



Committee of the Whole MEETING AGENDA

August 27, 2024 - 6:00 PM
Council Chambers
3805 S. Casper Drive

Published: 8/23/2024

AGENDA

1. **CALL MEETING TO ORDER**
2. **ROLL CALL; DECLARATION OF QUORUM; PUBLIC NOTICE**
3. **APPROVAL OF MINUTES**
 - A. July 23, 2024, Committee of the Whole Meeting Minutes
4. **UTILITY & FINANCE**
 - A. Discussion and possible action to recommend to the Common Council approval of the August 14, 2024, Water Utility Claims in the amount of \$337,058.20, Sewer Utility Claims in the amount of \$56,525.23 and General City Claims in the amount of \$1,015,268.24. We Energies EFT of \$46,912.94.
 - B. Discussion and possible action to recommend to the Common Council approval of the August 28, 2024, Water Utility Claims in the amount of \$24,679.03, Sewer Utility Claims in the amount of \$18,720.10 and General City Claims in the amount of \$1,257,586.30. Tax Overpayment checks totaling \$3,924.92 were also generated. US Bank VISA EFT of \$34,150.75 and We Energies EFT of \$58,139.70.
5. **LICENSES & PERMITS**
 - A. Discussion and possible action to recommend to Common Council approval of Kowalske Brewing, doing business as Component Brewing, to sell beer at Malone Park for the Beer Garden event to be held on October 12th, 2024 from 12:00 pm to 6:00 pm, as outlined in Form AB-105. The application, along with the Council's recommendation, will be forwarded to the Wisconsin DOR, Division of Alcohol Beverages, for final approval and issuance
 - B. Discussion and possible action to recommend to Common Council approval of Kowalske Brewing, doing business as Component Brewing, to sell beer at the Historical Society for the Applefest Open House/Beer Garden event to be held on October 13th, 2024 from 1:00 pm to 4:00 pm, as outlined in Form AB-105. The application, along with the Council's recommendation, will be forwarded to the Wisconsin DOR, Division of Alcohol Beverages, for final approval and issuance
6. **MISCELLANEOUS**
 - A. Utility Department Update
 - B. 2023 Audit Report Presentation by Baker Tilly
 - C. Resolution Authorizing the Issuance and Sale of \$14,135,000 General Obligation Promissory Notes, Series 2024A

- D. Recommend to the Common Council that a joint public hearing be set for October 7, 2024 at 6:00 p.m. to be held before the Plan Commission to amend the Future Land Use Map within the City's Comprehensive Plan from Suburban Commercial to Institutional AND rezone from B-2 to I-1 for the property located at 15856 W. National Avenue (Tax Key #: 1212-993) and a portion of the property at 16000 W. National Ave (Tax Key #: 1212-991-002)
- E. Discussion and possible action to recommend to Common Council approval of Resolution No. 2024-11, A Resolution of Eligibility for Exemption from the 2024 County Library Tax Levy for 2025 Purposes

7. ADJOURN

Supplemental Information:

- The meeting agenda and agenda packet are available online at www.NewBerlinWI.gov
- The minutes are published online and are approved at the next regularly scheduled meeting.
- Action may be taken on any of the agenda items and the agenda may be discussed in any order.
- You may email comments to the City Clerk at CitizenComments@NewBerlinWI.gov. The comments will be forwarded to the mayor and governing body members. The emailed comments are not read during the meeting.
- The City of New Berlin is committed to hosting inclusive, accessible meetings. We strive to enable all individuals, regardless of their abilities, to engage and participate fully. If you have a qualifying disability under the Americans with Disabilities Act that requires the meeting to be accessible, please contact the Office of the City Clerk at (262) 786-8610 or via email at ClerksOffice@NewBerlinWI.gov at least 48 hours before the scheduled meeting time. We will make every effort to accommodate your needs through appropriate aids and/or services.
- It is also possible that members of and possibly a quorum of other municipal governmental bodies may attend the above-stated meeting to gather information; any governmental body will take no action at the above-stated meeting other than the governmental body specifically referred to in the above meeting notice.



Committee of the Whole MEETING MINUTES

July 23, 2024 - 6:00 PM
Council Chambers
3805 S. Casper Drive

Please note: Minutes are unofficial until approved at the next scheduled meeting.

MINUTES

1. CALL MEETING TO ORDER

Mayor Ament called the meeting to order at 6:00 pm.

2. ROLL CALL; DECLARATION OF QUORUM; PUBLIC NOTICE

The City Clerk took the roll call as follows:

Present: Alderperson Hopkins, Alderperson Maxey, Alderperson Harenda, Alderperson Stribl, Alderperson Kroupa, Alderperson Horbinski, Alderperson La Fever

Excused: None

Staff Present: Mayor Ament, City Attorney Mark Blum, City Clerk Rubina R. Medina, Human Resource Director Melissa Beck, Code Compliance Specialist Dan Hogan, DCD Deputy Director Nikki Jones, City Engineer Tammy Simonson, Recreation Manager Katie Roth, and Finance Director Ralph Chipman.

The City Clerk stated that we had a quorum and the meeting was properly noticed.

3. APPROVAL OF MINUTES

A. June 18, 2024 Committee of the Whole Meeting Minutes

MOTION: Motion to approve

VOTE: Motion by: Kroupa
Second by: Horbinski
Motion 7-0

4. UTILITY & FINANCE

A. Discussion and possible action to recommend to Common Council to approve the July 10th, 2024, Water Utility claims in the amount of \$23,538.58, Sewer Utility Claims in the amount of \$740,777.64, and General City Claims in the amount of \$1,279,678.72

MOTION: Motion to approve

VOTE: Motion by: Stribl
Second by: Kroupa
Motion 7-0

B. Discussion and possible action to recommend to Common Council to approve the July 24th, 2024, Water Utility claims in the amount of \$150,259.68, Sewer Utility Claims in the amount of \$42,407.06, and General City Claims in the amount of \$375,477.76. US Bank EFT of \$39,666.79 and We Energies EFT of \$46,912.94

MOTION: Motion to approve

VOTE: Motion by: Maxey
Second by: Harenda
Motion 7-0

5. LICENSES & PERMITS

- A.** Discussion and possible action to recommend to Common Council approval for Kowalske Brewing, doing business as Component Brewing, to sell beer in Malone Park for the Color Clash Dash event on August 10th, 2024, from 10:00 am to 6:00 pm, as outlined in Form AB-105. The application, along with the Council's recommendation, will be forwarded to the Wisconsin DOR, Division of Alcohol Beverages, for final approval and issuance

MOTION: Motion to approve

VOTE: Motion by: Kroupa
Second by: Maxey
Motion 7-0

- B.** Discussion and possible action to recommend to Common Council approval for Kowalske Brewing, doing business as Component Brewing, to sell beer in Malone Park for the beer garden event on September 7th, 2024, from 12:00 pm to 6:00 pm, as outlined in Form AB-105. The application, along with the Council's recommendation, will be forwarded to the Wisconsin DOR, Division of Alcohol Beverages, for final approval and issuance

MOTION: Motion to approve

VOTE: Motion by: Stribl
Second by: Horbinski
Motion 7-0

- C.** Discussion and possible action to recommend to Common Council approval for Kowalske Brewing, doing business as Component Brewing, to sell beer at the New Berlin Historical Society for the Historical Day Event Open House and Beer Garden event on September 8th, 2024, from 1:00 pm to 4:00 pm, as outlined in Form AB-105. The application, along with the Council's recommendation, will be forwarded to the Wisconsin DOR, Division of Alcohol Beverages, for final approval and issuance

MOTION: Motion to approve

VOTE: Motion by: Kroupa
Second by: Maxey
Motion 7-0

- D.** Discussion and possible recommendation to Common Council approval of a loudspeaker variance until 11 pm for St. Elizabeth Ann Seton Parish for their Seton Funfest on July 26th, 27th, and 28th, 2024

MOTION: Motion to approve

VOTE: Motion by: Horbinski
Second by: La Fever
Motion 7-0

6. MISCELLANEOUS

- A.** Human Resource Department Update

Department Update provided by Melissa Beck, Human Resources Supervisor

- B.** Discussion and possible action to recommend to Common Council approval of Resolution 2024-18, a Resolution providing for the sale of approximately \$14,135,000 General Obligation Promissory Notes, Series 2024A

MOTION: Motion to approve

VOTE: Motion by: Stribl
Second by: Maxey
Motion 7-0

- C.** Discussion and possible action to recommend to Common Council approval of Ordinance 2696, an Ordinance Amending Chapter 93 and Section 152-3(A) of the City of New Berlin Municipal Code regarding vaping devices

MOTION: Motion to approve

VOTE: Motion by: Harenda
Second by: Kroupa
Motion 7-0

- D.** Discussion and possible action to recommend to Common Council approval of Ordinance No. 2697, an Ordinance to amend Section 6-31, A of the City of New Berlin Municipal Code Regarding the Membership of the Recreation Commission

MOTION: Motion to approve

VOTE: Motion by: Harenda
Second by: Stribl
Motion 7-0

- E.** Discussion and possible action to recommend to Common Council approval of eliminating large room rentals

MOTION: Motion to approve

VOTE: Motion by: Horbinski
Second by: Hopkins
Motion 7-0

- F.** Discussion and possible action to recommend to Common Council approval of the public bids and CM related fees for Phase 1 of the Community Center at Hickory Grove Renovation Project

MOTION: Motion to approve

VOTE: Motion by: Hopkins
Second by: Stribl
Motion 5-2 with La Fever and Maxey voting nay

- G.** Discussion and possible action to recommend to Common Council approval of service agreement with All Star Health Center

MOTION: Motion to approve

VOTE: Motion by: Harenda
Second by: Horbinski
Motion 7-0

- H.** Discussion and possible action to recommend to Common Council approval of Resolution No. 2024-19, a Resolution of the City of New Berlin releasing portions of Public Sewer, Water, Storm Sewer, and Access Easements as Depicted on CSM #12050, #6872, and #7554, which are no longer necessary on the Activity Recreation Center property. This action will facilitate the creation of a lot to sell to Nice Bites, LLC.

MOTION: Motion to approve

VOTE: Motion by: Stribl
Second by: Maxey
Motion 7-0

I. Discussion and possible action to recommend to Common Council approval of the amendments to the City Clerk's Fee List as presented

MOTION: Motion to approve fees as presented

VOTE: Motion by: Harenda
Second by: La Fever
Motion 7-0

J. Discussion and Possible Action to approve or reject the use of the Ballot Drop Box in the City of New Berlin, as outlined in the Requested Action Statement by the Mayor and City Clerk

MOTION: Motion to reject the use of the Ballot Drop Box in the City of New Berlin

VOTE: Motion by: Maxey
Second by: Stribl
Motion 7-0

7. ADJOURN

MOTION: Motion to adjourn at 6:38 pm

VOTE: Motion by: Stribl
Second by: Harenda
Motion 7-0

Respectfully submitted by:
Rubina R. Medina, City Clerk

Save

Print

Clear

Form

AB-105

Producer Full-Service Retail Sales Application

Date

Part A: Producer Information

1. Business Legal Name (individual name if sole proprietor)

Kowalske Brewing

2. Business Name or DBA

Component Brewing

3. Agent Name

David Kowalske

4. FEIN

82 - 4547890

5. Wisconsin Seller's Permit Number

456 - 1030207982 - 06

6. Wisconsin Producer Permit Number

309 - 1030207982 - 02

7. Producer Type



Brewery



Winery



Liquor Manufacturer/Rectifier

8. Contact Person's First Name

David

9. Last Name

Kowalske

10. M.I.

E

11. Contact Person's Phone

(262) 565-8782

12. Contact Person's Email

dj@componentbrewing.com

Part B: Production Quantity

Note: Check appropriate quantity for permit held (see instructions). If you hold more than one producer permit, check the total aggregate quantity produced for each type of permit. Enter the highest quantity produced in any of the last three calendar years.

Brewery

☐ Less than 250 barrels☒ 250 - 2,499 barrels☐ 2,500 - 7,499 barrels☐ 7,500 or more barrels

Manufacturer/Rectifier

☐ Less than 1,500 liters☐ 1,500 - 4,999 liters☐ 5,000 - 34,999 liters☐ 35,000 or more liters

Winery

☐ Less than 1,000 gallons☐ 1,000 - 4,999 gallons☐ 5,000 - 24,999 gallons☐ 25,000 or more gallons

Calendar year: 2023

Quantity: 400

Calendar year:

Quantity:

Calendar year:

Quantity:

Complete only ONE of Part C, D or E.

Part C: Request for Full-Service Retail Sales at the Production Premises

1. Start Date

2. Production Premises Address

3. City

4. State

5. Zip Code

6. County

7. Governing Municipality ☐ City ☐ Town ☐ Village
of: _____

Part D: Request for Fixed Full-Service Retail Outlet

1. Are you transferring one fixed full-service retail outlet to a new location? ☐ Yes ☐ No
If yes, complete boxes 2 through 9.

2. Current Outlet Name

3. Current Outlet Premises Address

4. City

5. State

6. Zip Code

7. County

8. Governing Municipality ☐ City ☐ Town ☐ Village
of: _____

9. Premises Phone Number

Continued →

Part D: Request for Fixed Full-Service Retail Outlet (Cont.)**New Fixed Retail Outlet Information (complete boxes 10 through 23)**

10. Start Date	11. New Outlet Name		
12. New Outlet Premises Address			
13. City	14. State	15. Zip Code	
16. County	17. Governing Municipality ☐ City ☐ Town ☐ Village of: _____		18. Premises Phone Number
19. Premises Description - Describe the building or buildings and any outside areas where alcohol beverages are produced, sold, stored, or consumed, and related records are kept. Describe all rooms within the building, including living quarters. Authorized alcohol beverage activities and storage of records may occur only on the premises described in this application. Attach a map or diagram and additional sheets if necessary.			
20. Will you operate a restaurant on the premises? ☐ Yes ☐ No			
21. What alcohol beverages will be offered for sale? (check all that apply) ☐ Beer ☐ Wine ☐ Intoxicating Liquor (other than wine)			
22. What alcohol beverages does the permittee produce? (check all that apply) ☐ Beer ☐ Wine ☐ Intoxicating Liquor (other than wine)			
23. How will customers be served? (check all that apply) . . . ☐ Samples ☐ On-premises consumption ☐ Off-premises consumption			

Part E: Request for Unlimited Transfer Full-Service Retail Outlet

1. Name of Event (if applicable) Beer Garden		
2. Dates of Operation (attach a schedule, if necessary) October 12, 2024	3. Hours of Operation 12 - 6PM	
4. Premises Address 16400 W Al Stigler Pkwy		
5. City New Berlin	6. State WI	7. Zip Code 53151
8. County Waukesha	9. Governing Municipality ☒ City ☐ Town ☐ Village of: New Berlin	
10. Organizer of Event (if not the named applicant) Katie Roth	11. Email and/or Phone Number for Organizer of Event kroth@newberlin.org	
12. Organizer Website N/A	13. Event Website N/A	
14. Premises Description - Describe the building or buildings and any outside areas where alcohol beverages are produced, sold, stored, or consumed, and related records are kept. Describe all rooms within the building, including living quarters. Authorized alcohol beverage activities and storage of records may occur only on the premises described in this application. Attach a map or diagram and additional sheets if necessary. Beer trailer will be set up in Malone Park for an afternoon/evening beer garden with live music and a food truck.		
15. On-Site Contact (Last Name, First Name) Roth, Katie	16. On-Site Contact Phone (262) 797-2443	17. On-Site Contact Email kroth@newberlin.org
18. Will you operate a restaurant on the premises? ☐ Yes ☒ No		
19. What alcohol beverages will be offered for sale? (check all that apply) ☒ Beer ☐ Wine ☐ Intoxicating Liquor (other than wine)		
20. What alcohol beverages does the permittee produce? (check all that apply) ☒ Beer ☐ Wine ☐ Intoxicating Liquor (other than wine)		
21. How will customers be served? (check all that apply) . . . ☐ Samples ☒ On-premises consumption ☐ Off-premises consumption		

Part F: Attestation

Who must sign this application?

- sole proprietor
- general partner of a partnership
- corporate officer
- member of an LLC

READ CAREFULLY BEFORE SIGNING:

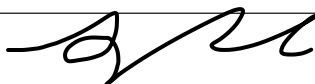
I understand and agree to the following:

- I will not operate this location outside of the dates and times approved by the municipality and Division of Alcohol Beverages.
- I will operate this location according to municipal ordinance and restrictions imposed as a condition of receiving this authorization.
- I will purchase alcohol beverages I do not produce from an authorized source, such as a Wisconsin-permitted wholesaler.
- I will operate this location according to Wisconsin law and administrative regulation including but not limited to: underage restrictions, closing hours, licensed operators, and record keeping requirements.

Further, under penalty of law, I have answered each of the above questions completely and truthfully. I agree that I am acting solely on behalf of the applicant business and not on behalf of any other individual or entity seeking the authorization. Further, I agree that the rights and responsibilities conferred by the authorization, if granted, will not be assigned to another individual or entity. I understand that lack of access to any portion of a premises during inspection will be deemed a refusal to allow inspection. Such refusal is a misdemeanor and grounds for revocation of this authorization. I understand that any authorization issued contrary to Wis. Stats. Chapter 125 shall be void under penalty of Wisconsin law. I further understand that I may be prosecuted for submitting false statements and affidavits in connection with this application, and that any person who knowingly provides materially false information on this application may be required to forfeit not more than \$1,000 if convicted.

Signature

David E. Kowalske



Date

07/30/2024

Last Name

Kowalske

First Name

David

M.I.

E

Title

Member

Email

dj@componentbrewing.com

Phone

(262) 565-8782

Part G: For Municipal Use Only (Complete if Requesting Authorization in Part D or E)1. Will the municipality limit the scope of alcohol beverages offered for sale? ☐ Yes ☐ No2. Will the municipality impose any requirements or restrictions for the full-service retail outlet? ☐ Yes ☐ No

3. Describe municipal restrictions indicated in questions 1 or 2 above.

4. Last Name of Municipal Official

5. First Name

6. M.I.

7. Signature of Municipal Official

8. Date

9. Date Application was Filed with Clerk

10. Date Full-Service Retail Outlet Approved by Governing Body

Form AB-105 Instructions

Producer Full-Service Retail Sales Application

Who may apply for full-service retail sales?

Producer permittees may apply for full-service retail sales on or off the production premises. Producer permittees include brewers, rectifiers, manufacturers, and wineries.

Who qualifies for full-service retail sales?

- A brewery that manufactures a minimum of 250 barrels of fermented malt beverages.
- A manufacturer/rectifier that produces a minimum of 1,500 liters of intoxicating liquor.
- A winery that produces a minimum of 1,000 gallons of wine.

What are full-service retail sales?

Permittees that are granted full-service retail sales privileges may:

- Sell fermented malt beverages and intoxicating liquor at retail for on- or off-premises consumption at their production premises and at one or more off-site full-service retail outlets.
- Provide taste samples of fermented malt beverages and intoxicating liquor.

What are full-service retail outlets?

Full-service retail outlets are authorized locations for full-service retail sales at places other than the permittee's production premises.

What is the difference between a fixed and unlimited transfer full-service retail outlet?

Fixed full-service retail outlets may be transferred from one location to another once per year. Unlimited transfer full-service retail outlets may be transferred an unlimited number of times in a year. Only one of a producer's full-service retail outlets may be transferred without limitation on frequency.

How many full-service retail outlets may I have?

The number of full-service retail outlets a producer qualifies for is determined by alcohol beverage production volume. Producers may have a maximum of three full-service outlets, regardless of the number or type of producer permits they hold.

Who approves full-service retail sales?

Full-service retail sales on the production premises need only be approved by the Division of Alcohol Beverages. Municipalities do not issue licenses for full-service retail sales outlets; however, municipalities must approve of the outlets. The applicant must forward the municipal approval to the Division of Alcohol Beverages for final granting of the authority for sales to commence on the premises.

Can a municipality limit authorized sales at a full-service retail outlet?

Yes, a municipality can limit authorized sales at a full-service retail outlet. Municipalities may limit the scope of alcohol beverages offered for sale by the permittee. Municipal approval of a full-service retail outlet must be based on the same standards and criteria, established by ordinance, for the evaluation and approval of retail licenses. A municipality may not impose any requirement or restriction in connection with the approval that the municipality does not impose on retail licensees.

How do I fill out Form AB-105 and begin the application process?

Authorizations requested on Form AB-105 must be applied for only one premises in one municipality at a time. To request multiple authorizations, submit a separate Form AB-105 for each location/premises.

Parts A, B, and F: Applicants must complete Parts A, B, and F.

Parts C, D, and E: Complete only one Part. Form AB-105 must be used to request only one authorization at a time.

Example: A producer applicant requesting full-service retail sales authorization on the production premises should complete Parts A, B, C, and F.

Example: A producer applicant requesting a fixed full-service retail outlet should complete Parts A, B, D, and F.

Example: A producer applicant requesting an unlimited transfer full-service retail outlet should complete Parts A, B, E, and F. Producer applicants requesting authorization in Part E must complete one Form AB-105 for each premises. Applicants may use the same Form AB-105 to request authorization for multiple dates and times occurring on the same premises.

Municipal approval is required for authorizations requested in Parts D and E. If a producer is applying for authorization in either of these sections, the completed application must first be submitted to the governing municipality.

After the municipality has granted approval by completing Part G, the applicant should submit AB-105 to the Division of Alcohol Beverages for final approval. If the applicant is only requesting authorization in Part C, the application does not require municipal approval and may be submitted directly to the Division of Alcohol Beverages.

Specific Instructions:

Part A: Producer Information

- Box 1: Enter the legal business name.
- Box 2: Enter the trade name or “doing business as” name, if different than the name in box 1.
- Box 3: Enter the name of the approved agent appointed for your producer permit.
- Box 4: Enter Federal Employer Identification Number (FEIN).
- Box 5: Enter Wisconsin seller’s permit number.
- Box 6: Enter the 15-digit Wisconsin Tax Account Number of the permit that these authorizations should be associated with.
- Box 7: Check the corresponding producer permit type.
- Box 8-10: Enter contact person’s name.
- Box 11: Enter contact person’s phone number.
- Box 12: Enter contact person’s email address.

Part B: Production Quantity

- Check the highest cumulative total of alcohol beverages produced in any one of the three preceding calendar years for each specific permit type held.
 - Do not include alcohol beverages produced under a contract production agreement.
- Enter the calendar year in which the highest cumulative total of alcohol beverages produced was met.
- Enter the exact quantity of alcohol beverages produced.
- If an applicant holds more than one type of permit or multiple permits of the same type, the aggregate number of full-service retail outlets that may be established is the maximum number authorized under their permit type, but not exceeding three full-service retail outlets.
 - Under these circumstances, each authorized full-service retail outlet shall serve as the full-service retail outlet associated with each applicable permit, regardless of whether permittee would otherwise be entitled to fewer full-service retail outlets when calculated under their other permit(s).

Part C: Request for Full-Service Retail Sales at the Production Premises

- Authorization under this portion does not require municipal approval. If the applicant is not seeking other retail authorizations on this form, it can be submitted directly to the Division of Alcohol Beverages.
- Box 1: Enter the date that you would like to begin full-service retail sales.
- Box 2-5: List the premises address for the permit identified in Part A, boxes 5 and 6.
- Box 6: Name the county where the production premises is located.
- Box 7: Name the governing municipality where the production premises is located.

