. $2,975,000 of general obligation debt was issued in 2025. Revenue debt was also issued in 2025 to finance the construction of Well No. 8.

The City participates in a cost sharing multiple employer defined benefit pension plan through the Wisconsin Retirement System. The actuarial study for the pension plan as of December 31, 2024 and 2025 resulted in a net pension liability. Additional information on this can be found in Note 5 in the notes to the financial statements.

City employees earn vacation for use in the following year. The accrued compensated absences balance represents amounts earned and payable at December 31, 2025.

Wisconsin state statutes limit the amount of general obligation debt a governmental entity may issue to 5% of its equalized valuation. The current debt limitation for the City of Oconomowoc is $219,719,250 of which the City has used $45,355,000 or 20.6%. The debt limitation increased due to an increase in equalized values. The percentage of general obligation debt outstanding compared to the debt limitation decreased from the previous year due to the increase in equalized values. Total general obligation principal repayments in 2025 matched new principal issuance to fund new capital projects.

The City maintained a bond rating of Aa1 from Moody's Investor Service for general obligation debt through 2025.

Additional information on the City's long-term debt can be found in Note 4 in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The City's overall equalized value increased $584.5 million or 11.2% in 2025, with significant increases in residential and commercial classifications. The largest percentage increase was in the commercial classification with a change of $206.9 million, or 12.1%, which is due to increased commercial construction as well as increased market value. The City continues to see an increase in development and remains well positioned to grow in the future as referenced in the transmittal letter.

The City is located within Waukesha County which enjoys a favorable unemployment rate of 2.9% in comparison to the State of Wisconsin's rate of 3.2% and the national average of 4.3%. The unemployment rates for Waukesha County, State of Wisconsin and the United States are nominally higher compared the previous year. The City's 2024 adjusted gross income per tax return of $120,830 also compares favorably to Wisconsin's average of $76,638. The data for 2025 is not yet available but it is expected to be comparable to 2024. Also, the City's high school graduate rate for 2024-25 was 97.4%, which compares favorably to Wisconsin's average of 92.0%.

These economic factors were considered in preparing the City's budget for the 2026 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City of Oconomowoc's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City's Finance Department at 174 E. Wisconsin Avenue, Oconomowoc, Wisconsin 53066.

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BASIC FINANCIAL STATEMENTS

CITY OF OCONOMOWOC

STATEMENT OF NET POSITION
As of December 31, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	$ 32,492,695	$ 30,729,531	$ 63,222,226
Receivables			
Taxes	22,080,787	-	22,080,787
Accounts (net)	648,173	2,950,742	3,598,915
Special assessments	801,136	2,891,783	3,692,919
Interest	87,098	45,649	132,747
Internal balances	(1,212,481)	1,212,481	-
Due from other governments	118,696	-	118,696
Inventories and prepaid items	163,282	2,180,511	2,343,793
Restricted cash and investments	-	12,366,201	12,366,201
Other assets	-	309,406	309,406
Capital assets			
Land	16,394,575	242,294	16,636,869
Construction in progress	1,176,880	12,682,599	13,859,479
Land improvements	14,957,045	-	14,957,045
Buildings and improvements	22,564,046	16,051,334	38,615,380
Machinery and equipment	13,258,597	54,528,680	67,787,277
Infrastructure and other improvements	119,893,819	168,837,875	288,731,694
Less: Accumulated depreciation	(76,610,534)	(87,711,303)	(164,321,837)
Total Assets	166,813,814	217,317,783	384,131,597
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts	4,534,335	1,821,886	6,356,221
LIABILITIES			
Accounts payable	1,848,210	5,829,640	7,677,850
Accrued and other current liabilities	481,320	136,422	617,742
Deposits	1,059,451	22,351	1,081,802
Accrued interest payable	258,832	81,272	340,104
Due to other governments	477,083	-	477,083
Unearned revenues	111,469	505,848	617,317
Long-term obligations			
Due within one year	3,806,469	1,311,401	5,117,870
Due in more than one year	36,264,949	10,685,396	46,950,345
Net pension liability	771,186	303,738	1,074,924
Total Liabilities	45,078,969	18,876,068	63,955,037
DEFERRED INFLOWS OF RESOURCES			
Property taxes levied for subsequent years	21,483,779	-	21,483,779
Pension related amounts	2,191,331	971,188	3,162,519
Total Deferred Inflows of Resources	23,675,110	971,188	24,646,298
NET POSITION			
Net investment in capital assets	77,516,786	149,182,967	226,699,753
Restricted for:			
Fire reserve	1,412,617	-	1,412,617
Debt service	72,055	-	72,055
Woodcreek stormwater	120,731	-	120,731
Police equipment	8,516	-	8,516
K9	24,574	-	24,574
Transportation facilities impact fees	620,502	-	620,502
Law enforcement facilities impact fees	589,006	-	589,006
Park and recreation facilities impact fees	1,924,430	-	1,924,430
Tourism	862,799	-	862,799
Library trust	80,914	-	80,914
Police forfeitures	192	-	192
Plant replacement	-	12,084,280	12,084,280
Future improvements	3,399,401	-	3,399,401
Unrestricted	15,961,547	38,025,166	53,986,713
TOTAL NET POSITION	$ 102,594,070	$ 199,292,413	$ 301,886,483

See accompanying notes to the financial statements.

CITY OF OCONOMOWOC

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	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Business-type Activities	Net (Expenses) Revenues and Changes in Net Position: Totals
Governmental Activities							
General government	$ 1,796,716	$ 244,570	$ 4,164	$ -	$ (1,547,982)	$ -	$ (1,547,982)
Public safety	11,823,273	1,555,891	220,679	430,230	(9,616,473)	-	(9,616,473)
Public works	8,183,424	607,735	1,368,594	5,367,469	(839,626)	-	(839,626)
Sanitation	1,301,251	1,316,349	-	-	15,098	-	15,098
Health and human services	132,432	-	-	-	(132,432)	-	(132,432)
Culture and recreation	4,493,739	770,033	677,382	1,619,122	(1,427,202)	-	(1,427,202)
Conservation and development	3,640,625	50,022	266,859	-	(3,323,744)	-	(3,323,744)
Interest and fiscal charges	1,137,555	-	-	-	(1,137,555)	-	(1,137,555)
Total Governmental Activities	32,509,015	4,544,600	2,537,678	7,416,821	(18,009,916)	-	(18,009,916)
Business-type Activities							
Electric utility	25,166,653	28,227,704	-	1,045,237	-	4,106,288	4,106,288
Water utility	3,823,640	5,067,957	-	1,721,403	-	2,965,720	2,965,720
Wastewater utility	5,112,689	7,576,771	-	723,451	-	3,187,533	3,187,533
Total Business-type Activities	34,102,982	40,872,432	-	3,490,091	-	10,259,541	10,259,541
Total	$ 66,611,997	$ 45,417,032	$ 2,537,678	$ 10,906,912	(18,009,916)	10,259,541	(7,750,375)
General Revenues							
Taxes							
Property taxes levied for general purposes					11,711,940	-	11,711,940
Property taxes levied for debt service					2,402,882	-	2,402,882
Property taxes levied for capital projects					4,770,018	-	4,770,018
Other taxes					883,197	-	883,197
Federal and state grants and other contributions not restricted to specific functions					1,083,389	-	1,083,389
Interest and investment earnings					1,836,214	2,251,387	4,087,601
Miscellaneous					984,877	-	984,877
Total General Revenues					23,672,517	2,251,387	25,923,904
Change in Net Position Before Transfers and Special Item					5,662,601	12,510,928	18,173,529
Transfers					2,005,498	(2,005,498)	-
Change in Net Position					7,668,099	10,505,430	18,173,529
NET POSITION - Beginning of Year					94,925,971	188,786,983	283,712,954
NET POSITION - END OF YEAR					$ 102,594,070	$ 199,292,413	$ 301,886,483

See accompanying notes to the financial statements.

CITY OF OCONOMOWOC

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2025

	General	Special Revenue Fund: Park & Recreation Facilities Impact Fees	Debt Service Fund
ASSETS			
Cash and investments	$ 13,720,746	$ 1,986,361	$ 330,887
Receivables			
Taxes	22,080,787	-	-
Accounts (net)	637,956	-	-
Special assessments	46,190	-	-
Interest	87,098	-	-
Due from other governments	118,696	-	-
Due from other funds	-	-	2,306,231
Advances to other funds	1,751,500	-	-
Inventories and prepaid items	87,876	-	-
TOTAL ASSETS	$ 38,530,849	$ 1,986,361	$ 2,637,118
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	$ 226,734	$ 61,931	$ -
Accrued and other current liabilities	457,845	-	-
Deposits	1,041,983	-	-
Due to other governments	477,083	-	-
Due to other funds	9,491,757	-	-
Advances from other funds	-	-	-
Unearned revenues	111,469	-	-
Total Liabilities	11,806,871	61,931	-
Deferred Inflows of Resources			
Unavailable revenues	44,883	-	-
Property taxes levied for subsequent years	12,514,490	-	2,306,231
Total Deferred Inflows of Resources	12,559,373	-	2,306,231
Fund Balances (Deficits)			
Nonspendable	2,014,376	-	-
Restricted	-	1,924,430	330,887
Committed	267,066	-	-
Assigned	1,424,630	-	-
Unassigned (Deficit)	10,458,533	-	-
Total Fund Balances (Deficits)	14,164,605	1,924,430	330,887
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	$ 38,530,849	$ 1,986,361	$ 2,637,118

See accompanying notes to the financial statements.

Capital Project Funds				
Capital Improvements	TID #7	Nonmajor Governmental Funds	Totals
$ 5,013,061	$ 4,195,510	$ 6,182,280	$ 31,428,845
-	-	-	22,080,787
-	-	409	638,365
754,946	-	-	801,136
-	-	-	87,098
-	-	-	118,696
2,238,587	1,182,675	3,376,283	9,103,776
-	-	-	1,751,500
-	-	6,863	94,739
$ 8,006,594	$ 5,378,185	$ 9,565,835	$ 66,104,942
$ 282,267	$ 254,988	$ 979,798	$ 1,805,718
-	298	5,909	464,052
-	17,468	-	1,059,451
-	-	-	477,083
-	-	-	9,491,757
-	100,000	2,476,000	2,576,000
-	-	-	111,469
282,267	372,754	3,461,707	15,985,530
785,826	-	-	830,709
2,100,000	1,182,675	3,380,383	21,483,779
2,885,826	1,182,675	3,380,383	22,314,488
-	-	6,863	2,021,239
-	3,822,756	3,886,992	9,965,065
4,838,501	-	602,030	5,707,597
-	-	-	1,424,630
-	-	(1,772,140)	8,686,393
4,838,501	3,822,756	2,723,745	27,804,924
$ 8,006,594	$ 5,378,185	$ 9,565,835	$ 66,104,942

See accompanying notes to the financial statements.

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CITY OF OCONOMOWOC

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
As of December 31, 2025

Total Fund Balances - Governmental Funds	$ 27,804,924
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds (Note II A).	111,306,027
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds.	830,709
Internal service funds are used by the City to charge the cost of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	1,410,842
The net pension liability does not relate to current financial resources and is not reported in the governmental funds.	(771,186)
Deferred outflows of resources related to pension do not relate to current financial resources and are not reported in the governmental funds.	4,534,335
Deferred inflows of resources related to pension do not relate to current financial resources and are not reported in the governmental funds.	(2,191,331)
Some liabilities, including long-term debt, are not due and payable in the current period and therefore, are not reported in the funds (Note II A).	(40,330,250)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 102,594,070

See accompanying notes to the financial statements.

CITY OF OCONOMOWOC

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2025

	General	Special Revenue Fund: Park & Recreation Facilities Impact Fees	Debt Service Fund
REVENUES			
Taxes	$ 12,028,986	$ -	$ 2,402,882
Special assessments	25,122	-	-
Intergovernmental	3,353,460	-	-
Licenses and permits	2,071,465	1,361,622	-
Fines, forfeitures and penalties	278,073	-	-
Public charges for services	843,212	-	-
Intergovernmental charges	30,358	-	-
Interdepartmental charges	4,645	-	-
Miscellaneous revenues	1,901,518	100,362	81,954
Total Revenues	20,536,839	1,461,984	2,484,836
EXPENDITURES			
Current			
General government	1,742,605	-	-
Public safety	10,374,826	-	-
Public works	3,203,167	-	-
Health and human services	132,568	-	-
Culture and recreation	3,632,252	-	-
Conservation and development	1,394,461	-	-
Capital Outlay	-	99,694	-
Debt Service			
Principal	-	-	2,255,000
Interest expense and fees	-	39,385	1,081,958
Total Expenditures	20,479,879	139,079	3,336,958
Excess (deficiency) of revenues over expenditures	56,960	1,322,905	(852,122)
OTHER FINANCING SOURCES (USES)			
Transfers in	2,080,498	-	694,483
Transfers out	(1,077,939)	-	-
Debt issued	-	-	-
Premium on debt issued	-	-	96,656
Sale of capital assets	-	-	-
Total Other Financing Sources (Uses)	1,002,559	-	791,139
Net Change in Fund Balances	1,059,519	1,322,905	(60,983)
FUND BALANCES (DEFICITS) - Beginning of Year	13,105,086	601,525	391,870
FUND BALANCES (DEFICITS) - END OF YEAR	$ 14,164,605	$ 1,924,430	$ 330,887

See accompanying notes to the financial statements.

Capital Project Funds				
Capital Improvements	TID #7	Nonmajor Governmental Funds	Total Governmental Funds	
$ 2,140,000	$ 549,581	$ 2,682,869	$ 19,804,318	
107,381	-	7,450	139,953	
-	6,903	350,353	3,710,716	
-		1,277,546	4,710,633	
-	-	-	278,073	
-	-	1,313,144	2,156,356	
-	-	-	30,358	
-	-	-	4,645	
559,448	179,829	316,301	3,139,412	
2,806,829	736,313	5,947,663	33,974,464	
-	39,921	34,948	1,817,474	
-	-	15,428	10,390,254	
-	-	1,305,151	4,508,318	
-	-	-	132,568	
-	-	703,433	4,335,685	
-	-	1,025,257	2,419,718	
5,485,931	-	3,114,642	8,700,267	
-	-	-	2,255,000	
-	9,767	113,784	1,244,894	
5,485,931	49,688	6,312,643	35,804,178	
(2,679,102)	686,625	(364,980)	(1,829,714)	
1,227,939	-	-	4,002,920	
(75,000)	(523,008)	(321,475)	(1,997,422)	
1,765,000	-	-	1,765,000	
-	-	-	96,656	
9,900	-	-	9,900	
2,927,839	(523,008)	(321,475)	3,877,054	
248,737	163,617	(686,455)	2,047,340	
4,589,764	3,659,139	3,410,200	25,757,584	
$ 4,838,501	$ 3,822,756	$ 2,723,745	$ 27,804,924	

See accompanying notes to the financial statements.

CITY OF OCONOMOWOC

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2025

Net change in fund balances - total governmental funds	$	2,047,340
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.		
Capital outlay reported in governmental fund statements		8,700,267
Some items reported as capital are not capitalized		(1,732,000)
Some items reported as operating are capitalized		153,765
Contributed capital assets		4,481,580
Depreciation is reported in the government-wide statements		(5,892,983)
Less: internal service funds depreciation included above		81,098
Net book value of assets retired		(166,869)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Long term debt issued		(1,765,000)
Premium on debt issued		(96,656)
Principal repaid		2,255,000
Amortization of debt premium		110,058
Revenues are reported in the governmental funds when current financial resources are available, but are recognized when earned in the statement of activities.		(392,381)
Internal service funds are used by management to charge various internal costs to individual funds. The change in net position of the internal service fund is reported with governmental activities.		184,588
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Compensated absences		(16,922)
Net pension liability		(108,458)
Deferred outflows related to pension		(1,550,579)
Deferred inflows related to pension		1,384,329
Accrued interest on debt		(2,719)
Revenues in the fund financial statements that are not revenues in the statement of activities but are a reduction to receivables.		(5,359)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$	7,668,099

See accompanying notes to the financial statements.

CITY OF OCONOMOWOC

STATEMENT OF BUDGETED AND ACTUAL REVENUES AND OTHER FINANCING SOURCES
GENERAL FUND
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Taxes				
General property	$ 11,696,195	$ 11,696,195	$ 11,711,940	$ 15,745
General sales	50	50	173	123
Public accommodation	190,000	190,000	258,185	68,185
Other taxes	-	-	22,581	22,581
Interest on taxes	25,000	25,000	36,107	11,107
Total Taxes	11,911,245	11,911,245	12,028,986	117,741
Special assessments				
Sidewalks	12,000	12,000	25,122	13,122
Intergovernmental				
Federal				
Other public safety	15,000	15,000	1,198	(13,802)
State				
Shared revenues	722,795	722,795	723,059	264
Fire insurance tax	143,000	143,000	153,809	10,809
Exempt computer aid	35,573	35,573	35,573	-
Person property aid	195,649	195,649	195,649	-
Municipal services	3,000	3,000	3,364	364
Transportation aids	1,375,151	1,375,151	1,373,953	(1,198)
Video service provider aid	46,850	46,850	46,850	-
Other state grants	58,850	92,247	73,989	(18,258)
Boat safety	3,000	3,000	-	(3,000)
County				
Library	487,044	487,044	487,473	429
Other				
Other local government aid	25,000	283,543	258,543	(25,000)
Total Intergovernmental	3,110,912	3,402,852	3,353,460	(49,392)

(Continued)

See accompanying notes to the financial statements.

CITY OF OCONOMOWOC

STATEMENT OF BUDGETED AND ACTUAL REVENUES AND OTHER FINANCING SOURCES
GENERAL FUND
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Licenses and permits				
Licenses				
Liquor and malt beverages	$ 34,800	$ 34,800	$ 45,005	$ 10,205
Cigarette	1,400	1,400	1,600	200
Operators	10,000	10,000	12,870	2,870
Sundry	3,250	3,250	3,945	695
Short term rental	250	250	350	100
Dog	3,200	3,200	3,931	731
Cable TV franchise payment	160,000	160,000	148,968	(11,032)
Permits				
Building	350,000	350,000	725,307	375,307
Building plan review	3,000	3,000	6,510	3,510
HVAC	45,000	45,000	108,456	63,456
Electrical	60,000	60,000	144,626	84,626
Plumbing	90,000	90,000	211,758	121,758
Zoning and conditional use	14,000	14,000	19,150	5,150
Fireworks	100	100	200	100
Non-resident sanitary district license fee	588,800	588,800	588,451	(349)
Miscellaneous	20,000	20,000	50,338	30,338
Total Licenses and Permits	1,383,800	1,383,800	2,071,465	687,665
Fines, forfeitures and penalties				
Court penalties and fines	243,500	243,500	225,367	(18,133)
Parking violations	48,000	48,000	42,768	(5,232)
Judgments and damages	2,000	2,000	9,938	7,938
Total Fines, Forfeitures and Penalties	293,500	293,500	278,073	(15,427)
Public charges for services				
License publication fees	1,100	1,100	1,050	(50)
Other general government	36,900	36,900	51,058	14,158
Vending machine commissions	5,000	5,000	2,900	(2,100)
Copying	13,300	13,300	14,003	703
Parking permits	4,400	4,400	4,020	(380)
Weed and nuisance control	-	-	5,655	5,655
Park and recreation fees	638,470	638,470	736,722	98,252
Planning review fees	18,200	18,200	27,804	9,604
Total Public Charges for Services	717,370	717,370	843,212	125,842

(Continued)

See accompanying notes to the financial statements.

CITY OF OCONOMOWOC

STATEMENT OF BUDGETED AND ACTUAL REVENUES AND OTHER FINANCING SOURCES
GENERAL FUND
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Intergovernmental charges				
Police service - CSO	$ 20,600	$ 20,600	$ 14,929	$ (5,671)
Police service - other	17,000	17,000	15,429	(1,571)
Total Intergovernmental Charges	37,600	37,600	30,358	(7,242)
Interdepartmental charges				
Police service - radio	720	720	720	-
Library plowing	3,925	3,925	3,925	-
Total Interdepartmental Charges	4,645	4,645	4,645	-
Miscellaneous revenues				
Interest on investments	175,200	175,200	868,042	692,842
Rent of city buildings	50,463	50,463	50,456	(7)
Rent of city land	100	100	2,400	2,300
Sale of city property	720	720	42,408	41,688
Donations from individuals/organizations	516,315	672,331	690,438	18,107
Donations - youth baseball	1,500	1,629	1,629	-
Donations - athletic fields	14,000	14,000	13,680	(320)
Donations - trees	-	178,060	178,060	-
Miscellaneous revenue	33,290	60,727	54,405	(6,322)
Total Miscellaneous Revenues	791,588	1,153,230	1,901,518	748,288
Total Revenues	18,262,660	18,916,242	20,536,839	1,620,597
Other financing sources				
Transfer from other funds	825,000	825,000	825,000	-
Transfer from municipal utility PILOT	1,256,000	1,256,000	1,255,498	(502)
Total Other financing sources	2,081,000	2,081,000	2,080,498	(502)
Total Revenues and Other Financing Sources	$ 20,343,660	$ 20,997,242	$ 22,617,337	$ 1,620,095

See accompanying notes to the financial statements.

CITY OF OCONOMOWOC

STATEMENT OF BUDGETED AND ACTUAL EXPENDITURES AND OTHER FINANCING USES
GENERAL FUND
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
General government				
Council	$ 124,141	$ 46,202	$ 42,225	$ 3,977
Mayor	34,742	34,430	35,893	(1,463)
City administrator	149,565	149,314	147,580	1,734
Codification of ordinances	6,000	6,000	1,528	4,472
Legal	250,000	250,000	186,038	63,962
Clerk	340,646	339,490	324,858	14,632
Licenses and permits	34,687	34,500	34,897	(397)
Elections	107,164	113,778	106,476	7,302
General accounting	292,657	291,732	290,430	1,302
Payroll/human resources	147,332	153,726	135,612	18,114
Treasury	86,809	86,590	81,334	5,256
Property assessment	109,594	109,407	108,421	986
City buildings	273,349	272,811	247,313	25,498
Total General Government	1,956,686	1,887,980	1,742,605	145,375
Public safety				
Police				
Administration	1,585,794	1,583,015	1,541,377	41,638
Operations	3,762,499	3,817,650	3,717,498	100,152
Training and travel	33,250	39,447	34,952	4,495
Water and safety patrol	13,047	13,047	38	13,009
Police Support	487,229	485,100	398,939	86,161
Fire				
Administration	4,095,601	4,095,604	4,106,412	(10,808)
Suppression/hydrants	6,700	6,700	6,610	90
Inspections	281,400	281,400	553,494	(272,094)
Sealer of weights and measures	6,750	6,750	6,750	-
Emergency government	1,300	1,300	1,156	144
Dam maintenance	2,529	9,370	7,600	1,770
Total Public Safety	10,276,099	10,339,383	10,374,826	(35,443)
Public works				
DPW administration	542,802	683,766	679,168	4,598
Engineering administration	398,909	397,659	368,755	28,904
DPW crew	988,352	-	-	-
Municipal garage	114,138	182,888	159,566	23,322
Machine and Equipment Maintenance	67,331	108,896	108,791	105

(Continued)

See accompanying notes to the financial statements.