Part D: Request for Fixed Full-Service Retail Outlet

- Authorization under this section must be approved by the municipality in which the retail outlet is located prior to submitting to the Division of Alcohol Beverages for final approval.
- Box 1: Check yes if you are applying to transfer a fixed full-service outlet from one location to another. Fixed Full-Service Retail Outlets may be transferred from place-to-place once per year with approval of the municipality that governs the new location.
- Boxes 2-9: Complete these boxes if you checked yes in box 1 to describe the current premises you are applying to transfer.

- Box 10: Enter the date that you would like to open the full-service retail outlet for business.
- Boxes 11-18: Complete these boxes to describe the location of your new premises.
- Box 19: Describe the premises in detail. Include outdoor spaces if the municipality allows it. Attach a floor plan if possible.

Example: The premises is located at 1234 Main St., Realtown, WI 12345 and includes only the first-floor bar room, dining room, kitchen, north storage room, and south office of the 5,000-square-foot building.

- Box 20: Producers may operate a restaurant on the premises of a full-service retail outlet with municipal and division approval.
- Box 21: Check all types of alcohol beverages that will be offered for sale at the full-service retail outlet, including beverages made by the producer or producer group.
- Box 22: Check all the alcohol beverages that are made by the producer under all their permits.
- Box 23: Check all types of service that apply to this full-service retail outlet.
 - Samples mean 3 oz. of beer, 3 oz. of wine, or 0.5 oz. of liquor provided free of charge to an individual.
 - On-premises consumption means alcohol beverages served by the glass to be consumed by the customer at the premises identified in Box 18.
 - Off-premises consumption means alcohol beverages sold in original, unopened containers for customers to consume away from the premises identified in Box 18.

Part E: Request for Unlimited Transfer Full-Service Retail Outlet

- Authorizations under Part E must be for dates of operation where the unlimited transfer location will be located at the same premises in the same municipality. You must use a new Form AB-105 to request authorization for each separate premises, regardless of whether the separate premises are in the same municipality.
- Box 1: If you are requesting authorization to initiate or move your unlimited transfer outlet to a specific event like a farmer's market, festival, or other community event, name it here.
- Box 2: List the requested dates of operation. Attach a schedule or calendar of events, if necessary.
- Box 3: List the requested hours of operation. If no hours are listed, the approving municipality and the Division will assume you are seeking authorization to operate during all hours allowed under Chapter 125, Wis. Stats.
- Box 4-9: Identify the premises address.
- Box 10-13: If you are requesting authorization to move your unlimited transfer outlet to a specific event, provide contact information for the event organizer, if not the named applicant.
- Box 14: Describe the premises in detail. Include outdoor spaces if the municipality allows it. Attach a floor plan if possible.

Example: The premises is located at 1234 Main St., Realtown, WI, 12345, and includes only the first-floor bar room, dining room, kitchen, north storage room, and south office of the 5,000 square foot building.

Example: The premises is the 1,000-square-foot tent within the southwest corner of the parking lot located at XYZ Church at 3456 Main St., Realtown, WI, 12345. All sales and storage of alcohol beverages and records will occur within the 1,000-square-foot tent in the southwest corner of the parking lot.

Example: The premises is located at PDQ Park (7890 Main St., Realtown, WI, 12345). A 5,000-square-foot tent will be constructed in the northeast corner of the park bordering the tree line and northern fence. All alcohol beverage sales and consumption will occur at this tent. Premises includes the adjacent north park office and the space between the tent and the office. Alcohol beverages and records will be securely stored in the north park office for the duration of the event.

- Box 15-17: Provide the name and contact information for a person who will be in control of the premises for the duration of the requested time.
- Box 18: Producers may operate a restaurant on the premises of a full-service retail outlet with municipal and Division of Alcohol Beverages approval.
- Box 19: Check all types of alcohol beverages that will be offered for sale at the full-service retail outlet, including beverages made by the producer under all their permits.
- Box 20: Check all the alcohol beverages that are made by the producer under all their permits.
- Box 21: Check all the types of service that apply to this full-service retail outlet.
 - Samples mean 3 oz. of beer, 3 oz. of wine, or 0.5 oz. of liquor provided free of charge to an individual.
 - On-premises consumption means alcohol beverages served by the glass to be consumed by the customer at the premises identified in Box 14.
 - Off-premises consumption means alcohol beverages sold in original, unopened containers for customers to consume

away from the premises identified in Box 14.

Part F: Attestation

- Read the attestation carefully, then sign and date.

Part G: For Municipal Use Only

- Box 1: Check yes or no to indicate if the municipality will limit the scope of alcohol beverages offered for sale at this full-service retail outlet.
- Box 2: Check yes or no to indicate if the municipality will impose other requirements or restrictions on the full-service retail outlet.
- Box 3: Describe any limitations the municipality has placed on the full-service retail outlet as indicated in questions 1 or 2. Some limitations may be: parking, zoning, or noise ordinance restrictions; not allowing sales of alcohol beverages for off-premises consumption.
- Box 4-10: The municipal official completing this part should fill in the information requested.

Completion and Submission of Form AB-105

- The producer applicant should complete Parts A, B, and F completely, and either Part C, D, or E, depending on the type of authorization requested.
- If requesting only a Part C authorization, the application can be submitted directly to the Division of Alcohol Beverages. No municipal approval is required for Part C authorizations.
- If requesting a Part D or E authorization, provide the application to the municipality where the proposed full-service retail outlet will be located.
 - The municipality should complete Part G and return it to the producer applicant.
 - The producer applicant should provide the completed AB-105 to the Division of Alcohol Beverages for final approval.
- Sales of alcohol beverages at full-service retail outlets may not commence until the Division of Alcohol Beverages has provided final approval by way of issuing a printed authorization to the applicant to be posted at the retail premises identified in this application.

After Form AB-105 is completed by the producer and approved by the municipality in Part G, submit the form to the Division of Alcohol Beverages for final approval in one of two ways:

- Email: DORAlcoholPermits@wisconsin.gov
- Mail the form to the following address:

Wisconsin Department of Revenue
Division of Alcohol Beverages
P.O. Box 8934
Madison, WI 53708-8934

Assistance

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If you have questions about alcohol beverage laws and regulations, you may contact the Division of Alcohol Beverages using the contact information below.

Website: [DOR Alcohol Beverage \(wi.gov\)](http://DORAlcoholBeverage.wi.gov)

Write: DORAlcohol@wisconsin.gov

Call: (608) 264-4573

Save

Print

Clear

Form

AB-105

Producer Full-Service Retail Sales Application

Date

Part A: Producer Information

1. Business Legal Name (individual name if sole proprietor)

Kowalske Brewing

2. Business Name or DBA

Component Brewing

3. Agent Name

David Kowalske

4. FEIN

82 - 4547890

5. Wisconsin Seller's Permit Number

456 - 1030207982 - 06

6. Wisconsin Producer Permit Number

309 - 1030207982 - 02

7. Producer Type



Brewery



Winery



Liquor Manufacturer/Rectifier

8. Contact Person's First Name

David

9. Last Name

Kowalske

10. M.I.

E

11. Contact Person's Phone

(262) 565-8782

12. Contact Person's Email

dj@componentbrewing.com

Part B: Production Quantity

Note: Check appropriate quantity for permit held (see instructions). If you hold more than one producer permit, check the total aggregate quantity produced for each type of permit. Enter the highest quantity produced in any of the last three calendar years.

Brewery

☐ Less than 250 barrels☒ 250 - 2,499 barrels☐ 2,500 - 7,499 barrels☐ 7,500 or more barrels

Manufacturer/Rectifier

☐ Less than 1,500 liters☐ 1,500 - 4,999 liters☐ 5,000 - 34,999 liters☐ 35,000 or more liters

Winery

☐ Less than 1,000 gallons☐ 1,000 - 4,999 gallons☐ 5,000 - 24,999 gallons☐ 25,000 or more gallons

Calendar year: 2023

Quantity: 400

Calendar year:

Quantity:

Calendar year:

Quantity:

Complete only ONE of Part C, D or E.

Part C: Request for Full-Service Retail Sales at the Production Premises

1. Start Date

2. Production Premises Address

3. City

4. State

5. Zip Code

6. County

7. Governing Municipality ☐ City ☐ Town ☐ Village
of: _____

Part D: Request for Fixed Full-Service Retail Outlet

1. Are you transferring one fixed full-service retail outlet to a new location? ☐ Yes ☐ No
If yes, complete boxes 2 through 9.

2. Current Outlet Name

3. Current Outlet Premises Address

4. City

5. State

6. Zip Code

7. County

8. Governing Municipality ☐ City ☐ Town ☐ Village
of: _____

9. Premises Phone Number

Continued →

Part D: Request for Fixed Full-Service Retail Outlet (Cont.)**New Fixed Retail Outlet Information (complete boxes 10 through 23)**

10. Start Date	11. New Outlet Name		
12. New Outlet Premises Address			
13. City	14. State	15. Zip Code	
16. County	17. Governing Municipality ☐ City ☐ Town ☐ Village of: _____		18. Premises Phone Number
19. Premises Description - Describe the building or buildings and any outside areas where alcohol beverages are produced, sold, stored, or consumed, and related records are kept. Describe all rooms within the building, including living quarters. Authorized alcohol beverage activities and storage of records may occur only on the premises described in this application. Attach a map or diagram and additional sheets if necessary.			
20. Will you operate a restaurant on the premises? ☐ Yes ☐ No			
21. What alcohol beverages will be offered for sale? (check all that apply) ☐ Beer ☐ Wine ☐ Intoxicating Liquor (other than wine)			
22. What alcohol beverages does the permittee produce? (check all that apply) ☐ Beer ☐ Wine ☐ Intoxicating Liquor (other than wine)			
23. How will customers be served? (check all that apply) . . . ☐ Samples ☐ On-premises consumption ☐ Off-premises consumption			

Part E: Request for Unlimited Transfer Full-Service Retail Outlet

1. Name of Event (if applicable) Applefest Open House/Beer Garden		
2. Dates of Operation (attach a schedule, if necessary) October 13, 2024		3. Hours of Operation 1 - 4PM
4. Premises Address 19885 W National Ave.		
5. City New Berlin	6. State WI	7. Zip Code 53146
8. County Waukesha	9. Governing Municipality ☐ City ☐ Town ☐ Village of: New Berlin	
10. Organizer of Event (if not the named applicant) Katie Roth	11. Email and/or Phone Number for Organizer of Event kroth@newberlin.org	
12. Organizer Website N/A	13. Event Website N/A	
14. Premises Description - Describe the building or buildings and any outside areas where alcohol beverages are produced, sold, stored, or consumed, and related records are kept. Describe all rooms within the building, including living quarters. Authorized alcohol beverage activities and storage of records may occur only on the premises described in this application. Attach a map or diagram and additional sheets if necessary. Beer trailer will be set up at the historical society campus in conjunction with the outdoor plan for the rest of the day's activities. Event will be primarily outside in the historical park on site, with the buildings on premises open for guests to enter and check out. No beer will be sold inside any of the historical buildings.		
15. On-Site Contact (Last Name, First Name) Roth, Katie	16. On-Site Contact Phone (262) 797-2443	17. On-Site Contact Email kroth@newberlin.org
18. Will you operate a restaurant on the premises? ☐ Yes ☒ No		
19. What alcohol beverages will be offered for sale? (check all that apply) ☒ Beer ☐ Wine ☐ Intoxicating Liquor (other than wine)		
20. What alcohol beverages does the permittee produce? (check all that apply) ☒ Beer ☐ Wine ☐ Intoxicating Liquor (other than wine)		
21. How will customers be served? (check all that apply) . . . ☐ Samples ☒ On-premises consumption ☐ Off-premises consumption		

Part F: Attestation

Who must sign this application?

- sole proprietor
- general partner of a partnership
- corporate officer
- member of an LLC

READ CAREFULLY BEFORE SIGNING:

I understand and agree to the following:

- I will not operate this location outside of the dates and times approved by the municipality and Division of Alcohol Beverages.
- I will operate this location according to municipal ordinance and restrictions imposed as a condition of receiving this authorization.
- I will purchase alcohol beverages I do not produce from an authorized source, such as a Wisconsin-permitted wholesaler.
- I will operate this location according to Wisconsin law and administrative regulation including but not limited to: underage restrictions, closing hours, licensed operators, and record keeping requirements.

Further, under penalty of law, I have answered each of the above questions completely and truthfully. I agree that I am acting solely on behalf of the applicant business and not on behalf of any other individual or entity seeking the authorization. Further, I agree that the rights and responsibilities conferred by the authorization, if granted, will not be assigned to another individual or entity. I understand that lack of access to any portion of a premises during inspection will be deemed a refusal to allow inspection. Such refusal is a misdemeanor and grounds for revocation of this authorization. I understand that any authorization issued contrary to Wis. Stats. Chapter 125 shall be void under penalty of Wisconsin law. I further understand that I may be prosecuted for submitting false statements and affidavits in connection with this application, and that any person who knowingly provides materially false information on this application may be required to forfeit not more than \$1,000 if convicted.

Signature

David E. Kowalske



Date

07/30/2024

Last Name

Kowalske

First Name

David

M.I.

E

Title

Member

Email

dj@componentbrewing.com

Phone

(262) 565-8782

Part G: For Municipal Use Only (Complete if Requesting Authorization in Part D or E)1. Will the municipality limit the scope of alcohol beverages offered for sale? ☐ Yes ☐ No2. Will the municipality impose any requirements or restrictions for the full-service retail outlet? ☐ Yes ☐ No

3. Describe municipal restrictions indicated in questions 1 or 2 above.

4. Last Name of Municipal Official

5. First Name

6. M.I.

7. Signature of Municipal Official

8. Date

9. Date Application was Filed with Clerk

10. Date Full-Service Retail Outlet Approved by Governing Body

Form AB-105 Instructions

Producer Full-Service Retail Sales Application

Who may apply for full-service retail sales?

Producer permittees may apply for full-service retail sales on or off the production premises. Producer permittees include brewers, rectifiers, manufacturers, and wineries.

Who qualifies for full-service retail sales?

- A brewery that manufactures a minimum of 250 barrels of fermented malt beverages.
- A manufacturer/rectifier that produces a minimum of 1,500 liters of intoxicating liquor.
- A winery that produces a minimum of 1,000 gallons of wine.

What are full-service retail sales?

Permittees that are granted full-service retail sales privileges may:

- Sell fermented malt beverages and intoxicating liquor at retail for on- or off-premises consumption at their production premises and at one or more off-site full-service retail outlets.
- Provide taste samples of fermented malt beverages and intoxicating liquor.

What are full-service retail outlets?

Full-service retail outlets are authorized locations for full-service retail sales at places other than the permittee's production premises.

What is the difference between a fixed and unlimited transfer full-service retail outlet?

Fixed full-service retail outlets may be transferred from one location to another once per year. Unlimited transfer full-service retail outlets may be transferred an unlimited number of times in a year. Only one of a producer's full-service retail outlets may be transferred without limitation on frequency.

How many full-service retail outlets may I have?

The number of full-service retail outlets a producer qualifies for is determined by alcohol beverage production volume. Producers may have a maximum of three full-service outlets, regardless of the number or type of producer permits they hold.

Who approves full-service retail sales?

Full-service retail sales on the production premises need only be approved by the Division of Alcohol Beverages. Municipalities do not issue licenses for full-service retail sales outlets; however, municipalities must approve of the outlets. The applicant must forward the municipal approval to the Division of Alcohol Beverages for final granting of the authority for sales to commence on the premises.

Can a municipality limit authorized sales at a full-service retail outlet?

Yes, a municipality can limit authorized sales at a full-service retail outlet. Municipalities may limit the scope of alcohol beverages offered for sale by the permittee. Municipal approval of a full-service retail outlet must be based on the same standards and criteria, established by ordinance, for the evaluation and approval of retail licenses. A municipality may not impose any requirement or restriction in connection with the approval that the municipality does not impose on retail licensees.

How do I fill out Form AB-105 and begin the application process?

Authorizations requested on Form AB-105 must be applied for only one premises in one municipality at a time. To request multiple authorizations, submit a separate Form AB-105 for each location/premises.

Parts A, B, and F: Applicants must complete Parts A, B, and F.

Parts C, D, and E: Complete only one Part. Form AB-105 must be used to request only one authorization at a time.

Example: A producer applicant requesting full-service retail sales authorization on the production premises should complete Parts A, B, C, and F.

Example: A producer applicant requesting a fixed full-service retail outlet should complete Parts A, B, D, and F.

Example: A producer applicant requesting an unlimited transfer full-service retail outlet should complete Parts A, B, E, and F. Producer applicants requesting authorization in Part E must complete one Form AB-105 for each premises. Applicants may use the same Form AB-105 to request authorization for multiple dates and times occurring on the same premises.

Municipal approval is required for authorizations requested in Parts D and E. If a producer is applying for authorization in either of these sections, the completed application must first be submitted to the governing municipality.

After the municipality has granted approval by completing Part G, the applicant should submit AB-105 to the Division of Alcohol Beverages for final approval. If the applicant is only requesting authorization in Part C, the application does not require municipal approval and may be submitted directly to the Division of Alcohol Beverages.

Specific Instructions:

Part A: Producer Information

- Box 1: Enter the legal business name.
- Box 2: Enter the trade name or “doing business as” name, if different than the name in box 1.
- Box 3: Enter the name of the approved agent appointed for your producer permit.
- Box 4: Enter Federal Employer Identification Number (FEIN).
- Box 5: Enter Wisconsin seller’s permit number.
- Box 6: Enter the 15-digit Wisconsin Tax Account Number of the permit that these authorizations should be associated with.
- Box 7: Check the corresponding producer permit type.
- Box 8-10: Enter contact person’s name.
- Box 11: Enter contact person’s phone number.
- Box 12: Enter contact person’s email address.

Part B: Production Quantity

- Check the highest cumulative total of alcohol beverages produced in any one of the three preceding calendar years for each specific permit type held.
 - Do not include alcohol beverages produced under a contract production agreement.
- Enter the calendar year in which the highest cumulative total of alcohol beverages produced was met.
- Enter the exact quantity of alcohol beverages produced.
- If an applicant holds more than one type of permit or multiple permits of the same type, the aggregate number of full-service retail outlets that may be established is the maximum number authorized under their permit type, but not exceeding three full-service retail outlets.
 - Under these circumstances, each authorized full-service retail outlet shall serve as the full-service retail outlet associated with each applicable permit, regardless of whether permittee would otherwise be entitled to fewer full-service retail outlets when calculated under their other permit(s).

Part C: Request for Full-Service Retail Sales at the Production Premises

- Authorization under this portion does not require municipal approval. If the applicant is not seeking other retail authorizations on this form, it can be submitted directly to the Division of Alcohol Beverages.
- Box 1: Enter the date that you would like to begin full-service retail sales.
- Box 2-5: List the premises address for the permit identified in Part A, boxes 5 and 6.
- Box 6: Name the county where the production premises is located.
- Box 7: Name the governing municipality where the production premises is located.

Part D: Request for Fixed Full-Service Retail Outlet

- Authorization under this section must be approved by the municipality in which the retail outlet is located prior to submitting to the Division of Alcohol Beverages for final approval.
- Box 1: Check yes if you are applying to transfer a fixed full-service outlet from one location to another. Fixed Full-Service Retail Outlets may be transferred from place-to-place once per year with approval of the municipality that governs the new location.
- Boxes 2-9: Complete these boxes if you checked yes in box 1 to describe the current premises you are applying to transfer.

- Box 10: Enter the date that you would like to open the full-service retail outlet for business.
- Boxes 11-18: Complete these boxes to describe the location of your new premises.
- Box 19: Describe the premises in detail. Include outdoor spaces if the municipality allows it. Attach a floor plan if possible.

Example: The premises is located at 1234 Main St., Realtown, WI 12345 and includes only the first-floor bar room, dining room, kitchen, north storage room, and south office of the 5,000-square-foot building.

- Box 20: Producers may operate a restaurant on the premises of a full-service retail outlet with municipal and division approval.
- Box 21: Check all types of alcohol beverages that will be offered for sale at the full-service retail outlet, including beverages made by the producer or producer group.
- Box 22: Check all the alcohol beverages that are made by the producer under all their permits.
- Box 23: Check all types of service that apply to this full-service retail outlet.
 - Samples mean 3 oz. of beer, 3 oz. of wine, or 0.5 oz. of liquor provided free of charge to an individual.
 - On-premises consumption means alcohol beverages served by the glass to be consumed by the customer at the premises identified in Box 18.
 - Off-premises consumption means alcohol beverages sold in original, unopened containers for customers to consume away from the premises identified in Box 18.

Part E: Request for Unlimited Transfer Full-Service Retail Outlet

- Authorizations under Part E must be for dates of operation where the unlimited transfer location will be located at the same premises in the same municipality. You must use a new Form AB-105 to request authorization for each separate premises, regardless of whether the separate premises are in the same municipality.
- Box 1: If you are requesting authorization to initiate or move your unlimited transfer outlet to a specific event like a farmer's market, festival, or other community event, name it here.
- Box 2: List the requested dates of operation. Attach a schedule or calendar of events, if necessary.
- Box 3: List the requested hours of operation. If no hours are listed, the approving municipality and the Division will assume you are seeking authorization to operate during all hours allowed under Chapter 125, Wis. Stats.
- Box 4-9: Identify the premises address.
- Box 10-13: If you are requesting authorization to move your unlimited transfer outlet to a specific event, provide contact information for the event organizer, if not the named applicant.
- Box 14: Describe the premises in detail. Include outdoor spaces if the municipality allows it. Attach a floor plan if possible.

Example: The premises is located at 1234 Main St., Realtown, WI, 12345, and includes only the first-floor bar room, dining room, kitchen, north storage room, and south office of the 5,000 square foot building.

Example: The premises is the 1,000-square-foot tent within the southwest corner of the parking lot located at XYZ Church at 3456 Main St., Realtown, WI, 12345. All sales and storage of alcohol beverages and records will occur within the 1,000-square-foot tent in the southwest corner of the parking lot.

Example: The premises is located at PDQ Park (7890 Main St., Realtown, WI, 12345). A 5,000-square-foot tent will be constructed in the northeast corner of the park bordering the tree line and northern fence. All alcohol beverage sales and consumption will occur at this tent. Premises includes the adjacent north park office and the space between the tent and the office. Alcohol beverages and records will be securely stored in the north park office for the duration of the event.

- Box 15-17: Provide the name and contact information for a person who will be in control of the premises for the duration of the requested time.
- Box 18: Producers may operate a restaurant on the premises of a full-service retail outlet with municipal and Division of Alcohol Beverages approval.
- Box 19: Check all types of alcohol beverages that will be offered for sale at the full-service retail outlet, including beverages made by the producer under all their permits.
- Box 20: Check all the alcohol beverages that are made by the producer under all their permits.
- Box 21: Check all the types of service that apply to this full-service retail outlet.
 - Samples mean 3 oz. of beer, 3 oz. of wine, or 0.5 oz. of liquor provided free of charge to an individual.
 - On-premises consumption means alcohol beverages served by the glass to be consumed by the customer at the premises identified in Box 14.
 - Off-premises consumption means alcohol beverages sold in original, unopened containers for customers to consume

away from the premises identified in Box 14.