CITY OF OCONOMOWOC

STATEMENT OF BUDGETED AND ACTUAL EXPENDITURES AND OTHER FINANCING USES
GENERAL FUND
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Public works (continued)				
Street maintenance	$ 155,402	$ 307,469	$ 260,459	$ 47,010
Bridges and culverts	6,559	6,763	1,781	4,982
Curb and gutter	6,128	30,982	33,261	(2,279)
Street cleaning	65,094	145,558	139,492	6,066
Snow and ice removal	334,375	681,888	575,719	106,169
Street signs and markings	96,866	148,592	147,681	911
Tree and brush control	116,518	256,510	249,933	6,577
Traffic control	20,200	20,272	16,173	4,099
Street lighting	290,000	290,000	296,663	(6,663)
Sidewalks and crosswalks	39,268	52,000	50,562	1,438
Storm sewers	53,550	89,947	86,026	3,921
Parking lots	6,609	33,024	29,137	3,887
Total Public Works	3,302,101	3,436,214	3,203,167	233,047
Health and human services				
Animal pound	5,700	15,807	14,146	1,661
Elderly transportation	13,500	13,500	13,500	-
Cemetery	97,950	103,694	104,922	(1,228)
Total Health and Human Services	117,150	133,001	132,568	433
Culture and recreation				
Library	1,380,649	1,376,704	1,321,065	55,639
Community center	202,841	211,391	198,264	13,127
Parks and playgrounds	587,902	934,009	895,483	38,526
Recreation administration	569,104	652,844	652,538	306
Recreation programs	1,026,283	626,425	564,902	61,523
Total Culture and Recreation	3,766,779	3,801,373	3,632,252	169,121
Conservation and development				
Weed control	13,672	15,694	8,757	6,937
Lakes	26,187	80,268	78,138	2,130
Planning and zoning	344,130	366,865	324,129	42,736
Watershed project	533,473	1,018,729	816,608	202,121
Economic development	173,191	172,814	166,829	5,985
Total Conservation and Development	1,090,653	1,654,370	1,394,461	259,909
Total Expenditures	20,509,468	21,252,321	20,479,879	772,442
Other financing uses				
Transfers out	600,000	1,077,939	1,077,939	-
Total Expenditures and Other Financing Uses	$ 21,109,468	$ 22,330,260	$ 21,557,818	$ 772,442

See accompanying notes to the financial statements.

CITY OF OCONOMOWOC

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL REVENUE FUND - PARK AND RECREATION FACILITIES IMPACT FEES
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Licenses and permits	$ 642,300	$ 642,300	$ 1,361,622	$ 719,322
Miscellaneous revenues	-	-	100,362	100,362
Total Revenues	642,300	642,300	1,461,984	819,684
EXPENDITURES				
Capital Outlay	70,000	659,115	99,694	559,421
Debt Service				
Interest expense and fees	42,000	42,000	39,385	2,615
Total Expenditures	112,000	701,115	139,079	562,036
Net change in fund balance	$ 530,300	$ (58,815)	1,322,905	$ 1,381,720
Fund Balance - Beginning of Year			601,525	
Fund Balance - End of Year			$ 1,924,430	

See accompanying notes to the financial statements.

CITY OF OCONOMOWOC

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
As of December 31, 2025

	Business-type Activities - Enterprise Funds				
	Electric Utility	Water Utility	Wastewater Utility	Total	Governmental Activities - Internal Service Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
CURRENT ASSETS					
Cash and investments	$ 14,833,441	$ 3,009,559	$ 12,886,531	$ 30,729,531	$ 1,063,850
Receivables					
Accounts	2,038,602	436,426	475,714	2,950,742	9,808
Interest	-	-	45,649	45,649	-
Due from other funds	20,052	20,133	347,796	387,981	-
Inventories and prepaid items	2,077,843	101,625	1,043	2,180,511	68,543
Current portion of advances	166,441	-	152,302	318,743	-
Restricted assets					
Cash and investments	21,801	260,120	-	281,921	-
Total Current Assets	19,158,180	3,827,863	13,909,035	36,895,078	1,142,201
NON-CURRENT ASSETS					
Restricted assets - cash and investments	-	-	12,084,280	12,084,280	-
Advance to other funds	1,279,386	-	1,140,696	2,420,082	-
Other assets					
Special assessments	-	305,344	2,586,439	2,891,783	-
Other	-	309,406	-	309,406	-
Capital Assets					
Land	123,062	58,625	60,607	242,294	-
Buildings	3,178,804	1,482,870	11,389,660	16,051,334	124,617
Improvements other than buildings	55,611,299	55,734,313	57,492,263	168,837,875	-
Machinery and equipment	22,675,593	12,444,456	19,408,631	54,528,680	1,107,223
Construction in progress	276,177	9,474,068	2,932,354	12,682,599	-
Less: Accumulated depreciation	(38,837,136)	(18,724,970)	(30,149,197)	(87,711,303)	(903,439)
Total Non-Current Assets	44,307,185	61,084,112	76,945,733	182,337,030	328,401
Total Assets	63,465,365	64,911,975	90,854,768	219,232,108	1,470,602
DEFERRED OUTFLOWS OF RESOURCES					
Pension related amounts	995,954	378,802	447,130	1,821,886	-
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION					
CURRENT LIABILITIES					
Accounts payable	1,738,965	3,844,296	246,379	5,829,640	42,492
Accrued and other current liabilities	74,389	27,719	34,314	136,422	17,268
Accrued interest	-	53,584	27,688	81,272	-
Deposits	21,801	550	-	22,351	-
Unearned revenues	497,884	7,553	411	505,848	-
Current portion:					
General obligation debt	-	625,000	245,000	870,000	-
Revenue bonds	-	203,562	-	203,562	-
Advances from other funds	-	318,743	-	318,743	-
Compensated absences	158,141	18,459	61,239	237,839	-
Total Current Liabilities	2,491,180	5,099,466	615,031	8,205,677	59,760
NON-CURRENT LIABILITIES					
Net pension liability	167,559	62,210	73,969	303,738	-
General obligation debt	-	3,920,877	2,230,157	6,151,034	-
Revenue bonds	-	4,534,362	-	4,534,362	-
Advances from other funds	-	1,595,582	-	1,595,582	-
Total Non-Current Liabilities	167,559	10,113,031	2,304,126	12,584,716	-
Total Liabilities	2,658,739	15,212,497	2,919,157	20,790,393	59,760
DEFERRED INFLOWS OF RESOURCES					
Pension related amounts	520,331	219,203	231,654	971,188	-
NET POSITION					
Net investment in capital assets	42,928,131	47,794,747	58,460,089	149,182,967	328,401
Restricted for plant replacements	-	-	12,084,280	12,084,280	-
Unrestricted	18,354,118	2,064,330	17,606,718	38,025,166	1,082,441
TOTAL NET POSITION	$ 61,282,249	$ 49,859,077	$ 88,151,087	$ 199,292,413	$ 1,410,842

See accompanying notes to the financial statements.

CITY OF OCONOMOWOC

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET POSITION - PROPRIETARY FUNDS
For the Year Ended December 31, 2025

	Business-type Activities - Enterprise Funds				
	Electric Utility	Water Utility	Wastewater Utility	Total	Governmental Activities - Internal Service Funds
OPERATING REVENUES					
Charges for services	$ 27,831,462	$ 4,828,110	$ 5,461,583	$ 38,121,155	$ 2,574,285
Other operating income	244,905	238,755	20,411	504,071	60,579
Total Operating Revenues	28,076,367	5,066,865	5,481,994	38,625,226	2,634,864
OPERATING EXPENSES					
Source of supply	-	3,949	-	3,949	-
Pumping	-	286,519	-	286,519	-
Purchased power	18,713,014	-	-	18,713,014	-
Water treatment	-	158,951	-	158,951	-
Collection	-	-	358,726	358,726	-
Treatment and disposal system	-	-	1,308,535	1,308,535	-
Transmission and distribution	1,528,017	701,654	-	2,229,671	-
Customer accounts	309,909	93,110	-	403,019	-
Sales	6,903	13,149	-	20,052	-
Administrative and general	1,718,296	965,485	1,242,994	3,926,775	2,412,012
Depreciation	2,652,110	1,279,220	2,106,007	6,037,337	81,098
Taxes	236,597	55,024	-	291,621	-
Total Operating Expenses	25,164,846	3,557,061	5,016,262	33,738,169	2,493,110
Operating Income (Loss)	2,911,521	1,509,804	465,732	4,887,057	141,754
NONOPERATING REVENUES (EXPENSES)					
Intergovernmental revenue	-	-	-	-	800
Investment income	727,591	128,380	1,395,416	2,251,387	42,034
Sewer availability charge	-	-	2,094,777	2,094,777	-
Interest and fiscal charges	(1,807)	(266,579)	(96,427)	(364,813)	-
Merchandising and jobbing	151,337	1,092	-	152,429	-
Total Nonoperating Revenues (Expenses)	877,121	(137,107)	3,393,766	4,133,780	42,834
Income Before Contributions and Transfers	3,788,642	1,372,697	3,859,498	9,020,837	184,588
CAPITAL CONTRIBUTIONS	1,045,237	1,721,403	723,451	3,490,091	-
TRANSFERS OUT	(856,786)	(548,712)	(600,000)	(2,005,498)	-
Change in Net Position	3,977,093	2,545,388	3,982,949	10,505,430	184,588
NET POSITION - Beginning of Year	57,305,156	47,313,689	84,168,138	188,786,983	1,226,254
NET POSITION - END OF YEAR	$ 61,282,249	$ 49,859,077	$ 88,151,087	$ 199,292,413	$ 1,410,842

See accompanying notes to the financial statements.

CITY OF OCONOMOWOC

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2025

	Business Type Activities - Enterprise Funds				Governmental Activities-
	Electric Utility	Water Utility	Wastewater Utility	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	$ 28,243,230	$ 4,951,551	$ 5,336,777	$ 38,531,558	$ 2,639,368
Paid to vendors for goods and services	(18,328,553)	(702,909)	(1,494,583)	(20,526,045)	(1,855,845)
Paid to employees for services	(3,345,799)	(1,235,905)	(1,419,510)	(6,001,214)	(602,173)
Net Cash Flows From Operating Activities	6,568,878	3,012,737	2,422,684	12,004,299	181,350
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Repayment of advances to other funds	-	(309,314)	-	(309,314)	-
Repayment of advances from other funds	160,749	-	1,351,165	1,511,914	-
Interest paid on advances	-	(96,157)	-	(96,157)	-
Transfers to municipality	(856,786)	(548,712)	(600,000)	(2,005,498)	-
Net Cash Flows From Non-Capital Financing Activities	(696,037)	(954,183)	751,165	(899,055)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	725,784	128,380	1,390,583	2,244,747	42,034
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(4,191,745)	(6,868,054)	(6,940,059)	(17,999,858)	(125,229)
Proceeds from debt issued	-	5,432,228	-	5,432,228	-
Premium on debt issuance	-	65,501	-	65,501	-
Debt issuance costs	-	(41,528)	-	(41,528)	-
Principal paid on long term debt	-	(485,000)	(235,000)	(720,000)	-
Interest paid on long term debt	-	(131,715)	(116,625)	(248,340)	-
Collection of special assessments and other fees	-	23,739	2,377,853	2,401,592	-
Net Cash Flows From Capital and Related Financing Activities	(4,191,745)	(2,004,829)	(4,913,831)	(11,110,405)	(125,229)
Net Change in Cash and Cash Equivalents	2,406,880	182,105	(349,399)	2,239,586	98,155
CASH AND CASH EQUIVALENTS - Beginning of Year	12,448,362	3,087,574	25,320,210	40,856,146	965,695
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 14,855,242	$ 3,269,679	$ 24,970,811	$ 43,095,732	$ 1,063,850
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES:					
Operating income (loss)	$ 2,911,521	$ 1,509,804	$ 465,732	$ 4,887,057	$ 141,754
Adjustments to reconcile operating income (loss) to net cash flows from operating activities					
Depreciation	2,652,110	1,279,220	2,106,007	6,037,337	81,098
Depreciation charged to other accounts	377,948	126,004	-	503,952	-
Merchandising and jobbing	151,337	1,092	-	152,429	-
Intergovernmental revenue	-	-	-	-	800
Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources					
Accounts receivable	13,299	(116,265)	(42,531)	(145,497)	3,704
Due from other funds	940	(691)	(102,686)	(102,437)	-
Inventories and prepaid items	297,292	16,590	(368)	313,514	(42,506)
Accounts payable	92,924	168,924	(30,609)	231,239	(8,951)
Accrued liabilities	26,053	7,144	(683)	32,514	5,451
Deposits	1,287	550	-	1,837	-
Pension related items and deferrals	44,167	20,365	27,822	92,354	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ 6,568,878	$ 3,012,737	$ 2,422,684	$ 12,004,299	$ 181,350
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS					
Unrestricted	$ 14,833,441	$ 3,009,559	$ 12,886,531	$ 30,729,531	$ 1,063,850
Restricted	21,801	260,120	12,084,280	12,366,201	-
	$ 14,855,242	$ 3,269,679	$ 24,970,811	$ 43,095,732	$ 1,063,850
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Cost of utility plant installed and/or financed by developers	$ 1,045,237	$ 1,721,403	$ 723,451	$ 3,490,091	$ -
Capital related accounts payable	$ 99,668	$ 3,650,934	$ 199,072	$ 3,949,674	$ -
Amortization	$ -	$ 28,094	$ 17,263	$ 45,357	$ -

See accompanying notes to the financial statements.

CITY OF OCONOMOWOC

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
As of December 31, 2025

	Custodial Fund
	Tax Collection Fund
ASSETS	
Cash and investments	$ 24,304,618
Taxes receivable	5,765,881
Total Assets	30,070,499
LIABILITIES	
Due to other taxing units	30,070,499
NET POSITION	
Total Net Position	$ -

See accompanying notes to the financial statements.

CITY OF OCONOMOWOC

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
For the Year Ended December 31, 2025

	Custodial Fund Tax Collection Fund
ADDITIONS	
Tax collections	$ 28,842,263
DEDUCTIONS	
Payments to overlying districts	28,842,263
Change in Fiduciary Net Position	-
NET POSITION - Beginning of Year	-
NET POSITION - END OF YEAR	$ -

See accompanying notes to the financial statements.

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1. Summary of Significant Accounting Policies

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

Reporting Entity

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

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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

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

b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.

c. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

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

The City reports the following major governmental funds:

General Fund

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

Special Revenue Fund

Park & Recreation Facilities Impact Fees - Special Revenue Fund is used to account for and report impact fee revenues legally restricted or committed to supporting expenditures for the park & recreation facilities of the City..

Debt Service Fund

The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for the payment of general long-term debt principal, interest and related costs, other than TID or enterprise debt.

Capital Projects Funds

Capital Improvements - Capital Projects Fund is used to account for and report financial resources that are committed to expenditures for general capital improvements in the City.

Tax Incremental District (TID) No. 7 Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for project costs of the City's Tax Incremental District.

Enterprise Funds

The City reports the following major enterprise funds:

Water Utility accounts for operations of the water system

Wastewater Utility accounts for operations of the sanitary sewer system

Electric Utility accounts for operations of the electric system

The City reports the following nonmajor governmental funds:

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

- Fire/Ambulance Reserve
- Garbage and Refuse
- Woodcreek Stormwater
- Chapman Park Donation
- Police Equipment Donation
- K9
- Community Development Authority
- Transportation Facilities Impact Fees
- Law Enforcement Facilities Impact Fees
- American Rescue Plan
- Tourism
- Library Trust
- Police Forfeitures

Capital Projects Funds

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

- Tax Incremental District #4
- Tax Incremental District #5
- Tax Incremental District #6
- Tax Incremental District #8

In addition, the City reports the following fund types:

Internal Service Funds

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

- Data Processing
- Risk Management
- Fleet

Custodial Fund

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

- Tax Collection Fund

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

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

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. At December 31, 2025, there were $614,227, $164,683 and $146,228 of unrecorded anticipated future assessments, for the City, Water Utility and Wastewater Utility, which are not recorded as receivables because collection is subject to certain events occurring in the future. No formal repayment schedule has been established.

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

Proprietary and Fiduciary Funds

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

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

All Financial Statements

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

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

Deposits and Investments

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

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

a. Time deposits in any credit union, bank, savings bank or trust company.

b. Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.

c. Bonds or securities issued or guaranteed by the federal government.

d. The local government investment pool.

e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.

f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.

g. Repurchase agreements with public depositories, with certain conditions.

The City has adopted an investment policy. That policy follows the state statute for allowable investments. The policy requires collateralization on two types of investments: all repurchase agreements and certificates of deposit over five hundred thousand dollars ($500,000). Furthermore, the policy states that in order to anticipate market changes and provide a level of security, the collateralization level shall be (102%) of fair value of principal and accrued interest. Collateral is limited to U.S. Government or U.S. Government Agency securities. Lastly, the policy states that City funds may be invested in any corporate security which matures within not more than seven years of the date it is acquired, if that security has a rating which the highest or second highest rating category is assigned by Standard & Poor's Corporation, Moody's Investors Service, or similar nationally recognized rating agency.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note 4. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2025, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note 4 for further information.

Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. Property taxes are recorded in the year levied as receivables and deferred inflows or resources as unearned revenues. They are recognized as revenues in the succeeding year when services financed by the levy are provided. In addition to property taxes for the City, taxes are collected for and remitted to the county government as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of fiduciary net position.

Property tax calendar - 2025 tax roll:

Lien date and levy date	December 2025
Tax bills mailed	December 2025
Payment in full, or	January 31, 2026
First installment due	January 31, 2026
Second installment due	April 30, 2026
Third installment due	July, 31, 2026
Tax sale - 2025 delinquent real estate taxes	October 2028

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the County, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the electric, water and wastewater utilities because they have the right by law to place substantially all delinquent bills on the tax roll and other delinquent bills are generally not significant.

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

It is the City's policy to record unavailable revenue for the net 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.

Metered electric and water sales to consumers are billed at rates approved by the Public Service Commission of Wisconsin. Wastewater charges to consumers are billed at rates established by the City's Common Council. All customers are billed on monthly basis, payable in 20 days. Delinquent balances at the time of the property tax lien date are placed on the customer's tax bill and collected through the normal tax collection process.

Inventories and Prepaid Items

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average and charged to construction and/or operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Restricted assets will be used first for retirement of related long-term debt..

Capital Assets

Government-Wide Financial Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than $10,000 for general capital assets and $25,000 for infrastructure assets and an estimated useful life in excess of 2 years. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead and an allowance for the cost of funds used during construction when significant. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method over the range of estimated useful lives approved by the Public Service Commission for the Electric and Water utilities.

The range of estimated useful lives by type of asset is as follows:

Buildings	10-47 Years
Land improvements	15-20 Years
Machinery and equipment	2-45 Years
Utility system	26-77 Years
Infrastructure	20-77 Years

Fund Financial Statements

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

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

Compensated Absences

It is the City's policy to permit employees to accumulate earned by unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of an employee resignation or retirement, and are payable with expandable resources

Employees earn vacation time after one year of continuous service to the City. Any amounts earned must be used by the employee's anniversary date. Sick leave is earned at the rate of one and one half days for each month of service and may be accumulated to a maximum of 90 days.

Accrued compensated absences are recorded on the government-wide financial statements.

Long-Term Obligations

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

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

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

From time to time, the City has issued Industrial Development Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2025, there were six series of Industrial Development Revenue bonds outstanding totaling $9,498,771.

Deferred Inflows of Resources

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

Equity Classifications

Government-Wide Statements

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

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

b. **Restricted Net Position** - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

c. **Unrestricted Net Position** - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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

Fund Statements

Governmental fund balances are displayed as follows:

a. **Nonspendable** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.

b. **Restricted** - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

c. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City Common Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City Council that originally created the commitment.

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

e. **Unassigned** - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

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

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City has a minimum fund balance policy. That policy establishes the minimum general fund balance equal to 25% of the subsequent year's budgeted expenditures of the General Fund and the Capital Project Fund - Capital Improvements. Based on the City's policy; a minimum fund balance of $5,851,201 is required. As of December 31, 2025, the City is in compliance with their policy

See Note 4 for further information.

Fiduciary fund net position is classified as restricted for pool participants, individuals, organizations and other governments on the statement of fiduciary net position.

Pension

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; and
- 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.

Basis for Existing Rates

Electric Utility

Current electrical rates were approved by the Public Service Commission of Wisconsin effective on August 1, 2023.

Water Utility

Current water rates were approved by the Public Service Commission of Wisconsin effective October 15, 2025.

Wastewater Utility

Current wastewater rates were approved by the City's City Council effective on January 1, 2025.

2. Reconciliation of Government-Wide and Fund Financial Statements

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

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

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

Capital assets, net of accumulated depreciation	$ 111,634,428
Less Internal Service Fund Capital Assets	(328,401)
Adjustment for capital assets	$ 111,306,027

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

Bonds, notes payable and unamortized premium	$ 39,564,949
Compensated absences	506,469
Accrued interest	258,832
Combined adjustment for long-term liabilities	$ 40,330,250

3. Stewardship, Compliance and Accountability

Budgetary Information

A budget has been adopted for the General Fund, Special Revenue Fund- Park and Recreation Facilities Impact Fees, Debt Service Fund, Capital Project Funds - Capital Improvements and TID #7, Special Revenues Funds-Fire/Ambulance Reserve, Garbage and Refuse, Woodcreek Stormwater, Chapman Park Donation, Police Equipment Donation, K9, Community Development, Transportation Facilities Impact Fees, Law Enforcement Facilities Impact Fees and Tourism and Capital Projects Funds - TID #4, TID #5, TID #6 and TID #8. A budget has not been formally adopted for the Special Revenue Funds - Library Trust and Police Forfeitures. Wisconsin Statute 65.90 requires an annual budget be adopted for all funds.

Excess Expenditures and Other Financing Uses Over Budget

The following fund/function had significant expenditures and other financing uses over budget:

Fund/Function	Budgeted Expenditures and Other Financing Uses	Actual Expenditures and Other Financing Uses	Excess Expenditures and Other Financing Uses Over Budget
General Fund			
Public safety	$ 10,339,383	$ 10,374,826	$ 35,443
Special Revenue Fund - Transportation Facilities Impact Fees			
Interest expense and fees	16,600	20,332	3,732
Capital Projects Fund - TID #4			
General government	150	2,727	2,577
Capital outlay	-	873,285	873,285
Capital Projects Fund - TID #5			
Capital outlay	1,979,128	2,051,111	71,983
Interest expense and fees	15,000	78,395	63,395
Capital Projects Fund - TID #6			
Conservation and development	379,595	392,398	12,803
Interest expense and fees	11,000	14,998	3,998
Capital Projects Fund - TID #8			
Interest expense and fees	-	59	59

The City controls expenditures at the function level. Some individual functions experienced expenditures which exceeded appropriations. The detail of those items can be found in the City's year-end budget to actual report.

Deficit Balances

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

As of December 31, 2025, the following individual funds held a deficit balance:

Fund	Amount	Reason
Capital Project Fund, TID #5	$ (1,628,846)	TID expenditures exceeded revenues
Capital Project Fund, TID #6	(141,865)	TID expenditures exceeded revenues
Capital Project Fund, TID #8	(1,429)	TID expenditures exceeded revenues

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases.

Limitations on the City's Tax Levy

Wisconsin law limits the City's future tax levies. Generally the City is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the City's equalized value due to net new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The City is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

4. Detailed Notes on All Funds

Cash and Investments

The City's cash and investments at year end were comprised of the following:

	Carrying Value	Statement Balances	Associated Risks
Petty cash and cash on hand	$ 4,429	$ -	N/A
Deposits with financial institutions	68,392,346	67,639,775	Custodial credit
Local Government Investment Pool	25,331,119	25,331,119	Credit
U.S. agencies, explicitly guaranteed	526,026	526,026	Custodial credit, interest rate and investments highly sensitive to interest rate changes
U.S. agencies, implicitly guaranteed	5,553,564	5,553,564	Credit, custodial credit, concentration of credit, interest rate and investments highly sensitive to interest rate changes
Other external investment pools	85,561	85,561	Credit
Total cash and investments	$ 99,893,045	$ 99,136,045	
Reconciliation to financial statements			
Per statement of net position:			
Unrestricted cash and investments	$ 63,222,226		
Restricted cash and investments	12,366,201		
Per statement of fiduciary net position:			
Custodial Fund	24,304,618		
Total deposits and investments	$ 99,893,045		

Deposits in each local and area bank are insured by the FDIC in the amount of $250,000 for time and savings accounts (including NOW accounts) and $250,000 for demand deposit accounts (interest-bearing and non-interest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of $250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of $1,000,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing custodial credit risk.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring fair value measurements are as follows:

- Institutional bond quotes based on various market and industry inputs

Investment Type	December 31, 2025 Level 1	Level 2	Level 3	Total
U.S. agencies, explicitly guaranteed	$ -	$ 526,026	$ -	$ 526,026
U.S. agencies, implicitly guaranteed	-	5,553,564	-	5,553,564
Other external investment pools	-	85,561	-	85,561
Total	$ -	$ 6,165,151	$ -	$ 6,165,151

Custodial Credit Risk

Deposits

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

The City does not have any deposits exposed to custodial credit risk.

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The City does not have any investments exposed to custodial credit risk.

Credit Risk

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

As of December 31, 2025, the City's investments were rated as follows:

Investment Type	Moody's Investors Services	Not Rated
U.S. agencies, implicitly guaranteed	AA1	
Local government investment pool		Yes
Other external investment pools		Yes

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At December 31, 2025, the City's investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Net Position
FNMA	U.S. agencies, implicitly guaranteed	27.91 %
FHLMC	U.S. agencies, implicitly guaranteed	25.65
FFCB	U.S. agencies, implicitly guaranteed	6.50

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2025, the City's investments were as follows:

		Maturity (in Months)			
Investment Type	Fair Value	12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
U.S. agencies, explicitly guaranteed	$ 526,026	$ -	$ -	$ -	$ 526,026
U.S. agencies, implicitly guaranteed	5,553,564	-	550,116	901,239	4,102,209
Total	$ 6,079,590	$ -	$ 550,116	$ 901,239	$ 4,628,235

Investments Highly Sensitive to Interest Rate Changes

At December 31, 2025, the City held $526,026 and $5,553,564 in U.S. agencies, explicitly guaranteed and U.S. agencies, implicitly guaranteed, respectively. With all fixed income securities, as interest rates rise, the values will fall. The longer the time to maturity, the more sensitive the value will be to a change in interest rates. The longest time to maturity on any holding is 25 years maturing January 1, 2051.

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

Receivables

Receivables consist of accounts, taxes, special assessments and delinquent taxes from residents and others. Receivables are reported in aggregate for the government's individual major funds, nonmajor funds, proprietary funds and fiduciary fund, net of any uncollectible amounts. As of December 31, 2025, the City recorded one allowance for uncollectible accounts in Capital Projects Fund - TID #5 for $275,000. All of the receivables on the balance sheet are expected to be collected within one year except for special assessments of $46,190 and accounts receivable of $175,000, all of which are recorded in the general fund.

Governmental funds report *unavailable* or *unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unearned	Unavailable
Property taxes receivable for subsequent year	$ 21,483,779	$ -
Special assessments receivable	-	44,883
Development receivable	-	785,826
Watershed contribution	2,879	-
Park and recreation fees	108,590	-
Total unearned/unavailable revenue for governmental funds	$ 21,595,248	$ 830,709
Unearned revenue included in liabilities	$ 111,469	
Unearned revenue included in deferred inflows	21,483,779	
Total unearned revenue for governmental funds	$ 21,595,248	

At the end of the current fiscal year, the various components of unearned revenue in the proprietary funds were advanced payments received from developers for various electric infrastructure projects to be installed by the Utility ($367,213). Other amounts include fees collected from electric customers reserved for low-income assistance ($123,281) and energy conservation ($7,390). Also included is an advance water utility rent payment received ($7,553) and wastewater utility deferred special assessment ($6,543).

Restricted Assets

The Electric Utility has restricted deposits of cash that will be returned to the customer in the future. The Water Utility and Wastewater Utility have restricted cash and investments in accordance with their applicable debt instruments.

Restricted assets consist of the following:

	Restricted Assets
Electric Utility	
Customer Deposits	$ 21,801
Wastewater Utility	
Expansion Reserve	11,160,859
Replacement Reserve	923,421
Water Utility	
Unspent bond proceeds	260,120
Total	$ 12,366,201

Capital Assets

Capital asset activity for the year ended December 31, 2025, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	$ 16,384,575	$ 10,000	$ -	$ 16,394,575
Construction in progress	3,167,235	783,375	2,773,730	1,176,880
Total capital assets not being depreciated	19,551,810	793,375	2,773,730	17,571,455
Capital assets being depreciated:				
Land Improvements	10,354,650	4,602,395	-	14,957,045
Buildings	21,579,045	1,009,246	24,245	22,564,046
Machinery and equipment	12,010,013	1,722,299	473,715	13,258,597
Infrastructure	113,990,569	6,375,256	472,006	119,893,819
Total capital assets being depreciated	157,934,277	13,709,196	969,966	170,673,507
Total capital assets	177,486,087	14,502,571	3,743,696	188,244,962
Less accumulated depreciation for:				
Land Improvements	(3,511,465)	(536,234)	-	(4,047,699)
Buildings	(7,751,051)	(535,440)	15,224	(8,271,267)
Machinery and equipment	(7,640,324)	(893,819)	473,714	(8,060,429)
Infrastructure	(52,617,808)	(3,927,490)	314,159	(56,231,139)
Total accumulated depreciation	(71,520,648)	(5,892,983)	803,097	(76,610,534)
Net capital assets being depreciated	86,413,629	7,816,213	166,869	94,062,973
Total governmental activities capital assets, net as reported in the statement of net position	$ 105,965,439	$ 8,609,588	$ 2,940,599	$ 111,634,428

Depreciation expense was charged to functions as follows:

Governmental Activities	
General Government	$ 86,689
Public Safety	409,062
Public Works	4,536,994
Culture and recreation	860,238
Total governmental activities depreciation expense	$ 5,892,983

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
Capital assets not being depreciated:				
Land	$ 242,294	$ -	$ -	$ 242,294
Construction in progress	3,090,168	12,682,599	3,090,168	12,682,599
Total capital assets not being depreciated	3,332,462	12,682,599	3,090,168	12,924,893
Capital assets being depreciated:				
Buildings	16,010,728	129,106	88,500	16,051,334
Machinery and equipment	51,814,502	3,506,016	791,838	54,528,680
Utility System	159,757,115	10,328,191	1,247,431	168,837,875
Total capital assets being depreciated	227,582,345	13,963,313	2,127,769	239,417,889
Total capital assets	230,914,807	26,645,912	5,217,937	252,342,782
Less accumulated depreciation for:				
Buildings	(9,346,908)	(421,010)	88,500	(9,679,418)
Machinery and equipment	(24,823,675)	(2,436,870)	935,515	(26,325,030)
Utility System	(49,246,639)	(3,683,409)	1,223,193	(51,706,855)
Total accumulated depreciation	(83,417,222)	(6,541,289)	2,247,208	(87,711,303)
Net capital assets being depreciated	144,165,123	7,422,024	(119,439)	151,706,586
Business-type activities capital assets, net as reported in the statement of net position	$ 147,497,585	$ 20,104,623	$ 2,970,729	$ 164,631,479

Depreciation expense was charged to functions as follows:

Business-Type Activities	Depreciation charged to Expense	Depreciation Charged to Operations	Total Depreciation
Electric	$ 2,652,110	$ 377,948	$ 3,030,058
Water	1,279,220	126,004	1,405,224
Wastewater	2,106,007	-	2,106,007
Total business-type activities depreciation expense	$ 6,037,337	$ 503,952	$ 6,541,289

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

Interfund Receivables/Payables, Advances and Transfers

Interfund Receivables/Payables

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

	Interfund Receivables	Interfund Payables
Tax roll items to be paid:		
Debt Service Fund	$ 2,306,231	$ -
Capital Projects Fund - Capital Improvements	2,238,587	-
Capital Projects Fund - TID #7	1,182,675	-
Nonmajor Governmental Funds	3,376,283	-
Enterprise Funds:		
Electric Utility	20,052	-
Water Utility	20,133	-
Wastewater Utility	347,796	-
General Fund	-	9,491,757
Total	$ 9,491,757	$ 9,491,757
Long-term advances:		
Governmental Funds:		
General Fund	$ 1,751,500	$ -
Capital Projects Fund - TID #7	-	100,000
Nonmajor Governmental Funds	-	2,476,000
Enterprise Funds:		
Electric Utility	1,445,827	-
Water Utility	-	1,914,325
Wastewater Utility	1,292,998	-
Total	$ 4,490,325	$ 4,490,325

Receivable Fund	Payable Fund	Amount
Governmental activities	Business-type activities	$ -
Business-type activities	Governmental activities	1,212,481
Total government-wide financial statements		$ 1,212,481

The principal purpose of the interfund tax roll items to be paid relates to the current year tax roll to be collected in the subsequent year. The principal purpose of the long-term advances is to fund overdrafts on pooled cash and investments. In addition, the balance resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

The interfund balances for tax roll items are due within one year. The advances to the Capital Projects Fund - TID #7 and Nonmajor Governmental Funds are based on cash deficits. No repayment schedule has been established. The Water Utility advances from the Electric Utility and Wastewater Utility have set payment schedules at a 2.5% interest rate and 4.0% interest rate, with principal and interest due semiannually. The current portion of the advances is shown on the Statement of Net Position - Proprietary Funds.

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

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
Capital Improvements	Fire/Ambulance Reserve	$ 150,000	Spend down of funds for Fire capital
Debt Service	Law Enforcement Impact Fees	171,475	Impact fees collected for debt service repayment
General Fund	Capital Improvements	75,000	Watershed funding
Capital Improvements	General Fund	1,077,939	Various capital projects funded by General Fund reserves
Debt Service	TID #7	523,008	Debt service repayment
General Fund	Wastewater Utility	300,000	Watershed funding
General Fund	Wastewater Utility	300,000	Annual rent at City Hall
General Fund	Water Utility	548,712	Tax equivalent payment
General Fund	Electric Utility	150,000	Annual rent at City Hall and PILOT shortfall
General Fund	Electric Utility	706,786	Tax equivalent payment
Total, fund financial statements		4,002,920	
Less fund eliminations		(1,997,422)	
Total transfers, government-wide statement of activities		$ 2,005,498	

Fund Transferred To	Fund Transferred From	Amount
Governmental activities	Business-type activities	$ 2,005,498
Business-type activities	Governmental activities	-
Total government-wide financial statements		$ 2,005,498

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and notes payable:					
General obligation debt	$ 39,140,000	$ 1,765,000	$ 2,255,000	$ 38,650,000	$ 3,300,000
Premium on bonds and notes	928,351	96,656	110,058	914,949	-
Subtotal	40,068,351	1,861,656	2,365,058	39,564,949	3,300,000
Other liabilities:					
Net pension liability	662,728	108,458	-	771,186	-
Compensated absences*	489,547	16,922	-	506,469	506,469
Total governmental activities long-term liabilities, excluding lease liabilities	$ 41,220,626	$ 1,987,036	$ 2,365,058	$ 40,842,604	$ 3,806,469
Total governmental activities long-term liabilities				$ 40,842,604	$ 3,806,469
Business-Type Activities					
Bonds and notes payable:					
General obligation debt	$ 6,215,000	$ 1,210,000	$ 720,000	$ 6,705,000	$ 870,000
Direct debt- revenue bond	515,699	4,222,228	-	4,737,927	203,562
(Discounts)/Premiums:					
Premium on bonds and notes	295,887	65,501	45,357	316,031	-
Subtotal	7,026,586	5,497,729	765,357	11,758,958	1,073,562
Other liabilities:					
Net pension liability	286,688	17,050	-	303,738	-
Compensated absences	219,473	18,366	-	237,839	237,839
Total other liabilities	506,161	35,416	-	541,577	237,839
Total business-type activities long-term liabilities				$ 12,300,535	$ 1,311,401

*The change in the compensated absences liability is presented as a net change.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2025, was $219,719,250. Total general obligation debt outstanding at year end was $45,355,000.

General Obligation Debt

The full faith credit and resources of the City have been irrevocably pledged to collateralize all of the general obligation notes and bonds. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service. Business-type activities general obligation debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

Bonds

$4,285,000 general obligation bonds issued 12/18/12; $190,000 to $275,000 due annually through 2031; interest 1.00% to 2.875%	$ 1,550,000
$9,400,000 general obligation refunding bonds issued 5/19/20; $275,000 to $645,000 due annually through 2039; interest 2.00% to 4.00%	7,500,000
$9,650,000 general obligation refunding bonds issued 4/1/21; $190,000 to $610,000 due annually through 2041; interest 1.10% to 2.00%	8,715,000
$4,475,000 taxable general obligation bonds issued 4/1/21; $50,000 to $300,000 due annually through 2041; interest 1.65% to 2.45%	4,425,000
$2,735,000 general obligation bonds issued 4/27/22; $100,000 to $260,000 due annually through 2041; interest 2.70% to 4.00%	2,735,000
Total bonds	24,925,000

Notes

$1,500,000 general obligation notes issued 12/18/18; $45,000 to $305,000 due annually through 2028; interest 3.00% to 4.00%	740,000
$9,755,000 general obligation notes issued 5/19/20; $195,000 to $1,780,000 due annually through 2030; interest 2.00% to 3.00%	7,340,000
$4,610,000 general obligation notes issued 4/27/22; $235,000 to $580,000 due annually through 2032; interest 3.00% to 4.00%	3,615,000
$6,250,000 general obligation notes issued 12/13/23; $235,000 to $845,000 due annually through 2033; interest 4.00% to 5.00%	5,760,000
$2,975,000 general obligation notes issued 5/29/25; $125,000 to $395,000 due annually through 2035; interest 4.00% to 5.00%	2,975,000
Total notes	20,430,000
Total outstanding general obligation debt	$ 45,355,000

Debt service requirements to maturity are as follows:

	Governmental Activities General Obligation Debt		Business-Type Activities General Obligation Debt	
Years	Principal	Interest	Principal	Interest
2026	$ 3,300,000	$ 979,726	$ 870,000	$ 243,150
2027	3,520,000	866,439	870,000	207,175
2028	3,665,000	750,745	890,000	172,150
2029	3,825,000	642,639	920,000	138,625
2030	3,955,000	544,876	960,000	105,025
2031-2035	11,220,000	1,660,752	2,195,000	148,375
2036-2040	7,995,000	577,650	-	-
2041	1,170,000	13,675	-	-
Total	$ 38,650,000	$ 6,036,502	$ 6,705,000	$ 1,014,500

Direct Debt - Revenue Bonds

On December 11, 2024, the City authorized the issuance of $9,027,678 of Water System Revenue Bonds through the State of Wisconsin's Safe Drinking Water Loan Program. The proceeds of these bonds are being used to finance the construction of Well No. 8. As of December 31, 2025, $4,737,927 of these bonds had been issued. The City will continue to make future draws on this loan until construction is complete.

Details of direct borrowed revenue bonds outstanding on December 31, 2025, are as follows:

	Date of Issue	Interest Rate	Principal Payable	Interest Payable	Original Amount	Balance December 31, 2025
Revenue Bonds:						
Water	12/11/2024	2.20%	5/1/26-44	5/01 & 11/01	$ 4,737,927	$ 4,737,927

Years	Business-Type Activities General Obligation Notes From Direct Borrowings and Direct Placements Principal	Interest
2026	$ 203,562	$ 101,132
2027	208,040	97,468
2028	212,617	92,840
2029	217,295	88,111
2030	222,075	83,278
2031-2035	1,185,845	340,091
2036-2040	1,322,155	202,281
2041-2044	1,166,338	52,017
Total	$ 4,737,927	$ 1,057,218

Other Debt Information

Estimated payments of net pension liability are not included in the debt service requirement schedules. The net pension liability will be liquidated by the general fund, electric utility, water utility, and wastewater utility.

Net Position/Fund Balances

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

Governmental Activities

Invested in capital assets:	
Land	$ 16,394,575
Construction in progress	1,176,880
Other capital assets, net of accumulated depreciation	94,062,973
Less long-term debt outstanding	(38,650,000)
Plus unspent capital related debt proceeds	590,496
Plus noncapital debt and premium	5,202,912
Less premium on long-term debt	(914,949)
Less accounts payable and retainage payable	(346,101)
Total invested in capital assets	$ 77,516,786

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2025, include the following:

	General Fund	Special Revenue Fund: Park & Recreation Facilities Impact Fees	Debt Service Fund	Capital Projects Fund: Capital Improvements	Capital Projects Fund: TID #7	Nonmajor Governmental Funds	Total
Fund Balances							
Nonspendable:							
Inventories and prepaid items	$ 87,876	$ -	$ -	$ -	$ -	$ 6,863	$ 94,739
Advance to other funds	1,751,500	-	-	-	-	-	1,751,500
Noncurrent receivables	175,000	-	-	-	-	-	175,000
Subtotal	2,014,376	-	-	-	-	6,863	2,021,239
Restricted for:							
Fire reserve	-	-	-	-	-	1,412,617	1,412,617
Debt service	-	-	330,887	-	-	-	330,887
Capital improvements	-	-	-	-	3,822,756	-	3,822,756
Woodcreek stormwater	-	-	-	-	-	120,731	120,731
Police equipment	-	-	-	-	-	8,516	8,516
K9	-	-	-	-	-	24,574	24,574
Police forfeitures	-	-	-	-	-	192	192
Transportation facilities impact fees	-	-	-	-	-	620,502	620,502
Law enforcement facilities impact fees	-	-	-	-	-	589,006	589,006
Park & recreation facilities impact fees	-	1,924,430	-	-	-	-	1,924,430
Tourism	-	-	-	-	-	862,799	862,799
Library trust	-	-	-	-	-	80,914	80,914
Future improvements	-	-	-	-	-	167,141	167,141
Subtotal	-	1,924,430	330,887	-	3,822,756	3,886,992	9,965,065
Committed to:							
Health insurance	77,506	-	-	-	-	-	77,506
Subsequent year projects	189,560	-	-	4,838,501	-	602,030	5,630,091
Subtotal	267,066	-	-	4,838,501	-	602,030	5,707,597
Assigned to:							
Facade improvements	284,714	-	-	-	-	-	284,714
Fund balance designation	974,647	-	-	-	-	-	974,647
Carryovers and miscellaneous	169,534	-	-	-	-	-	169,534
Subtotal	1,428,895	-	-	-	-	-	1,428,895
Unassigned (Deficit):	10,454,268	-	-	-	-	(1,772,140)	8,682,128
Total fund balances (deficit)	$ 14,164,605	$ 1,924,430	$ 330,887	$ 4,838,501	$ 3,822,756	$ 2,723,745	$ 27,804,924

Business-Type Activities

Net investment in capital assets:	
Land	$ 242,294
Construction in progress	12,682,599
Other capital assets, net of accumulated depreciation	151,706,586
Less Long-term debt outstanding	(11,442,927)
Plus unspent capital related debt proceeds	260,120
Less unamortized debt premium	(316,031)
Less accounts payable and retainage payable	(3,949,674)
Total net investment in capital assets	$ 149,182,967

5. Other Information

Employees' Retirement System

Plan Description

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

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

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

Vesting

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

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement participants, if hired on or before 12/31/2016) are entitled to 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 period. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

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

The WRS also provides death and disability benefits for employees.

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	0.0	(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, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized $975,999 in contributions from the City.

Contribution rates for the plan year reported as of December 31, 2025 are:

Employee Category	Employee	Employer
General (Executives & Elected Officials)	6.90 %	6.90 %
Protective with Social Security	6.90	14.30
Protective without Social Security	6.90	19.10

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

At December 31, 2025, the City reported a liability of $1,074,924 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 0.06541793%, which was an increase of 0.00156180% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the City recognized pension expense of $1,337,713.

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 projected and actual experience	$ 3,338,229	$ 3,136,889
Changes in assumptions	318,951	-
Net differences between projected and actual earnings on pension plan investments	1,633,405	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,230	25,630
Employer contributions subsequent to the measurement date	1,063,406	-
Total	$ 6,356,221	$ 3,162,519

$1,063,406 reported as deferred outflows of resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ending December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Years Ending December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2026	$ 636,244
2027	2,221,770
2028	(554,505)
2029	(173,213)

Actuarial Assumptions

The total pension liability in the 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:	
Wage 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 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

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %**
Public Equity	38	7.0	4.3
Public Fixed Income	27	6.1	3.4
Inflation Sensitive	19	4.8	2.1
Real Estate	8	6.5	3.8
Private Equity/Debt	20	9.5	6.7
Leverage***	(12)	3.7	1.1
Total Core Fund	100	7.5	4.8
Variable Fund Asset			
U.S. Equities	70	6.5	3.8
International Equities	30	7.4	4.7
Total Variable Fund	100	6.9	4.2

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

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

*** *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%.*

Single Discount Rate

A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. This 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 investment rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
City's proportionate share of the net pension liability (asset)	$ 10,084,198	$ 1,074,924	$ (5,325,905)

Pension Plan Fiduciary Net Position

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

At December 31, 2025, the City reported a payable to the pension plan of $164,050, which represents contractually required contributions outstanding as of the end of the year.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

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

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.

The City has active construction projects as of December 31, 2025. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

Long-Term Contracts, WPPI Energy

The City of Oconomowoc Electric Utility purchases its electric requirements from WPPI Energy (WPPI). WPPI is a municipal electric company and political subdivision of the State of Wisconsin created by contract by its member on September 5,1980 pursuant to the Municipal Electric Company Act, Sec 66.0825 of the Wisconsin Statutes (the Act), WPPI's purposes include providing adequate economical and reliable supply of electric energy to its members.

The City of Oconomowoc Electric Utility is one of 51 WPPI Energy member municipalities located throughout the States of Wisconsin, Michigan and Iowa. On December 1, 1989, each initial WPPI Energy member commenced purchasing electric service from WPPI Energy under a long-term Power Supply Contract for Participating Members (long-term contract). Under the long-term contract, WPPI Energy is obligated to provide and sell, and each member is obligated to take and pay for, the electric power and energy required for the operation of each member's electric utility.

Fifty members, representing approximately 99.8% of WPPI Energy's existing load, have long-term contracts through December 31, 2055. The remaining member has a long-term contract through December 31, 2037

Under the long-term contract, the City of Oconomowoc Electric Utility and other members of WPPI are required to pay for all power and energy requirements supplied or made available by WPPI at rates sufficient to cover all of WPPI's revenue requirements which included power supply costs, administrative expenses and debt service on outstanding bonds. WPPI's subsequent year's rates and operating budget are approved annually by its Board of Directors, which consists of representatives from each member municipality.

The City of Oconomowoc Electric Utility has agreed to charge rates to the retail ratepayers of its electric system sufficient to meet its obligations to WPPI. The long-term contract provides that all payments to WPPI under the contract constitute operating expenses of the City of Oconomowoc Electric Utility payable from any operating and maintenance fund established by the City of Oconomowoc Electric Utility.

The long-term contract may be terminated by either party upon five year prior written notice effective at the end of the initial thirty-five year term, or at any other time thereafter, provided that no WPPI bonds are outstanding at the time of the proposed termination and certain other contract provisions are met.

WPPI Energy's outstanding debt service obligation to be paid by its members through their wholesale power charges through the remainder of the long-term contract was $221 million as of December 31, 2025.

Total purchases under this arrangement amounted to $18,713,014 in 2025.

Effect of New Accounting Standards on Current-Period Financial Statements

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

- Statement No. 103, *Financial Reporting Model Improvements*
- Statement No. 104, *Disclosure of Certain Capital Assets*
- Statement No. 105, *Subsequent Events*

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

Western Lakes Fire District

By agreement dated February 2, 2017, the Western Lakes Fire District (WLFD) was created. The WLFD, which provides a unified integrated fire and emergency medical service, began operations on March 2, 2017. The WLFD was created pursuant to the provisions of Wisconsin Statutes 61.65 and 66.30. Participants are the City of Oconomowoc, Village of Dousman, Village of Lac La Belle, Village of Summit and the Town of Ottawa. The Western Lakes Fire District is operated by a Fire Board consisting of seven citizen members appointed by the participating municipalities. The affirmative vote of a majority of the members of the Fire Board is required on most matters.

The powers of the Fire Board include developing and submitting the department's budget. The capital and operating budget of the department is approved by the Fire Board and the participating municipalities, any budget exceeding 104% of the current year’s authorized expenditures must be approved by all participating municipalities.

Also established by the agreement is a Joint Fire Commission which is responsible for overseeing operational aspects of the district, including authorizing repair, maintenance and renewal of physical assets. In addition, the Fire Commission has the powers related to appointments, promotions, suspensions, removals, dismissals, reemployment, compensation, rest days, etc. The City is obligated by the joint venture agreement to remit an amount annually to the district. The City made payments to the district in 2025 totaling $4,724,176.