Part F: Attestation

- Read the attestation carefully, then sign and date.

Part G: For Municipal Use Only

- Box 1: Check yes or no to indicate if the municipality will limit the scope of alcohol beverages offered for sale at this full-service retail outlet.
- Box 2: Check yes or no to indicate if the municipality will impose other requirements or restrictions on the full-service retail outlet.
- Box 3: Describe any limitations the municipality has placed on the full-service retail outlet as indicated in questions 1 or 2. Some limitations may be: parking, zoning, or noise ordinance restrictions; not allowing sales of alcohol beverages for off-premises consumption.
- Box 4-10: The municipal official completing this part should fill in the information requested.

Completion and Submission of Form AB-105

- The producer applicant should complete Parts A, B, and F completely, and either Part C, D, or E, depending on the type of authorization requested.
- If requesting only a Part C authorization, the application can be submitted directly to the Division of Alcohol Beverages. No municipal approval is required for Part C authorizations.
- If requesting a Part D or E authorization, provide the application to the municipality where the proposed full-service retail outlet will be located.
 - The municipality should complete Part G and return it to the producer applicant.
 - The producer applicant should provide the completed AB-105 to the Division of Alcohol Beverages for final approval.
- Sales of alcohol beverages at full-service retail outlets may not commence until the Division of Alcohol Beverages has provided final approval by way of issuing a printed authorization to the applicant to be posted at the retail premises identified in this application.

After Form AB-105 is completed by the producer and approved by the municipality in Part G, submit the form to the Division of Alcohol Beverages for final approval in one of two ways:

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Division of Alcohol Beverages
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Write: DORAlcohol@wisconsin.gov

Call: (608) 264-4573

City of New Berlin Utilities Department 2024

- Alex Parker
- Utility Manager

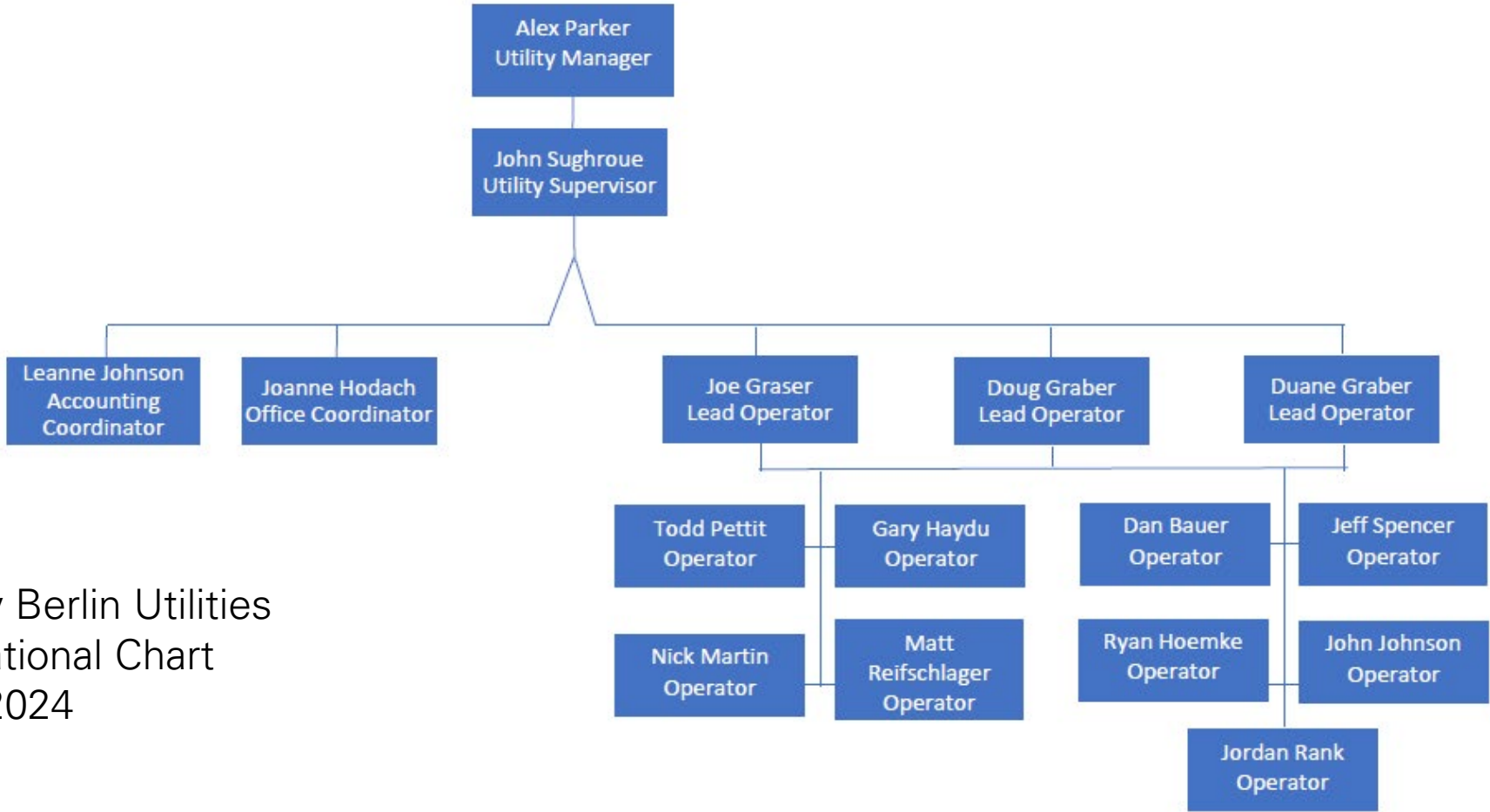
- John Sughroue
- Utility Supervisor



Utility Employees & Billing Information



Department Staff



City of New Berlin Utilities
Organizational Chart
2024

Staff Changes

- Jim Hart

Utility Manager-Retired

- Barb Byczynski

Utility Office Coordinator-Retired

- Mark Welch

Utility Supervisor-Retired

- Alex Parker

New Utility Manager



Charges

Residential Sewer Charges

Non-Metered Charges: \$204.23
(\$164.57 unit & connection charge, plus average volume of 17,995 per quarter calculated by MMSD)

Stormwater Charge: \$15.00

Metered
Unit & Connection Charge: \$164.57
Volume Charge: \$2.20 per 1,000 gallons

*For duplex, add another \$96.66 unit charge per quarter

Availability Charges

All improved lots are charged for water and/or sewer availability.

Water Availability: \$8.00 per quarter

Sewer Availability: \$67.91 per quarter

Billing Periods

1 st Quarter	1 Jan to 31 Mar
2 nd Quarter	1 Apr to 30 Jun
3 rd Quarter	1 Jul to 30 Sept
4 th Quarter	1 Oct to 31 Dec

Actual reading dates may vary.
Please call for exact dates, if desired.

Volume Charge - Water

First 35,000 gallons used per quarter:	\$5.45 per 1,000 gallons
Next 465,000 gallons used per quarter:	\$5.33 per 1,000 gallons
Over 500,000 gallons used per quarter:	\$4.24 per 1,000 gallons

General Service – Metered Quarterly Charge – Water

5/8	Inch Meter	\$21.00	3	Inch Meter	\$153.00
3/4	Inch Meter	\$21.00	4	Inch Meter	\$234.00
1	Inch Meter	\$36.00	6	Inch Meter	\$420.00
1 1/4	Inch Meter	\$48.00	8	Inch Meter	\$639.00
1 1/2	Inch Meter	\$63.00	10	Inch Meter	\$927.00
2	Inch Meter	\$96.00	12	Inch Meter	\$1215.00



Sewer Rates Decreased Jan 1
Water Rates Increased Apr 1

Full Rate Case Finalized 2024

Private Fire Connection Charge

1	Inch	\$12.00
2	Inch	\$12.00
3	Inch	\$21.00
4	Inch	\$36.00
6	Inch	\$72.00
8	Inch	\$114.00
10	Inch	\$162.00
12	Inch	\$210.00

General Information

- The City of New Berlin Water Utility service area purchases water from Milwaukee Water Works.
 - The current contract allows for 6.5 million gallons per day and expires in 2029.
- New Berlin has not operated any municipal ground water wells since 2012.



Average Daily Flows

- Water: 2.553 MGD purchased from Milwaukee
- Sewer: 7.88 MGD returned via sanitary sewer
- Last Five Years Consumption
 - 2023 – 932,100,470 Gallons
 - 2022 – 922,752,066 Gallons
 - 2021 – 954,678,914 Gallons
 - 2020 – 943,567,939 Gallons
 - 2019 – 897,864,374 Gallons



Pump House Information

Green Ridge Pump House #4

12400 W. Crawford Drive

Standby Generator on Site



Grange Avenue Pump House Milwaukee #1

12625 W. Grange Avenue

Standby Generator on Site



These two pump houses supply water to the entire utility service area. Together these stations can pump 6.336 MGD into the water system. Per our contract with Milwaukee Waterworks, the utility is allowed 6.5 MGD. There is also 3.5 million gallons in reserve from our towers and reservoirs.

All active pumphouses and towers have security cameras and alarm monitoring.

Required Maintenance: Water

- Fire Hydrants

All 2,167 public fire hydrants are inspected, operated, and flushed at least once per year.

Hydrants on dead end stubs are flushed twice per year.

Utility operators conduct repairs when necessary to ensure proper working order of all hydrants.

- Mainline Valves

All watermain valves are inspected and/or exercised every 3 years. This is above state standards to ensure reliability.

Pumphouse Maintenance

Utility operators conduct all maintenance of pumps and valves within 9 utility stations.



Required Maintenance: Water

- DNR Sanitary Survey

Every 3 years the Department of Natural Resources conducts an inspection of all water utility facilities to ensure compliance with State regulations.

- Towers/Reservoirs

All water towers and reservoirs require cleaning and inspection at 5-year intervals.



Required Maintenance: Water

- Water samples

- 30 samples monthly throughout the system, testing for bacteria and monitoring chlorine levels.
- 30 Lead & Copper samples, every 3 years. Next testing period is 2026. The 2023 samples were all below the Environmental Protection Agency (EPA) maximum contaminant level (MCL).

- Unregulated Contaminant Monitoring Rule

UCMR is an EPA regulated program monitoring for chemical contaminants in public water systems. UCMR-5 testing was conducted in 2023.

Sanitary Sewer System: Required Maintenance

- Lift Stations

The city operates and maintains 9 lift stations that pump an average of 484,125 gallons per day.

- Sanitary Mains

Utility operators clean (jet) and televise all sanitary mains in the system (183.4 miles) every 5 years.



Reporting Obligations

- ANNUAL REPORTS
 - Water Diversion Report, due March 1st
 - Water Conservation Plan, due March 1st
 - Cross Connection Survey, due March 1st
 - Public Service Commission (PSC) Report, due April 30th
 - Consumer Confidence Report (CCR), due July 1st
 - MMSD -CMOM Report: Capacity Management Operations and Maintenance Program, due June 30th
 - DNR- CMAR Report: Compliance Maintenance Annual Report
 - In addition to above, the utility is also working on our Lead and Copper Rule Revision, an inventory of our service lines for the EPA, due in October 2024
 - Water and Wastewater Utility Audited Financial Statements

Utility Projects

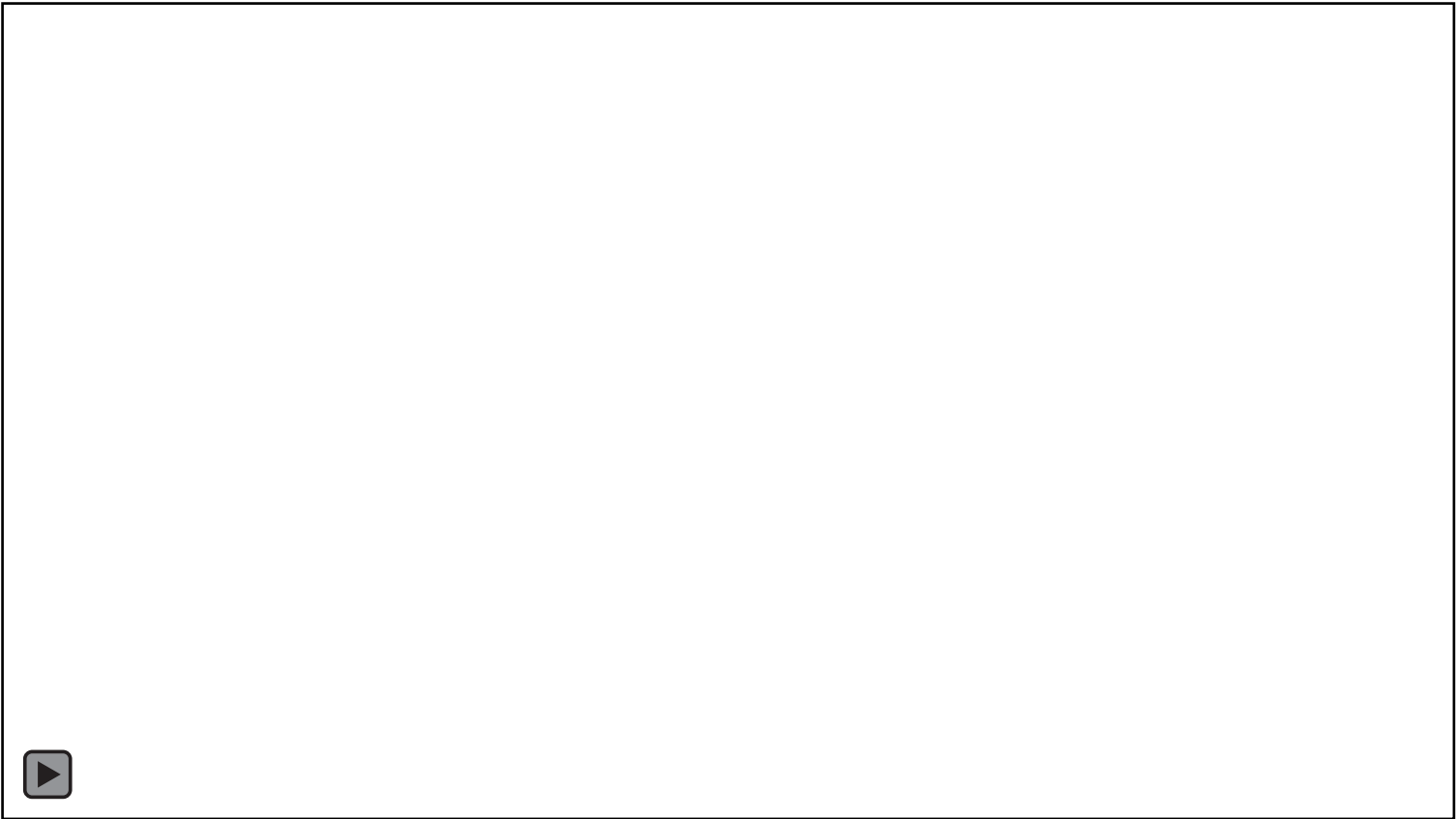
- Private Property Infiltration/Inflow Pipe Bursting Project
- Roof Replacements at 4 Pumphouses
- Crane Installations at 2 Lift Stations
- Moorland Road Relining Project



Private Property I/I Pipe Bursting Project



Moorland Road Relining Project



The End



CITY OF NEW BERLIN

New Berlin, Wisconsin

ANNUAL COMPREHENSIVE FINANCIAL REPORT

As of and for the Year Ended
December 31, 2023

CITY OF NEW BERLIN

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CITY OF NEW BERLIN

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CITY OF NEW BERLIN

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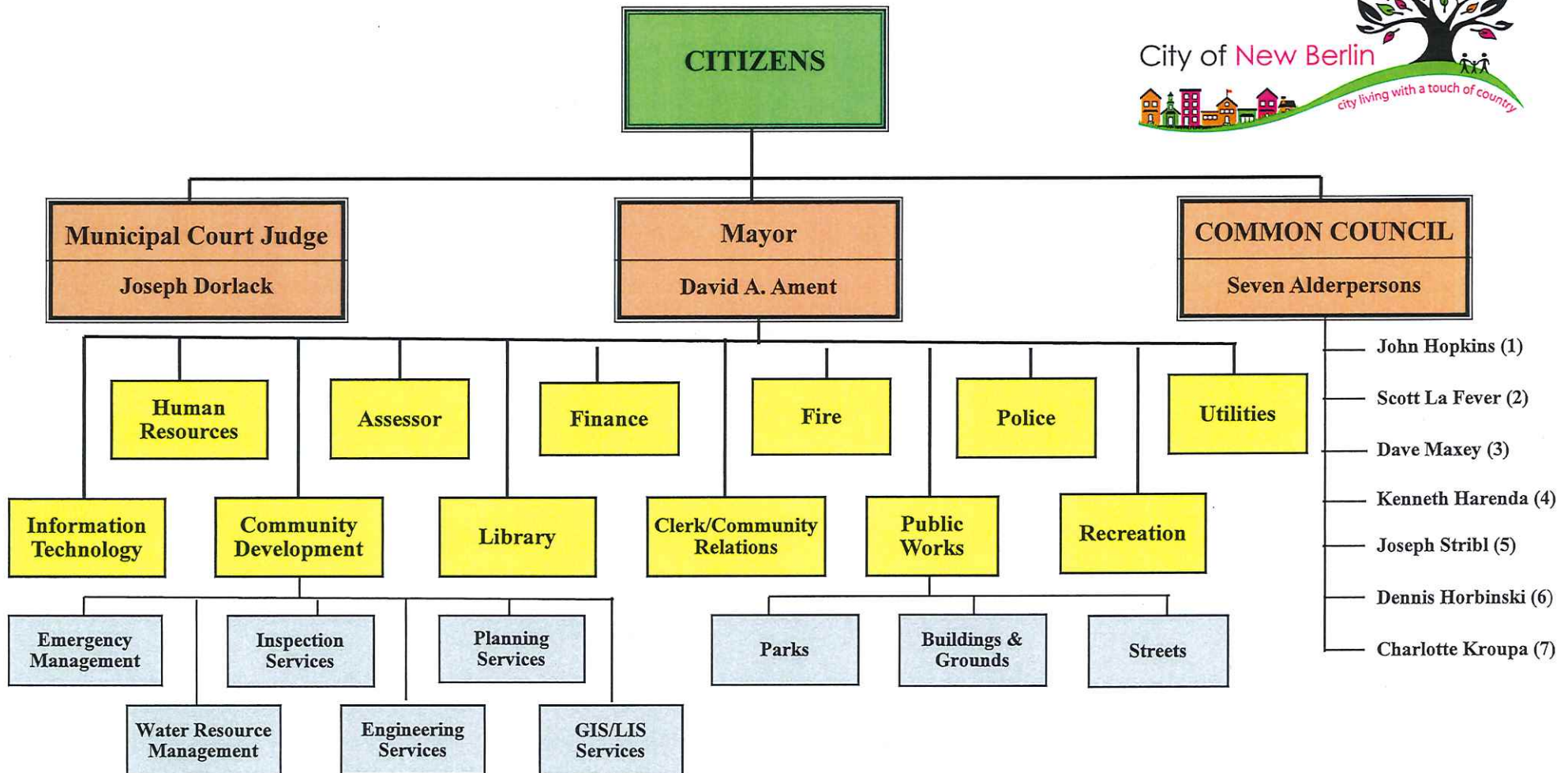
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INTRODUCTORY SECTION

CITY OF NEW BERLIN ORGANIZATIONAL CHART



CITY OF NEW BERLIN, WISCONSIN

2023 LIST OF PRINCIPAL OFFICIALS

ELECTED OFFICIALS

<u>Title</u>	<u>Name</u>
City Mayor	David Ament
Aldersperson – District 1	John Hopkins
Aldersperson – District 2	Scott La Fever
Aldersperson – District 3	Dave Maxey
Aldersperson – District 4	Kenneth A Harenda II
Aldersperson – District 5	Joseph Stribl
Aldersperson – District 6	Dennis Horbinski
Aldersperson – District 7	Charlotte Kroupa
Municipal Judge	Joseph S Dorlack

NON ELECTED OFFICIALS

Assessor	Timothy Kosteretz
Attorney	Mark G Blum
Director of Community Development	Gregory Kessler
Director of Human Resources	Melissa Beck
Director of Information Technology	Alan Skornia
Director of Public Works	Joshua Radomski
City Engineer	Tamara Simonson
Emergency Management Director	Jim Burns
Facilities & Grounds Supervisor	Robert Loohaus
Finance Director	Ralph Chipman
Fire Chief	Mark Polzin
Library	Natalie Beacom
Parks Supervisor	Edward Bartz
Police Chief	Jeffrey Hingiss
Streets Manager	Steven Brooks
Utility Manager	James Hart

FINANCIAL SECTION

Independent Auditors' Report

To the City Council of
City of New Berlin

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 New Berlin (City), as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of New Berlin, Wisconsin, as of December 31, 2023 and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund 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.

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 included in the annual comprehensive financial report but does not include the basic financial statements and our auditor's report thereon. Our opinions on the 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 July 22, 2024 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.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Milwaukee, Wisconsin
July 22, 2024

Management's Discussion and Analysis (unaudited)

As management of the City of New Berlin, we offer readers of the City of New Berlin's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2023. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the year by \$202.8 million (net position), which is an increase of \$5 million. Of the net position amount \$46.6 million is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The governmental activities revenue and transfers totaled \$51.2 million, or an 13.5% increase over the prior year and expenses totaled \$51.8 million, as compared to \$40.6 million in 2022, or a 27.6% increase over the prior year. The results of these activities produced a decrease in governmental net position of \$.6 million.
- The business-type activities revenue totaled \$24.6 million, or a 28.8% increase over the prior year and expenses and transfers totaled \$18.9 million or a 8.6% increase over last year. The result produced an increase in business-type net position of \$5.6 million.
- As of the end of the current fiscal year, governmental activities reported combined ending net position of \$52.4 million, a decrease of \$.6 million in comparison with the prior year.
- The City of New Berlin's total debt decreased by \$2,670 (2.7%) during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of New Berlin's basic financial statements. The City of New Berlin's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains 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 of New Berlin's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of New Berlin's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference 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 of New Berlin is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City of New Berlin that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of New Berlin include general government, protection of persons and property, highway and transportation, library, conservation and development, and parks and recreation. The business-type activities of the City of New Berlin include a Water Utility, a Wastewater Utility and a Water Resource Management Utility.

The government-wide financial statements include the City of New Berlin (known as the *primary government*). The Water, Wastewater and Water Resource Management Utilities, although legally separate, function for all practical purposes as departments of the City of New Berlin, and therefore have been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 18-19 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 of New Berlin, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of New Berlin can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund 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*.

The City of New Berlin maintains twenty-five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the general debt service fund and the capital improvements fund, all of which are considered to be major funds. Data from the other twenty-two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of New Berlin adopts an annual appropriated budget for all funds as required by state statute. Budgetary comparison statements have been provided for the general fund and each major special revenue fund, if any, to demonstrate compliance with the adopted budget.

The basic governmental fund financial statements can be found on pages 20-24 of this report.