The City does not have an equity interest in the WLFD.

Financial information of the district is available directly from the district by request. Western Lakes Fire District, 1400 Oconomowoc Parkway, Oconomowoc, WI 53066.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF OCONOMOWOC

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) -
WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2025

WRS Fiscal Year End Date	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/15	0.06248601%	$ 1,015,387	$ 7,845,958	12.94%	98.20%
12/31/16	0.06266673%	516,523	8,032,246	6.43%	99.12%
12/31/17	0.06195881%	(1,839,630)	7,978,650	23.06%	102.93%
12/31/18	0.06128967%	2,180,494	8,199,985	26.59%	96.45%
12/31/19	0.06022514%	(1,941,933)	8,422,509	23.06%	102.96%
12/31/20	0.06113348%	(3,816,647)	9,132,036	41.79%	105.26%
12/31/21	0.06168363%	(4,971,814)	9,221,541	53.92%	106.02%
12/31/22	0.06292397%	3,333,525	9,622,409	32.64%	95.72%
12/31/23	0.06385613%	949,416	10,464,066	9.07%	98.85%
12/31/24	0.06541793%	1,074,924	11,223,093	9.58%	98.79%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2025

City's Fiscal Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/16	$ 601,843	$ 601,843	$ -	8,032,246	7.49%
12/31/17	599,847	599,847	-	7,978,650	7.52%
12/31/18	623,178	623,178	-	8,199,985	7.60%
12/31/19	627,348	627,348	-	8,422,509	7.45%
12/31/20	689,175	689,175	-	9,132,036	7.55%
12/31/21	733,583	733,583	-	9,221,541	7.96%
12/31/22	748,232	748,232	-	9,622,409	7.78%
12/31/23	874,965	874,965	-	10,464,066	8.36%
12/31/24	970,651	970,651	-	11,223,093	8.65%
12/31/25	1,063,406	1,063,406	-	11,873,408	8.96%

See independent auditors' report and notes to required supplementary information.

Wisconsin Retirement System

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

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

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

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

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

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

SUPPLEMENTARY INFORMATION

CITY OF OCONOMOWOC

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 2,402,882	$ 2,402,882	$ 2,402,882	$ -
Miscellaneous revenues	39,500	39,500	81,954	42,454
Total Revenues	2,442,382	2,442,382	2,484,836	42,454
EXPENDITURES				
Debt Service				
Principal	2,255,000	2,255,000	2,255,000	-
Interest expense and fees	1,191,364	1,191,364	1,081,958	109,406
Total Expenditures	3,446,364	3,446,364	3,336,958	109,406
Excess (deficiency) of revenues over expenditures	(1,003,982)	(1,003,982)	(852,122)	151,860
OTHER FINANCING SOURCES				
Premium on debt issued	150,000	150,000	96,656	(53,344)
Transfers in	694,483	694,483	694,483	-
Total Other Financing Sources	844,483	844,483	791,139	(53,344)
Net change in fund balance	$ (159,499)	$ (159,499)	(60,983)	$ 98,516
Fund Balance - Beginning of Year			391,870	
Fund Balance - End of Year			$ 330,887	

CITY OF OCONOMOWOC

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND - CAPITAL IMPROVEMENTS
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 2,140,000	$ 2,140,000	$ 2,140,000	$ -
Special assessments	107,381	107,381	107,381	-
Miscellaneous	55,500	321,500	559,448	237,948
Total Revenues	2,302,881	2,568,881	2,806,829	237,948
EXPENDITURES				
Capital outlay	5,341,168	7,593,473	5,485,931	2,107,542
Excess (deficiency) of revenues over expenditures	(3,038,287)	(5,024,592)	(2,679,102)	2,345,490
OTHER FINANCING SOURCES (USES)				
Transfers in	750,000	1,227,939	1,227,939	-
Transfers out	(75,000)	(75,000)	(75,000)	-
Debt issued	1,800,000	1,800,000	1,765,000	(35,000)
Sale of capital assets	-	-	9,900	9,900
Total Other financing sources (uses)	2,475,000	2,952,939	2,927,839	(25,100)
Net change in fund balance	$ (563,287)	$ (2,071,653)	248,737	$ 2,320,390
Fund Balance - Beginning of Year			4,589,764	
Fund Balance - End of Year			$ 4,838,501	

CITY OF OCONOMOWOC

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND - TID #7
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 530,000	$ 530,000	$ 549,581	$ 19,581
Intergovernmental	6,903	6,903	6,903	-
Miscellaneous	3,000	179,897	179,829	(68)
Total Revenues	539,903	716,800	736,313	19,513
EXPENDITURES				
Current				
General government	150	40,085	39,921	164
Debt Service				
Interest and fiscal charges	-	9,767	9,767	-
Total Expenditures	150	49,852	49,688	164
Excess (deficiency) of revenues over expenditures	539,753	666,948	686,625	19,677
OTHER FINANCING USES				
Transfers out	(523,008)	(523,008)	(523,008)	-
Net change in fund balance	$ 16,745	$ 143,940	163,617	$ 19,677
Fund Balance - Beginning of Year			3,659,139	
Fund Balance - End of Year			$ 3,822,756	

CITY OF OCONOMOWOC

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of December 31, 2025

	Special Revenue Funds						
	Fire/Ambulance Reserve Fund	Garbage and Refuse Fund	Woodcreek Stormwater Fund	Chapman Park Donation Fund	Police Equipment Donation Fund	K9 Fund	Community Development Fund
ASSETS							
Cash and investments	$ 1,412,617	$ 670,216	$ 122,431	$ -	$ 8,516	$ 25,652	$ 50,232
Receivables							
Accounts (net)	-	-	-	-	-	-	-
Due from other funds	-	1,324,710	7,450	-	-	-	-
Inventories and prepaid items	-	-	-	-	-	218	-
TOTAL ASSETS	$ 1,412,617	$ 1,994,926	$ 129,881	$ -	$ 8,516	$ 25,870	$ 50,232
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)							
Liabilities							
Accounts payable	$ -	$ 114,070	$ 1,700	$ -	$ -	$ 1,078	$ 68
Accrued liabilities	-	180	-	-	-	-	-
Advance from other funds	-	-	-	-	-	-	-
Total Liabilities	-	114,250	1,700	-	-	1,078	68
Deferred Inflows of Resources							
Property taxes levied for subsequent years	-	1,328,810	7,450	-	-	-	-
Total Deferred Inflows of Resources	-	1,328,810	7,450	-	-	-	-
Fund Balances (Deficits)							
Nonspendable	-	-	-	-	-	218	-
Restricted	1,412,617	-	120,731	-	8,516	24,574	-
Committed	-	551,866	-	-	-	-	50,164
Unassigned (Deficits)	-	-	-	-	-	-	-
Total Fund Balances (Deficits)	1,412,617	551,866	120,731	-	8,516	24,792	50,164
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	$ 1,412,617	$ 1,994,926	$ 129,881	$ -	$ 8,516	$ 25,870	$ 50,232

CITY OF OCONOMOWOC

COMBINING BALANCE SHEET (continued)
NONMAJOR GOVERNMENTAL FUNDS
As of December 31, 2025

	Special Revenue Funds (continued)					
	Transportation Facilities Impact Fees Fund	Law Enforcement Facilities Impact Fees Fund	Tourism Fund	Library Trust Fund	Police Forfeitures Fund	Total Special Revenue Funds
ASSETS						
Cash and investments	$ 1,097,586	$ 589,006	$ 868,357	$ 80,914	$ 192	$ 4,925,719
Receivables						
Accounts (net)	-	-	409	-	-	409
Due from other funds	-	-	-	-	-	1,332,160
Inventories and prepaid items	-	-	6,645	-	-	6,863
TOTAL ASSETS	$ 1,097,586	$ 589,006	$ 875,411	$ 80,914	$ 192	$ 6,265,151
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)						
Liabilities						
Accounts payable	$ 2,584	$ -	$ 1,585	$ -	$ -	$ 121,085
Accrued liabilities	-	-	4,382	-	-	4,562
Advance from other funds	474,500	-	-	-	-	474,500
Total Liabilities	477,084	-	5,967	-	-	600,147
Deferred Inflows of Resources						
Property taxes levied for subsequent years	-	-	-	-	-	1,336,260
Total Deferred Inflows of Resources	-	-	-	-	-	1,336,260
Fund Balances (Deficits)						
Nonspendable	-	-	6,645	-	-	6,863
Restricted	620,502	589,006	862,799	80,914	192	3,719,851
Committed	-	-	-	-	-	602,030
Unassigned (Deficits)	-	-	-	-	-	-
Total Fund Balances (Deficits)	620,502	589,006	869,444	80,914	192	4,328,744
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	$ 1,097,586	$ 589,006	$ 875,411	$ 80,914	$ 192	$ 6,265,151

CITY OF OCONOMOWOC

COMBINING BALANCE SHEET (concluded)
NONMAJOR GOVERNMENTAL FUNDS
As of December 31, 2025

	Capital Projects Funds					
	TID #4 Fund	TID #5 Fund	TID #6 Fund	TID #8 Fund	Total Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS						
Cash and investments	$ 1,024,302	$ 23,380	$ 208,808	$ 71	$ 1,256,561	$ 6,182,280
Receivables						
Accounts (net)	-	-	-	-	-	409
Due from other funds	606,048	936,815	501,260	-	2,044,123	3,376,283
Inventories and prepaid items	-	-	-	-	-	6,863
TOTAL ASSETS	$ 1,630,350	$ 960,195	$ 710,068	$ 71	$ 3,300,684	$ 9,565,835
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)						
Liabilities						
Accounts payable	$ 857,161	$ 1,552	$ -	$ -	$ 858,713	$ 979,798
Accrued liabilities	-	674	673	-	1,347	5,909
Advance from other funds	-	1,650,000	350,000	1,500	2,001,500	2,476,000
Total Liabilities	857,161	1,652,226	350,673	1,500	2,861,560	3,461,707
Deferred Inflows of Resources						
Property taxes levied for subsequent years	606,048	936,815	501,260	-	2,044,123	3,380,383
Total Deferred Inflows of Resources	606,048	936,815	501,260	-	2,044,123	3,380,383
Fund Balances (Deficits)						
Nonspendable	-	-	-	-	-	6,863
Restricted	167,141	-	-	-	167,141	3,886,992
Committed	-	-	-	-	-	602,030
Unassigned (Deficits)	-	(1,628,846)	(141,865)	(1,429)	(1,772,140)	(1,772,140)
Total Fund Balances (Deficits)	167,141	(1,628,846)	(141,865)	(1,429)	(1,604,999)	2,723,745
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	$ 1,630,350	$ 960,195	$ 710,068	$ 71	$ 3,300,684	$ 9,565,835

CITY OF OCONOMOWOC

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2025

	Special Revenue Funds						
	Fire/Ambulance Reserve Fund	Garbage and Refuse Fund	Woodcreek Stormwater Fund	Chapman Park Donation Fund	Police Equipment Donation Fund	K9 Fund	Community Development Fund
REVENUES							
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Special assessments	-	-	7,450	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
License and permits	-	-	-	-	-	-	-
Public charges for services	-	1,313,144	-	-	-	-	-
Miscellaneous revenues	61,132	51,010	5,324	17,500	-	2,221	2,180
Total Revenues	61,132	1,364,154	12,774	17,500	-	2,221	2,180
EXPENDITURES							
Current							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	400	15,028	-
Public works	-	1,301,251	3,900	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Conservation and development	-	-	-	-	-	-	68
Debt Service							
Interest expense and fees	-	-	-	-	-	-	-
Capital Outlay	-	-	-	94,815	-	-	-
Total Expenditures	-	1,301,251	3,900	94,815	400	15,028	68
Excess (deficiency) of revenues over expenditures	61,132	62,903	8,874	(77,315)	(400)	(12,807)	2,112
OTHER FINANCING USES							
Transfers out	(150,000)	-	-	-	-	-	-
Net Change in Fund Balances	(88,868)	62,903	8,874	(77,315)	(400)	(12,807)	2,112
FUND BALANCES (DEFICITS) - Beginning of Year	1,501,485	488,963	111,857	77,315	8,916	37,599	48,052
FUND BALANCES (DEFICITS) - END OF YEAR	$ 1,412,617	$ 551,866	$ 120,731	$ -	$ 8,516	$ 24,792	$ 50,164

CITY OF OCONOMOWOC

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (continued)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2025

	Special Revenue Funds (continued)					
	Transportation Facilities Impact Fees Fund	Law Enforcement Facilities Impact Fees Fund	Tourism Fund	Library Trust Fund	Police Forfeitures Fund	Total Special Revenue Funds
REVENUES						
Taxes	$ -	$ -	$ 602,431	$ -	$ -	$ 602,431
Special assessments	-	-	-	-	-	7,450
Intergovernmental	-	-	-	-	-	-
License and permits	853,316	424,230	-	-	-	1,277,546
Public charges for services	-	-	-	-	-	1,313,144
Miscellaneous revenues	29,825	16,661	37,764	20,153	49	243,819
Total Revenues	883,141	440,891	640,195	20,153	49	3,444,390
EXPENDITURES						
Current						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	15,428
Public works	-	-	-	-	-	1,305,151
Culture and recreation	-	-	665,313	38,120	-	703,433
Conservation and development	-	-	-	-	-	68
Debt Service						
Interest expense and fees	20,332	-	-	-	-	20,332
Capital Outlay	93,855	-	-	-	1,576	190,246
Total Expenditures	114,187	-	665,313	38,120	1,576	2,234,658
Excess (deficiency) of revenues over expenditures	768,954	440,891	(25,118)	(17,967)	(1,527)	1,209,732
OTHER FINANCING USES						
Transfers out	-	(171,475)	-	-	-	(321,475)
Net Change in Fund Balances	768,954	269,416	(25,118)	(17,967)	(1,527)	888,257
FUND BALANCES (DEFICITS) - Beginning of Year	(148,452)	319,590	894,562	98,881	1,719	3,440,487
FUND BALANCES (DEFICITS) - END OF YEAR	$ 620,502	$ 589,006	$ 869,444	$ 80,914	$ 192	$ 4,328,744

CITY OF OCONOMOWOC

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (concluded)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2025

	Capital Projects Funds					
	TID #4 Fund	TID #5 Fund	TID #6 Fund	TID #8 Fund	Total Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES						
Taxes	$ 650,072	$ 932,066	$ 498,300	$ -	$ 2,080,438	$ 2,682,869
Special assessments	-	-	-	-	-	7,450
Intergovernmental	67,518	279,945	2,890	-	350,353	350,353
License and permits	-	-	-	-	-	1,277,546
Public charges for services	-	-	-	-	-	1,313,144
Miscellaneous revenues	16,099	45,402	10,981	-	72,482	316,301
Total Revenues	733,689	1,257,413	512,171	-	2,503,273	5,947,663
EXPENDITURES						
Current						
General government	2,727	16,405	15,666	150	34,948	34,948
Public safety	-	-	-	-	-	15,428
Public works	-	-	-	-	-	1,305,151
Culture and recreation	-	-	-	-	-	703,433
Conservation and development	-	632,791	392,398	-	1,025,189	1,025,257
Debt Service					-	
Interest expense and fees	-	78,395	14,998	59	93,452	113,784
Capital Outlay	873,285	2,051,111	-	-	2,924,396	3,114,642
Total Expenditures	876,012	2,778,702	423,062	209	4,077,985	6,312,643
Excess (deficiency) of revenues over expenditures	(142,323)	(1,521,289)	89,109	(209)	(1,574,712)	(364,980)
OTHER FINANCING USES						
Transfers out	-	-	-	-	-	(321,475)
Net change in fund balances	(142,323)	(1,521,289)	89,109	(209)	(1,574,712)	(686,455)
FUND BALANCES (DEFICITS) - Beginning of Year	309,464	(107,557)	(230,974)	(1,220)	(30,287)	3,410,200
FUND BALANCES (DEFICITS) - END OF YEAR	$ 167,141	$ (1,628,846)	$ (141,865)	$ (1,429)	$ (1,604,999)	$ 2,723,745

CITY OF OCONOMOWOC

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL REVENUE FUND - FIRE/AMBULANCE RESERVE
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Miscellaneous revenues	$ 500	$ 500	$ 61,132	$ 60,632
OTHER FINANCING USES				
Transfers out	(150,000)	(150,000)	(150,000)	-
Net change in fund balance	$ (149,500)	$ (149,500)	(88,868)	$ 60,632
Fund Balance - Beginning of Year			1,501,485	
Fund Balance - End of Year			$ 1,412,617	

CITY OF OCONOMOWOC

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL REVENUE FUND - GARBAGE AND REFUSE
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Public charges for services	$ 1,271,000	$ 1,271,000	$ 1,313,144	$ 42,144
Miscellaneous revenues	5,100	5,100	51,010	45,910
Total Revenues	1,276,100	1,276,100	1,364,154	88,054
EXPENDITURES				
Current				
Public works	1,317,166	1,317,083	1,301,251	15,832
Net change in fund balance	$ (41,066)	$ (40,983)	62,903	$ 103,886
Fund Balance - Beginning of Year			488,963	
Fund Balance - End of Year			$ 551,866	

CITY OF OCONOMOWOC

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL REVENUE FUND - WOODCREEK STORMWATER
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Special assessments	$ 7,450	$ 7,450	$ 7,450	$ -
Miscellaneous revenues	400	400	5,324	4,924
Total Revenues	7,850	7,850	12,774	4,924
EXPENDITURES				
Current				
Public works	11,097	11,094	3,900	7,194
Net change in fund balance	$ (3,247)	$ (3,244)	8,874	$ 12,118
Fund Balance - Beginning of Year			111,857	
Fund Balance - End of Year			$ 120,731	

CITY OF OCONOMOWOC

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL REVENUE FUND - CHAPMAN PARK DONATION
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Miscellaneous revenues	$ -	$ 17,500	$ 17,500	$ -
EXPENDITURES				
Capital outlay	-	94,815	94,815	-
Net change in fund balance	$ -	$ (77,315)	(77,315)	$ -
Fund Balance - Beginning of Year			77,315	
Fund Balance - End of Year			$ -	

CITY OF OCONOMOWOC

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL REVENUE FUND - POLICE EQUIPMENT DONATION
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
EXPENDITURES				
Current				
Public safety	$ 400	$ 400	$ 400	$ -
Net change in fund balance	$ (400)	$ (400)	(400)	$ -
Fund Balance - Beginning of Year			8,916	
Fund Balance - End of Year			$ 8,516	

CITY OF OCONOMOWOC

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL REVENUE FUND - K9
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Miscellaneous revenues	$ -	$ 362	$ 2,221	$ 1,859
EXPENDITURES				
Current				
Public safety	4,145	22,408	15,028	7,380
Net change in fund balance	$ (4,145)	$ (22,046)	(12,807)	$ 9,239
Fund Balance - Beginning of Year			37,599	
Fund Balance - End of Year			$ 24,792	

CITY OF OCONOMOWOC

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT AUTHORITY
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Miscellaneous revenues	$ 100	$ 100	$ 2,180	$ 2,080
EXPENDITURES				
Current				
Conservation and development	10,000	10,000	68	9,932
Net change in fund balance	$ (9,900)	$ (9,900)	2,112	$ 12,012
Fund Balance - Beginning of Year			48,052	
Fund Balance - End of Year			$ 50,164	

CITY OF OCONOMOWOC

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL REVENUE FUND - TRANSPORTATION FACILITIES IMPACT FEES
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Licenses and permits	$ 152,000	$ 152,000	$ 853,316	$ 701,316
Miscellaneous revenues	-	-	29,825	29,825
Total Revenues	152,000	152,000	883,141	731,141
EXPENDITURES				
Debt Service				
Interest expense and fees	16,600	16,600	20,332	(3,732)
Capital Outlay	220,000	220,000	93,855	126,145
Total Expenditures	236,600	236,600	114,187	122,413
Net change in fund balance	$ (84,600)	$ (84,600)	768,954	$ 853,554
Fund Balance (Deficit) - Beginning of Year			(148,452)	
Fund Balance - End of Year			$ 620,502	

CITY OF OCONOMOWOC

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL REVENUE FUND - LAW ENFORCEMENT FACILITIES IMPACT FEES
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Licenses and permits	$ 139,100	$ 139,100	$ 424,230	$ 285,130
Miscellaneous revenues	9,000	9,000	16,661	7,661
Total Revenues	148,100	148,100	440,891	292,791
OTHER FINANCING USES				
Transfers out	(171,475)	(171,475)	(171,475)	-
Net change in fund balance	$ (23,375)	$ (23,375)	269,416	$ 292,791
Fund Balance - Beginning of Year			319,590	
Fund Balance - End of Year			$ 589,006	

CITY OF OCONOMOWOC

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL REVENUE FUND - TOURISM
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 450,000	$ 450,000	$ 602,431	$ 152,431
Miscellaneous revenues	2,100	4,777	37,764	32,987
Total Revenues	452,100	454,777	640,195	185,418
EXPENDITURES				
Current				
Culture and recreation	707,227	888,060	665,313	222,747
Net change in fund balance	$ (255,127)	$ (433,283)	(25,118)	$ 408,165
Fund Balance - Beginning of Year			894,562	
Fund Balance - End of Year			$ 869,444	

CITY OF OCONOMOWOC

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND - TID #4
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 630,000	$ 630,000	$ 650,072	$ 20,072
Intergovernmental	67,518	67,518	67,518	-
Miscellaneous revenues	2,000	2,000	16,099	14,099
Total Revenues	699,518	699,518	733,689	34,171
EXPENDITURES				
Current				
General government	150	150	2,727	(2,577)
Capital Outlay	-	-	873,285	(873,285)
Total Expenditures	150	150	876,012	(875,862)
Net change in fund balance	$ 699,368	$ 699,368	(142,323)	$ (841,691)
Fund Balance - Beginning of Year			309,464	
Fund Balance - End of Year			$ 167,141	

CITY OF OCONOMOWOC

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND - TID #5
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 900,000	$ 900,000	$ 932,066	$ 32,066
Intergovernmental	4,945	279,945	279,945	-
Miscellaneous revenues	1,000	1,000	45,402	44,402
Total Revenues	905,945	1,180,945	1,257,413	76,468
EXPENDITURES				
Current				
General government	16,892	16,845	16,405	440
Conservation and development	679,626	679,595	632,791	46,804
Debt Service				
Interest expense and fees	15,000	15,000	78,395	(63,395)
Capital Outlay	-	1,979,128	2,051,111	(71,983)
Total Expenditures	711,518	2,690,568	2,778,702	(88,134)
Net change in fund balance	$ 194,427	$ (1,509,623)	(1,521,289)	$ (11,666)
Fund Balance (Deficit) - Beginning of Year			(107,557)	
Fund Balance (Deficit) - End of Year			$ (1,628,846)	

CITY OF OCONOMOWOC

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND - TID #6
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 480,000	$ 480,000	$ 498,300	$ 18,300
Intergovernmental	2,890	2,890	2,890	-
Miscellaneous revenues	500	500	10,981	10,481
Total Revenues	483,390	483,390	512,171	28,781
EXPENDITURES				
Current				
General government	16,892	16,845	15,666	1,179
Conservation and development	379,626	379,595	392,398	(12,803)
Debt service				
Interest expense and fees	11,000	11,000	14,998	(3,998)
Total Expenditures	407,518	407,440	423,062	(20,142)
Net change in fund balance	$ 75,872	$ 75,950	89,109	$ 8,639
Fund Balance (Deficit) - Beginning of Year			(230,974)	
Fund Balance (Deficit) - End of Year			$ (141,865)	

CITY OF OCONOMOWOC

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND - TID #8
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
EXPENDITURES				
Current				
General government	$ 150	$ 150	$ 150	$ -
Debt service				
Interest expense and fees	-	-	59	(59)
Total Expenditures	150	150	209	(4,579)
Net change in fund balance	$ (150)	$ (150)	(209)	$ (4,579)
Fund Balance (Deficit) - Beginning of Year			(1,220)	
Fund Balance (Deficit) - End of Year			$ (1,429)	

CITY OF OCONOMOWOC

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
As of December 31, 2025

	Data Processing	Risk Management	Fleet	Totals
ASSETS				
Current Assets				
Cash and investments	$ 788,685	$ 200,556	$ 74,609	$ 1,063,850
Accounts receivable	-	9,808	-	9,808
Inventories and prepaid items	68,534	9	-	68,543
Total Current Assets	857,219	210,373	74,609	1,142,201
Non-Current Assets				
Buildings and improvements	-	-	124,617	124,617
Machinery and equipment	962,111	-	145,112	1,107,223
Less: Accumulated depreciation	(840,373)	-	(63,066)	(903,439)
Total Non-Current Assets	121,738	-	206,663	328,401
Total Assets	978,957	210,373	281,272	1,470,602
LIABILITIES				
Current Liabilities				
Accounts payable	13,483	2,802	26,207	42,492
Accrued liabilities	8,404	235	8,629	17,268
Total Current Liabilities	21,887	3,037	34,836	59,760
Total Liabilities	21,887	3,037	34,836	59,760
NET POSITION				
Net investment in capital assets	121,738	-	206,663	328,401
Unrestricted	835,332	207,336	39,773	1,082,441
TOTAL NET POSITION	$ 957,070	207,336	$ 246,436	$ 1,410,842

CITY OF OCONOMOWOC

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2025

	Data Processing	Risk Management	Fleet	Totals
OPERATING REVENUES				
Charges for services	$ 985,830	$ 700,935	$ 887,520	$ 2,574,285
Other operating income	4,525	48,674	7,380	60,579
Total Operating Revenues	990,355	749,609	894,900	2,634,864
OPERATING EXPENSES				
Administrative and general	815,304	800,240	796,468	2,412,012
Depreciation	61,718	-	19,380	81,098
Total Operating Expenses	877,022	800,240	815,848	2,493,110
Operating Income (loss)	113,333	(50,631)	79,052	141,754
NONOPERATING REVENUES				
Intergovernmental revenue	-	800	-	800
Investment income	32,027	4,520	5,487	42,034
Total Nonoperating Revenues	32,027	5,320	5,487	42,834
Change in net position	145,360	(45,311)	84,539	184,588
NET POSITION - Beginning of Year	811,710	252,647	161,897	1,226,254
NET POSITION - END OF YEAR	$ 957,070	207,336	$ 246,436	$ 1,410,842

CITY OF OCONOMOWOC

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2025

	Data Processing Fund	Risk Management Fund	Fleet	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 993,115	$ 750,409	$ 895,844	$ 2,639,368
Payments to suppliers	(544,935)	(788,303)	(522,607)	(1,855,845)
Payments to and on behalf of employees	(306,552)	(9,336)	(286,285)	(602,173)
Net Cash Flows From Operating Activities	141,628	(47,230)	86,952	181,350
CASH FLOWS FROM CAPITAL RELATED FINANCING ACTIVITIES				
Net acquisition of capital assets	(49,946)	-	(75,283)	(125,229)
Net Cash Flows From Capital and Financing Activities	(32,027)	(4,520)	(75,283)	(125,229)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received on investments	32,027	4,520	5,487	42,034
Net change in cash and cash equivalents	123,709	(42,710)	17,156	98,155
CASH AND CASH EQUIVALENTS - Beginning of Year	664,976	243,266	57,453	965,695
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 788,685	$ 200,556	$ 74,609	$ 1,063,850
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES				
Operating income (loss)	$ 113,333	$ (50,631)	$ 79,052	$ 141,754
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Depreciation	61,718	-	19,380	81,098
Intergovernmental revenue	-	800	-	800
Change in assets and liabilities				
Accounts receivable	2,760	-	944	3,704
Inventories and prepaid items	(42,497)	(9)	-	(42,506)
Accounts payable	3,954	2,579	(15,484)	(8,951)
Accrued liabilities	2,360	31	3,060	5,451
NET CASH FLOW FROM OPERATING ACTIVITIES	$ 141,628	$ (47,230)	$ 86,952	$ 181,350
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS				
Cash and investments	$ 788,685	$ 200,556	$ 74,609	$ 1,063,850

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES

None

CITY OF OCONOMOWOC

SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS - BY SOURCE
As of December 31, 2025

Governmental Capital Assets	
Land	$ 16,394,575
Land improvements	14,957,045
Buildings	22,564,046
Machinery and equipment	13,258,597
Infrastructure	119,893,819
Construction in progress	1,176,880
Total Governmental Capital Assets	$ 188,244,962
Investment in Governmental Capital Assets by Source	
General fund	$ 3,386,957
Special revenue funds	10,654,599
Capital projects funds	113,076,752
Contributions	61,126,654
Total Investment in Governmental Capital Assets	$ 188,244,962

CITY OF OCONOMOWOC

SCHEDULE OF CHANGES IN GOVERNMENTAL CAPITAL ASSETS - BY FUNCTION AND ACTIVITY
For the Year Ended December 31, 2025

	Balance 1/1/25	Additions	Deletions	Balance 12/31/25
Function and Activity				
General government	$ 3,703,215	$ 135,229	$ (92,437)	$ 3,746,007
Public safety				
Police	11,135,593	162,448	(63,353)	11,234,688
Fire	210,763	-	-	210,763
Public works	127,562,352	7,943,999	(1,179,791)	134,326,560
Culture and recreation	33,210,556	6,219,650	(2,408,115)	37,022,091
Conservation and development	1,663,608	41,245	-	1,704,853
Total Governmental Capital Assets	$ 177,486,087	$ 14,502,571	$ (3,743,696)	$ 188,244,962

CITY OF OCONOMOWOC

SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS - BY FUNCTION AND ACTIVITY
For the Year Ended December 31, 2025

Function and Activity	Land	Land Improvements	Buildings	Machinery and Equipment	Infrastructure	Construction In Progress	Total
General government	$ 215,960	$ 287,755	$ 2,098,590	$ 1,143,702	$ -	$ -	$ 3,746,007
Public safety							
Police	525,819		9,103,063	1,605,806	-	-	11,234,688
Fire	210,763						210,763
Public works	2,206,923	4,069,151	971,193	6,705,605	119,839,187	534,501	134,326,560
Culture and recreation	11,758,152	10,600,139	10,391,200	3,642,117	54,632	575,851	37,022,091
Conservation and development	1,476,958	-	-	161,367	-	66,528	1,704,853
Total Governmental Capital Assets	$ 16,394,575	$ 14,957,045	$ 22,564,046	$ 13,258,597	$ 119,893,819	$ 1,176,880	$ 188,244,962

STATISTICAL SECTION

STATISTICAL SECTION

This section of the City of Oconomowoc's Annual Report presents detailed information as a context for understanding what the information in the financial statements, notes to the financial statements, and required supplementary information says about the City's overall financial condition.

CONTENTS PAGE

FINANCIAL TRENDS 110

These schedules contain trend information to help the reader understand how the City's financial performance and condition have changed over time.

REVENUE CAPACITY 117

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

DEBT CAPACITY 124

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION 129

These schedules present demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

OPERATING INFORMATION 131

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

SOURCES

Unless otherwise noted, the information in these schedules is derived from the annual reports for the relevant year.

CITY OF OCONOMOWOC, WISCONSIN
Table 1 - Net Position by Category
Last Ten Years
(accrual basis of accounting)

	2016		2017		2018		2019		2020	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Governmental Activities										
Net Investment in Capital Assets	$ 57,822,336	78.9%	$ 63,910,347	85.3%	$ 64,299,015	86.2%	$ 67,867,195	89.5%	$ 65,654,426 (4)	84.1%
Restricted for								0.0%		
Subsequent Year Projects	7,411 (1)	0.0%	7,411 (1)	0.0%	7,411 (1)	0.0%	7,411 (1)	0.0%	7,411 (1)	0.0%
Fire Reserve	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Debt Service	-	0.0%	-	0.0%	-	0.0%	-	0.0%	36,989	0.0%
Tourism	- (3)	0.0%	89,865 (3)	0.1%	134,530	0.2%	161,272	0.2%	118,734	0.2%
Police Forfeitures	- (3)	0.0%	13,510 (3)	0.0%	13,754	0.0%	14,054	0.0%	12,566	0.0%
Library Trust	- (3)	0.0%	38,047 (3)	0.1%	34,524	0.0%	36,115	0.0%	50,819	0.1%
Law Enforcement Facilities Impact Fee	- (3)	0.0%	204,625 (3)	0.3%	297,043	0.4%	345,613	0.5%	58,457	0.1%
Park Land Acquisition	- (3)	0.0%	2,462 (3)	0.0%	-	0.0%	-	0.0%	-	0.0%
Park Land Improvements	- (3)	0.0%	67,603 (3)	0.1%	48,820	0.1%	-	0.0%	1,299,270 (5)	1.7%
Park and Recreation Facilities Impact Fee	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Transportation Facilities Impact Fee	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Woodcreek Stormwater	- (3)	0.0%	92,952 (3)	0.1%	100,479	0.1%	101,667	0.1%	99,626	0.1%
Police Equipment	-	0.0%	-	0.0%	-	0.0%	-	0.0%	26,713	0.0%
K9	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Pension Benefits	-	0.0%	-	0.0%	1,248,205 (2)	1.7%	-	0.0%	1,311,016 (2)	1.7%
Future Improvements	-	0.0%	-	0.0%	-	0.0%	20,163	0.0%	121,385	0.2%
Unrestricted	15,426,040	21.1%	10,468,915	14.0%	8,411,318	11.3%	7,241,073	9.6%	9,276,051	11.9%
Total Governmental Activities Net Position	$ 73,255,787	100.0%	$ 74,895,737	100.0%	$ 74,595,099	100.0%	$ 75,794,563	100.0%	$ 78,073,463	100.0%
Business-Type Activities										
Net Investment in Capital Assets	$ 94,911,877	75.3%	98,170,860	76.4%	101,306,867	75.2%	104,770,562	74.8%	106,422,402	73.7%
Restricted for										
Pension Benefits	-	0.0%	-	0.0%	591,425 (2)	0.4%	-	0.0%	630,917 (2)	0.4%
Plant Replacement	8,836,673	7.0%	9,431,803	7.3%	9,774,536	7.3%	10,755,602	7.7%	11,452,687	7.9%
Unrestricted	22,299,956	17.7%	20,848,004	16.2%	23,038,465	17.1%	24,568,457	17.5%	25,985,889	18.0%
Total Business-Type Activities Net Position	$ 126,048,506	100.0%	$ 128,450,667	100.0%	$ 134,711,293	100.0%	$ 140,094,621	100.0%	$ 144,491,895	100.0%
Primary Government										
Net Investment in Capital Assets	$ 152,734,213	76.6%	$ 162,081,207	79.7%	$ 165,605,882	79.1%	$ 172,637,757	80.0%	$ 172,076,828	77.3%
Restricted for										
Subsequent Year Projects	7,411	0.0%	7,411	0.0%	7,411	0.0%	7,411	0.0%	7,411	0.0%
Fire Reserve	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Debt Service	-	0.0%	-	0.0%	-	0.0%	-	0.0%	36,989	0.0%
Tourism	-	0.0%	89,865	0.0%	134,530	0.1%	161,272	0.1%	118,734	0.1%
Police Forfeitures	-	0.0%	13,510	0.0%	13,754	0.0%	14,054	0.0%	12,566	0.0%
Library Trust	-	0.0%	38,047	0.0%	34,524	0.0%	36,115	0.0%	50,819	0.0%
Law Enforcement Facilities Impact Fee	-	0.0%	204,625	0.1%	297,043	0.1%	345,613	0.2%	58,457	0.0%
Park Land Acquisition	-	0.0%	2,462	0.0%	-	0.0%	-	0.0%	-	0.0%
Park Land Improvements	-	0.0%	67,603	0.0%	48,820	0.0%	-	0.0%	1,299,270	0.6%
Park and Recreation Facilities Impact Fee	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Transportation Facilities Impact Fee	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Plant Replacement	8,836,673	4.4%	9,431,803	4.6%	9,774,536	4.7%	10,755,602	5.0%	11,452,687	5.1%
Woodcreek Stormwater	-	0.0%	92,952	0.0%	100,479	0.0%	101,667	0.0%	99,626	0.0%
Police Equipment	-	0.0%	-	0.0%	-	0.0%	-	0.0%	26,713	0.0%
K9	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Pension Benefits	-	0.0%	-	0.0%	1,839,630	0.9%	-	0.0%	1,941,933	0.9%
Future Improvements	-	0.0%	-	0.0%	-	0.0%	20,163	0.0%	121,385	0.1%
Unrestricted	37,725,996	18.9%	31,316,919	15.4%	31,449,783	15.0%	31,809,530	14.7%	35,261,940	15.8%
Total Primary Government Net Position	$ 199,304,293	100.0%	$ 203,346,404	100.0%	$ 209,306,392	100.0%	$ 215,889,184	100.0%	$ 222,565,358	100.0%

CITY OF OCONOMOWOC, WISCONSIN
Table 1 - Net Position by Category (cont)
Last Ten Years
(accrual basis of accounting)

	2021		2022		2023		2024		2025	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Governmental Activities										
Net Investment in Capital Assets	$ 62,727,389	79.2%	$ 60,003,338	76.5%	$ 63,740,319 (8)	75.0%	$ 70,474,599 (12)	74.2%	$ 77,516,786 (16)	75.6%
Restricted for										
Subsequent Year Projects	7,411 (1)	0.0%	5,734 (1)	0.0%	- (1)	0.0%	-	0.0%	-	0.0%
Fire Reserve	-	0.0%	-	0.0%	964,291 (9)	1.1%	1,446,437 (9)	1.5%	1,412,617 (9)	1.4%
Debt Service	-	0.0%	-	0.0%	189,336	0.2%	135,757	0.1%	72,055	0.1%
Tourism	222,293	0.3%	370,286	0.5%	650,570	0.8%	893,021	0.9%	862,799	0.8%
Police Forfeitures	4,403	0.0%	4,465	0.0%	2,913	0.0%	1,719	0.0%	192	0.0%
Library Trust	57,524	0.1%	53,432	0.1%	61,664	0.1%	98,881	0.1%	80,914	0.1%
Law Enforcement Facilities Impact Fee	238,362	0.3%	153,740	0.2%	147,515	0.2%	319,590	0.3%	589,006	0.6%
Park Land Acquisition	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Park Land Improvements	24,382 (5)	0.0%	24,502	0.0%	24,502	0.0%	77,315	0.1%	-	0.0%
Park and Recreation Facilities Impact Fee	-	0.0%	-	0.0%	-	0.0%	601,525	0.6%	1,924,430	1.9%
Transportation Facilities Impact Fee	-	0.0%	-	0.0%	-	0.0%	-	0.0%	620,502 (18)	0.6%
Woodcreek Stormwater	99,387	0.1%	102,300	0.1%	106,650	0.1%	111,857	0.1%	120,731	0.1%
Police Equipment	9,683	0.0%	9,683	0.0%	9,305	0.0%	8,916	0.0%	8,516	0.0%
K9	-	0.0%	-	0.0%	-	0.0%	37,599	0.0%	24,574	0.0%
Pension Benefits	2,588,292 (2)	3.3%	3,361,623 (2)	4.3%	-	0.0%	-	0.0%	-	0.0%
Future Improvements	4,134,724	5.2%	3,461,165	4.4%	6,354,206 (10)	7.5%	3,378,107 (10)	3.6%	3,399,401	3.3%
Unrestricted	9,104,928	11.5%	10,869,721	13.9%	12,723,513	15.0%	17,340,648 (14)	18.3%	15,961,547 (19)	15.6%
Total Governmental Activities Net Position	$ 79,218,778	100.0%	$ 78,419,989	100.0%	$ 84,974,784	100.0%	$ 94,925,971	100.0%	$ 102,594,070	100.0%
Business-Type Activities										
Net Investment in Capital Assets	$ 115,771,560 (6)	73.4%	$ 124,161,915 (7)	74.6%	$ 131,538,089 (11)	75.9%	$ 139,837,484 (12)	74.1%	$ 149,182,967 (12)	74.9%
Restricted for										
Pension Benefits	1,228,355 (2)	0.8%	1,610,191 (2)	1.0%	-	0.0%	-	0.0%	-	0.0%
Plant Replacement	13,765,536	8.7%	12,034,840	7.2%	10,252,193 (11)	5.9%	12,293,246 (13)	6.5%	12,084,280	6.1%
Unrestricted	26,952,386	17.1%	28,672,368	17.2%	31,588,500	18.2%	36,656,253 (15)	19.4%	38,025,166	19.1%
Total Business-Type Activities Net Position	$ 157,717,837	100.0%	$ 166,479,314	100.0%	$ 173,378,782	100.0%	$ 188,786,983	100.0%	$ 199,292,413	100.0%
Primary Government										
Net Investment in Capital Assets	$ 178,498,949	75.3%	$ 184,165,253	75.2%	$ 195,278,408	75.6%	$ 210,312,083	74.1%	$ 226,699,753	75.1%
Restricted for										
Subsequent Year Projects	7,411	0.0%	5,734	0.0%	-	0.0%	-	0.0%	-	0.0%
Fire Reserve	-	0.0%	-	0.0%	964,291	0.4%	1,446,437	0.5%	1,412,617	0.5%
Debt Service	-	0.0%	-	0.0%	189,336	0.1%	135,757	0.0%	72,055	0.0%
Tourism	222,293	0.1%	370,286	0.2%	650,570	0.3%	893,021	0.3%	862,799	0.3%
Police Forfeitures	4,403	0.0%	4,465	0.0%	2,913	0.0%	1,719	0.0%	192	0.0%
Library Trust	57,524	0.0%	53,432	0.0%	61,664	0.0%	98,881	0.0%	80,914	0.0%
Law Enforcement Facilities Impact Fee	238,362	0.1%	153,740	0.1%	147,515	0.1%	319,590	0.1%	589,006	0.2%
Park Land Acquisition	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Park Land Improvements	24,382	0.0%	24,502	0.0%	24,502	0.0%	77,315	0.0%	- (17)	0.0%
Park and Recreation Facilities Impact Fee	-	0.0%	-	0.0%	-	0.0%	601,525	0.2%	1,924,430	0.6%
Transportation Facilities Impact Fee	-	0.0%	-	0.0%	-	0.0%	-	0.0%	620,502 (18)	0.2%
Plant Replacement	13,765,536	5.8%	12,034,840	4.9%	10,252,193	4.0%	12,293,246	4.3%	12,084,280	4.0%
Woodcreek Stormwater	99,387	0.0%	102,300	0.0%	106,650	0.0%	111,857	0.0%	120,731	0.0%
Police Equipment	9,683	0.0%	9,683	0.0%	9,305	0.0%	8,916	0.0%	8,516	0.0%
K9	-	0.0%	-	0.0%	-	0.0%	37,599	0.0%	24,574	0.0%
Pension Benefits	3,816,647	1.6%	4,971,814	2.0%	-	0.0%	-	0.0%	-	0.0%
Future Improvements	4,134,724	1.7%	3,461,165	1.4%	6,354,206	2.5%	3,378,107	1.2%	3,399,401	1.1%
Unrestricted	36,057,314	15.2%	39,542,089	16.1%	44,312,013	17.2%	53,996,901	19.0%	53,986,713	17.9%
Total Primary Government Net Position	$ 236,936,615	100.0%	$ 244,899,303	100.0%	$ 258,353,566	100.0%	$ 283,712,954	100.0%	$ 301,886,483	100.0%

CITY OF OCONOMOWOC, WISCONSIN
Table 1 - Net Position by Category (cont)
Last Ten Years
(accrual basis of accounting)

Notes:
(1) Maintenance fund for Imagination Station playground funded by outside grantors, fully spent in 2023.
(2) City's portion of the Net Pension Asset through WRS, which fluctuates each year based on an actuarial study.
(3) Increase due to change in presentation based on review of revenue sources and restrictions.
(4) Decrease due to debt issued in 2020, which covered projects for 2019, 2020 and 2021.
(5) Creation of Save 517 Fund for donations to purchase land for a new park. Donations received were used to purchase the land in 2021.
(6) Increase is due to $5 million of collection system assets transferred from the Town of Oconomowoc as well as $3 million of utility contributed capital.
(7) Increase is due to developer funded utility infrastructure as well as TID #7 funded utility infrastructure.
(8) Increase due to dedication of infrastructure improvements for residential subdivisions.
(9) Creation of fire reserve due to the fire district referendum, in which service levels are being phased in over three years. Reserve created for future fire district increases.
(10) Increase related to unspent debt proceeds issued in 2023 for TID #7 projects. Decrease in 2024 due to spending debt proceeds.
(11) Investment in capital assets increased due to use of plant replacement funds in 2023 towards capital projects as well as contributed capital.
(12) Increase mainly due to contributed capital from various residential developments.
(13) Increase due to sewer availability charges collected for projects including the Norden Range apartments and various neighborhoods including Prairie Creek Ridge, Olde Highlander and Arrowood.
(14) Increase as a result of various favorable budget variances including excess interest income and permit revenue as well as large impact fees collected in the park and recreation facilities impact fee special revenue fund, which shifted from a deficit to a surplus.
(15) Increase due to increased interest earnings and cost of electric purchased power decreasing more than charges for services due to rate increases.
(16) Investment in capital assets increased due to dedication of infrastructure improvements for residential subdivisions, along with boat launch & Rockwell Park project being completed in 2025
(17) Closing of fund created for new park.
(18) Shift from deficit balance to surplus balance as a result of impact fees collected for various commercial and residential projects.
(19) Decrease due to increase in impact fees collected in the park and recreation facilities impact fund and transportation facilities impact fund which shifted from a deficit to a surplus.