Proprietary funds. The City of New Berlin 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. The City of New Berlin uses enterprise funds to account for its Water, Wastewater and Water Resource Management Utilities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of New Berlin uses an internal service fund to account for its insurance fund. 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 Water, Wastewater, and Water Resource Management Utilities, all of which are considered to be major funds of the City of New Berlin.

The basic proprietary fund financial statements can be found on pages 25-29 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 New Berlin's own programs. The most significant fiduciary fund maintained by the City of New Berlin is the Tax Collection Fund which records the tax roll and tax collections for other taxing jurisdictions within the City of New Berlin. 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 30-31 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 can be found on pages 32-80 of this report.

Other information. The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 84-110 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 of New Berlin, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$202,786 at the close of the most recent fiscal year.

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

CITY OF NEW BERLIN NET POSITION
December 31, 2023 and 2022

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 78,576	\$ 106,588	\$ 38,197	\$ 38,437	\$ 116,773	\$ 145,025
Capital assets	122,837	105,380	117,165	114,146	240,002	219,526
Total Assets	<u>201,413</u>	<u>211,968</u>	<u>155,362</u>	<u>152,583</u>	<u>356,775</u>	<u>364,551</u>
Deferred Outflows of Resources	<u>29,023</u>	<u>22,725</u>	<u>1,460</u>	<u>1,147</u>	<u>30,483</u>	<u>23,872</u>
Long-term liabilities						
outstanding	94,358	97,428	2,841	3,470	97,199	100,898
Current and other liabilities	<u>24,997</u>	<u>16,876</u>	<u>1,493</u>	<u>1,918</u>	<u>26,490</u>	<u>18,794</u>
Total Liabilities	<u>119,355</u>	<u>114,304</u>	<u>4,334</u>	<u>5,388</u>	<u>123,689</u>	<u>119,692</u>
Deferred Inflows of Resources	<u>58,702</u>	<u>67,409</u>	<u>2,081</u>	<u>3,562</u>	<u>60,783</u>	<u>70,971</u>
Net position						
Net investment in capital assets	31,403	36,133	114,224	110,590	145,627	146,723
Restricted	10,023	19,082	559	1,024	10,582	20,106
Unrestricted	<u>10,953</u>	<u>(2,235)</u>	<u>35,624</u>	<u>33,166</u>	<u>46,577</u>	<u>30,931</u>
Total net position	<u>\$ 52,379</u>	<u>\$ 52,980</u>	<u>\$ 150,407</u>	<u>\$ 144,780</u>	<u>\$ 202,786</u>	<u>\$ 197,760</u>

An additional portion of the City of New Berlin's governmental activities net position (19.1 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* is \$10,953.

The government's net position increased a total of \$5,025 during the current fiscal year. Business type activities increased \$5,626 while government activities had a decrease of \$601.

Governmental activities. Governmental activities decreased the City of New Berlin's net position by \$601. Governmental expenses included \$4,607 of depreciation expense allocated as follows: \$616 to general government, \$874 to public safety, \$1,948 to highway and transportation, \$385 to library, and \$784 to parks and recreation. Depreciation expense is 9.2% of the total expenses for governmental activities. Total expenses increased \$11,213 or 27.6%.

Some of the significant changes in revenues and expenses were as follows:

Revenues:

- The city used \$1.5 million of American Rescue Plan Act (ARPA) money as revenue replacement in 2023.
- Tax Increment of \$689 from the two active districts is an increase of \$154 over the previous year.
- Investment income increased \$3,891 due to the increase in interest rates net of marking the investments to market.

Expenses:

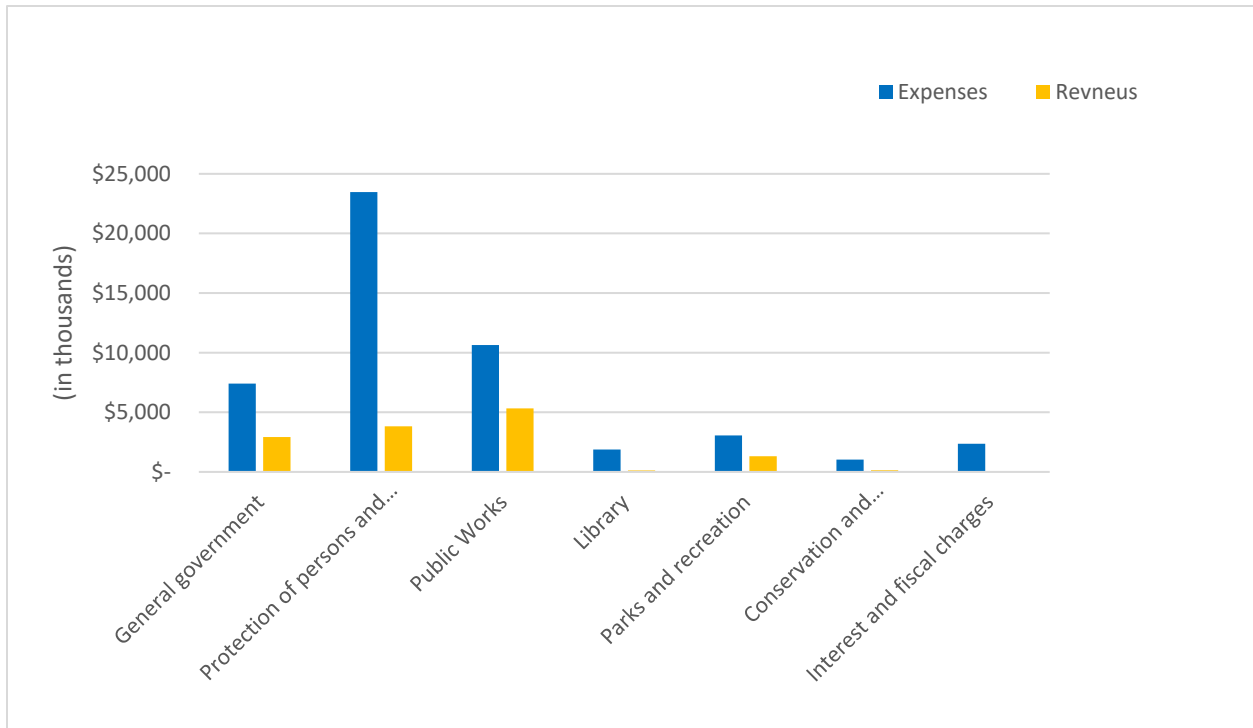
- Net pension expense due to GASB 68 decreased \$2.6 million. The expense is spread across all functions based on contributions.
- The city made a payment on the intergovernmental agreement with the City of Waukesha for \$.67 million.
- Total General fund expenditures increased \$687 or 2.0%.

The following is a more detailed review of the years' operation.

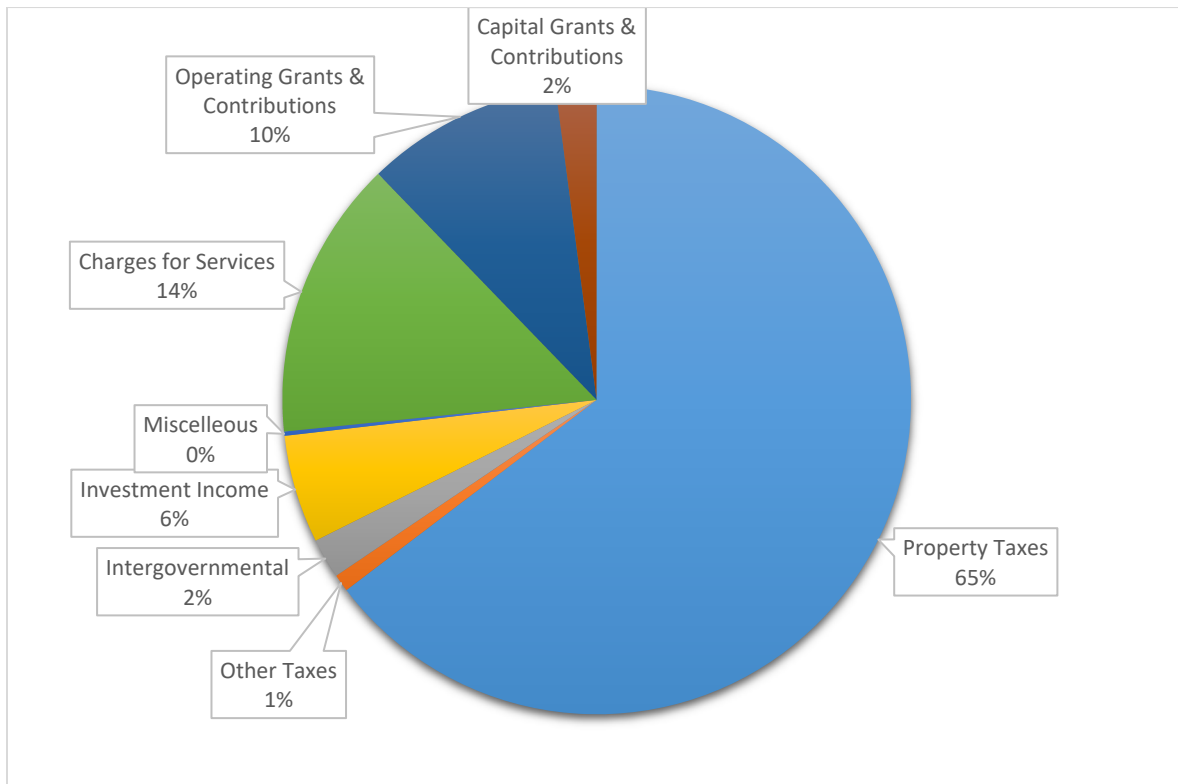
CITY OF NEW BERLIN CHANGES IN NET POSITION
For the years ending December 31, 2023 and 2022

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues						
Charges for services	\$ 7,368	\$ 6,845	\$ 18,594	\$ 18,319	\$ 25,962	\$ 25,164
Operating grants and contributions	5,194	4,756	1,787	-	6,981	4,756
Capital grants and contributions	1,072	636	559	231	1,631	867
General Revenues						
Property taxes	33,130	30,400	-	-	33,130	30,400
Other taxes	460	343	-	-	460	343
Intergovernmental revenues not restricted to specific programs	1,054	1,216	-	-	1,054	1,216
Investment income (loss)	2,849	254	1,593	298	4,442	552
Other	112	141	17	79	129	220
Total revenues	<u>51,239</u>	<u>44,591</u>	<u>22,550</u>	<u>18,927</u>	<u>73,789</u>	<u>63,518</u>
Expenses						
General government	7,403	6,944	-	-	7,403	6,944
Public safety	23,472	16,519	-	-	23,472	16,519
Highway and transportation	10,641	10,523	-	-	10,641	10,523
Library	1,875	1,658	-	-	1,875	1,658
Parks and recreation	3,053	2,693	-	-	3,053	2,693
Conservation and development	1,035	816	-	-	1,035	816
Interest and fiscal charges	2,356	1,475	-	-	2,356	1,475
Water	-	-	4,878	4,435	4,878	4,435
Wastewater	-	-	12,303	10,631	12,303	10,631
Water resource management	-	-	1,748	1,591	1,748	1,591
Total expenses	<u>49,835</u>	<u>40,628</u>	<u>18,929</u>	<u>16,657</u>	<u>68,764</u>	<u>57,285</u>
Increase (decrease) in net position before transfers	1,404	3,963	3,621	2,270	5,025	6,233
Transfers	(2,005)	562	2,005	(562)	-	-
Increase (decrease) in net position	(601)	4,525	5,626	1,708	5,025	6,233
Net position - January 1	52,980	48,455	144,781	143,073	197,761	191,528
Net position - December 31	<u>\$ 52,379</u>	<u>\$ 52,980</u>	<u>\$ 150,407</u>	<u>\$ 144,781</u>	<u>\$ 202,786</u>	<u>\$ 197,761</u>

Expenses and Program Revenues – Governmental Activities

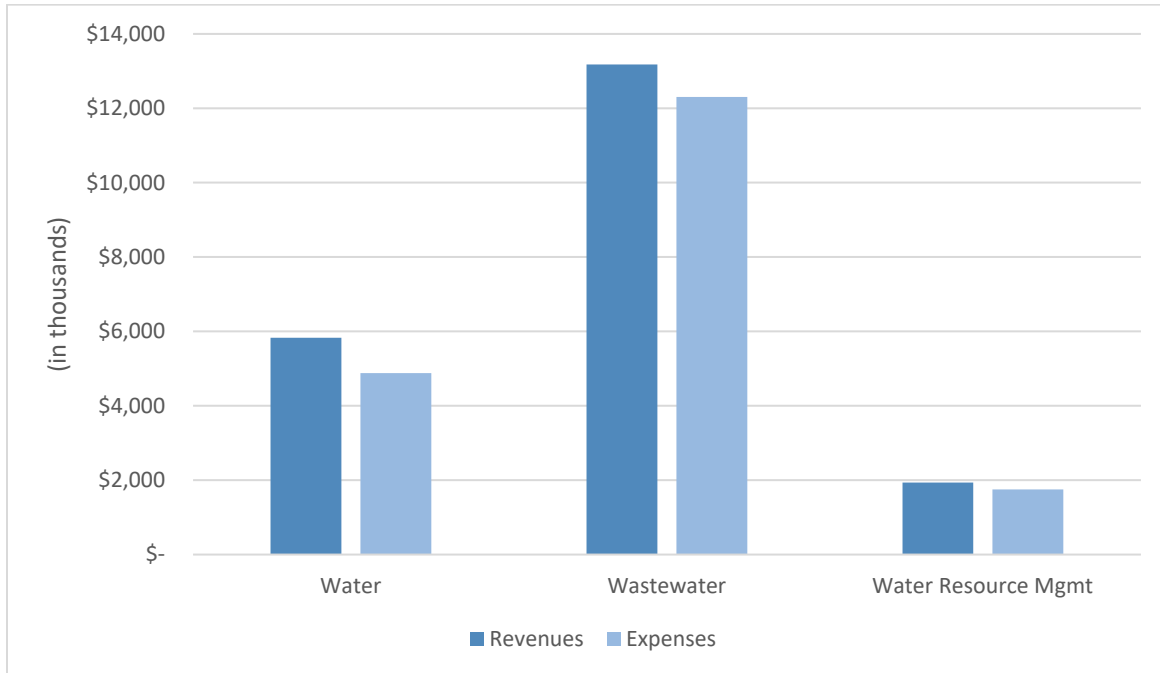


Program and General Revenues by Source – Governmental Activities

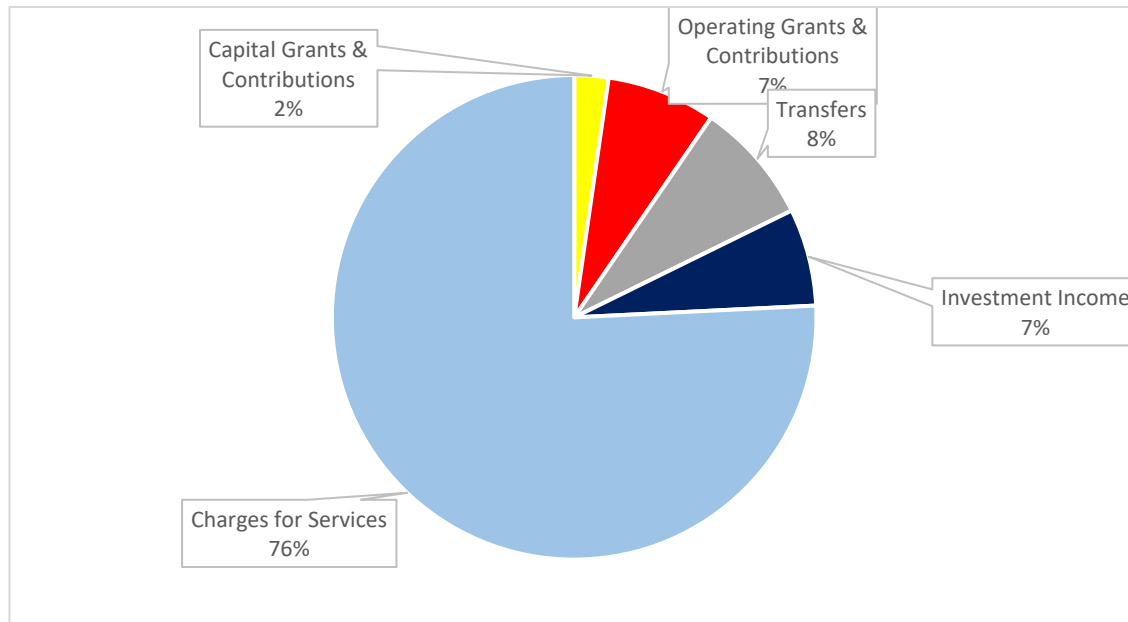


Business-type activities. Business-type activities increased the City of New Berlin's net position by \$5.6 million in 2023. The operating income of the utilities decreased \$113 from last year. The operating income for the wastewater utility increased \$230, the operating income for the water decreased \$190 and the Water Resource Management utility decreased \$153.

Expenses and Program Revenues – Business-type Activities



Revenues by Source – Business-type Activities



Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City of New Berlin's governmental funds is to provide information on near-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 the fiscal year.

Fund balances are the differences between assets/deferred outflows of resources and liabilities/deferred inflows of resources in a governmental fund. The non-spendable fund balance includes amounts that are not in spendable form, or amounts that are required to be maintained intact. Restricted fund balance include amounts that can be spent only for the specific purposes stipulated by external providers, such a grant providers or bondholders, as well as amounts that are restricted constitutionally or through legislation. Committed fund balance includes amounts that can be used only for the specific purposes that are determined by a formal action of the government's highest level of decision making authority. Assigned fund balance applies to amounts that are intended for specific purposes as expressed by the governing body or authorized official and applies to remaining resources in any governmental fund other than the general fund. Unassigned fund balances include all amounts not contained in other classifications for the general fund, and deficit fund balance in any other governmental fund.

As of the end of the current fiscal year, the City of New Berlin's governmental fund reported combined ending fund balances of \$30.6 million. Of that amount, a fraction was non-spendable, \$16.8 million was restricted, \$1.2 million was committed, \$1.4 million was assigned, and \$10.9 million was unassigned fund balance.

The general fund is the chief operating fund of the City of New Berlin. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$10,923, while total fund balance increased \$2,693 to \$12,098. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 32.1 percent of total general fund expenditures, while total fund balance represents 35.5 percent of that same amount.

The fund balance of the City of New Berlin's general fund increased \$2,693 during the current fiscal year compared to a budgeted use of fund balance of \$1,000. Key factors in this outcome are as follows:

- Investment income had a positive \$1,807 balance, due to the relatively large increase in interest rates.
- Police department has a \$429 positive budget balance, due mainly to several vacant positions because of retirements.
- Recreation Revenues were \$166 positive, due to expanded child summer camp offerings.

The debt service fund has a total fund balance of \$1,467, all of which is reserved for the payment of debt service.

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

Unrestricted net position of the Water Utility at the end of the year amounted to \$4,306, for the Wastewater Utility \$26,521 and for the Water Resource Management Utility amounted to \$4,797. The total change in net position for the funds was \$2,071, \$1,800, and \$1,755, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of New Berlin's business-type activities.

General Fund Budgetary Highlights

There was only one difference between the original budget and the final amended budget in 2023. The transfer from contingency was as follows:

- \$15 increase to the Streets Department for speed monitors

During the year, expenditures were less than budgetary estimates, thus fund balance was not drawn down as much as budgeted.

Capital Asset and Debt Administration

Capital assets: The City of New Berlin's investment in capital assets for its governmental and business type activities as of December 31, 2023, amounts to \$240,003 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, park facilities, roads, highways, and sidewalks. The City of New Berlin's overall investment in capital assets for the current fiscal year increased 9.3% - (governmental activities increased 16.6% while business-type activities increased 2.6%).

Major capital asset events during the current fiscal year included the following:

- Lincoln Avenue \$5 million and Small Road for \$4 million were completed this year. Both projects were a combination of city funds and Tax Incremental funds.
- Boiler replacement at city hall, for a cost of \$809
- Continued the process building the Recreation Center, Phase II was substantially completed, \$11.3 million spent in the current year.
- Work on the safety building, including roof replacement, mold remediation and foundation work totaled \$1.5 million.
- The balances of additions were routine in nature.

CITY OF NEW BERLIN'S CAPITAL ASSETS
(net of accumulated depreciation)
December 31, 2023 and 2022

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land & improvements	\$ 21,493	\$ 21,087	\$ 1,416	\$ 1,416	\$ 22,909	\$ 22,503
Intangible asset	308	315	375	450	683	765
Buildings	26,888	27,203	2,431	2,576	29,319	29,779
Machinery and equipment	17,300	16,718	2,353	1,891	19,653	18,609
Infrastructure	41,996	34,003	107,890	106,739	149,886	140,742
Construction in progress	14,852	6,054	2,701	1,074	17,553	7,128
Total	<u>\$ 122,837</u>	<u>\$ 105,380</u>	<u>\$ 117,166</u>	<u>\$ 114,146</u>	<u>\$ 240,003</u>	<u>\$ 219,526</u>

Additional information on the City of New Berlin's capital assets can be found in Note IV D on pages 54-57 of this report.

Long-term debt. At the end of the current fiscal year, the City of New Berlin had total bonded debt outstanding of \$95,070 which is backed by the full faith and credit of the government.

CITY OF NEW BERLIN'S OUTSTANDING DEBT
December 31, 2023 and 2022

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation bonds and notes	\$ 94,635	\$ 96,915	\$ 435	\$ 875	\$ 95,070	\$ 97,790

The City of New Berlin's total debt decreased \$2,670 (2.7 percent) during the current fiscal year.

Moody's affirmed the City's Aaa rating for its' \$13.150 million general obligation notes and \$6.15 million general obligation community development bonds issued in September.

State statutes limit the amount of general obligation debt a governmental entity may issue to 5 percent of its total equalized valuation. The current debt limitation for the City of New Berlin is \$355,256, which is significantly in excess of the City of New Berlin's outstanding general obligation debt.

Additional information on the City of New Berlin's long-term debt can be found in note IV F on pages 60-64 of this report.

Economic Factors and Next Year's Budgets and Rates

- The City's 2024 adopted budget increased to \$50,551 from \$45,168 in 2023, an increase of 11.9%.
- State shared revenue increased \$961 in 2024.
- The City used \$1.5 million of federal American Rescue Plan funds to replace lost revenues.
- The State of Wisconsin imposed a maximum tax levy increase of 0% for municipalities in 2012 and thereafter.

All of these factors were considered in preparing the City of New Berlin's budget for the 2024 fiscal year.

During the current fiscal year, unassigned fund balance in the general fund increased to \$10,923. The City of New Berlin has appropriated \$1,000 of surplus for spending in the 2024 fiscal year budget. It is intended that this use of available fund balance will stabilize the tax rate during the 2024 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City of New Berlin's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to the Finance Director, 3805 South Casper Drive, New Berlin, Wisconsin, 53151.

General information relating to the City of New Berlin, Wisconsin, can be found at the City's website, www.newberlin.org.