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CITY OF OCONOMOWOC, WISCONSIN
Table 2 - Changes in Net Position
Last Ten Years
(accrual basis of accounting)

Expenses	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Governmental Activities:										
General Government	$ 1,301,859	$ 1,778,192	$ 1,325,253	$ 1,284,364	$ 1,695,851	$ 1,635,139	$ 1,854,651	$ 1,804,179	$ 1,829,622	$ 1,796,716
Public Safety	7,300,689 (3)	7,004,271	6,647,153	6,856,581	7,259,378	6,973,126	7,059,028	9,370,295 (15)	10,484,346 (18)	11,823,273 (18)
Public Works	4,313,368	7,152,335	6,133,012	6,298,089	6,564,991	8,313,710 (11)	9,867,562 (14)	8,002,664	11,055,403 (19)	8,183,424 (23)
Sanitation	939,100	891,054	924,498	976,400	1,021,752	1,032,888	1,070,271	1,155,132	1,222,800	1,301,251
Health & Human Services	69,535	79,054	83,153	90,956	94,519	100,991	101,566	115,472	115,606	132,432
Culture & Recreation	3,318,525	2,424,466	5,295,255 (8)	4,057,068	3,517,458	3,746,856	3,956,338	4,389,633	4,613,338	4,493,739
Conservation & Development	991,179	915,791	1,188,097	1,300,765	1,028,954	1,775,804	2,301,144	2,053,323	2,190,659	3,640,625 (24)
Interest and Fiscal Charges	277,199	279,056	370,526	388,991	668,434	1,000,493	1,009,942	1,046,342	1,063,255	1,137,555
Total Governmental Activities Expenses	18,511,454	20,524,219	21,966,947	21,253,214	21,851,337	24,579,007	27,220,502	27,937,040	32,575,029	32,509,015
Business-Type Activities:										
Electric Utility	23,194,300	22,472,596 (5)	21,832,333	21,347,083	21,456,001	23,054,499 (12)	24,713,361 (12)	23,987,583	23,079,836 (20)	25,166,653 (25)
Water Utility	2,476,278	2,604,895	2,455,936	2,688,607	2,726,306	2,916,550	3,071,295	3,590,459	3,434,891	3,823,640 (26)
Wastewater Utility	3,171,820	3,266,269	3,254,637	3,440,771	3,499,435	3,630,309	3,882,227	4,342,860	4,707,652	5,112,689 (27)
Total Business-Type Activities Expenses	28,842,398	28,343,760	27,542,906	27,476,461	27,681,742	29,601,358	31,666,883	31,920,902	31,222,379	34,102,982
Total Primary Government Expenses	$ 47,353,852	$ 48,867,979	$ 49,509,853	$ 48,729,675	$ 49,533,079	$ 54,180,365	$ 58,887,385	$ 59,857,942	$ 63,797,408	$ 66,611,997
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	$ 432,358	$ 387,904	$ 392,056	$ 311,552	$ 298,210	$ 264,917	$ 257,805	$ 251,747	$ 272,414	$ 244,570
Public Safety	1,842,484	1,078,173	1,113,785	948,943	774,094	1,210,069	1,509,753	1,136,577	1,397,421	1,555,891
Sanitation	851,706	861,637	876,251	885,187	900,888	1,013,230	1,021,356	1,191,860	1,281,211	1,316,349
Other Activities	902,714	961,168	980,153	1,036,779	918,388	1,156,101	1,238,895	1,296,336	1,379,308	1,427,790
Operating Grants and Contributions	1,575,807	1,531,323	1,622,369	1,459,573	1,837,902	1,534,295	1,649,425	1,939,331	2,366,095	2,537,678
Capital Grants and Contributions	2,265,675 (4)	6,638,724 (6)	1,923,410	2,360,151	3,556,152 (9)	3,217,187	2,555,776	5,482,155 (16)	10,984,083 (21)	7,416,821
Total Governmental Activities Program Revenues	7,870,744	11,458,929	6,908,024	7,002,185	8,285,634	8,395,799	8,233,010	11,298,006	17,680,532	14,499,099
Business-Type Activities:										
Charges For Services:										
Electric Utility	24,924,397	24,066,162	24,001,614	23,462,932	23,641,429	25,142,333 (12)	27,103,161 (12)	26,293,287	26,091,374 (20)	28,227,704
Water Utility	3,399,073	3,349,010	3,379,131	3,438,835	3,573,736	3,796,360	4,215,407	4,452,383	4,451,454	5,067,957 (28)
Wastewater Utility	4,041,408	3,852,615	4,897,526	4,617,695	4,758,267	6,386,834	5,223,334	6,042,956	7,204,056	7,576,771
Operating Grants and Contributions	-	-	-	-	7,430	-	-	-	-	-
Capital Grants and Contributions	2,075,942	4,187,817 (6)	2,445,154	2,219,099	1,388,279 (10)	3,436,853 (6)	5,311,108 (14)	2,181,384	8,641,541 (22)	3,490,091
Total Business-Type Activities Program Revenues	34,440,820	35,455,604	34,723,425	33,738,561	33,369,141	38,762,380	41,853,010	38,970,010	46,388,425	44,362,523
Total Primary Government Program Revenues	$ 42,311,564	$ 46,914,533	$ 41,631,449	$ 40,740,746	$ 41,654,775	$ 47,158,179	$ 50,086,020	$ 50,268,016	$ 64,068,957	$ 58,861,622
Net (Expense)/Revenue:										
Governmental Activities	$ (10,640,710)	$ (9,065,290)	$ (15,058,923)	$ (14,251,029)	$ (13,565,703)	$ (16,183,208)	$ (18,987,492)	$ (16,639,034)	$ (14,894,497)	$ (18,009,916)
Business-type Activities	5,598,422	7,111,844	7,180,519	6,262,100	5,687,399	9,161,022	10,186,127	7,049,108	15,166,046	10,259,541
Total Primary Government Net Expense	$ (5,042,288)	$ (1,953,446)	$ (7,878,404)	$ (7,988,929)	$ (7,878,304)	$ (7,022,186)	$ (8,801,365)	$ (9,589,926)	$ 271,549	$ (7,750,375)

CITY OF OCONOMOWOC, WISCONSIN
Table 2 - Changes in Net Position (cont)
Last Ten Years
(accrual basis of accounting)

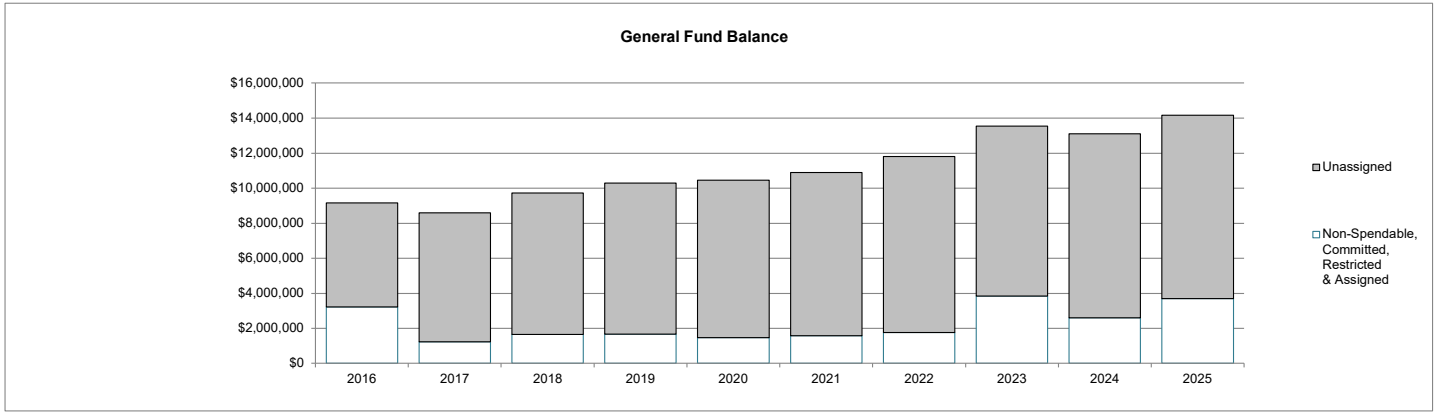
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Property Taxes	$ 10,540,331	$ 10,844,325	$ 11,164,041	$ 11,958,509	$ 12,878,409	$ 13,983,702	$ 14,092,520	$ 17,221,556 (15)	$ 18,206,390	$ 18,884,840
Other Taxes	424,462	444,269	382,579	344,812	177,350	433,564	542,897	696,130	766,738	883,197 (29)
Unrestricted Grants and Contributions	321,041	334,229	347,595	432,046	447,649	393,619	389,650	389,487	845,683	1,083,389
Investment Earnings	144,675	231,009	375,086	584,767	236,793	110,482	571,070	1,713,097 (17)	2,017,688	1,836,214
Miscellaneous	230,792	370,008	866,595	404,623	376,235	719,646	668,003	985,738	964,277	984,877
Special item - loss on sale of asset	- (1)	(3,058,976) (7)	- (1)	- (1)	- (1)	- (1)	- (1)	- (1)	- (1)	- (1)
Transfers	1,621,147	1,855,873	1,622,389	1,725,736	1,728,167	1,687,510	1,924,563	2,187,821	2,044,908	2,005,498
Total Governmental Activities	13,282,448	11,020,737	14,758,285	15,450,493	15,844,603	17,328,523	18,188,703	23,193,829	24,845,684	25,678,015
Business-Type Activities:										
Investment Earnings	324,402	391,217	702,496	846,964	438,042	256,293	499,913	2,038,181 (17)	2,287,063	2,251,387
Special item - transfer of assets	-	-	-	-	-	5,496,137 (13)	-	-	-	-
Transfers	(1,621,147)	(1,855,873)	(1,622,389)	(1,725,736)	(1,728,167)	(1,687,510)	(1,924,563)	(2,187,821)	(2,044,908)	(2,005,498)
Total Business-Type Activities	(1,296,745)	(1,464,656)	(919,893)	(878,772)	(1,290,125)	4,064,920	(1,424,650)	(149,640)	242,155	245,889
Total Primary Government	$ 11,985,703	$ 9,556,081	$ 13,838,392	$ 14,571,721	$ 14,554,478	$ 21,393,443	$ 16,764,053	$ 23,044,189	$ 25,087,839	$ 25,923,904
Change in Net Position										
Governmental Activities	$ 2,641,738	$ 1,955,447	$ (300,638)	$ 1,199,464	$ 2,278,900	$ 1,145,315	$ (798,789)	$ 6,554,795	$ 9,951,187	$ 7,668,099
Business-Type Activities	4,301,677	5,647,188	6,260,626	5,383,328	4,397,274	13,225,942	8,761,477	6,899,468	15,408,201	10,505,430
Total Primary Government	$ 6,943,415	$ 7,602,635	$ 5,959,988	$ 6,582,792	$ 6,676,174	$ 14,371,257	$ 7,962,688	$ 13,454,263	$ 25,359,388	$ 18,173,529

Notes:
(1) Sales of capital assets were not unusual nor infrequent; therefore they were not classified as a special item and instead included in miscellaneous.
(2) Increased maintenance projects as compared to capitalizable construction projects.
(3) Increase due to dam repair and maintenance projects completed during 2016.
(4) Increase due to dedication of Veterans Memorial Park.
(5) Overall expenses for utilities decreased due to a combination of less electricity being sold and a lower average price per unit.
(6) Increase due to dedication of infrastructure improvements for residential subdivisions.
(7) Loss due to creation of Western Lakes Fire District and transfer of related fire and ambulance assets to the district.
(8) Increase due to Northeast Regional development.
(9) Increase due to donations received for the Save 517 Fund for park land purchase.
(10) Decrease in developer funded projects, which fluctuates based on development from year to year.
(11) Increase related to TID #7 that was created in 2021.
(12) Increase in electric charges for service due to an increase in purchased power.
(13) Transfer of assets from the Town of Oconomowoc in 2021.
(14) Increase due to TID #4 funded utility infrastructure.
(15) Increase in tax levy due to the fire district referendum, which led to an increase in expenditures.
(16) Increase in capital grants and contributions due to increased American Rescue Plan funding and an increase in grants and donations received for various parks projects.
(17) Interest rates bottomed out in 2021 due to the Covid-19 pandemic but had significant increases in 2022 and climbed to over 5% in 2023.
(18) Increase in Police Department wages and benefits due to cost of living adjustments and increases in health insurance and Wisconsin Retirement contribution rates.
Increase also due to increased contracted fire district funding due to approved phased in referendum to increase service levels.
(19) Increase due to a $2.6 million developer incentive for TIF #7 private infrastructure.
(20) Decrease in electric charges for service due to a decrease in purchased power.
(21) Increase due to developer street contributions, large impact fee collections, and Parks, Recreation and Forestry grants and donations for various projects.
(22) Increase due to the Oconomowoc Parkway Sewer Relay special assessment as well as developer infrastructure contributions.
(23) Decrease due to a $2.6 million developer incentive for TIF #7 private infrastructure paid out in 2024
(24) Increase due to developer incentives for TIF #5 & 6
(25) Increase in cost of purchased power
(26) Increase in main break repairs and professional services for rate study and GIS services.
(27) Increase in depreciation expense
(28) Increase in qunatity sold and significatnt rate increase effective late in the year.
(29) Increase in room tax collected

CITY OF OCONOMOWOC, WISCONSIN
Table 3 - Fund Balances of Governmental Funds
(modified accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	$ 1,232,994 (1)	$ 474,773 (2)	$ 412,405	$ 488,636	$ 493,677	$ 501,768	$ 490,777	$ 887,526	$ 672,274	$ 2,014,376 (17)
Restricted	7,411	7,411	7,411	7,411	7,411	7,411	5,734	964,291 (11)	- (14)	-
Committed	196,260	196,260	196,260	196,260	122,506	122,506	216,769	503,993	418,754	267,066
Assigned	1,790,709	546,776	1,041,519	976,548	854,049	939,611	1,045,209	1,493,772	1,503,895	1,424,630
Unassigned	5,928,342	7,373,176	8,067,920	8,623,230	8,978,257	9,330,882	10,059,156	9,695,187	10,510,163	10,458,533
Total General Fund	$ 9,155,716	$ 8,598,396	$ 9,725,515	$ 10,292,085	$ 10,455,900	$ 10,902,178	$ 11,817,645	$ 13,544,769	$ 13,105,086	$ 14,164,605
All Other Governmental Funds										
Nonspendable	$ 985	$ 1,395	$ -	$ -	$ -	$ 5,090	$ 50,000	$ 50,000	$ 1,541	$ 6,863
Restricted										
TID #7 Capital Projects Fund	-	-	-	-	-	9,061,518 (9)	3,978,319 (10)	6,376,311 (12)	3,659,139 (12)	3,822,756
Capital Improvements Fund	-	-	-	-	4,027,121 (8)	621,525	1,000,000	- (13)	- (15)	-
Parks and Recreation Facilities Impact Fees	-	-	-	-	-	-	-	-	601,525	1,924,430
Debt Service Fund	46,487	- (3)	-	-	383,562 (7)	115,292	163,331	426,621	391,870	330,887
Other	1,342,823	509,064 (4)	629,150	678,884	1,787,570	882,788	1,026,375	1,611,594	3,304,799 (14)	3,886,992
Committed										
Capital Improvements Fund	2,533,897	1,836,990	- (5)	-	684,113 (7)	1,063,353	1,952,474	3,319,663 (16)	4,589,764 (16)	4,838,501 (16)
Other	1,365,764	1,485,060	1,349,572	1,090,761	800,302	683,119	547,751	537,357	592,063	602,030
Unassigned										
Debt Service Fund	-	(605,912) (3)	(554,635)	(519,965)	- (7)	-	-	-	- (15)	-
Parks and Recreation Facilities Impact Fees	-	(1,349,964) (4)	(873,164)	(956,323)	(1,216,039)	(430,461)	(356,254)	(640,845)	-	-
Capital Improvements Fund	-	-	(477,725)	(2,844,303) (6)	- (7)	-	-	-	-	-
Other	(1,099,150)	(1,797,919)	(2,128,578)	(2,327,853)	(3,149,506)	(2,158,751)	(1,419,663)	(810,973)	(488,203)	(1,772,140)
Total All Other Governmental Funds	$ 4,190,806	$ 78,714	$ (2,055,380)	$ (4,878,799)	$ 3,317,123	$ 9,843,473	$ 6,942,333	$ 10,869,728	$ 12,652,498	$ 13,640,319
Total Fund Balance for Governmental Funds	$ 13,346,522	$ 8,677,110	$ 7,670,135	$ 5,413,286	$ 13,773,023	$ 20,745,651	$ 18,759,978	$ 24,414,497	$ 25,757,584	$ 27,804,924

Notes:
(1) Increase due to long term internal advance due from TID #4 and Highway Impact Fee Fund.
(2) Decrease due to refinance of internal advance to TID #4.
(3) Decrease due to issuance of internal advance for Western Lakes Fire District capital project.
(4) Decrease due to completion of Fowler boardwalk and related capital projects.
(5) Decrease due to deficit balance in Capital Improvement Fund for the purchase of a new Public Safety Facility.
(6) Decrease due to budgeted long-term debt not issued in 2019 for the new Public Safety Facility and 2019 streets program.
(7) Shift from deficit balance to surplus balance as a result of long term debt issued for the new Public Safety Facility and other capital projects.
(8) Unspent debt proceeds related to 2020 projects anticipated to be completed in 2021 as well as proceeds related to 2021 projects.
(9) Long-term debt issued in 2021 for TIF #7 projects, in which the restricted balance represents unspent debt proceeds.
(10) Spend down of debt proceeds for TIF #7 infrastructure projects and site improvements.
(11) Creation of the fire district reserve due to increased service levels being phased in over three years.
(12) Long-term debt issued in 2023 for TIF #7 projects in relation to amendment #1 for the district, with most proceeds spent in 2024.
(13) Spend down of 2022 debt proceeds for 2023 street projects.
(14) Fire reserve increased by $482k due to phase in and then transferred to Fire/Ambulance Reserve Fund in 2024.
(15) Shift from deficit balance to surplus balance as a result of impact fees collected for various multi-family and residential projects.
(16) Excess interest transferred from the General Fund for next year's capital projects as well as open projects carried over to be completed next year.
(17) Increased due to internal advance due to TID #5



CITY OF OCONOMOWOC, WISCONSIN

Table 4 - Changes in Fund Balances of Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Taxes	$ 11,013,147	$ 11,340,704	$ 11,622,542	$ 12,393,688	$ 13,164,246	$ 14,469,240 (6)	$ 14,663,759	$ 17,946,457 (13)	$ 19,007,701 (16)	$ 19,804,318
Special Assessments	17,814	20,347	16,024	22,099	13,383	20,185	106,250	182,106	122,896	139,953
Intergovernmental	2,200,213	1,833,033	2,029,693	1,827,532	2,133,291	1,894,052	2,539,337	3,465,979 (14)	4,304,837	3,710,716 (21)
Licenses & Permits	1,427,789	1,253,552	1,650,320	1,291,953	1,076,335	2,939,966 (7)	2,492,342	2,193,270	4,052,929 (17)	4,710,633 (17)
Fines & Forfeitures	295,801	318,331	350,120	327,177	310,049	315,292	323,727	316,539	302,273	278,073
Public Charges for Service	2,378,273	1,677,266	1,534,204	1,493,870	1,369,743	1,679,403	1,746,507	1,940,261	2,093,344	2,156,356
Intergovernmental Charges	647,117	481,992	457,230	482,487	479,502	33,824	34,304	33,702	37,824	30,358
Interdepartmental Charges	36,286	8,815	4,425	4,495	4,520	4,545	4,570	4,595	4,620	4,645
Miscellaneous Revenues	401,434	531,297	1,268,352 (2)	869,100	2,625,034 (3)	1,368,066	1,744,538	3,075,353	4,438,289 (18)	3,139,412
Total Revenues	18,417,874	17,465,337	18,932,910	18,712,401	21,176,103	22,724,573	23,655,334	29,158,262	34,364,713	33,974,464
Expenditures										
General Government	1,281,584	1,602,268	1,388,922	1,363,166	1,615,473	1,639,021	1,668,736	1,636,832	1,726,570	1,817,474
Public Safety	6,449,923	5,839,697	6,079,545	6,025,521	6,139,371	6,497,339	6,607,159	8,230,160 (13)	9,384,098 (19)	10,390,254 (19)
Public Works	4,232,380	3,122,329	3,343,999	3,517,747	3,545,829	3,735,007	4,040,699	4,179,325	4,433,379	4,508,318
Health & Human Services	69,122	78,682	82,948	90,257	94,631	101,707	103,005	114,459	116,184	132,568
Culture & Recreation	2,903,744	2,883,686	2,915,758	2,928,725	2,873,256	3,202,612	3,396,819	3,619,833	3,874,874	4,335,685
Conservation & Development	780,772	750,883	1,054,063	1,284,214	1,022,964	1,826,754	2,323,875	2,040,340	2,169,460	2,419,718
Debt Service										
Principal Retirement	970,481	985,481	1,023,846	1,267,211	1,112,211	2,490,576 (8)	1,622,306	1,775,855	1,939,220	2,255,000
Interest	307,459	310,004	342,568	417,347	412,943	984,249	970,110	1,087,950	1,156,447	1,184,318
Bond Issuance Costs	-	-	61,354	1,250	34,296	232,568	113,408	69,353	-	60,576
Capital Outlay	3,825,040	8,429,727	6,873,076	5,818,553	15,034,490 (4)	14,269,834	11,719,425 (11)	6,583,955 (11)	10,266,302 (20)	8,700,267
Total Expenditures	20,820,505	24,002,757	23,166,079	22,713,991	31,885,464	34,979,667	32,565,542	29,338,062	35,066,534	35,804,178
Revenues Over/(Under) Expenditures	(2,402,631)	(6,537,420)	(4,233,169)	(4,001,590)	(10,709,361)	(12,255,094)	(8,910,208)	(179,800)	(701,821)	(1,829,714)
Other Financing Sources/(Uses)										
Long Term Debt Issued	-	-	1,500,000	-	16,730,000 (5)	14,125,000 (9)	4,780,000 (12)	3,410,000 (15)	-	1,765,000
Premium on Debt Issued	-	-	61,354	-	547,836 (5)	259,896 (9)	195,956 (12)	223,898 (15)	-	96,656
Transfers In	2,409,630	4,107,446	2,253,120	2,214,982	2,855,710	3,113,193	3,005,848	5,189,356	6,280,741	4,002,920
Transfers Out	(788,483)	(2,251,573)	(630,731)	(489,246)	(1,127,543)	(883,019)	(1,057,269)	(3,001,535)	(4,235,833)	(1,997,422)
Sale of Capital Assets	-	12,135	42,451	19,005	63,095	2,612,652 (10)	-	12,600	-	9,900
Total Other Financing Sources/(Uses)	1,621,147	1,868,008	3,226,194	1,744,741	19,069,098	19,227,722	6,924,535	5,834,319	2,044,908	3,877,054
Net Change in Fund Balances	$ (781,484)	$ (4,669,412)	$ (1,006,975)	$ (2,256,849)	$ 8,359,737	$ 6,972,628	$ (1,985,673)	$ 5,654,519	$ 1,343,087	$ 2,047,340
Debt Service as a Percentage of Noncapital Expenditures (1)	8.1%	7.5%	7.6%	9.5%	8.4%	16.0%	11.0%	12.1%	10.6%	9.8%

Notes:

(1) Noncapital Expenditures is calculated as the difference between total expenditures and capitalized outlay expenditures.
(2) Includes sale of city land.
(3) Increase due to donations received for Save 517 Fund for park land purchase.
(4) Increase in capital outlay due to construction of the Public Safety Facility.
(5) Debt issued for the Public Safety Facility as well as other capital projects budgeted for 2019, 2020 and 2021.
(6) Increase in property tax levy due to net new construction, tax increment due to increased tax base as well as a significant increase in public accommodation tax.
(7) Increase in impact fees as a result of large private developments in 2021.
(8) Increase due to $990,000 of 2011 streets debt refunded in 2021.
(9) Debt and related premium issued in 2021 for TID #7 projects as well as the 2011 streets refunding.
(10) Increase due to the $2.6 million land sale in TID #7.
(11) Decrease in capital outlay due to large TID #7 projects that began in 2021, with decreased activity in 2022. Minimal activity in 2023 related to TID #7.
(12) Debt and related premium issued in 2022 for TID #7 projects and 2022 and 2023 street improvements.
(13) Increase in the levy mainly due to fire district referendum to increase service levels, which resulted in increased Public Safety expenditures.
(14) Increased American Rescue Plan funding in 2023.
(15) Debt and related premium issued in 2023 for TID #7 projects.
(16) Increase in property tax levy due to net new construction, tax increment and increased debt service requirements.
(17) Increase in impact fees for various multi-family and residential projects.
(18) Increase in interest revenue as a result of the increase in fire reserves, increased impact fees and timing of TIF #7 debt proceeds issued at the end of 2023. The City also had an increase in donations for various Parks projects.
(19) Increase in police department wages and benefits related to COLA and increases in health insurance and Wisconsin Retirement System contribution rates. Contracted fire services increased due to the phased in increase of services levels.
(20) Increased capital outlay related to developer incentive for private infrastructure in TID #7.
(21) Decrease in funds received ARPA and Lake Mgmt District

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Table 5 - Electric Charges for Service Revenue Base

Last Ten Years

	2016	2017	2018	2019 [6]	2020	2021	2022	2023	2024	2025
Residential										
kWh [1]	74,055	71,388 [4]	76,388	74,568	78,907	79,859	79,391	79,498	80,049	84,904
Rate [2]	$ 122.74	$ 124.58	$ 119.52	$ 121.09	$ 121.35	$ 125.31	$ 135.53	$ 135.26	$ 137.49	$ 129.63
Customers	8,256	8,435	8,577	8,775	8,907	9,051	9,335	9,796	9,972	10,391
Commercial										
kWh [1]	23,766	22,509	24,213	23,865	23,102	24,261	25,304	24,844	24,972	25,604
Rate [2]	$ 118.42	$ 119.25	$ 114.81	$ 115.32	$ 115.91	$ 119.47	$ 128.88	$ 128.07	$ 126.88	$ 123.74
Customers	1,057	1,074	1,098	1,152	1,132	1,131	1,165	1,253	1,200	1,218
Small Power										
kWh [1]	24,935	25,423	26,592	26,351	25,629	27,950	27,995	26,920	26,857	26,342
Rate [2]	$ 110.67	$ 112.06	$ 108.12	$ 105.16	$ 104.49	$ 107.68	$ 116.73	$ 113.63	$ 110.20	$ 112.36
Customers	83	88	90	90	92	91	90	90	91	91
Large Power										
kWh [1]	72,570	68,735 [4]	69,176	67,760	65,429	68,656	66,869	65,116	61,900	63,476
Rate [2]	$ 94.55	$ 96.44	$ 91.14	$ 90.00	$ 90.27	$ 94.84	$ 105.02	$ 104.47	$ 100.29	$ 97.80
Customers	41	41	41	42	41	40	42	44	42	45
Industrial										
kWh [1]	32,896	29,267 [4]	29,769	29,168	29,981	28,751	25,678	24,372	25,737	25,860
Rate [2]	$ 85.51	$ 86.84	$ 81.68	$ 80.45	$ 79.80	$ 79.95	$ 89.84	$ 87.09	$ 86.33	$ 85.92
Customers	5	4	4	4	4	3	3	3	4	4
Other [3]										
kWh [1]	1,622	1,263 [4]	803 [5]	758	730	732	719	687	699	710
Rate [2]	$ 236.02	$ 187.27	$ 349.66	$ 356.11	$ 366.68	$ 386.12	$ 399.86	$ 422.98	$ 440.07	$ 433.25
Customers	58	69	74	73	66	64	66	63	63	63
Totals										
kWh [1]	229,845	218,585	226,941	222,470	223,777	230,208	225,956	221,437	220,214	226,896
Rate [2]	$ 107.56	$ 109.04	$ 104.88	$ 104.59	$ 105.01	$ 108.63	$ 119.07	$ 118.36	$ 119.02	$ 115.51
Customers	9,500	9,711	9,884	10,136	10,242	10,380	10,701	11,249	11,372	11,812

Notes:

(1) kWh: Kilowatt Hours sold

(2) Rate: Weighted Average Rate = total revenues by class divided by total kilowatt hours sold by class. Includes energy charge, customer charge, and various other applicable fixed charges.