BASIC FINANCIAL STATEMENTS

CITY OF NEW BERLIN

STATEMENT OF NET POSITION As of December 31, 2023

	Primary Government		
	Governmental Activities	Business- type Activities	Total
ASSETS			
Cash and investments	\$ 37,655,910	\$ 28,174,972	\$ 65,830,882
Receivables (net of allowance for uncollectible accounts)	39,703,810	5,208,928	44,912,738
Lease receivable	3,562,948	1,063,194	4,626,142
Internal balances	(3,179,328)	3,179,328	-
Prepaid items	30,949	11,464	42,413
Deposit with CVMIC	802,060	-	802,060
Restricted assets			
Cash and investments	-	559,032	559,032
Capital assets (net of accumulated depreciation/amortization)			
Land	18,321,606	1,415,910	19,737,516
Other capital assets	89,663,496	113,048,887	202,712,383
Construction in progress	14,852,135	2,700,710	17,552,845
Total Assets	201,413,586	155,362,425	356,776,011
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	28,528,088	1,402,042	29,930,130
Deferred outflows related to OPEB	494,584	58,007	552,591
Total Deferred Outflows of Resources	29,022,672	1,460,049	30,482,721
LIABILITIES			
Accounts payable and other current liabilities	5,149,929	539,931	5,689,860
Accrued interest payable	463,599	23,242	486,841
Unearned revenue	789,963	-	789,963
Noncurrent liabilities			
Due within one year	10,953,349	580,648	11,533,997
Due in more than one year	94,357,571	2,841,303	97,198,874
Net pension liability	7,640,176	349,085	7,989,261
Total Liabilities	119,354,587	4,334,209	123,688,796
DEFERRED INFLOWS OF RESOURCES			
Pension related amounts	15,969,320	797,309	16,766,629
OPEB related amounts	1,884,735	221,049	2,105,784
Lease related amounts	3,562,948	1,063,194	4,626,142
Unearned revenue	37,285,276	-	37,285,276
Total Deferred Inflows of Resources	58,702,279	2,081,552	60,783,831
NET POSITION			
Net investment in capital assets	31,403,493	114,224,207	145,627,700
Restricted for			
Debt service	1,003,873	-	1,003,873
Impact fees	68,587	-	68,587
Replacement	-	559,032	559,032
Wastewater RCA fees	1,912,946	-	1,912,946
Culture and recreational programs	1,652,914	-	1,652,914
Public safety programs	224,217	-	224,217
Public works	883,829	-	883,829
Community development	521,318	-	521,318
Tax increment district	2,172,735	-	2,172,735
Capital projects	1,582,602	-	1,582,602
Unrestricted (deficit)	10,952,878	35,623,474	46,576,352
TOTAL NET POSITION	\$ 52,379,392	\$ 150,406,713	\$ 202,786,105

See accompanying notes to financial statements.

CITY OF NEW BERLIN

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Totals
Primary government						
Governmental Activities						
General government	\$ 7,403,166	\$ 1,003,228	\$ 1,913,395	\$ -	\$ (4,486,543)	\$ (4,486,543)
Protection of persons and property	23,472,124	2,600,737	1,121,618	98,422	(19,651,347)	(19,651,347)
Public Works	10,641,392	2,431,432	2,149,878	745,036	(5,315,046)	(5,315,046)
Library	1,874,845	115,942	-	3,080	(1,755,823)	(1,755,823)
Parks and recreation	3,053,204	1,079,879	9,284	225,287	(1,738,754)	(1,738,754)
Conservation and development	1,035,172	136,866	-	-	(898,306)	(898,306)
Interest and fiscal charges	2,356,162	-	-	-	(2,356,162)	(2,356,162)
Total Governmental Activities	49,836,065	7,368,084	5,194,175	1,071,825	(36,201,981)	(36,201,981)
Business-type Activities						
Water	4,878,075	5,419,113	-	408,929	-	949,967
Wastewater	12,303,563	11,383,817	1,786,611	6,000	-	872,865
Water Resource Management	1,747,897	1,791,181	-	144,374	-	187,658
Total Business-type Activities	18,929,535	18,594,111	1,786,611	559,303	-	2,010,490
Total primary government	\$ 68,765,600	\$ 25,962,195	\$ 6,980,786	\$ 1,631,128	(36,201,981)	(34,191,491)
General Revenues:						
Taxes						
Property taxes, levied for general purposes					23,765,620	23,765,620
Property taxes, levied for debt service					9,364,335	9,364,335
Other taxes					460,242	460,242
Intergovernmental revenues not restricted to specific programs					1,054,227	1,054,227
Investment income					2,849,453	2,849,453
Miscellaneous					112,428	112,428
Transfers					(2,004,965)	(2,004,965)
Total General Revenues and Transfers					35,601,340	35,601,340
Change in Net Position					(600,641)	(600,641)
Net Position - Beginning of Year					52,980,033	52,980,033
Net Position - End of Year					\$ 52,379,392	\$ 52,379,392

See accompanying notes to financial statements.

CITY OF NEW BERLIN

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2023

	General	General Debt Service	Capital Project Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 14,002,016	\$ 1,462,417	\$ 9,869,087	\$ 11,867,868	\$ 37,201,388
Receivables (net of allowance for uncollectible accounts)					
Taxes	26,483,545	10,665,557	-	895,690	38,044,792
Delinquent personal property taxes	144,132	-	-	-	144,132
Accounts	984,080	5,055	-	479,163	1,468,298
Leases	3,770,100	-	-	-	3,770,100
Interest	32,429	-	-	-	32,429
Special assessments	-	-	-	14,159	14,159
Due from other funds	373,958	-	-	-	373,958
Prepaid items	30,949	-	-	-	30,949
TOTAL ASSETS	\$ 45,821,209	\$ 12,133,029	\$ 9,869,087	\$ 13,256,880	\$ 81,080,205
LIABILITIES					
Accounts payable	\$ 1,098,321	\$ -	\$ 2,026,933	\$ 1,280,705	\$ 4,405,959
Accrued liabilities	95,980	-	-	-	95,980
Accrued payroll	572,469	-	-	-	572,469
Due to other funds	2,272,954	-	-	-	2,272,954
Advance from other Funds	-	-	1,280,332	-	1,280,332
Unearned revenues	164,231	-	-	625,732	789,963
Total Liabilities	4,203,955	-	3,307,265	1,906,437	9,417,657
DEFERRED INFLOWS OF RESOURCES					
Unearned revenues	25,723,779	10,665,557	-	895,940	37,285,276
Lease related amounts	3,770,100	-	-	-	3,770,100
Unavailable revenues	24,982	-	-	14,159	39,141
Total Deferred Inflows of Resources	29,518,861	10,665,557	-	910,099	41,094,517
FUND BALANCES					
Non-spendable:					
Delinquent personal property taxes	144,132	-	-	-	144,132
Prepays	30,949	-	-	-	30,949
Restricted					
Culture and recreation	-	-	-	1,652,915	1,652,915
Public safety	-	-	-	224,217	224,217
Community development	-	-	-	261,778	261,778
Tax Incremental District	-	-	-	2,172,732	2,172,732
Impact and RCA fees	-	-	-	1,981,533	1,981,533
Capital Projects	-	-	6,561,822	1,582,602	8,144,424
Debt Service	-	1,467,472	-	-	1,467,472
Public works	-	-	-	883,829	883,829
Committed:					
Culture and recreation	-	-	-	559,706	559,706
Community development	-	-	-	681,723	681,723
Assigned					
Subsequent year budget appropriations	1,000,000	-	-	-	1,000,000
Capital Projects	-	-	-	439,309	439,309
Unassigned	10,923,312	-	-	-	10,923,312
Total Fund Balances	12,098,393	1,467,472	6,561,822	10,440,344	30,568,031
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 45,821,209	\$ 12,133,029	\$ 9,869,087	\$ 13,256,880	

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

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

See Note IV D.

122,837,237

Internal service funds are reported in the statement of net position as governmental activities

1,181,061

The net pension liability does not relate to current financial resources and is not reported in the governmental funds.

(7,640,176)

Deferred outflows of resources related to pension and OPEB do not relate to current financial resources and are not reported in the governmental funds.

29,022,672

Deferred inflows of resources related to pension and OPEB do not relate to current financial resources and are not reported in the governmental funds.

(17,854,055)

Some receivables that are not currently available are reported as unavailable revenue in the fund financial statements but are recognized as revenue when earned in the government-wide statements. See Note II A.

39,141

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

(105,774,519)

NET POSITION OF GOVERNMENTAL ACTIVITIES**\$ 52,379,392**

See accompanying notes to financial statements.

CITY OF NEW BERLIN

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2023

	General	General Debt Service	Capital Project Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 23,101,317	\$ 9,481,389	\$ 78,397	\$ 929,094	\$ 33,590,197
Intergovernmental	5,934,536	-	-	332,855	6,267,391
Licenses and permits	1,130,715	-	-	-	1,130,715
Fines, forfeitures and penalties	336,532	-	-	-	336,532
Public charges for services	2,705,097	-	-	1,936,206	4,641,303
Public improvement revenues	-	-	-	92,994	92,994
Interdepartmental revenues	677,078	-	-	-	677,078
Investment income	2,032,050	-	619,731	197,672	2,849,453
Miscellaneous revenues	258,091	-	83,256	775,950	1,117,297
Total Revenues	<u>36,175,416</u>	<u>9,481,389</u>	<u>781,384</u>	<u>4,264,771</u>	<u>50,702,960</u>
EXPENDITURES					
Current					
General government	7,219,365	-	10,750	118,534	7,348,649
Protection of persons and property	18,812,858	-	-	324,097	19,136,955
Public Works	3,827,686	-	-	2,108,902	5,936,588
Library	1,718,632	-	-	52,629	1,771,261
Parks and recreation	1,834,774	-	-	236,712	2,071,486
Conservation and development	710,754	-	-	90,181	800,935
Capital Outlay	-	-	20,800,458	7,667,171	28,467,629
Debt Service					
Principal retirement	-	21,580,000	-	-	21,580,000
Interest and fiscal charges	-	2,585,807	153,863	150,534	2,890,204
Total Expenditures	<u>34,124,069</u>	<u>24,165,807</u>	<u>20,965,071</u>	<u>10,748,760</u>	<u>90,003,707</u>

CITY OF NEW BERLIN

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2023

	General	General Debt Service	Capital Project Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
Excess (deficiency) of revenues over expenditures	\$ 2,051,347	\$ (14,684,418)	\$ (20,183,687)	\$ (6,483,989)	\$ (39,300,747)
OTHER FINANCING SOURCES (USES)					
Long-term debt issued	-	-	10,075,000	9,225,000	19,300,000
Premium on bond issued	-	504,138	153,333	694,889	1,352,360
Capital lease issued	106,282	-	-	-	106,282
Transfers in	799,921	385,183	-	265,000	1,450,104
Transfers out	(265,000)	-	-	(520,183)	(785,183)
Total Other Financing Sources (Uses)	641,203	889,321	10,228,333	9,664,706	21,423,563
Net Change in Fund Balance	2,692,550	(13,795,097)	(9,955,354)	3,180,717	(17,877,184)
FUND BALANCES - Beginning of year	9,405,843	15,262,569	16,517,176	7,259,627	48,445,215
FUND BALANCES - END OF YEAR	\$ 12,098,393	\$ 1,467,472	\$ 6,561,822	\$ 10,440,344	\$ 30,568,031

See accompanying notes to financial statements.

CITY OF NEW BERLIN

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, 2023

Net change in fund balances - total governmental funds	\$ (17,877,184)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	25,653,370
Some items reported as capital outlay were not capitalized	(4,910,431)
Some items capitalized are reported as current expenditures	582,005
Depreciation is reported in the government-wide statements	(4,607,410)
Net book value of assets retired	(87,191)
Developer funded & donated capital additions	827,354

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. This amount is the net effect of the differences in the treatment of long-term debt. See Note II B.	1,466,489
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Revenues are reported in the governmental funds when current financial resources are available, but are recognized when earned in the statement of activities. See Note II B.	(129,781)
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Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. See Note II B.	(1,596,503)
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Internal Service fund change in net position	<u>78,641</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (600,641)</u></u>
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See accompanying notes to financial statements.

CITY OF NEW BERLIN

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON - GAAP) GENERAL FUND

For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 23,094,502	\$ 23,094,502	\$ 23,101,317	\$ 6,815
Intergovernmental	5,249,437	5,249,437	5,934,536	685,099
Licenses and permits	1,197,280	1,197,280	1,130,715	(66,565)
Fines, forfeitures and penalties	315,000	315,000	336,532	21,532
Public charges for services	2,328,941	2,328,941	2,705,097	376,156
Interdepartmental revenues	585,599	585,599	677,078	91,479
Investment income	225,000	225,000	2,032,050	1,807,050
Miscellaneous revenues	213,000	213,000	258,091	45,091
Total Revenues	<u>33,208,759</u>	<u>33,208,759</u>	<u>36,175,416</u>	<u>2,966,657</u>
EXPENDITURES				
Current				
General government	7,391,595	7,391,595	7,219,365	172,230
Protection of persons and property	19,082,527	19,082,527	18,732,096	350,431
Highway and transportation	3,851,235	3,866,235	3,827,686	38,549
Library	1,694,415	1,694,415	1,718,632	(24,217)
Parks and recreation	1,715,107	1,715,107	1,834,774	(119,667)
Conservation and development	783,880	783,880	710,754	73,126
Unclassified	-	-	-	-
Contingency	300,000	285,000	-	285,000
Total Expenditures	<u>34,818,759</u>	<u>34,818,759</u>	<u>34,043,307</u>	<u>775,452</u>
Excess (deficiency) of revenues over expenditures	(1,610,000)	(1,610,000)	2,132,109	3,742,109
OTHER FINANCING SOURCES (USES)				
Transfers in	875,000	875,000	799,921	(75,079)
Transfer out	(265,000)	(265,000)	(265,000)	-
Total other financing sources and (uses)	<u>610,000</u>	<u>610,000</u>	<u>534,921</u>	<u>(75,079)</u>
Net change in Fund Balance - budgetary basis	(1,000,000)	(1,000,000)	2,667,030	3,667,030
Adjustment to generally accepted accounting principles basis				
Change in Encumbrances	-	-	25,520	25,520
	-	-	25,520	25,520
Net Change in Fund Balance - -generally accepted accounting principles basis	(1,000,000)	(1,000,000)	2,692,550	3,692,550
FUND BALANCES - BEGINNING OF YEAR	<u>9,405,843</u>	<u>9,405,843</u>	<u>9,405,843</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 8,405,843</u>	<u>\$ 8,405,843</u>	<u>\$ 12,098,393</u>	<u>\$ 3,692,550</u>

See accompanying notes to financial statements.

CITY OF NEW BERLIN

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
As of December 31, 2023

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Utility	Wastewater Utility	Water Resource Management Utility	Totals	
ASSETS					
Current Assets					
Cash and investments	\$ 8,799,673	\$ 14,997,459	\$ 4,377,840	\$ 28,174,972	\$ 454,522
Receivables					
Accounts	1,095,014	3,559,568	473,727	5,128,309	-
Lease	157,656	-	-	157,656	-
Interest	1,432	31,945	-	33,377	-
Due from other funds	471,172	1,726,283	104,358	2,301,813	-
Prepaid	4,480	-	6,984	11,464	-
Advance to other fund	-	372,900	-	372,900	-
Total Current Assets	<u>10,529,427</u>	<u>20,688,155</u>	<u>4,962,909</u>	<u>36,180,491</u>	<u>454,522</u>
Non-Current Assets					
Restricted Assets					
Cash and investments	-	559,032	-	559,032	-
Capital Assets					
Land	642,046	456,017	317,847	1,415,910	-
Other capital assets	74,643,504	61,012,044	39,135,871	174,791,419	-
Accumulated depreciation/amortization	(28,126,997)	(19,618,669)	(13,996,866)	(61,742,532)	-
Construction work in progress	597,146	2,103,564	-	2,700,710	-
Other Assets					
Special assessments receivable	39,478	7,764	-	47,242	-
Lease receivable	905,538	-	-	905,538	-
Advance to other funds	-	6,297,432	-	6,297,432	-
Deposit with CVMIC	-	-	-	-	802,060
Total Non-Current Assets	<u>48,700,715</u>	<u>50,817,184</u>	<u>25,456,852</u>	<u>124,974,751</u>	<u>802,060</u>
TOTAL ASSETS	<u>59,230,142</u>	<u>71,505,339</u>	<u>30,419,761</u>	<u>161,155,242</u>	<u>1,256,582</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pension	785,017	512,180	104,845	1,402,042	-
Deferred outflows related to OPEB	<u>30,530</u>	<u>27,477</u>	<u>-</u>	<u>58,007</u>	<u>-</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>815,547</u>	<u>539,657</u>	<u>104,845</u>	<u>1,460,049</u>	<u>-</u>

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Utility	Wastewater Utility	Water Resource Management Utility	Totals	
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 258,011	\$ 185,926	\$ 28,015	\$ 471,952	\$ -
Accrued liabilities	58,233		9,746	67,979	75,521
Accrued interest payable	23,105		137	23,242	-
Due to other funds	239,531	64,165	99,121	402,817	-
Current portion of general obligation notes	435,000		-	435,000	-
Current portion of advance	205,000		55,000	260,000	-
Current portion of revenue bonds	145,648	-	-	145,648	-
Total Current Liabilities	<u>1,364,528</u>	<u>250,091</u>	<u>192,019</u>	<u>1,806,638</u>	<u>75,521</u>
Non-Current Liabilities					
Long-Term Debt					
General obligation promissory notes	10,530	-	-	10,530	-
Revenue Bonds	2,350,122	-	-	2,350,122	-
Advance from sewer	5,130,000	-	-	5,130,000	-
Net Pension Liability	191,065	137,083	20,937	349,085	-
Net OPEB obligation	252,974	227,677	-	480,651	-
Total Non-Current Liabilities	<u>7,934,691</u>	<u>364,760</u>	<u>20,937</u>	<u>8,320,388</u>	<u>-</u>
TOTAL LIABILITIES	<u>9,299,219</u>	<u>614,851</u>	<u>212,956</u>	<u>10,127,026</u>	<u>75,521</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to leases	1,063,194	-	-	1,063,194	-
Deferred inflows related to OPEB	116,342	104,707	-	221,049	-
Deferred inflows related to pension	447,277	292,224	57,808	797,309	-
Total Deferred Inflows of Resources	<u>1,626,813</u>	<u>396,931</u>	<u>57,808</u>	<u>2,081,552</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	44,814,399	43,952,956	25,456,852	114,224,207	-
Restricted for					
Replacement	-	559,032	-	559,032	-
Unrestricted	<u>4,305,258</u>	<u>26,521,226</u>	<u>4,796,990</u>	<u>35,623,474</u>	<u>1,181,061</u>
TOTAL NET POSITION	<u>\$ 49,119,657</u>	<u>\$ 71,033,214</u>	<u>\$ 30,253,842</u>	<u>\$ 150,406,713</u>	<u>\$ 1,181,061</u>

See accompanying notes to financial statements.

CITY OF NEW BERLIN

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS For the Year Ended December 31, 2023

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Utility	Wastewater Utility	Water Resource Management Utility	Totals	
OPERATING REVENUES					
Charges for services and sales	\$ 5,070,991	\$ 11,258,272	\$ 1,791,181	\$ 18,120,444	\$ 250,954
Other operating revenues	348,122	125,545	-	473,667	-
Total Operating Revenues	<u>5,419,113</u>	<u>11,383,817</u>	<u>1,791,181</u>	<u>18,594,111</u>	<u>250,954</u>
OPERATING EXPENSES					
Operation and maintenance	3,117,131	9,595,756	1,161,833	13,874,720	172,313
Depreciation	1,378,368	921,728	561,679	2,861,775	-
Taxes	62,389	37,104	21,222	120,715	-
Total Operating Expenses	<u>4,557,888</u>	<u>10,554,588</u>	<u>1,744,734</u>	<u>16,857,210</u>	<u>172,313</u>
Operating Income (loss)	<u>861,225</u>	<u>829,229</u>	<u>46,447</u>	<u>1,736,901</u>	<u>78,641</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	429,521	939,103	192,958	1,561,582	-
Amortization of bond premium	31,710	-	-	31,710	-
Claim Settlement	-	-	17,414	17,414	-
Grant Income	-	1,786,611	-	1,786,611	7,000
Grant Expense	-	(1,748,975)	-	(1,748,975)	(7,000)
Interest expense	(320,187)	-	(3,163)	(323,350)	-
Total Nonoperating Revenues (Expenses)	<u>141,044</u>	<u>976,739</u>	<u>207,209</u>	<u>1,324,992</u>	<u>-</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	1,002,269	1,805,968	253,656	3,061,893	78,641
CAPITAL CONTRIBUTIONS					
Developers	408,929	6,000	144,374	559,303	-
City	1,313,303	-	1,356,583	2,669,886	-
TRANSFERS OUT	<u>(653,441)</u>	<u>(11,480)</u>	<u>-</u>	<u>(664,921)</u>	<u>-</u>
CHANGE IN NET POSITION	2,071,060	1,800,488	1,754,613	5,626,161	78,641
NET POSITION - Beginning of Year	<u>47,048,597</u>	<u>69,232,726</u>	<u>28,499,229</u>	<u>144,780,552</u>	<u>1,102,420</u>
NET POSITION - END OF YEAR	<u>\$ 49,119,657</u>	<u>\$ 71,033,214</u>	<u>\$ 30,253,842</u>	<u>\$ 150,406,713</u>	<u>\$ 1,181,061</u>

See accompanying notes to financial statements.

CITY OF NEW BERLIN

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2023**

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Utility	Wastewater Utility	Water Resource Management Utility	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 4,959,225	\$ 10,492,267	\$ 1,772,132	\$ 17,223,624	\$ -
Receipts from municipality	699,858	-	-	699,858	-
Payments to municipality	-	-	(449,010)	(449,010)	250,954
Payments to suppliers	(2,495,743)	(10,567,307)	(389,277)	(13,452,327)	(192,486)
Payments to employees	(746,062)	(523,733)	(296,351)	(1,566,146)	-
Net Cash Flows From Operating Activities	<u>2,417,278</u>	<u>(598,773)</u>	<u>637,494</u>	<u>2,455,999</u>	<u>58,468</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Receipt of advances	-	273,000	-	273,000	-
Advance issued to other funds	-	(666,666)	-	(666,666)	-
Claim Settlements	-	-	17,414	17,414	-
Transfers out - paid for tax equivalent	(653,441)	(11,480)	-	(664,921)	-
Net Cash Flows From Non-Capital Related Financing Activities	<u>(653,441)</u>	<u>(405,146)</u>	<u>17,414</u>	<u>(1,041,173)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(1,120,545)	(1,593,158)	(176,654)	(2,890,357)	-
Salvage on retired plant	30,314	20,018	-	50,332	-
Grant received	-	1,294,224	-	1,294,224	-
Bond issuance cost	-	(1,747,042)	-	(1,747,042)	-
Payment of advance	-	-	(55,000)	(55,000)	-
Advance issued	(165,000)	-	-	(165,000)	-
Debt retired	(582,920)	-	-	(582,920)	-
Interest paid	(289,331)	-	(3,300)	(292,631)	-
Net Cash Flows From Capital and and Related Financing Activities	<u>(2,127,482)</u>	<u>(2,025,958)</u>	<u>(234,954)</u>	<u>(4,388,394)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	-	(1,698,932)	-	(1,698,932)	-
Investments sold	369,886	1,625,003	-	1,994,889	-
Interest received	417,195	835,330	192,958	1,445,483	-
Net Cash Flows From Investing Activities	<u>787,081</u>	<u>761,401</u>	<u>192,958</u>	<u>1,741,440</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	423,436	(2,268,476)	612,912	(1,232,128)	58,468
CASH AND CASH EQUIVALENTS – Beginning of Year	<u>7,945,883</u>	<u>14,274,590</u>	<u>3,764,928</u>	<u>25,985,401</u>	<u>396,054</u>
CASH AND CASH EQUIVALENTS – END OF YEAR	<u>\$ 8,369,319</u>	<u>\$ 12,006,114</u>	<u>\$ 4,377,840</u>	<u>\$ 24,753,273</u>	<u>\$ 454,522</u>

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Utility	Wastewater Utility	Water Resource Management Utility	Totals	
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ 861,225	\$ 829,229	\$ 46,447	\$ 1,736,901	\$ 78,641
Adjustments to reconcile operating income to net cash flows from operating activities					
Noncash items included in operating income					
Depreciation expense	1,378,368	921,728	561,679	2,861,775	-
Depreciation charged to other accounts	109,637	-	-	109,637	-
Changes in Assets and Liabilities					
Accounts receivable	7,751	203	775	8,729	-
Lease receivable	1,068,064	-	-	1,068,064	-
Receivable from municipality	181,277	(1,071,622)	(19,839)	(910,184)	-
Receivable from wastewater	143,975	-	-	143,975	-
Receivable from water	-	-	15	15	-
Receivable from water resource management	(22,650)	179,869	-	157,219	-
Prepays	(4,480)	-	(6,984)	(11,464)	-
Pension related inflow	(255,320)	(205,770)	30,059	(431,031)	-
OPEB related inflow	28,924	34,772	-	63,696	-
Net pension liability (asset)	480,630	341,938	53,990	876,558	-
Accounts payable	(16,827)	(651,419)	2,986	(665,260)	-
Accrued liabilities	(70,383)	-	174	(70,209)	(20,173)
Lease related inflow	(1,068,064)	-	-	(1,068,064)	-
Net OPEB obligation	(22,866)	7,005	-	(15,861)	-
Pension related outflow	(172,995)	(103,623)	(76,649)	(353,267)	-
OPEB related outflow	(836)	(3,722)	-	(4,558)	-
Payable to municipality	(27,179)	(732,886)	21,603	(738,462)	-
Payable to water resource management	(15)	-	-	(15)	-
Payable to wastewater	(180,958)	-	588	(180,370)	-
Payable to water	-	(144,475)	22,650	(121,825)	-
Net Cash Flows From Operating Activities	\$ 2,417,278	\$ (598,773)	\$ 637,494	\$ 2,455,999	\$ 58,468

RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET ASSETS

Cash and cash equivalents - unrestricted	\$ 8,799,673	\$ 14,997,459	\$ 4,377,840	\$ 28,174,972	\$ 454,522
Cash and cash equivalents - restricted	-	559,032	-	559,032	-
Less: Non-cash equivalents	(430,354)	(3,550,377)	-	(3,980,731.00)	-
CASH AND CASH EQUIVALENTS	\$ 8,369,319	\$ 12,006,114	\$ 4,377,840	\$ 24,753,273	\$ 454,522

NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES

Cost of utility plant installed and/or financed by developers	\$ 408,929	\$ 6,000	\$ 144,374	\$ 559,303
Cost of utility plant installed and/or financed by city	\$ 1,313,303	-	\$ 1,356,583	\$ 2,669,886
Capital assets included in accounts payable	\$ 10,862	\$ 62,085	\$ -	\$ 72,947
Amortization of bond premium	\$ 31,710	\$ -	\$ -	\$ 31,710

See accompanying notes to financial statements.

CITY OF NEW BERLIN

FIDUCIARY FUNDS STATEMENT OF FIDUCIARY NET POSITION As of December 31, 2023

	Custodial Funds		
	Collection Fund	Deposit Fund	Total
ASSETS			
Cash and investments	\$ 51,874,782	\$ 1,147,938	\$ 53,022,720
Taxes receivable	7,349,610	-	7,349,610
TOTAL ASSETS	\$ 59,224,392	\$ 1,147,938	\$ 60,372,330
LIABILITIES			
Due to other taxing units	\$ 59,224,392	\$ -	\$ 59,224,392
Deposits	-	1,147,938	1,147,938
TOTAL LIABILITIES	\$ 59,224,392	\$ 1,147,938	\$ 60,372,330
NET POSITION - END OF YEAR	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

CITY OF NEW BERLIN

FIDUCIARY FUNDS STATEMENT OF CHANGES IN FIDUCIARY NET POSITION For the Year Ended December 31, 2023

	Custodial Funds	
	Tax Collection Fund	Deposit Fund
ADDITIONS		
Tax Collections	\$ 48,760,688	\$ -
Deposit Collections	-	566,195
TOTAL ADDITIONS	<u>48,760,688</u>	<u>566,195</u>
DEDUCTIONS		
Payments to overlying districts	48,760,688	-
Deposit Payments	-	566,195
TOTAL DEDUCTIONS	<u>48,760,688</u>	<u>566,195</u>
Change in Fiduciary Net Position	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

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CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of New Berlin, 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).

A. REPORTING ENTITY

This report includes all of the funds of the City of New Berlin. 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.

B. 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 non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

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.

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.

Funds are organized as major funds or non-major 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 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent 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.

The city reports the following major governmental funds:

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

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

Capital Improvements Capital Projects Fund – 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 for capital improvement projects.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The City reports the following major enterprise funds:

Water Utility – accounts for operations of the water system.
Wastewater Utility – accounts for operations of the wastewater system.
Water Resource Management Utility – accounts for operations of the storm water system.

The City reports the following non-major governmental funds:

Special Revenue Funds – 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).

Park & Open Space	Concession Stand	Landscape
Trail Fees	Park & Recreation	Building Maintenance
Impact Fees	Police	Technology Fee
Wastewater RCA Fees	Fire	Tourism Commission Fund
Golf Course	Mayor	Tax Increment District
Fourth of July	Special Assessment	Grant
Library	Garbage/Recycling	

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

Equipment Equipment Replacement

In addition, the city reports the following fund types:

Internal service funds are used to account 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.

General Liability Insurance

Custodial funds - 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
Deposit

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. 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 inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the city's water, wastewater and water resource management utilities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the 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.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements (cont.)

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.

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 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 *non-operating* 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 Water, Wastewater, and Water Resource Management Utilities are charges to customers for sales and services. The rates used in the Water Utility were approved by the Public Service Commission. Wastewater and Water Resource Management service charges are billed at rates established by the city's common council. 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 non-operating 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.

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. 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.
See Note IV.A. for further information.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

2. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. 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 in the accompanying statement of fiduciary net position.

Property tax calendar – 2023 tax roll:

Lien date and levy date	December 2023
Tax bills mailed	December 2023
Payment in full, or	January 31, 2024
First installment due	January 31, 2024
Second installment due	March 31, 2024
Third installment due	May 31, 2024
Personal property taxes in full	January 31, 2024
Tax sale – 2023 delinquent real estate taxes	October 2026

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 utilities because they have the right by law to place delinquent bills on the tax roll.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term inter-fund loans are reported as “due to and from other funds.” Long-term inter-fund loans (noncurrent portion) are reported as “advances from and to other funds.” Inter-fund 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 government-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a non-spendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

3. 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. Any materials and supplies on hand at year-end are considered immaterial.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

3. Inventories and Prepaid Items (cont.)

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.

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties.

5. Capital Assets

Government –Wide Statements

Capital assets, which include property, plant and equipment (including right-to-use lease assets), are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets, \$10,000 for infrastructure assets, \$1,000 for utility system assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated fixed 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 and amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Depreciation and amortization are provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	20-50 Years
Land Improvements	10-50 Years
Machinery and Equipment	5-50 Years
Intangible Asset	4-20 Years
Utility System	4-100 Years
Infrastructure	25-75 Years

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

5. Capital Assets (cont.)

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.

6. Deferred Outflows of Resources

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

A deferred charge on refunding arises from advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund statements.

7. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

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

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2023 are determined on the basis of current salary rates and include salary related payments.

8. Long-Term Obligations/Conduit Debt

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

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

8. Long-Term Obligations/Conduit Debt (cont.)

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

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

The city has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the city. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is \$4,334,651, made up of two issues.

9. Leases

The City is a lessor because it leases capital assets to other entities. As a lessor, the City reports a lease receivable and corresponding deferred inflow of resources in both the fund financial statements and government-wide financial statements. The City continues to report and depreciate the capital assets being leased as capital assets of the primary government.

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

10. 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.

11. 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.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

11. Equity Classifications (cont.)

- 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 definition 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, and then unrestricted resources as they are needed.

Fund Statements

Governmental fund balances displayed as follows:

- a. Non-spendable – 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. 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 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 Council has, by resolution, adopted a financial policy authorizing the Mayor and the Director of Finance 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.

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

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

11. Equity Classifications (cont.)

Fund Statements (cont.)

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 formal minimum fund balance policy. That policy is to maintain a working capital reserve to pay for needs caused by unforeseen emergencies. This reserve will be maintained at a minimum of not less than fifteen percent of the subsequent year's general fund budgeted expenditures. The balance at year end was \$7,582,638 or 15.0% and is included in unassigned general fund balance.

12. 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,
- 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 WRS. For this purpose, benefit payments (including refund of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

13. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City OPEB Plan and additions to/deductions from the City OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the City Plan. For this purpose, the City OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET POSITION

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains “other long-term assets that are not available to pay for current period expenditures and therefore are unavailable in the funds”. The details of this difference are as follows:

Special Assessments	\$ 14,159
Subsequent period collections	<u>24,982</u>
Combined Adjustment for unavailable revenue	<u>\$ 39,141</u>

Long-term liabilities applicable to the city’s governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities—both current and long-term—are reported in the statement of net position.

Bonds and notes payable	\$ 94,635,000
Compensated absences	1,817,453
Net OPEB obligation	5,091,452
Accrued interest	463,599
Lease payable	336,901
Unamortized debt premium (to be amortized over life of debt)	<u>3,430,114</u>
Combined Adjustment for Long-Term Liabilities	<u>\$ 105,774,519</u>

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “Revenues are reported in the governmental funds when current financial resources are available, but are recognized when earned in the statement of activities.” The details of this difference are as follows:

Subsequent period collections	\$ (154,763)
Current period collections	<u>24,982</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (129,781)</u>

Another element of that reconciliation states “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.” Also, governmental fund report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. The details of this \$1,466,489 difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$ (6,150,000)
Issuance of general obligation notes	(13,150,000)
Premium from sale of bonds, net of amortization	(777,555)
Capital Lease	(106,282)
Principal repayments:	
General obligation debt	7,610,000
State Trust Fund Loan	13,970,000
Capital lease	<u>70,326</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 1,466,489</u>

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES (cont.)

Another element of that reconciliation states, “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$(1,596,503) difference are as follows:

Compensated absences	\$ (87,644)
Net pension asset	(19,036,454)
Deferred outflows related to pension	6,310,724
Deferred inflows related to pension	10,826,026
Intergovernment Agreement	666,667
Net OPEB obligation	168,012
Deferred outflows related to OPEB	(13,186)
Deferred inflows related to OPEB	(389,885)
Accrued interest	<u>(40,763)</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (1,596,503)</u>

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

A. BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I C. except that actual (non-GAAP) expenditures presented reflect actual (GAAP) expenditures adjusted for expenditures liquidated under the prior period budget and encumbrances expected to be liquidated under the current period budget.

A budget has been adopted for the general, special revenue, and debt service funds. Budgets have not been formally adopted for capital project funds, except for the Equipment and Equipment Replacement Funds.

The budgeted amounts presented include any amendments made during the year. Transfers between departments and changes to the overall budget must be approved by a two-thirds council action. There were no supplemental appropriations during the year. Appropriations lapse at year-end unless specifically carried over. Carryovers to the following year were not material. Budgets are adopted at the fund level of expenditure.

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

<u>Fund</u>	<u>Budget Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
Special Revenue Funds			
Park and Recreation Fund	\$ 26,050	\$ 72,699	\$ 46,649
Fire Fund	14,000	44,027	30,027
Fourth of July Fund	85,255	144,906	59,651
Concession Stand Fund	8,691	18,261	9,570
Police Fund	73,250	99,865	26,615
Building Maintenance Fund	-	52,691	52,691
Landscape Fund	12,000	13,802	1,802
Technology Fund	6,111	25,685	19,574
Tax Increment District Fund	411,450	7,624,751	7,213,301
Garbage/Recycling Fund	2,074,725	2,098,630	23,905
Grant Fund	97,345	272,014	174,669
Library Fund	16,600	50,874	34,274
Capital Projects Fund			
Equipment Fund	-	4,250	4,250
Debt Service Fund	10,006,250	24,165,807	14,159,557

The city controls expenditures at the department level. Some individual departments and funds experienced expenditures, which exceeded appropriations. The detail of those items can be found in the city's year-end budget to actual report.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

C. LIMITATIONS ON THE CITY 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.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

Cash equivalents and investments as shown on the city's Statement of Net Position are subject to the following risks:

	Carrying Value	Bank Balance	Associated Risks
Petty Cash	\$ 3,410	\$ -	N/A
Money market account	15,674,505	4,940,846	Custodial credit
Money market mutual fund	1,777,777	1,777,777	Credit and interest rate
Municipal securities	925,461	925,461	Custodial credit, credit, interest rate and concentration of credit
U.S. Government agency securities	6,269,922	6,269,922	Custodial credit, credit, interest rate and concentration of credit
U.S. Government treasury securities	908,689	908,689	Custodial credit and interest rate
Certificates of deposit - negotiable	4,564,110	4,564,110	Custodial Credit, credit, interest rate and concentration of credit
Local government investment pool	<u>89,288,760</u>	<u>89,288,760</u>	Credit
Total Cash and investments	<u>\$ 119,412,634</u>	<u>\$ 108,675,565</u>	
Reconciliation to financial statements			
Per Statement of Net Position			
Cash and investment	\$ 65,830,882		
Restricted - cash and investment	559,032		
Per statement of fiduciary net position:			
Custodial funds	<u>53,022,720</u>		
Total	<u>\$ 119,412,634</u>		

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

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

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing custodial credit risk.

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 outlined later in this note. 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 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, 2023 the fair value of the city's share of the LGIP's assets was substantially equal to the amount as reported in these statements

Wisconsin Statute 66.0603 authorizes the City to invest in the following type of instruments:

1. Time deposits in any credit union, bank, savings bank or trust company.
2. 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.
3. Bonds or securities issued or guaranteed by the federal government.
4. The local government investment pool.
5. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
6. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
7. Repurchase agreements with public depositories, with certain conditions.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

The City of New Berlin has adopted an investment policy. The investment policy limits investments to the following:

- U.S. Treasury obligations with maturities not exceeding five years from trade settlement date.
- Federal instrumentalities with maturities not exceeding five years from trade settlement date.
- Local government investment pools meeting Wisconsin statute 25.50 or 66.0301.
- Repurchase agreements with the city's deposit bank collateralized with 102% of market value of principal and accrued interest.
- Interest-bearing certificates of deposit collateralized with 102% of market value of principal and accrued interest.
- Commercial securities of the highest or second highest ratings.

PMA Financial Network, Inc. is the administrator for the Wisconsin Investment Series Cooperative (WISC). The investment manager for WISC is PMA Financial Network, Inc. The WISC is not registered with the Securities and Exchange Commission but invests its funds in accordance with applicable Wisconsin statutes. The WISC has the characteristics of a mutual fund and accordingly, reports the value of its underlying assets at fair value. At December 31, 2023, the City's share of the WISC's assets was substantially equal to the amount reported above.

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 method for recurring fair value measurements of investments is the quoted market prices approach.

The City's investments are categorized are as follows:

Investment Type	December 31, 2023			
	Level 1	Level 2	Level 3	Total
U.S. Govt Agencies	\$ -	\$ 6,269,922	\$ -	\$ 6,269,922
U.S. Govt Treasury	-	908,689	-	908,689
Municipal Securities	-	925,461	-	925,461
Certificates of Deposit - negotiable	-	4,564,110	-	4,564,110
Money market mutual fund	1,777,777	-	-	1,777,777
Total	<u>\$ 1,777,777</u>	<u>\$ 12,668,182</u>	<u>\$ -</u>	<u>\$ 14,445,959</u>

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk – Deposits: Is the risk that in the event of a financial institution failure, the city's deposits may not be returned to the city. The carrying value for deposits was \$15,674,505 and the bank's carrying value was \$4,940,846. To meet current obligations, deposits are maintained in overnight repurchase agreements and transferred to a master control bank account as checks are presented for payment.

As of December 31, 2023, \$2,468,969 of the City's total demand deposit bank balances of \$4,954,426 was uninsured and uncollateralized.

Custodial Credit Risk – Investments: 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. All investments exposed to custodial risk are held by the city's agent in the city's name.

Interest Rate Risk – Is the risk that changes in interest rates will adversely affect the value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the city's investment policy limits the maturity of any security to no more than five years from the date of purchase or in accordance with state and local statutes and ordinances, whichever is less. In addition, the policy indicates that the investment portfolio should be structured so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior maturity. The policy also states that with the exception of U.S. Treasury securities and authorized pools, no more than 50% of the city's total investment portfolio will be invested in a single security type.

The city had the following investments and maturities as of December 31, 2023:

	Fair Value	Investment Maturities (in years)		
		Less than 1	1-3	3-5
U.S. Government agency securities	\$ 6,269,922	\$ 2,394,940	\$ 3,065,285	\$ 809,697
U.S. Government treasury securities	908,689	908,689	-	-
Certificates of Deposit - negotiable	4,564,110	2,367,009	2,197,101	-
Money Market Mutual Fund	1,777,777	1,777,777	-	-
Municipal Securities	925,461	800,714	124,747	-
Total investments	<u>\$ 14,445,959</u>	<u>\$ 8,249,129</u>	<u>\$ 5,387,133</u>	<u>\$ 809,697</u>

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The city's investment policy minimizes credit risk by limiting investments to the safest type of securities and diversifying the investment portfolio. The policy also states that with the exception of U.S. Treasury securities and authorized pools, no more than 50% of the city's total investment portfolio will be invested with a single financial institution.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

As of December 31, 2023, the city's investments in municipal securities, U.S. government agency securities were rated Aa1, Aaa and Aaa, respectively, by Moody's Investor Services.

The Local Government Investment Pool and negotiable certificates of deposit are not rated.

Concentration of Credit Risk: Is the risk of loss attributed to the magnitude of the city's investment in a single issuer. At December 31, 2023 none of the City's investments in a single issuer exceeded 5%.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES

Receivables as of year-end for the city's individual major funds, non-major funds and fiduciary funds, including the applicable allowances for uncollectible accounts, are detailed on the governmental funds' balance sheet, proprietary funds' statement of net position and the fiduciary fund's statement of fiduciary net position. All amounts are expected to be collected within one year except for \$24,982 and \$14,159 reported in the general fund and non-major governmental funds respectively.

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

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 34,982,921	\$ -
Special assessments not yet due	-	14,159
Lease receivable	3,770,100	-
Subsequent period prepayments	789,963	-
Subsequent period collections	250	24,982
Special charges on tax roll	<u>2,302,105</u>	<u>-</u>
Total Unearned/Unavailable Revenue for Governmental Funds	<u>\$ 41,845,339</u>	<u>\$ 39,141</u>
Unearned revenue included in liabilities	\$ 789,963	
Unearned lease receivable included in deferred inflows	3,770,100	
Unearned revenue included in deferred inflows	<u>37,285,276</u>	
Total Unearned Revenue for Governmental Funds	<u>\$ 41,845,339</u>	

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Equipment Replacement Account

The wastewater utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources. The balance of this account is \$559,032.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated/amortized:				
Land	\$ 18,321,606	\$ -	\$ -	\$ 18,321,606
Construction in progress	6,053,629	11,483,932	(2,685,426)	14,852,135
Total Capital Assets Not Being Depreciated/Amortized	24,375,235	11,483,932	(2,685,426)	33,173,741
Capital Assets Being Depreciated/Amortized				
Land improvements	5,148,625	589,751	-	5,738,376
Buildings	42,451,789	712,239	(51,158)	43,112,870
Machinery and equipment	33,133,720	2,514,718	(517,887)	35,130,551
Roads	103,051,450	9,190,238	(1,150,944)	111,090,744
Sidewalks/Bikepaths	4,013,215	51,618	-	4,064,833
Street lighting	2,855,502	216,248	-	3,071,750
Intangible assets	1,728,771	78,980	-	1,807,751
Easements	30,000	-	-	30,000
Total Capital Assets Being Depreciated/Amortized	192,413,072	13,353,792	(1,719,989)	204,046,875
Less: Accumulated Depreciation/Amortization for:				
Land improvements	(2,383,196)	(183,614)	-	(2,566,810)
Buildings	(15,248,441)	(1,016,729)	40,486	(16,224,684)
Machinery and equipment	(16,415,810)	(1,856,417)	441,367	(17,830,860)
Roads	(72,788,051)	(1,235,715)	1,150,944	(72,872,822)
Sidewalks/Bikepaths	(2,514,680)	(144,603)	-	(2,659,283)
Street lighting	(614,821)	(84,675)	-	(699,496)
Intangible assets	(1,443,768)	(85,656)	-	(1,529,424)
Total Accumulated Depreciation/Amortization	(111,408,767)	(4,607,409)	1,632,797	(114,383,379)
Net Capital Assets Being Depreciated/Amortized	81,004,305	8,746,383	(87,192)	89,663,496
Governmental Activities Capital Assets, Net of Accumulated Depreciation/Amortization	\$105,379,540	\$ 20,230,315	\$ (2,772,618)	\$ 122,837,237

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Depreciation/Amortization expense was charged to functions as follows:

Governmental Activities

General government	\$ 616,870
Protection of persons and property	873,424
Highway and transportation, which includes the depreciation of infrastructure	1,948,099
Library	384,979
Parks and recreation	<u>784,037</u>
Total Governmental Activities Depreciation/Amortization Expense	<u>\$4,607,409</u>

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciated/amortized:				
Land	\$ 1,415,910	\$ -	\$ -	\$ 1,415,910
Construction in progress	1,073,922	2,100,260	(473,472)	2,700,710
Total Capital Assets				
Not Being Depreciated/Amortized	2,489,832	2,100,260	(473,472)	4,116,620
Capital Assets Being Depreciated/Amortized				
Intangible asset	1,500,000	-	-	1,500,000
Buildings	4,698,789	-	-	4,698,789
Machinery and equipment	7,471,247	919,775	(116,247)	8,274,775
Wastewater infrastructure	57,930,221	-	-	57,930,221
Water Infrastructure	61,909,090	1,983,215	(79,271)	63,813,034
Water Resource infrastructure	37,073,643	1,500,957	-	38,574,600
Total Capital Assets				
Being Depreciated/Amortized	170,582,990	4,403,947	(195,518)	174,791,419
Less: Accumulated Depreciation/Amortization				
Intangible asset	(1,050,000)	(75,000)	-	(1,125,000)
Buildings	(2,122,902)	(144,430)	-	(2,267,332)
Machinery and equipment	(5,580,366)	(510,124)	169,123	(5,921,367)
Wastewater infrastructure	(16,969,108)	(694,424)	-	(17,663,532)
Water Infrastructure	(19,872,609)	(1,090,998)	61,819	(20,901,788)
Water Resource infrastructure	(13,332,076)	(531,437)	-	(13,863,513)
Total Accumulated Depreciation/Amortization	(58,927,061)	(3,046,413)	230,942	(61,742,532)
Net Capital Assets				
Being Depreciated/Amortized	111,655,929	1,357,534	35,424	113,048,887
Business-Type Activities				
Capital Assets, Net of Accumulated Depreciation/Amortization	\$ 114,145,761	\$ 3,457,794	\$ (438,048)	\$ 117,165,507

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Depreciation/Amortization expense was charged to functions as follows:

Business-Type Activities	
Water	\$ 1,378,368
Wastewater	921,728
Water Resource Management	<u>561,679</u>
Total Business-Type Activities	
Depreciation Expense	<u>\$ 2,861,775</u>

Depreciation/amortization 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.