(3) Includes public street and highway lighting.

(4) Usage decreased due to a slightly cooler than normal summer, economic slowdown, and an increase in energy efficiency programs.

(5) Decrease due to multi-year project converting street lights from High Pressure Sodium to more efficient LED.

(6) Rate increases approved by Public Service Commission effective March 2019.

Source: Wisconsin Public Service Commission Annual Report

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Table 6 - Electric Charges for Service Rates
Last Ten Years

	2016	2017	2018	2019 [4]	2020	2021	2022	2023 [6]	2024	2025
Residential										
kWh [1]	$ 0.1169	$ 0.1169	$ 0.1169	$ 0.1130	$ 0.1130	$ 0.1130	$ 0.1130	$ 0.1285	$ 0.1285	$ 0.1285
Fixed Charge - Single Phase	6.00	6.00	6.00	11.00	11.00	11.00	11.00	13.00	13.00	13.00
Fixed Charge - Three Phase	12.00	12.00	12.00	18.00	18.00	18.00	18.00	20.00	20.00	20.00
Residential - Time of Use										
kWh [1] - on peak	0.2052	0.2052	0.2052	0.2000	0.2000	0.2000	0.2000	0.2170	0.2170	0.2170
kWh [1] - off peak	0.0586	0.0586	0.0586	0.0600	0.0600	0.0600	0.0600	0.0749	0.0749	0.0749
Fixed Charge - Single Phase	6.00	6.00	6.00	11.00	11.00	11.00	11.00	13.00	13.00	13.00
Fixed Charge - Three Phase	12.00	12.00	12.00	18.00	18.00	18.00	18.00	20.00	20.00	20.00
General Service										
kWh [1]	0.1169	0.1169	0.1169	0.1125	0.1125	0.1125	0.1125	0.1275	0.1275	0.1275
Fixed Charge - Single Phase	7.00	7.00	7.00	13.00	13.00	13.00	13.00	15.00	15.00	15.00
Fixed Charge - Three Phase	12.00	12.00	12.00	21.00	21.00	21.00	21.00	23.00	23.00	23.00
Large General Service [5]										
kWh [1] - on peak	-	-	-	0.1150	0.1150	0.1150	0.1150	0.1265	0.1265	0.1265
kWh [1] - off peak	-	-	-	0.0705	0.0705	0.0705	0.0705	0.0776	0.0776	0.0776
kW [2]	-	-	-	5.0000	5.0000	5.0000	5.0000	5.5000	5.5000	5.5000
kW - Distribution [2]	-	-	-	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
Fixed Charge	-	-	-	30.00	30.00	30.00	30.00	40.00	40.00	40.00
Small Power [3]										
kWh [1]	0.0803	0.0803	0.0803	-	-	-	-	-	-	-
kWh [1] - on peak [5]	-	-	-	0.1000	0.1000	0.1000	0.1000	0.1078	0.1078	0.1078
kWh [1] - off peak [5]	-	-	-	0.0530	0.0530	0.0530	0.0530	0.0572	0.0572	0.0572
kW [2]	8.5000	8.5000	8.5000	9.5000	9.5000	9.5000	9.5000	10.5000	10.5000	10.5000
kW - Distribution [2]	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.7500	1.7500	1.7500
Fixed Charge	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
Large Power [3]										
kWh [1] - on peak	0.0958	0.0958	0.0958	0.0865	0.0865	0.0865	0.0865	0.0971	0.0971	0.0971
kWh [1] - off peak	0.0477	0.0477	0.0477	0.0475	0.0475	0.0475	0.0475	0.0533	0.0533	0.0533
kW [2]	9.0000	9.0000	9.0000	10.5000	10.5000	10.5000	10.5000	12.0000	12.0000	12.0000
kW - Distribution [2]	1.7500	1.7500	1.7500	1.7500	1.7500	1.7500	1.7500	2.0000	2.0000	2.0000
Fixed Charge	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00
Industrial [3]										
kWh [1] - on peak	0.0917	0.0917	0.0917	0.0790	0.0790	0.0790	0.0790	0.0889	0.0889	0.0889
kWh [1] - off peak	0.0458	0.0458	0.0458	0.0460	0.0460	0.0460	0.0460	0.0515	0.0515	0.0515
kW [2]	10.0000	10.0000	10.0000	12.0500	12.0500	12.0500	12.0500	13.5000	13.5000	13.5000
kW - Distribution [2]	1.7500	1.7500	1.7500	1.7500	1.7500	1.7500	1.7500	2.0000	2.0000	2.0000
Fixed Charge	315.00	315.00	315.00	315.00	315.00	315.00	315.00	350.00	350.00	350.00

Notes:
(1) kWh: per kilowatt hour sold (usage).
(2) kW: per kilowatt (demand).
(3) Rates listed do not include optional discounts for primary metering (1.75 % of bill) nor transformer ownership ($.60 / kWh).
(4) Rate increase approved by Wisconsin Public Service Commission, effective March 2019.
(5) New classification effective 2019.
(6) Rate increase approved by Wisconsin Public Service Commission, effective August 2023.

Source: Oconomowoc Utility Billing Department / WI Public Service Commission

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Table 7 - Principal Electric Customers

Customer [1]	Type of Business	2016 Usage in kilowatt hours	2016 Rank	2016 % of Total	2025 Usage in kilowatt hours	2025 Rank	2025 % of Total
Customer 1	Distribution	18,146,646	1	7.9%	15,250,520	1	6.7%
Customer 2	Health Care	9,043,695	2	3.9%	10,897,785	2	4.8%
Customer 3	Distribution	8,320,873	3	3.6%	8,538,201	3	3.8%
Customer 4	Manufacturing	5,756,053	6	2.5%	5,654,351	4	2.5%
Customer 5	Education	5,182,316	7	2.3%	5,346,785	5	2.4%
Customer 6	Municipality	5,922,682	5	2.6%	5,303,950	6	2.3%
Customer 7	Health Care				4,566,191	7	2.0%
Customer 8	Retail	4,965,597	8	2.2%	4,298,783	8	1.9%
Customer 9	Manufacturing				3,003,413	9	1.3%
Customer 10	Manufacturing				2,691,288	10	1.2%
Customer 11 [2]	Manufacturing	6,942,013	4	3.0%			
Customer 12	Manufacturing	4,552,625	9	2.0%			
Customer 13	Manufacturing	4,381,844	10	1.9%			
Total Principal Electric Customers		73,214,344		31.9%	65,551,267		28.9%
All Other Electric Customers		156,631,026		68.1%	161,343,378		71.1%
Total		229,845,370		100.0%	226,894,645		100.0%

Notes:

(1) Names omitted to protect customer privacy.

(2) Implemented various energy conservation programs which decreased usage.

Source: Oconomowoc Utility Billing Department

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Table 8 - Assessed and Estimated Actual Value of Taxable Property [1]

Last Ten Years

	2016		2017		2018		2019		2020	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Real Property Assessed Value [2]										
Residential	$ 1,321,657,600	68.6%	$ 1,343,956,800	68.9%	$ 1,369,790,900	69.0%	$ 1,403,953,800	68.5%	$ 1,452,458,300	68.3%
Commercial	496,793,500	25.8%	496,791,000	25.5%	507,323,200	25.6%	546,037,100	26.7%	575,382,600	27.1%
Manufacturing	65,161,000	3.4%	61,733,600	3.2%	63,609,900	3.2%	61,597,000	3.0%	58,723,900	2.8%
Other	3,529,300	0.2%	3,529,400	0.2%	3,870,000	0.2%	3,845,400	0.2%	3,854,400	0.2%
Subtotal Real Property	1,887,141,400	97.9%	1,906,010,800	97.7%	1,944,594,000	98.0%	2,015,433,300	98.4%	2,090,419,200	98.4%
Personal Property Assessed Value [2]	40,329,412	2.1%	44,446,768	2.3%	40,603,509	2.0%	32,713,475 [6]	1.6%	34,758,431	1.6%
Total Taxable Assessed Value	$ 1,927,470,812	100.0%	$ 1,950,457,568	100.0%	$ 1,985,197,509	100.0%	$ 2,048,146,775	100.0%	$ 2,125,177,631	100.0%
Total City Direct Tax Rate [3]	$ 5.37		$ 5.44		$ 5.50		$ 5.62		$ 5.73	
Estimated Actual Taxable Value [4]	1,918,686,500		2,010,432,900		2,093,799,100		2,238,627,100		2,443,815,900	
Assessed Value as a Percentage of Actual Value [5]	100.5%		97.0%		94.8%		91.5%		87.0%	

	2021		2022		2023		2024		2025	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Real Property Assessed Value [2]										
Residential	$ 1,522,835,100	69.3%	$ 2,022,894,200	72.4%	$ 2,312,604,100	73.7%	$ 2,652,111,900	73.9%	$ 2,893,267,252	73.1%
Commercial	580,495,900	26.4%	666,353,600	23.8%	716,172,200	22.8%	820,508,700	22.9%	982,569,400	24.8%
Manufacturing	55,033,400	2.5%	66,849,100	2.4%	68,290,800	2.2%	72,730,400	2.0%	76,274,300	1.9%
Other	3,579,900	0.2%	3,693,700	0.1%	3,565,400	0.1%	3,829,900	0.1%	4,320,100	0.1%
Subtotal Real Property	2,161,944,300	98.3%	2,759,790,600	98.8%	3,100,632,500	98.9%	3,549,180,900	98.9%	3,956,431,052	100.0%
Personal Property Assessed Value [2] [9]	36,351,660	1.7%	34,748,300	1.2%	35,183,300	1.1%	40,343,400	1.1%	0	0.0%
Total Taxable Assessed Value	$ 2,198,295,960	100.0%	$ 2,794,538,900	100.0%	$ 3,135,815,800	100.0%	$ 3,589,524,300	100.0%	$ 3,956,431,052	100.0%
Total City Direct Tax Rate [3]	$ 5.85		$ 4.71 [7]		$ 5.11 [8]		$ 4.71		$ 4.35	
Estimated Actual Taxable Value [4]	2,655,689,500		2,801,915,900		3,160,762,900		3,745,228,800		3,953,102,300	
Assessed Value as a Percentage of Actual Value [5]	82.8%		99.7% [7]		99.2%		95.8%		100.1%	

Notes:

(1) Information presented in the year for which taxes were levied.

(2) Assessed values are prepared by the City of Oconomowoc assessor.

(3) Tax rates are expressed in rate per $1,000 in assessed value.

(4) Estimated actual values (equalized values) are prepared by the Wisconsin Department of Revenue, Bureau of Property Tax and include TID values.

(5) The Wisconsin Department of Revenue does not consider any amendments to the Statement of Assessment when calculating the equalized ratio. Therefore, the percentage of actual value calculated above may differ slightly from what was printed on the tax bills.

(6) Effective 2018 certain machinery and tools are no longer classified taxable personal property.

(7) Market revaluation occurred in 2021, effective for levy payable 2022, due to assessed values significantly under equalized values. The increase in assessed values results in a decreased tax rate per $1,000.

(8) Increase in the City's tax rate is due to the approved fire district referendum that permanently increased service levels.

(9) Personal Property removed Statewide in 2024.

CITY OF OCONOMOWOC, WISCONSIN

Table 9 - Property Tax Rates - Direct and Overlapping Governments [1]
(Per $1,000 of Assessed Valuation)
Last Ten Years

	2016	2017	2018	2019	2020	2021	2022 [4]	2023	2024	2025
Direct Rates:										
General Fund	$ 3.5685	$ 3.7264	$ 3.8492	$ 3.7948	$ 3.8314	$ 3.7398	$ 3.0974	$ 3.6218	$ 3.2209	$ 3.1350
Capital Projects Fund	1.0777	0.9825	0.9646	1.0406	1.0169	1.1732	0.8713	0.7620	0.7870	0.5736
Debt Service Fund	0.6649	0.6548	0.6885	0.7862	0.8838	0.9324	0.7431	0.7280	0.6990	0.6441
Ambulance Special Revenue Fund	0.0627	0.0751	-	-	-	-	-	-	-	-
Total City Rate	5.3738	5.4388	5.5023	5.6216	5.7321	5.8454	4.7118	5.1118	4.7069	4.3527
Overlapping Rates [2]:										
Waukesha County	2.0324	2.0578	2.0587	2.0658	2.0926	2.1304	1.6890	1.5409	1.4506	1.3499
State of Wisconsin	0.1689	0.1749	-	-	-	-	-	-	-	-
Waukesha County Technical College	0.3780	0.3797	0.3887	0.3957	0.4142	0.4244	0.3030	0.2698	0.2613	0.2575
Oconomowoc Area School District	10.0118	10.0581	10.1473	10.1886	10.6584	10.8633	8.5502	8.3203	6.3500	6.1536
Special Taxing Districts [3]										
Lake District 1 - LaBelle	0.1127	0.0979	0.0953	0.0953	0.0968	0.0614	0.0483	0.0507	0.0459	0.0725
Lake District 2 - Fowler	0.0039	0.0050	0.0027	0.0552	0.0184	0.0156	0.0212	0.0132	0.0110	0.0079
Less: State School Tax Credit	(1.6721)	(1.6716)	(1.8666)	(1.8288)	(1.7872)	(1.7629)	(1.4131)	(1.2764)	(1.4562)	(1.3561)
Totals by Lake District:										
Lake District 1 - LaBelle	16.4055	16.5356	16.3257	16.5382	17.2069	17.5620	13.8892	14.0172	11.3585	10.8301
Lake District 2 - Fowler	16.2967	16.4427	16.2331	16.4981	17.1285	17.5162	13.8621	13.9797	11.3236	10.7655

Notes:
(1) Information presented in the year for which taxes were levied.
(2) Overlapping rates are those of local, county, and state governments that apply to property owners within the City.
(3) Not all overlapping rates apply to all City property owners. The rates for special districts apply only to the portion of the City's property owners whose property is located within the geographic boundaries of the special district.
(4) The City went through a market revaluation effective for levy payable in 2022, causing a decrease to tax rates due to increased assessed values.

Source: City of Oconomowoc Finance Office

CITY OF OCONOMOWOC, WISCONSIN

Table 10 - Principal Taxpayers [1]

Taxpayer	Taxes Payable 2016 Taxable Assessed Value [2]	Rank	% of Total Taxable Assessed Value	Taxes Payable 2025 Taxable Assessed Value [2]	Rank	% of Total Taxable Assessed Value
Scout Cold Storage [5]				$ 78,454,000	1	2.0%
Pabst Farms RDL LLC [3]	$ 52,834,100	1	2.7%			
Dayton Hudson Corp.	45,307,700	2	2.4%	76,573,400	2	1.9%
Pabst Farms Apartments LLC				56,367,000	3	1.4%
Retreat at Prairie Creek LLC				29,283,600	4	0.7%
Olympia Fields Apartments LLC				28,334,500	5	0.7%
SRRT Fleet I, LLC (Fleet Farm) [3]				27,031,300	6	0.7%
Pabst Farms Station LLC				25,316,300	7	0.6%
ProHealth Care Medical Associates [4]				23,414,500	8	0.6%
Creekside North Partners LLC	8,910,100	8	0.5%	22,813,400	9	0.6%
Creekside North Partners Phase I LLC				19,291,300	10	0.5%
Waukesha Health Care Inc	19,163,300	3	1.0%			
Pabst Farms Market Place LLC	16,374,200	4	0.8%			
Summit Center Market Place LLC	12,559,700	5	0.7%			
Whitman Park LLC	9,812,700	6	0.5%			
Pabst Farms Village Square	9,612,651	7	0.5%			
Bruno Real Estate LLC	8,745,000	9	0.5%			
Worthington Apartments LLC	7,519,700	10	0.4%			
Total Principal Taxpayers	190,839,151		9.9%	386,879,300		9.8%
All Other Taxpayers	1,736,631,661		90.1%	3,560,551,752		90.2%
Total	$ 1,927,470,812		100.0%	$ 3,947,431,052		100.0%

Notes:

(1) Information presented in the year for which taxes were levied.

(2) Assessed values include real and personal property.

(3) New store built in 2018.

(4) Prior to 2018 two parcels were in the name of Waukesha Health Care. In 2018 the largest of those two parcels transferred ownership to ProHealth Care.

(5) Scout Cold Storage bought Pabst Farms RDL LLC in October 2022.

CITY OF OCONOMOWOC, WISCONSIN

Table 11 - Property Tax Levies and Collections [1]

Last Ten Years

Year	Total Tax Levy [2]	Collected Within the Year of the Levy [3] Amount	% of Levy	Collections in Subsequent Years [4]	Total Collections to Date Amount	% of Levy
2016	$ 11,438,557	$ 11,375,335	99.4%	$ 327	$ 11,375,662	99.5%
2017	11,751,413	11,664,448	99.3%	-	11,664,448	99.3%
2018	12,065,576	12,015,294	99.6%	558	12,015,851	99.6%
2019	12,905,157	12,825,632	99.4%	773	12,826,405	99.4%
2020	13,799,862	13,684,129	99.2%	1,354	13,685,483	99.2%
2021	15,108,453 [5]	15,026,837	99.5%	2,757	15,029,595	99.5%
2022	15,142,477	15,044,016	99.3%	1,414	15,045,430	99.4%
2023	18,551,542 [6]	18,486,460	99.6%	288	18,486,748	99.7%
2024	19,659,029	19,595,068	99.7%	2,344	19,597,413	99.7%
2025	20,642,483	20,552,969	99.6%	- [7]	20,552,969	99.6%

Notes:

(1) Information presented in the year for which taxes were levied.

(2) Total tax levy includes only the City portion of tax levy, TID increment, special assessments and charges, and all omitted taxes for prior years.

(3) Current tax collections include only those amounts collected directly by the City of Oconomowoc. The City collects all three installments of the real estate taxes through July 31. Delinquent real estate taxes are turned-over to the Waukesha County Treasurer for collection after July 31 of the fiscal year.

(4) Responsibility for the collection of delinquent personal property taxes remains with the City. Collections in subsequent years include payments received by the City for delinquent personal property taxes only.

(5) Increase in tax levy due to allowable increase based on net new construction throughout the City as well as an increase in tax increment.

(6) Increase due to the approved fire district referendum to increase service levels.

(7) All personal property tax discontinued on 1/1/2024 assessment date.

CITY OF OCONOMOWOC, WISCONSIN

Table 12 - Ratios of Outstanding Debt by Type [1]

Last Ten Years

	Governmental Activities			Business-Type Activities				
Year	General Obligation Bonds and Notes [3]	Note Anticipation Notes	Notes	General Obligation Bonds and Notes [3]	Revenue Bonds	Total Primary Government	Percentage of Adjusted Gross Income [2]	Per Capita [2]
2016	$ 10,997,014	$ -	$ 16,434	$ 3,050,807	$ -	$ 14,064,255	1.6%	844
2017	9,985,891	-	13,034	2,586,259	-	12,585,184	1.4%	747
2018	10,497,483	-	9,634	2,105,076	-	12,612,193	1.2%	747
2019	9,198,027	-	-	1,612,258	-	10,810,285	1.0%	628
2020	25,305,151 [4]	-	-	3,641,395 [5]	-	28,946,546	2.6%	1,654
2021	37,113,553 [6]	-	-	2,930,921	-	40,044,474	3.1%	2,249
2022	40,366,540 [7]	-	-	4,861,809	-	45,228,349	3.0%	2,447
2023	42,119,591 [8]	-	-	7,328,138 [8]	-	49,447,729	3.4%	2,585
2024	40,068,351	-	-	6,510,887	515,699 [9]	47,094,937	3.0%	2,391
2025	39,564,949	-	-	7,021,031	4,737,927 [9]	51,323,907	n/a [10]	2,543

Notes:

(1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(2) See the Table 17 - Demographic and Economic Statistics for adjusted gross income and population data.

(3) Includes premium on long-term debt.

(4) Increase due to $9,400,000 issued for Public Safety Facility; $6,990,000 for 2019-2021 Streets Projects; $220,000 for Dispatch Equipment, and $120,000 for Parks.

(5) Increase due to $2,425,000 issued for 2020-2021 Streets Projects.

(6) Increase due to $13,135,000 issued for various TIF #7 projects.

(7) Increase due to $2,735,000 issued for various TIF #7 projects and $4,610,000 for 2022-2023 Streets and Water projects.

(8) Increase due to $3,410,000 issued for TIF #7 projects and $2,840,000 for the Oconomowoc Parkway Sewer Relay.

(9) Increase due to Safe Drinking Water Loan issued for Well No. 8.

(10) n/a - data not available

CITY OF OCONOMOWOC, WISCONSIN

Table 13 - Ratios of General Bonded Debt Outstanding [1]

Last Ten Years

Year	General Obligation Bonds [2] [5]	General Obligation Notes [2] [5]	Total General Obligation Debt [2] [5]	Percentage of Estimated Actual Taxable Value of Property [3]	Per Capita [4]
2016	$ 9,367,868	$ 4,679,953	$ 14,047,821	0.70%	843
2017	8,563,404	4,008,746	12,572,150	0.60%	746
2018	7,728,942	4,873,617	12,602,559	0.56%	746
2019	6,874,478	3,935,807	10,810,285	0.44%	628
2020	15,618,417 [6]	13,328,129 [7]	28,946,546	1.09%	1,654
2021	27,773,493 [8]	12,270,980	40,044,474	1.43%	2,249
2022	29,242,592	15,985,757 [9]	45,228,349	1.43%	2,447
2023	27,858,877	21,588,852 [10]	49,447,729	1.32%	2,585
2024	26,443,008	21,201,230	47,644,238	1.21%	2,419
2025	25,348,759	21,237,221	46,585,980	1.06%	2,309

Notes:

(1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(2) Includes governmental and business-type activities.

(3) See Table 8 - Assessed and Estimated Actual Value of Taxable Property for property value data.

(4) See Table 17 - Demographic and Economic Statistics for population.

(5) Figures presented include related premiums.

(6) Increase due to $9,400,000 issued for Public Safety Facility.

(7) Increase due to issuance of $9,415,000 for 2019-2021 Streets Projects; $220,000 for Dispatch Equipment, and $120,000 for Parks.

(8) Increase due to $13,135,000 issued for various TIF #7 projects.

(9) Increase due to $4,610,000 issued for 2022 and 2023 water and streets projects.

(10) Increase due to $3,410,000 issued for TIF #7 projects and $2,840,000 for the Oconomowoc Parkway Sewer Relay.