E. INTER-FUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Water Resource Management Fund	\$ 75,882
General Fund	Wastewater Fund	63,253
General Fund	Water Fund	234,823
Water Fund	General Fund	447,609
Wastewater Fund	General Fund	1,720,987
Water Resource Management Fund	General Fund	<u>104,358</u>
Total Fund Financial Statements		2,646,912
Add: Interfund Advances		1,280,332
Less: Government-Wide Eliminations		<u>(7,106,572)</u>
Total Internal Balances - Government-Wide		
Statement of Net Position		<u>\$ (3,179,328)</u>
 <u>Receivable Fund</u>	 <u>Payable Fund</u>	 <u>Amount</u>
Governmental Activities	Business-type Activities	\$ 373,958
Business-type Activities	Governmental Activities	<u>(3,553,286)</u>
Total Government-Wide Financial Statements		<u>\$ (3,179,328)</u>

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

E. INTER-FUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

The principal purpose of these inter-funds is the collection of delinquent utility bills on the tax roll. All remaining balances resulted from the time lag between the dates that (1) inter-fund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All amounts are due within one year.

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

The following is a schedule of inter-fund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Interest Rate</u>	<u>Amount</u>	<u>Amount Due Within One Year</u>
Wastewater Utility	Water Resource	2.00-3.00%	\$ 55,000	\$ 55,000
Wastewater Utility	Water Utility	3%	5,335,000	205,000
Wastewater Utility	Capital Projects	3%	613,666	59,900
Wastewater Utility	Capital Projects	4%	666,666	53,000
Total Fund Financial Statements			6,670,332	
Less: Government-Wide Eliminations			(5,390,000)	
Total Government-Wide Financial Statements			<u>\$ 1,280,332</u>	

The purpose of the inter-fund advance to the water resource management fund was to finance capital projects. The advance to the General fund was to finance an intergovernmental agreement.

Repayment schedule for advances follows:

<u>Years</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 112,900	\$ 43,807	\$ 260,000	\$ 161,700
2025	121,350	35,022	210,000	153,900
2026	126,450	31,382	220,000	147,600
2027	131,000	27,590	225,000	141,000
2028	135,000	23,660	230,000	134,250
2029-2033	653,632	55,364	1,350,000	558,300
2034-2038	-	-	1,515,000	345,600
2039-2042	-	-	1,380,000	105,000
	<u>\$ 1,280,332</u>	<u>\$ 216,825</u>	<u>\$ 5,390,000</u>	<u>\$ 1,747,350</u>

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

E. INTER-FUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

The following is a schedule of inter-fund transfers:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Purpose</u>	<u>Amount</u>
General Fund	Special Revenue Fund		
	Golf Course	Tax Stabilization transfer	\$ 135,000
	Enterprise Fund		
	Water Utility	Tax equivalent payment	653,441
	Wastewater Utility	Tax equivalent payment	11,480
Debt Service Fund	Special Revenue Fund		
	Golf Course	Debt service costs	101,500
	Impact Fee Fund	Debt service costs	10,000
	Tax increment Fund	Debt service costs	273,683
Capital Projects Fund			
Equipment Replacement Fund	General Fund	Equipment Replacement	<u>265,000</u>
Subtotal - Fund Financial Statements			1,450,104
Less: Capital assets contributed to Enterprise Funds			(2,669,886)
Less: Fund eliminations			<u>(785,183)</u>
Total Transfers - Government-Wide Statement of Activities			<u>\$ (2,004,965)</u>
<u>Transfer In</u>	<u>Transfer Out</u>		<u>Amount</u>
Governmental Activities	Business-type Activities		\$ 664,921
Business-type Activities	Governmental Activities		<u>(2,669,886)</u>
			<u>\$ (2,004,965)</u>

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.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS

General Obligation Debt

Long-term obligations activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 82,945,000	\$ 19,300,000	\$ 7,610,000	\$ 94,635,000	\$ 9,025,000
State Trust Fund Loan	13,970,000	-	13,970,000	-	-
Add/Subtract deferred amounts for					
Bond premium	2,652,559	1,352,360	574,805	3,430,114	-
Total bonds/notes payable	<u>99,567,559</u>	<u>20,652,360</u>	<u>22,154,805</u>	<u>98,065,114</u>	<u>9,025,000</u>
Other Liabilities					
Lease payable	300,945	106,282	70,326	336,901	110,896
Intergovernmental Agreement	666,667	-	666,667	-	-
Net OPEB obligation	5,259,464	-	168,012	5,091,452	-
Compensated absences	1,729,809	1,817,453	1,729,809	1,817,453	1,817,453
Total Other Liabilities	<u>7,956,885</u>	<u>1,923,735</u>	<u>2,634,814</u>	<u>7,245,806</u>	<u>1,928,349</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 107,524,444</u>	<u>\$ 22,576,095</u>	<u>\$ 24,789,619</u>	<u>\$ 105,310,920</u>	<u>\$ 10,953,349</u>
Business-Type Activities					
General obligation notes	\$ 875,000	\$ -	\$ 440,000	\$ 435,000	\$ 435,000
Revenue bonds from direct placements	2,638,690	-	142,920	2,495,770	145,648
Add/Subtract deferred amounts for					
Bond premium	42,240	-	31,710	10,530	-
Total bonds/notes payable	<u>3,555,930</u>	<u>-</u>	<u>614,630</u>	<u>2,941,300</u>	<u>580,648</u>
Other Liabilities					
Net OPEB obligation	496,512	-	15,861	480,651	-
Total Other Liabilities	<u>496,512</u>	<u>-</u>	<u>15,861</u>	<u>480,651</u>	<u>-</u>
Total Business Type Activities Long-Term Liabilities	<u>\$ 4,052,442</u>	<u>\$ -</u>	<u>\$ 630,491</u>	<u>\$ 3,421,951</u>	<u>\$ 580,648</u>

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

All general obligation notes and bonds payable are backed by the full faith and credit of the city. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the city may not exceed five percent of the equalized value of taxable property within the city's jurisdiction. The debt limit as of December 31, 2023, was \$393,597,700. Total general obligation debt outstanding at year-end was \$95,070,000.

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2023
Governmental Activities Long-Term Obligations					
General Obligation Debt					
Bonds	2013	6/1/28	2.0-3.375	\$ 4,685,000	\$ 1,765,000
Notes	2016	6/1/26	1.35-2.0	7,735,000	3,225,000
Notes	2017	6/1/27	2.0	8,215,000	4,255,000
Notes	2018	6/1/28	2.25-3.0	9,060,000	6,985,000
Notes	2019	6/1/29	1.80-3.0	8,095,000	5,410,000
Notes	2020	6/1/30	1.10-3.0	9,815,000	8,050,000
Bonds	2021	6/1/41	1.50-5.0	9,550,000	9,225,000
Notes	2021	6/1/31	1.50-5.0	19,325,000	15,045,000
Bonds	2022	6/1/42	4.0-5.0	13,865,000	13,865,000
Notes	2022	6/1/32	4.0-5.0	7,825,000	7,510,000
Notes	2023	6/1/33	4.0-5.0	13,150,000	13,150,000
Bonds	2023	6/1/36	4.0-5.0	6,150,000	6,150,000
Total Government Activities - General Obligation Debt					<u>\$ 94,635,000</u>
Business-Type Activities Long-Term Obligations					
General Obligation Debt					
Notes	2021	6/1/24	1.5-5.0	\$ 1,290,000	\$ 435,000
Total Business-Type Activities - General Obligation Debt					<u>\$ 435,000</u>

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 9,025,000	\$ 3,197,111	\$ 435,000	\$ 10,875
2025	9,170,000	2,694,860	-	-
2026	9,335,000	2,375,663	-	-
2027	9,500,000	2,052,160	-	-
2028	9,220,000	1,735,998	-	-
2029-2033	33,015,000	4,955,591	-	-
2034-2038	9,845,000	1,742,049	-	-
2039-2042	5,525,000	383,859	-	-
Totals	<u>\$ 94,635,000</u>	<u>\$ 19,137,291</u>	<u>\$ 435,000</u>	<u>\$ 10,875</u>

Revenue debt

Revenue debt payable at December 31, 2023 consists of the following:

	Balance 12/31/2022	Additions	Retirements	Balance 12/31/2023	Due Within One Year
Revenue Bonds	<u>\$ 2,638,690</u>	<u>\$ -</u>	<u>\$ 142,920</u>	<u>\$ 2,495,770</u>	<u>\$ 145,648</u>
	<u>\$ 2,638,690</u>	<u>\$ -</u>	<u>\$ 142,920</u>	<u>\$ 2,495,770</u>	<u>\$ 145,648</u>

Date	Maturity	Interest Rates	Original Issue	Outstanding 12/31/23
06/13/17	5/1/2037	1.87%	\$ 1,206,457	\$ 926,938
05/23/18	5/1/2038	1.87%	871,920	606,987
06/26/19	5/2/2039	1.98%	1,158,141	961,845
				<u>\$ 2,495,770</u>

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Revenue bond debt service requirements to maturity follows:

December 31	Principal	Interest	Total
2024	\$ 145,648	\$ 46,339	\$ 191,987
2025	148,428	43,532	191,960
2026	151,262	40,671	191,933
2027	154,150	37,756	191,906
2028	157,093	34,785	191,878
2029 - 2033	831,612	126,733	958,345
2034 - 2038	838,223	44,776	882,999
2039	69,354	687	70,041
	<u>\$ 2,495,770</u>	<u>\$ 375,279</u>	<u>\$ 2,871,049</u>

The Utility's outstanding revenue bonds from direct borrowings related to business type activities of \$2,495,770 contains provisions that in an event of default, outstanding amounts are recoverable by the State by deducting those amounts from any State payments due to the utility, adding a special charge to the amount of taxes apportioned to and levied upon the county in which the utility is located.

All utility revenues net of specified operating expenses are pledged as a security of the above revenue bonds until the bonds are defeased. Principal and interest paid for 2023 was \$192,013. Total customer net revenues as defined for the same period was \$2,669,114. Annual principal and interest payments are expected to require 7.19% of net revenues on average.

Lease Liabilities

Refer to Note IV. G.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Other Debt Information

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

There are a number of limitations and restrictions contained in the various bond indentures and loan agreements. The city believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

G. LEASE DISCLOSURES

Lessor – Lease Receivables

Lease Receivables Description	Date of Inception	Final Maturity	Interest Rate	Receivable Balance Dec 31,2023
Governmental Activities:				
Cellular antennas	1994-2004	2027-2049	2.40%	\$ 3,562,948
Business-Type Activities:				
Cellular antennas	1998-2019	2024-2032	2.40%	\$ 1,063,194

The governmental activities of the City recognized \$163,782 in lease revenue and \$16,742 in lease interest revenue during the year. The business-type activities of the City recognized \$276,302 in lease revenue and \$32,704 in lease interest revenue during the year.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

G. LEASE DISCLOSURES

Years	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 295,580	\$ 16,490	\$ 312,070	\$ 157,656	\$ 27,761	\$ 185,417
2025	300,492	16,242	316,734	171,376	23,311	194,687
2026	305,563	15,997	321,560	185,783	18,638	204,421
2027	310,804	15,757	326,561	202,610	12,033	214,643
2028	274,039	14,485	288,523	135,716	8,581	144,297
2029-2033	681,230	49,948	731,178	210,053	3,201	213,254
2034-2038	608,235	38,932	647,167	-	-	-
2039-2043	415,395	24,969	440,364	-	-	-
2044-2048	356,640	14,303	370,943	-	-	-
2049	14,970	30	15,000	-	-	-
Totals	<u>\$ 3,562,948</u>	<u>\$ 207,153</u>	<u>\$ 3,770,101</u>	<u>\$ 1,063,194</u>	<u>\$ 93,525</u>	<u>\$ 1,156,719</u>

Lessee – Lease Payable

In prior years, the city acquired capital assets through lease/purchase agreements. The gross amount of these assets under capital leases is \$449,794, which is included in capital assets in the governmental activities. The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2023, are as follows:

	Governmental Activities
2024	\$ 110,896
2025	88,265
2026	88,266
2027	24,737
2028	24,737
Sub-Total	<u>336,901</u>
Less: Amount representing interest	<u>-</u>
Present Value of Minimum Lease Payments	<u>\$ 336,901</u>

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

H. NET POSITION

Governmental activities net position reported on the government wide statement of net position at December 31, 2023 includes the following:

Governmental Activities

Net Investment in capital assets	
Construction in progress	\$ 14,852,135
Land	18,321,606
Other capital assets, net of accumulated depreciation/amortization	89,663,496
Less: Long-term debt outstanding	(98,402,015)
Plus: Unspent capital related debt proceeds	<u>6,968,271</u>
Total Net Investment in Capital Assets	<u>31,403,493</u>
Restricted for	
Debt service	1,003,873
Impact fees	68,587
Wastewater RCA fees	1,912,946
Culture and recreational programs	1,652,914
Public safety programs	224,217
Public works	883,829
Community development	521,318
Tax increment district	2,172,735
Capital projects	<u>1,582,602</u>
Total Restricted	<u>10,023,021</u>
Unrestricted (deficit)	<u>10,952,878</u>
Total Governmental Activities Net Position	<u>\$ 52,379,392</u>

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

H. NET POSITION (cont.)

Business-Type Activities

Business-type activities net position reported on the government wide statement of net position at December 31, 2023 includes the following:

Net Investment in capital assets	
Construction work in progress	\$ 2,700,710
Land	1,415,910
Other capital assets, net of accumulated depreciation	113,048,887
Less: Long-term debt outstanding	<u>(2,941,300)</u>
Total Investment in Capital Assets	<u>114,224,207</u>
 Restricted for	
Replacement	<u>559,032</u>
Total Restricted	<u>559,032</u>
 Unrestricted	<u>35,623,474</u>
 Total Business-type Activities Net Position	<u>\$ 150,406,713</u>

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

General Information about the Pension Plan

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 and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

EFT 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 retirement benefit based on a formula factor, their average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2013	(9.6) %	9.0 %
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees and 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 \$1,813,280 in contributions from the city.

Contribution rates for the plan year reported as of December 31, 2023 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.80%	6.80%
Protective with Social Security	6.80%	13.20%
Protective without Social Security	6.80%	18.10%

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

At December 31, 2023 the city reported a liability of \$7,989,261 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on the city's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the city's proportion was 0.15080611%, which was an increase of 0.00287212% from its' proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the city recognized pension (revenue) expense of \$3,805,245.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experiences	\$ 12,724,417	\$ 16,717,027
Changes of actuarial assumptions	1,571,019	-
Net differences between projected and actual investment earnings on pension plan investment.	13,571,909	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,812	49,602
Employer contributions subsequent to measurement date	<u>2,055,973</u>	<u>-</u>
Total	<u>\$ 29,930,130</u>	<u>\$ 16,766,629</u>

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

\$2,055,973 reported as deferred outflows of resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2024	\$ 451,495
2025	2,296,859
2026	2,353,823
2027	6,005,351

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

Actuarial Valuation Date	December 31, 2021
Measurement Date of Net Pension Liability	December 31, 2022
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% -5.6%
Mortality:	2020 WRS Experience Mortality Table
Post-retirement Adjustments*	1.7%

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

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

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

Asset Allocation Targets and Expected Returns* as of December 31,2022

<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Public Equity	48.0%	7.6%	5.0%
Public Fixed Income	25.0	5.3	2.7
Inflation Sensitive	19.0	3.6	1.1
Real Estate	8.0	5.2	2.6
Private Equity/Debt	15.0	9.6	6.9
Total Core Fund	115	7.4	4.8
<u>Variable Fund Asset</u>			
US Equities	70	7.2	4.6
International Equities	30	8.1	5.5
Total Variable Fund	100	7.7	5.1

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

** New England Pension Consultants Long Term US CPI (inflation) Forecast; 2.5%

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

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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 was based on the expected rate of return on pension plan investments 6.8 percent and a municipal bond rate of 4.05 percent. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the city's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the city's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.8 percent, 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 (5.8 percent) or 1-percentage-point higher (7.8 percent) than the current rate:

	Discount Rate (5.8%)	Current Discount Rate (6.8%)	Discount Rate (7.8%)
The City's proportionate share of the net pension liability (asset)	\$ 26,516,096	\$ 7,989,261	\$ (4,755,613)

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, 2023, the city reported a payable to the pension plan of \$255,056, which represents contractually required contributions outstanding as of the end of the year.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE V – OTHER INFORMATION (cont.)

B. 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. The city purchases general, auto liability/physical damage and workers compensation insurance from the Cities and Villages Mutual Insurance Company (CVMIC). The City purchases commercial insurance for all other risks. There have been no significant reductions in insurance coverage for any risk of loss in the past year and settled claims have not exceeded the commercial coverage in any of the past three fiscal years.

In 1987, the City invested \$802,060 for participation in the Wisconsin Municipal Insurance commission (WMIC). The WMIC is an intergovernmental cooperation commission formed to facilitate the formation of Cities and Villages Mutual Insurance Company (CVMIC). CVMIC is a separate and distinct entity independent of the WMIC and owned by the participating cities and villages of the WMIC. CVMIC was formed to provide liability insurance to Wisconsin municipalities as of January 1, 1988.

CVMIC provides the City with \$5,000,000 of liability coverage for losses over its self-insurance retention level of \$50,000 per occurrence with a \$200,000 annual aggregate stop loss.

An annual premium is charged to cover expected claims and administrative costs. The claims component of the premium is determined by independent actuaries and allocated among the participating municipalities based on payroll and loss history. The City and other participating cities and villages are subject to cover loss experiences that exceed predictions through retrospective assessments.

Management of each organization consists of a board of directors or officers comprised of representatives elected by each of three classes of participants based on population. The city does not exercise any control over the activities of the agencies beyond the election of the officers and board.

At December 31, 2023 the Risk Management Fund, an Internal Service Fund had net position of \$1,181,061 available for future claims related to prior years. The balance includes \$454,522 in cash and \$802,060 in non-cash assets.

The City has recorded an unpaid claims liability for claims that have occurred but are not settled and for claims incurred by not recorded (IBNR). This liability is based upon estimates from an annual actuarial study. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE V – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Changes in the fund's unpaid claims liability amount in fiscal 2022 and 2023 were:

	Beginning Balance	Current Claims and Changes in Estimates	Claims Paid/ Settled	Ending Balance
2022	\$ -	\$ 95,694	\$ -	\$ 95,694
2023	95,694	(20,173)	-	75,521

The City's percentage participation in WMIC and CVMIC at December 31, 2023 was 2.74%. Percentage participation can be affected by acceptance of new members to WMIC and CVMIC. Upon dissolution, the City would be entitled to a lump sum payment from CVMIC that may vary significantly from the amount of its deposit referred to above, based on the then financial condition of CVMIC.

Financial statements of WMIC and CVMIC can be obtained directly from CVMIC offices.

C. 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.

Federal and State Grants

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.

Construction Commitments

The city has active construction projects as of December 31, 2023. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE V – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Impact Fees

The city receives impact fees for new development projects. The fees are to be used to fund specific projects within a specific period of time. In the event the projects are not completed or the time period elapses, the city will be required to refund the impact fees to the owners of the property on which the fees were originally charged.

Encumbrances

The City has the following encumbrances outstanding at year end, relating to funds on hand:

General Fund	\$215,629
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D. OTHER POSTEMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description. The city's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the city. RBP is a single-employer defined benefit OPEB plan administered by the city. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Common Council.

Benefits provided. The city's group health insurance plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. The result is another postemployment benefit (OPEB) for the retirees, commonly referred to as an implicit rate subsidy.

Employees covered by benefit terms. At December 31, 2023 the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	25
Active plan members	181
	<u>206</u>

Contributions. Contribution requirements are established through collective bargaining agreements and other city agreements and may be amended only through negotiations between city and the union, or for non-union employees pursuant to employment policies adopted by the Common Council.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE V – OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Investments

Investment policy. The City is authorized to invest funds of the RBP only in investments which the District is permitted to make under Section 66.0603 of the Wisconsin state statutes. See Note IV.A for further information.

Concentrations. All OPEB plan assets have been invested in an interest-bearing account.

Rate of return. The annual money-weighted rate of return on investments, net of investment expense, was 13.89 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability

The City's net OPEB liability was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023.