CITY OF OCONOMOWOC, WISCONSIN

Table 14 - Computation of Direct and Overlapping Bonded Debt [1]

December 31, 2025

Jurisdiction	Total Governmental Activities Debt Outstanding	Estimated Percentage Applicable [2]	Estimated Share of Overlapping Debt
Direct:			
City of Oconomowoc	$ 39,564,949 [4]	100.00%	$ 39,564,949
Overlapping [3]:			
Oconomowoc Area School District	64,465,000	37.30%	24,045,445
Waukesha County	101,630,000	4.36%	4,431,068
Waukesha County Technical College	26,480,000	4.25%	1,125,400
Subtotal Overlapping	192,575,000		29,601,913
Total Direct and Overlapping Debt	$ 232,139,949		$ 69,166,862

Notes:

(1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(2) Applicable percentages were estimated by determining the portion of another government unit's equalized value that is within the City's geographic boundaries and dividing it by each government's total equalized valuation.

(3) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City.

(4) Amount includes premium

CITY OF OCONOMOWOC, WISCONSIN
Table 15 - Computation of Legal Debt Margin
Last Ten Years

	2016	2017	2018	2019	2020
Debt Limit	$ 100,521,645	$ 104,689,955	$ 111,931,355	$ 122,190,795	$ 132,784,475
Total Net Debt Applicable to Limit	13,762,409	12,369,080	12,374,266	10,624,448	28,179,632
Legal Debt Margin	$ 86,759,236	$ 92,320,875	$ 99,557,089	$ 111,566,347	$ 104,604,843
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	13.69%	11.81%	11.06%	8.69%	21.22%

	2021	2022	2023	2024	2025
Debt Limit	$ 140,095,795	$ 158,038,145	$ 187,261,440	$ 197,655,115	219,719,250
Total Net Debt Applicable to Limit	39,124,816	44,105,000	48,070,000	45,355,000	45,355,000
Legal Debt Margin	$ 100,970,979	$ 113,933,145	$ 139,191,440	$ 152,300,115	$ 174,364,250
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	27.93%	27.91%	25.67%	22.95%	20.64%

Legal Debt Margin Calculation for 2025:

Estimated Actual Value of Real and Personal Property			$ 4,394,385,000
Debt Limit - 5 Percent of Estimated Actual Value			$ 219,719,250 (1)
Debt Applicable to Debt Limit:			
Total Bonded Debt	$ 46,585,976		
Less:			
Unsecured Notes	-		
Premium on Long-Term Debt	1,230,976		
Total Debt Applicable to Limitation		45,355,000	
Less amount available in debt service fund		-	
		45,355,000	
Legal Debt Margin			$ 174,364,250

Notes:
(1) Wisconsin State Statue 67.03 limits general obligation borrowing for general city purposes to 5% of the estimated actual value of real and personal property.

CITY OF OCONOMOWOC, WISCONSIN

Table 16 - Pledged-Revenue Coverage [1]

Last Ten Years

	Wastewater Revenue Bonds [5]						Water Revenue Bonds [2]					
Year	Wastewater Charges for Services	Less: Operating Expenses [4]	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage	Gross Revenues [3]	Operating Expenses [4]	Net Revenue Available for Debt Service	Debt Service Principal	Debt Service Interest	Coverage
2016	$ 3,306,648	$ 1,932,799	1,373,849	$ 363,289	$ 5,219	3.73	$ -	$ -	$ -	$ -	$ -	-
2017	-	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	5,195,245	2,277,841	2,917,404	-	33,471	87.16

	Electric Revenue Bonds					
	Available in Special Redemption Fund	Available in Reserve Fund	Total Available for Payment	Debt Service Principal	Debt Service Interest	Coverage
2016	$ -	$ -	$ -	$ -	$ -	-
2017	-	-	-	-	-	-
2018	-	-	-	-	-	-
2019	-	-	-	-	-	-
2020	-	-	-	-	-	-
2021	-	-	-	-	-	-
2022	-	-	-	-	-	-
2023	-	-	-	-	-	-
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-

Notes:

(1) Details regarding the government's outstanding debt can be found in the notes to the financial statements.

(2) Loan for Well #8- no principal payments were due in 2025 for the new water revenue bonds. Borrowing activity occurred in 2025 and continues into 2026.

(3) Operating Revenue plus Investment Income.

(4) Operating expenses do not include depreciation.

(5) The Wastewater revenue bonds were satisfied in 2017.

CITY OF OCONOMOWOC, WISCONSIN
Table 17 - Demographic and Economic Statistics
Last Ten Years

Year	Population [1]	Adjusted Gross Income [2]	Per Capita Adjusted Gross Income	School Enrollment [3]	Waukesha County Unemployment Rate [4]
2016	16,656	$ 892,449,096	$ 53,581	5,505	3.8%
2017	16,842	904,770,148	53,721	5,610	2.9%
2018	16,889	1,034,648,219	61,262	5,571	2.7%
2019	17,212	1,070,348,500	62,186	5,396	2.9%
2020	17,501	1,121,380,076	64,075	5,116	5.6% [6]
2021	17,808	1,280,059,538	71,881	5,111	3.1%
2022	18,485	1,484,293,050	80,297	5,028	2.5%
2023	19,126	1,435,528,326	75,056	4,958	2.6%
2024	19,699	1,560,274,466	79,206	4,944	2.6%
2025	20,179	n/a [5]	n/a [5]	4,884	2.9%

Notes:
(1) U.S Census taken every 10 years. Population estimates for the other years are prepared by the Wisconsin Department of Administration, Demographic Services Center.
(2) Wisconsin Department of Revenue, Division of Research and Policy.
(3) Oconomowoc Area School District.
(4) Wisconsin Department of Workforce Development.
(5) n/a - data not available
(6) Increase in the unemployment rate due to the Covid-19 pandemic.

Year	Median Age	Percent High School Graduates	Percent College Graduates
1980	32.1	74.4%	19.0%
1990	34.6	84.1%	21.1%
2000	38.0	88.9%	30.7%
2010	38.5	96.0%	36.6%
2020	40.0	96.4%	44.3%

Source: U.S. Bureau of the Census.

CITY OF OCONOMOWOC, WISCONSIN

Table 18 - Principal Employers

Current Year and Nine Years Ago

	2016 [1]			2025		
Employer	Employees	Rank	Percent of Total City Employment [2]	Employees	Rank	Percent of Total City Employment [2]
Roundy's Inc				500-999	1	3.96%
Oconomowoc Area School District	100-249	9	1.05%	500-999	2	3.72%
Target Stores	500-999	1	4.50%	500-999	3	2.97%
Oconomowoc Memorial Hospital	250-499	2	2.25%	250-499	4	1.86%
Lutheran Homes of Oconomowoc Inc	250-499	3	2.25%	250-499	5	1.86%
City of Oconomowoc				250-499	6	1.86%
Bruno Independent Living Aids	250-499	4	2.25%	250-499	7	1.86%
Bimbo Bakeries	100-249	8	1.05%	100-249	8	1.09%
CL & D Graphics Inc				100-249	9	1.09%
Sentry Equipment				100-249	10	1.09%
Oconomowoc Development Training	250-499	6	2.25%			
3M Detection Solutions	100-249	7	1.05%			
ORBIS	100-249	10	1.05%			
First Bank Financial Center	250-499	5	2.25%			
Total	3,325		19.96%	4,310		21.36%

Notes:

(1) Information only available in employee range format.

(2) The percent of employment and total employees is calculated from the median of the employee range and city population.

Source: Wisconsin Department of Workforce Development and SEWRPC

CITY OF OCONOMOWOC, WISCONSIN

Table 19 - Full-Time Equivalent City Government Employees by Function [1]

Last Ten Years

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government	8.01	7.92	8.86 [3]	8.85	8.85	9.85 [5]	9.53 [6]	9.53	9.53	9.53
Public Safety										
Police										
Officers	19.90	20.66	20.57	20.57	21.57 [4]	22.57 [5]	24.57 [6]	25.57 [7]	26.49 [8]	26.49 [9]
Civilians	11.41	12.07	11.98	12.07	12.07	12.07	12.07	12.03	12.18	13.18
Fire										
Full-Time Firefighters	6.36	1.06 [2]	-	-	-	-	-	-	-	-
Paid On Call Firefighters	12.59	2.10 [2]	-	-	-	-	-	-	-	-
Civilians	0.45	0.08 [2]	-	-	-	-	-	-	-	-
Public Works	14.74	14.73	14.73	14.73	14.73	14.73	14.73	14.73	16.05 [8]	16.05
Culture & Recreation	23.27	23.75	23.73	23.74	23.74	24.74 [5]	24.67	24.43	24.43	24.43
Conservation & Development	3.49	3.51	3.36	3.36	3.36	3.36	3.36	3.36	4.11 [8]	4.11
Fleet	1.96	2.04	2.04	2.04	2.04	2.04	2.04	2.13	2.40 [8]	2.40
Wastewater	10.53	10.39	10.50	10.20	11.20 [4]	11.20	12.20 [6]	12.20	12.31	12.31
Water	10.11	10.37	10.07	10.42	10.42	11.42 [5]	11.42	11.31	11.08	11.08
Electric	19.38	20.30	20.67	20.47	22.47 [4]	22.47	22.47	22.07	23.08 [8]	23.08
Total	142.20	128.98	126.51	126.45	130.45	134.45	137.06	137.36	141.66	142.66

Notes:

(1) FTEs are based on budget account allocations.

(2) Effective March 2017 the City's Fire and Ambulance departments joined the Western Lakes Fire District. All City employees became employees of the District upon completion of the consolidation.

(3) 2018 is the first full year incorporating the addition of one full time technology position and one part time HR Assistant.

(4) Addition of one full time Police Officer, one Wastewater Technician, and two Electric Cable Installer positions in 2020.

(5) Addition of full time IT Manager, Police Officer, Parks Maintenance, and Utility Locator positions in 2021.

(6) Addition of two full time Police Officers, full time Watershed Manager position, and reduction of Financial Clerk from FT to PT.

(7) Addition of one full time Police Officer.

(8) Addition of one full time DPW Crew, one full time Utility Locator/Fleet Assistant, and one full time Police Officer. Also the part time Economic Development Intern shifted to a full time Marketing/Communications Specialist.

(9) Addition of one full time Lieutenant.

Source: City adopted budget.

Note: The FTE's presented are the approved number of positions and may not agree to the number of positions filled. Schedule does not include seasonal part-time employees and pollworkers.

CITY OF OCONOMOWOC, WISCONSIN

Table 20 - Operating Indicators by Function [1]

Last Ten Years

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Number of Assessable Parcels	6,342	6,985	7,054	7,226	7,342	7,491	7,565	7,632	7,011 [16]	7,210
Number of Public Hearings	21	24	22	24	21	31	16	13	10	20
Number of Licenses and Permits	511	510	887 [9]	869	975	937	1,060	1,053	1,103	1,030
Public Safety										
Calls for Police Service	43,654 [4]	37,349 [4]	39,535	37,350	36,615	32,002	18,780 [15]	18,960	17,845	17,541
Speed Enforcement	2,782	1,877	2,030	1,652	1,738	1,663	2,121	1,664	1,690	2,240
Total Arrests	5,126	7,442 [8]	7,438	6,284	5,747	5,475	5,777	5,787	7,372 [17]	7,163
Fire Responses [2]	458	n/a [7]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Fire Inspections [2]	1,614	n/a [7]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Ambulance Responses [2]	1,301	n/a [7]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Public Works										
Number of Building Permits Issued	387	346	441 [9]	453	518	561	1,889 [13]	706	640	655
Number of Inspections by Building Inspector	5,443	5,544	6,325 [9]	6,345	6,748	6,196	6,625	6,448	6,993	7,212
Brush and Yard Waste (ton)	1,192	993	1,128	1,326	1,377	1,102	1,269	859	952	1,074
Asphalt Placed by City Crew (ton)	249	241	215	195	235	275	260	251	134	113
Miles of Streets	85 [5]	87	89	90	90	91	94	95	98	99
Culture and Recreation										
Library Items Circulated	275,992	280,030	295,526	307,112	228,971 [11]	302,532	304,024	305,445	305,259	304,744
Library Card Holders	17,209 [6]	16,484	17,033	17,583	14,610 [11]	14,489	13,715	13,168	13,594	14,250
Summer Reading Program Registrants	1,961	1,922	2,125	2,149	835 [11]	1,246	1,713	1,909	1,924	2,363
Recreation Program Participants	4,086	4,897	3,914	3,847	2,617 [11]	2,706	5,014 [14]	2,231	2,432	2,183
Park Land Acreage	337	337	343	410 [10]	410	411 [10]	411	411	411	568
Conservation and Development										
Total Planning/Zoning Applications	4	3	5	5	5	4	3	3	2	5
Wastewater Utility										
Average Number of Customers [3]	7,848	7,920	8,048	8,242	8,564	8,724	9,691	9,882	10,106	10,349
Sewerage Treated (million gallons)	945	1,006	1,034	1,012	957	977	930	1,036	1,106	1,049
Average Daily Flow (million gallons)	2.58	2.76	2.83	2.77	2.61	2.68	2.93	2.84	2.62	2.47
Water Utility										
Average Number of Customers [18]	6,022	6,031	6,140	6,220	6,483	6,649	6,809	7,009	7,180	7,355
Total Pumped (million gallons)	591	557	554	552	646 [12]	718	647	677	668	692
Average Daily Consumption (million gallons)	1.62	1.53	1.52	1.51	1.77	1.97	1.77	1.85	1.83	1.90
Electric Utility										
Average Number of Customers	9,500	9,711	9,884	10,136	10,242	10,316	10,701	11,249	11,372	11,812
Total Kilowatt Hours Purchased	236,148,400	222,259,919	232,550,300	228,532,200	229,593,700	235,747,800	232,272,879	226,509,675	226,309,629	233,016,500
Average Daily Consumption (kilowatt hours)	646,982	608,931	637,124	626,116	629,024	645,884	636,364	620,574	620,026	638,401

Notes:

(1) Indicators are not available for the Health & Human Services function.
(2) Includes contract agencies.
(3) Including sanitary districts.
(4) Increase in 2016 due to more all inclusive method of tracking. Decrease in 2017 due to overall lower call volume and activity in the city.
(5) Decrease due to portion of street vacated to developer during 2016.
(6) Reduction due to planned purging of inactive cards during 2016.
(7) Effective March 2017 the Fire & Ambulance departments left the City and merged with Western Lakes Fire District.
(8) Higher volume of citations issued due to traffic grants.
(9) Increase due to increased development in the City.
(10) Increase in 2019 due to NE Regional Park land, Hickorywood Farms Park and Outlot, and Hidden Ridge Park. Increase in 2021 due to Rockwell Park.
(11) Operations in 2020 were impacted by the Covid-19 Pandemic.
(12) Increase in sales due to customers staying home as a result of the Covid-19 Pandemic.
(13) City-wide hail storm in 2022 lead to numerous building permits for roof and siding repairs.
(14) Increased demand for adult and youth sports and programs.
(15) Effective April 2022 Oconomowoc Police Dispatch moved to Waukesha County Communications (WCC). 911 and dispatch calls are not able to be reported by WCC on a jurisdictional basis, therefore method of reporting has changed to the City's Internal Complaint/Incident log, which includes a smaller scope of calls related to general inquiries for information and traffic stops.
(16) No Personal Property assessments beginning 2024 per Wisconsin Act 12.
(17) Increase in staffing levels as well as minimal vacancies throughout the year lead to more arrests.
(18) Average Number of Customers now includes Multi-Family.

Source: Various City departments.

CITY OF OCONOMOWOC, WISCONSIN
Table 21 - Capital Asset Statistics by Function
Last Ten Years

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Safety										
Police:										
Patrol Units	9.5	9.5	9.5	9.5	9.5	9.5	9.5	12.5 (8)	14.5 (9)	15.5 (11)
Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	2	2	- (3)	-	-	-	-	-	-	-
Ambulances	3	3	- (3)	-	-	-	-	-	-	-
Public Works										
Streets (miles)	85.48	87.23	88.95	90.07	90.08	90.86	94.05 (6)	95.19	97.60	99.42
Storm Sewer (miles)	58.94	60.11	61.90	62.31	62.74	63.26	68.33 (6)	68.79	69.92	71.35
Culture and Recreation										
Park Acreage	337	337	343	410 (4)	410	411 (4)	411	411	411	411
Parks	47	47	47	49 (4)	49	50 (4)	50	50	50	50
Beaches	3	3	3	3	3	3	3	3	3	3
Community Centers	1	1	1	1	1	1	1	1	1	1
Libraries	1	1	1	1	1	1	1	1	1	1
Wastewater Utility										
Lift Stations	1	1	1	1	1	1	1	1	1	1
Sewer Main (feet)	575,476	594,678	603,468	614,192	618,629	699,836 (5)	578,071 (7)	591,611	635,770 (10)	700,269 (12)
Manholes	2,131	3,412	3,491	3,635	3,654	2,728 (5)	2,832	2,816	2,434 (10)	2,642
Pump Stations	19	19	19	19	19	19	19	21	21	21
Water Utility										
Wells	6	6	6	6	6	6	6	6	6	6
Watermain (feet)	537,641	555,702	569,743	584,686	589,887	606,964	610,227	616,247	637,744	647,367
Fire Hydrants	1,125	1,199	1,234	1,269	1,286	1,335	1,353	1,369	1,416	1,442
Valves	1,665	1,739	1,827	1,878	1,919	2,039	2,073	2,110	2,227	2,269
Electric Utility										
Substations	6	6	6	5	5	4	4	4	4	3
Primary Wire (miles)	389	393	396	398	399	400	406	390	397	290 (13)
Transformers (1)	1,701	1,745	1,590	1,613	1,629	1,694	1,668	1,665	1,700	1,765
Street Lights	1,795 (2)	1,806	1,820	1,837	1,860	1,881	1,920	1,934	1,996	2,037

Notes:
(1) Fluctuations due to timing of purchases and disposals
(2) The City conducted a street light audit, resulting in positive adjustment.
(3) Ownership transferred to WLFD after March 2017 fire merger.
(4) Increase in 2019 due to NE Regional Park land, Hickorywood Farm Park and Outlot, Hidden Ridge Park. Increase in 2021 due to Rockwell Park.
(5) Fluctuations as a result of the evaluation of assets for the City-wide GIS implementation project.
(6) Increase due to various residential and commercial developments throughout the City.
(7) Previously reported sewer main feet included sanitary districts that the Wastewater Utility services but does not own. Decrease to reflect the sewer main that the City owns and maintains.
(8) Increase in squads due to ordering delays in 2022. Four squads received in 2023, in which two were budgeted for 2022. This was offset by one squad disposed in 2023. The City has also been adding FT Police Officer positions over the last several years, which require additional squad cars.
(9) Increase in squads 2 Silverados added to Patrol in 2024.
(10) City reevaluated City owned assets per the updated GIS system.
(11) Increase in additional patrol
(12) Working with a new GIS system to track data.
(13) Reduction due to adjustment in method of reporring 3-phase cable per PSC.
Note: Indicators are not available for the General Government, Health & Human Services, or Conservation and Development functions.

Source: Various City departments.

APPENDIX B

FORM OF LEGAL OPINION

(See following pages)

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

December 10, 2026

Re: City of Oconomowoc, Wisconsin ("Issuer")
$6,145,000 Taxable General Obligation Promissory Notes, Series 2026B,
dated December 10, 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 April 1 of each year, in the years and principal amounts as follows:

Year	Principal Amount	Interest Rate
2030	$ 50,000	___%
2031	75,000	___
2032	150,000	___
2033	200,000	___
2034	290,000	___
2035	310,000	___
2036	330,000	___
2037	350,000	___
2038	370,000	___
2039	400,000	___
2040	420,000	___
2041	450,000	___
2042	475,000	___
2043	520,000	___
2044	550,000	___
2045	580,000	___
2046	625,000	___

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

The Notes maturing on April 1, 2036 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on April 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 included for federal income tax purposes in the gross income of the owners of 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 Oconomowoc, Waukesha County, Wisconsin (the "Issuer") in connection with the issuance of $6,145,000 Taxable General Obligation Promissory Notes, Series 2026B, dated December 10, 2026 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on October 6, 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 Oconomowoc, Waukesha County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the City Administrator of the Issuer who can be contacted at 174 East Wisconsin Avenue, Oconomowoc, Wisconsin 53066, phone (262) 569-2186, fax (262) 569-3238.

"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 10th day of December, 2026.

_____
Matt Rosek
Mayor

(SEAL)

_____
Gina Kozlik
City Clerk

NOTICE OF SALE

$6,145,000* TAXABLE GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2026B
CITY OF OCONOMOWOC, WISCONSIN

Bids for the purchase of $6,145,000* Taxable General Obligation Promissory Notes, Series 2026B (the "Notes") of the City of Oconomowoc, Wisconsin (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, municipal advisors to the City, until 10:30 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:30 A.M., Central Time, on November 10, 2026, at which time they will be opened, read and tabulated. **The Common Council adopted a resolution on October 6, 2026 (the "Parameters Resolution"), which authorizes the Director of Finance/Administrative Services or the City Administrator/Treasurer 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 10, 2026, neither the Director of Finance/Administrative Services or the City Administrator/Treasurer 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 providing a development incentive in the City's Tax Incremental District No. 7 for the Social. 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 December 10, 2026, will be issued as fully registered Notes in the denomination of $5,000 each, or any integral multiple thereof, and will mature on April 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2030	$50,000	2036	$330,000	2042	$475,000
2031	75,000	2037	350,000	2043	520,000
2032	150,000	2038	370,000	2044	550,000
2033	200,000	2039	400,000	2045	580,000
2034	290,000	2040	420,000	2046	625,000
2035	310,000	2041	450,000		

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. Each maturity or mandatory redemption amount may be increased by up to $385,000. The 2030 maturity or mandatory redemption amount may be decreased by not more than $45,000, the 2031 maturity or mandatory redemption amount may be decreased by not more than $70,000 and the maturities or mandatory redemption amounts in the years 2032 through 2046 may be decreased by not more than $145,000. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

TERM BOND OPTION

Bids for the 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 April 1 and October 1 of each year, commencing April 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 April 1, 2036 shall be subject to optional redemption prior to maturity on April 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 December 10, 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 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 MATTERS

An opinion as to the validity of the Notes will be furnished by Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel to the City ("Bond Counsel"). 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). (See "FORM OF LEGAL OPINION" found in Appendix B of the Preliminary Official Statement).

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

SUBMISSION OF BIDS

Bids must not be for less than $6,068,187.50, nor more than $6,759,500.00, plus accrued interest on the principal sum of $6,145,000 from date of original issue of the Notes to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

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

2) Electronically via **PARITY** in accordance with this Notice of Sale until 10:30 A.M., Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact IHS Markit (now part of S&P Global) at https://ihsmarkit.com/products/municipal-issuance.html or via telephone (844) 301-7334.

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

A good faith deposit ("Deposit") in the amount of $122,900 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

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

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

AWARD

The Notes will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Notes will be awarded by lot. The City reserves the right to reject any and all bids and to waive any informality in any bid. **The Notes will not be awarded if the TIC (taking the purchaser's compensation into account) exceeds 6.85% 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.

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.

PRELIMINARY OFFICIAL STATEMENT

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

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

By Order of the Common Council

Gina Kozlik, City Clerk
City of Oconomowoc, Wisconsin

BID FORM

City of Oconomowoc, Wisconsin (the "City") **November 10, 2026**

RE: $6,145,000* Taxable General Obligation Promissory Notes, Series 2026B (the "Notes")
DATED: December 10, 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 $6,068,187.50, nor more than $6,759,500.00) plus accrued interest to date of delivery for fully registered Notes bearing interest rates and maturing in the stated years as follows:

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

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. Each maturity or mandatory redemption amount may be increased by up to $385,000. The 2030 maturity or mandatory redemption amount may be decreased by not more than $45,000, the 2031 maturity or mandatory redemption amount may be decreased by not more than $70,000 and the maturities or mandatory redemption amounts in the years 2032 through 2046 may be decreased by not more than $145,000. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

All 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 $122,900 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Notes to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about December 10, 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 December 10, 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 Oconomowoc, Wisconsin, on November 10, 2026.

By: _____

Title: _____