Actuarial assumptions and other inputs. The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date	December 31, 2023
Measurement Date of Net OPEB Liability	December 31, 2023
Actuarial Cost Method	Entry Age
Long-Term Expected Rate of Return	5.00%
Discount Rate:	
General Employees	4.00%
Police Employees	5.00%
Healthcare Cost Trend Rates	5.00% for 2023 and beyond
Salary Increases:	
Merit and Cost of Living	3.0%
Mortality:	Wisconsin 2020 Mortality Table

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE V – OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

CHANGES IN THE TOTAL AND NET OPEB LIABILITY

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at December 31, 2022	\$ 7,438,213	\$ 1,682,237	\$5,755,976
Changes for the year:			
Service cost	318,857	-	318,857
Interest cost	303,730	-	303,730
Differences in experience	(653,984)	-	(653,984)
Changes in assumptions	69,340	-	69,340
Contributions - employer	-	89,313	(89,313)
Net investment income (loss)	-	(149,923)	149,923
Estimated Benefit payments	(407,216)	(110,218)	(296,998)
Administrative expense	-	(14,572)	14,572
Net Changes	(369,273)	(185,400)	(183,873)
Balances at December 31, 2023	<u>\$ 7,068,940</u>	<u>\$ 1,496,837</u>	<u>\$5,572,103</u>

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the city, as well as what the city's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3 percent) or 1-percentage-point higher (5 percent) than the current rate:

	1% Decrease	Discount Rate	1% Increase
Total OPEB liability	\$ 7,488,974	\$ 7,068,940	\$ 6,675,535
Plan Fiduciary Net Position	<u>1,496,837</u>	<u>1,496,837</u>	<u>1,496,837</u>
Net OPEB liability	<u>\$ 5,992,137</u>	<u>\$ 5,572,103</u>	<u>\$ 5,178,698</u>

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the city, as well as what the city's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4 percent) or 1-percentage-point higher (6 percent) than the current rate:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 6,602,523	\$ 7,068,940	\$ 7,538,752
Plan Fiduciary Net Position	<u>1,496,837</u>	<u>1,496,837</u>	<u>1,496,837</u>
Net OPEB liability	<u>\$ 5,105,686</u>	<u>\$ 5,572,103</u>	<u>\$ 6,041,915</u>

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE V – OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended December 31, 2023, the city recognized OPEB expense of \$310,738. At December 31, 2023, the city reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

Schedule of Deferred Inflows/Outflows	December 31, 2023	
	Deferred	Deferred
	Inflows	Outflows
Differences Between Expected and Actual Experience	\$ 765,892	\$ 72,464
Differences Between Projected and Actual Experience	154,702	-
Changes in Assumptions	1,185,190	480,127
Total	<u>\$ 2,105,784</u>	<u>\$ 552,591</u>

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

<u>Year Ended December 31:</u>	<u>Deferred Outflow of Resources and Deferred Inflow of Resources (Net)</u>
2024	\$ (208,694)
2025	(196,392)
2026	(180,062)
2027	(164,512)
2028	(126,615)
Thereafter	(676,918)

E. JOINT TRUST

In 1997, the City and the New Berlin Professional Police Association (Association) entered into an agreement to establish a plan to pay a retiree health care insurance premium subsidy and to create the City of New Berlin Police Retiree Health Care Trust (Trust) for the accumulation of funds from which to pay the subsidy benefits. The City and Association are joint trustees with the Association as the plan administrator. The Trust document names the City trustee as custodian of the Trust; however in practice the Association trustee administers and performs all functions of the Trust including custodian of the Trust. The City trustee's only involvement is the payment of the annual contribution to the Trust and signing checks for the subsidy payment which requires the signature of both trustees. The annual contribution for 2023 was \$89,313. The estimated fair value of the Trust assets at December 31, 2023 is \$1,496,837.

CITY OF NEW BERLIN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE V – OTHER INFORMATION (cont.)

F. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

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

- > Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*
- > Statement No. 101, *Compensated Absences*
- > Statement No. 102, *Certain Risk Disclosures*

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

G. SUBSEQUENT EVENTS

Current water rates were approved by the PSC subsequent to December 31, 2023 with an effective date of April 1, 2024.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEW BERLIN

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
As of December 31, 2023

	2017	2018	2019	2020	2021	2022	2023
Total OPEB Liability							
Service cost	\$ 322,755	\$ 359,674	\$ 291,725	\$ 286,537	\$ 411,751	\$ 423,600	\$ 318,857
Interest	276,701	246,743	265,098	271,394	227,902	250,295	303,730
Differences between expected and actual experience	-	-	(156,478)	-	9,525	-	(653,984)
Changes of assumptions	312,656	(521,085)	(708,976)	356,664	(93,957)	(488,781)	69,340
Benefit payments	(296,709)	(322,850)	(351,574)	(400,180)	(365,281)	(391,092)	(407,216)
Net Change in Total OPEB Liability	615,403	(237,518)	(660,205)	514,415	189,940	(205,978)	(369,273)
Total OPEB Liability - Beginning	7,222,156	7,837,559	7,600,041	6,939,836	7,454,251	7,644,191	7,438,213
Total OPEB Liability - Ending (a)	\$ 7,837,559	\$ 7,600,041	\$ 6,939,836	\$ 7,454,251	\$ 7,644,191	\$ 7,438,213	\$ 7,068,940
Plan Fiduciary Net Position							
Employer contributions	\$ 78,855	\$ 80,038	\$ 81,238	\$ 82,457	\$ 83,693	\$ 84,993	\$ 89,313
Net investment income (loss)	205,176	(63,603)	226,996	156,963	155,592	103,142	189,416
Benefit Payments	(95,351)	(30,557)	(47,450)	(64,281)	(65,978)	(85,185)	(110,218)
Administrative expenses	(10,473)	(11,783)	(10,696)	(12,474)	(14,315)	(15,182)	(353,911)
Net Change in Plan Fiduciary Net Position	178,207	(25,905)	250,088	162,665	158,992	87,768	(185,400)
Fiduciary Net Position - Beginning	870,422	1,048,629	1,022,724	1,272,812	1,435,477	1,594,469	1,682,237
Fiduciary Net Position - Ending (b)	\$ 1,048,629	\$ 1,022,724	\$ 1,272,812	\$ 1,435,477	\$ 1,594,469	\$ 1,682,237	\$ 1,496,837
Net OPEB Liability - Ending (a) - (b)	\$ 6,788,930	\$ 6,577,317	\$ 5,667,024	\$ 6,018,774	\$ 6,049,722	\$ 5,755,976	\$ 5,572,103
Covered-employee payroll	\$ 11,176,567	\$ 11,511,864	\$ 11,319,221	\$ 11,299,636	\$ 13,997,469	\$ 13,903,287	\$ 13,908,774
Total OPEB liability as a percentage of covered-employee payroll	60.74%	57.14%	50.07%	53.27%	43.22%	41.40%	40.06%

Notes to Schedule:

The City implemented GASB Statement No. 74 and No. 75 in fiscal year 2017.
Information prior to fiscal year 2017 is not available. Additional years will be added prospectively until 10 years are presented.

See independent auditors' report.

CITY OF NEW BERLIN

SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB PLAN
As of December 31, 2023

	2017	2018	2019	2020	2021	2022	2023
Actuarially contractual determined contribution	\$ 78,855	\$ 80,038	\$ 81,238	\$ 82,457	\$ 83,693	\$ 84,993	\$ 89,313
Contributions in relation to the actuarially determined contribution	<u>78,855</u>	<u>80,038</u>	<u>81,238</u>	<u>82,457</u>	<u>83,693</u>	<u>84,993</u>	<u>89,313</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 11,176,567	\$ 11,511,864	\$ 11,319,221	\$ 11,299,636	\$ 13,997,469	\$ 13,903,287	\$ 13,908,774
Contributions as a percentage of covered-employee payroll	0.71%	0.70%	0.72%	0.73%	0.60%	0.61%	0.64%

Notes to Schedule

Valuation date:

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Fair market value
Healthcare cost trend rates	5.0 percent initial, decreasing 0.5 percent per year to an ultimate rate of 5.0 percent
Salary increases	3.0 percent, average, including inflation
Retirement age	In the 2017 actuarial valuation, expected retirement ages of general employees were adjusted to more closely reflect actuarial experience.
Mortality	The 2023 actuarial valuations, assumed life expectancies were adjusted as a result of using the Wisconsin 2020 Mortality Table with generational projection using Scale MP-2021.

Other information:

In accordance with GASB 75, the discount rate as of December 31, 2022 and December 31, 2023 is the single discount rate based on a depletion projection performed using the respective asset values and projected benefit payments. As of December 31, 2022 a rate of 4.31% was used for general employees, while a rate of 5.00% was used for police. As of December 31, 2023 a rate of 4.00% was used for general employees, while a rate of 5.00% was used for police.

The City implemented GASB Statement No. 74 and No. 75 in fiscal year 2017. Information prior to fiscal year 2017 is not available. Additional years will be added prospectively until 10 years are presented.

See independent auditors' report.

CITY OF NEW BERLIN

SCHEDULE OF THE CITY OF NEW BERLIN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2023

Plan Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/14	0.134433880%	\$ (2,302,064)	\$ 15,084,689	21.89%	102.74%
12/31/15	0.133820430%	2,174,556	15,767,562	13.79%	98.20%
12/31/16	0.134003610%	1,104,510	15,709,595	7.03%	99.12%
12/31/17	0.138273800%	(4,105,513)	16,589,276	24.75%	102.93%
12/31/18	0.141949060%	5,050,102	16,880,777	29.92%	96.45%
12/31/19	0.145561940%	(4,693,581)	17,420,633	26.94%	102.96%
12/31/20	0.146559660%	(9,149,922)	17,748,852	51.55%	105.26%
12/31/21	0.147933990%	(11,923,751)	18,260,893	65.30%	106.02%
12/31/22	0.150806110%	7,989,261	18,999,360	42.05%	95.72%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2023

City Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 1,297,584	\$ 1,297,584	\$ -	\$ 15,767,562	8.23%
12/31/16	1,276,131	1,276,131	-	15,709,595	8.12%
12/31/17	1,473,147	1,473,147	-	16,589,276	8.88%
12/31/18	1,499,516	1,499,516	-	16,880,777	8.88%
12/31/19	1,521,710	1,521,710	-	17,420,634	8.74%
12/31/20	1,677,230	1,677,230	-	17,751,906	9.45%
12/31/21	1,742,741	1,742,741	-	18,260,893	9.54%
12/31/22	1,813,281	1,813,281	-	18,999,360	9.54%
12/31/23	2,055,973	2,055,973	-	19,789,851	10.39%

Wisconsin Retirement System

The amounts presented in relation to the schedule of employer's proportionate share of the net pension liability and the schedule of employer contributions represents the specific data of the City. The information was derived using a combination of the employer's contribution data along with data provided by the Wisconsin Retirement System in relation to the City as a whole.

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

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

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

*Lowering the long-term expected rate of return from 7.0% to 6.8%

*Lowering the discount rate from 7.0% to 6.8%

*Lowering the price inflation rate from 2.5% to 2.4%

*Lowering the post-retirement adjustments from 1.9% to 1.7%

*Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

See independent auditors' report.

SUPPLEMENTARY INFORMATION

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

CITY OF NEW BERLIN

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET**

As of December 31, 2023

	Special Revenue Funds			
	Park and Open Space Fund	Trail Fees Fund	Impact Fees Fund	Wastewater RCA Fees Fund
ASSETS				
Cash and investments	\$ 1,388,393	\$ 18,214	\$ 68,587	\$ 1,912,946
Taxes receivable	-	-	-	-
Accounts receivable	-	-	-	-
Special assessments receivable	-	-	-	-
TOTAL ASSETS	<u>\$ 1,388,393</u>	<u>\$ 18,214</u>	<u>\$ 68,587</u>	<u>\$ 1,912,946</u>
LIABILITIES				
Accounts payable	\$ -	\$ 18,214	\$ -	\$ -
Unearned revenues	-	-	-	-
Total Liabilities	<u>-</u>	<u>18,214</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	-	-	-	-
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	1,388,393	-	68,587	1,912,946
Committed	-	-	-	-
Assigned	-	-	-	-
Total Fund Balances	<u>1,388,393</u>	<u>-</u>	<u>68,587</u>	<u>1,912,946</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 1,388,393</u>	<u>\$ 18,214</u>	<u>\$ 68,587</u>	<u>\$ 1,912,946</u>

Special Revenue Funds					
Golf Course Fund	Fourth of July Fund	Concession Stand Fund	Park & Recreation Fund	Police Fund	Fire Fund
\$ 326,423	\$ 159,070	\$ 19,157	\$ 36,656	\$ 174,754	\$ 49,473
-	-	-	-	-	-
216,443	-	-	-	-	1,599
-	-	-	-	-	-
<u>\$ 542,866</u>	<u>\$ 159,070</u>	<u>\$ 19,157</u>	<u>\$ 36,656</u>	<u>\$ 174,754</u>	<u>\$ 51,072</u>
\$ 258	\$ 45	\$ 2,059	\$ 862	\$ 2,716	\$ -
-	-	-	-	-	-
<u>258</u>	<u>45</u>	<u>2,059</u>	<u>862</u>	<u>2,716</u>	<u>-</u>
-	-	-	250	-	-
-	-	-	-	-	-
-	-	-	<u>250</u>	-	-
-	159,025	-	35,544	172,038	51,072
542,608	-	17,098	-	-	-
-	-	-	-	-	-
<u>542,608</u>	<u>159,025</u>	<u>17,098</u>	<u>35,544</u>	<u>172,038</u>	<u>51,072</u>
<u>\$ 542,866</u>	<u>\$ 159,070</u>	<u>\$ 19,157</u>	<u>\$ 36,656</u>	<u>\$ 174,754</u>	<u>\$ 51,072</u>

CITY OF NEW BERLIN

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
(Concluded)
As of December 31, 2023

	Special Revenue Funds			
	Mayor Fund	Special Assessment Fund	Landscape Fund	Building Maintenance Fund
ASSETS				
Cash and investments	\$ 2,239	\$ -	\$ 645,940	\$ 652,136
Taxes receivable	-	-	-	-
Accounts receivable	-	-	-	5,054
Special assessments receivable	-	14,159	-	-
TOTAL ASSETS	<u>\$ 2,239</u>	<u>\$ 14,159</u>	<u>\$ 645,940</u>	<u>\$ 657,190</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	-
Unearned revenues	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	-	-	-	-
Unavailable revenues	-	14,159	-	-
Total Deferred inflows of Resources	<u>-</u>	<u>14,159</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	2,239	-	-	657,190
Committed	-	-	645,940	-
Assigned	-	-	-	-
Total Fund Balances	<u>2,239</u>	<u>-</u>	<u>645,940</u>	<u>657,190</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 2,239</u>	<u>\$ 14,159</u>	<u>\$ 645,940</u>	<u>\$ 657,190</u>

Special Revenue Funds						Capital Projects Fund		Total Nonmajor Funds
Technology Fee Fund	Tourism Commission Fund	Tax Increment District Fund	Grant Fund	Library Fund	Garbage/ Recycling Fund	Equipment Fund	Equipment Replacement Fund	
\$ 35,783	\$ 169,897	\$ 3,245,463	\$ 470,589	\$ 71,422	\$ 1,042,545	\$ 925,412	\$ 452,769	\$ 11,867,868
-	-	895,690	-	-	-	-	-	895,690
-	92,142	-	163,737	-	188	-	-	479,163
-	-	-	-	-	-	-	-	14,159
<u>\$ 35,783</u>	<u>\$ 262,039</u>	<u>\$ 4,141,153</u>	<u>\$ 634,326</u>	<u>\$ 71,422</u>	<u>\$ 1,042,733</u>	<u>\$ 925,412</u>	<u>\$ 452,769</u>	<u>\$ 13,256,880</u>
\$ -	\$ 2,500	\$ 1,072,731	\$ 7,487	\$ 1,469	\$ 158,904	\$ -	\$ 13,460	\$ 1,280,705
-	-	-	625,732	-	-	-	-	625,732
-	2,500	1,072,731	633,219	1,469	158,904	-	13,460	1,906,437
-	-	895,690	-	-	-	-	-	895,940
-	-	-	-	-	-	-	-	14,159
-	-	895,690	-	-	-	-	-	910,099
-	259,539	2,172,732	1,107	69,953	883,829	925,412	-	8,759,606
35,783	-	-	-	-	-	-	-	1,241,429
-	-	-	-	-	-	-	439,309	439,309
<u>35,783</u>	<u>259,539</u>	<u>2,172,732</u>	<u>1,107</u>	<u>69,953</u>	<u>883,829</u>	<u>925,412</u>	<u>439,309</u>	<u>10,440,344</u>
<u>\$ 35,783</u>	<u>\$ 262,039</u>	<u>\$ 4,141,153</u>	<u>\$ 634,326</u>	<u>\$ 71,422</u>	<u>\$ 1,042,733</u>	<u>\$ 925,412</u>	<u>\$ 452,769</u>	<u>\$ 13,256,880</u>

CITY OF NEW BERLIN

NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Year Ended December 31, 2023

	Special Revenue Funds			
	Park and Open Space Fund	Trail Fees Fund	Impact Fees Fund	Wastewater RCA Fees Fund
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Room taxes	-	-	-	-
Intergovernmental	-	-	-	-
Public charges for services	-	-	-	-
Public improvement revenues	65,147	-	9,997	-
Investment income	56,560	-	3,070	80,394
Miscellaneous revenues	-	-	-	-
Total Revenues	121,707	-	13,067	80,394
EXPENDITURES				
Current				
General government	-	-	-	-
Protection of persons and property	-	-	-	-
Public works	-	-	-	-
Library	-	-	-	-
Parks and recreation	-	-	-	-
Conservation and development	-	-	-	-
Debt Service - interest and fiscal charges	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	121,707	-	13,067	80,394
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	-	-
Premium on bond issued	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(10,000)	-
Total Other Financing Sources (Uses)	-	-	(10,000)	-
Net Change in Fund Balances	121,707	-	3,067	80,394
FUND BALANCES -				
Beginning of Year (DEFICIT)	1,266,686	-	65,520	1,832,552
FUND BALANCES -				
END OF YEAR	\$ 1,388,393	\$ -	\$ 68,587	\$ 1,912,946

Special Revenue Funds					
Golf Course Fund	Fourth of July Fund	Concession Stand Fund	Park & Recreation Fund	Police Fund	Fire Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	48,645	12,195
-	-	-	-	-	-
-	-	-	-	-	-
15,403	-	-	-	2,667	-
454,273	157,894	17,545	8,614	43,127	16,635
469,676	157,894	17,545	8,614	94,439	28,830
-	-	-	-	-	-
-	-	-	-	99,865	-
-	-	-	140	-	-
-	-	-	-	-	-
1,032	144,906	18,261	21,734	-	44,027
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	50,825	-	-
1,032	144,906	18,261	72,699	99,865	44,027
468,644	12,988	(716)	(64,085)	(5,426)	(15,197)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(236,500)	-	-	-	-	-
(236,500)	-	-	-	-	-
232,144	12,988	(716)	(64,085)	(5,426)	(15,197)
310,464	146,037	17,814	99,629	177,464	66,269
\$ 542,608	\$ 159,025	\$ 17,098	\$ 35,544	\$ 172,038	\$ 51,072

CITY OF NEW BERLIN

NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Concluded) For the Year Ended December 31, 2023

	Special Revenue Funds			
	Mayor Fund	Special Assessment Fund	Landscape Fund	Building Maintenance Fund
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Room taxes	-	-	-	117,053
Intergovernmental	-	-	-	-
Public charges for services	-	-	156,300	-
Public improvement revenues	-	-	-	-
Investment income	-	-	-	-
Miscellaneous revenues	-	-	-	1,000
Total Revenues	-	-	156,300	118,053
EXPENDITURES				
Current				
General government	-	-	-	-
Protection of persons and property	-	-	-	-
Public works	-	-	-	-
Library	-	-	-	-
Parks and recreation	-	-	-	-
Conservation and development	-	-	13,802	22,791
Debt Service - interest and fiscal charges	-	-	-	-
Capital Outlay	-	-	-	29,900
Total Expenditures	-	-	13,802	52,691
Excess (deficiency) of revenues over expenditures	-	-	142,498	65,362
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	-	-
Premium on bond issued	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	-	142,498	65,362
FUND BALANCES -				
Beginning of Year (DEFICIT)	2,239	-	503,442	591,828
FUND BALANCES -				
END OF YEAR	\$ 2,239	\$ -	\$ 645,940	\$ 657,190

Special Revenue Funds						Capital Projects Fund		
Technology Fee Fund	Tourism Fund	Tax Increment District Fund	Grant Fund	Library Fund	Garbage/ Recycling Fund	Equipment Fund	Equipment Replacement Fund	Total Nonmajor Funds
\$ -	\$ -	\$ 689,121	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 689,121
-	122,920	-	-	-	-	-	-	239,973
-	-	-	272,015	-	-	-	-	332,855
-	-	-	-	-	1,779,906	-	-	1,936,206
17,850	-	-	-	-	-	-	-	92,994
-	-	531	-	-	-	39,047	-	197,672
-	-	-	-	56,862	-	-	20,000	775,950
<u>17,850</u>	<u>122,920</u>	<u>689,652</u>	<u>272,015</u>	<u>56,862</u>	<u>1,779,906</u>	<u>39,047</u>	<u>20,000</u>	<u>4,264,771</u>
-	-	300	20,182	-	-	4,250	93,802	118,534
-	-	-	157,488	-	-	-	66,744	324,097
-	-	-	-	-	2,098,630	-	10,132	2,108,902
-	-	-	-	50,874	-	-	1,755	52,629
-	-	-	-	-	-	-	6,752	236,712
25,685	27,903	-	-	-	-	-	-	90,181
-	-	150,534	-	-	-	-	-	150,534
-	-	7,473,917	94,344	-	-	-	18,185	7,667,171
<u>25,685</u>	<u>27,903</u>	<u>7,624,751</u>	<u>272,014</u>	<u>50,874</u>	<u>2,098,630</u>	<u>4,250</u>	<u>197,370</u>	<u>10,748,760</u>
<u>(7,835)</u>	<u>95,017</u>	<u>(6,935,099)</u>	<u>1</u>	<u>5,988</u>	<u>(318,724)</u>	<u>34,797</u>	<u>(177,370)</u>	<u>(6,483,989)</u>
-	-	9,225,000	-	-	-	-	-	9,225,000
-	-	694,889	-	-	-	-	-	694,889
-	-	-	-	-	-	-	265,000	265,000
-	-	(273,683)	-	-	-	-	-	(520,183)
-	-	9,646,206	-	-	-	-	265,000	9,664,706
(7,835)	95,017	2,711,107	1	5,988	(318,724)	34,797	87,630	3,180,717
<u>43,618</u>	<u>164,522</u>	<u>(538,375)</u>	<u>1,106</u>	<u>63,965</u>	<u>1,202,553</u>	<u>890,615</u>	<u>351,679</u>	<u>7,259,627</u>
<u>\$ 35,783</u>	<u>\$ 259,539</u>	<u>\$ 2,172,732</u>	<u>\$ 1,107</u>	<u>\$ 69,953</u>	<u>\$ 883,829</u>	<u>925,412</u>	<u>439,309</u>	<u>\$ 10,440,344</u>

CITY OF NEW BERLIN

NONMAJOR GOVERNMENTAL FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2023

	Special Revenue Fund					
	Park and Open Space Fund			Impact Fees Fund		
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Room taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Public charges for services	-	-	-	-	-	-
Public improvement revenues	-	65,147	65,147	11,000	9,997	(1,003)
Special assessments	-	-	-	-	-	-
Investment income	8,000	56,560	48,560	380	3,070	2,690
Miscellaneous revenues	-	-	-	-	-	-
Total Revenues	8,000	121,707	113,707	11,380	13,067	1,687
EXPENDITURES						
Current						
General government	-	-	-	-	-	-
Protection of persons and property	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Library	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Conservation and development	-	-	-	-	-	-
Debt Service - interest and fiscal charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	8,000	121,707	113,707	11,380	13,067	1,687
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	-	-	-	-	-
Premium on bond issued	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(10,000)	(10,000)	-
Total Other Financing Sources (Uses)	-	-	-	(10,000)	(10,000)	-
Net Change in Fund Balances	8,000	121,707	113,707	1,380	3,067	1,687
FUND BALANCES -						
Beginning of Year (DEFICIT)	1,266,686	1,266,686	-	65,520	65,520	-
FUND BALANCES -						
END OF YEAR	\$ 1,274,686	\$ 1,388,393	\$ 113,707	\$ 66,900	\$ 68,587	\$ 1,687

CITY OF NEW BERLIN

NONMAJOR GOVERNMENTAL FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2023

	Special Revenue Fund					
	Wastewater RCA Fees Fund			Golf Course Fund		
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Room taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Public charges for services	-	-	-	-	-	-
Public improvement revenues	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Investment income	12,000	80,394	68,394	1,200	15,403	14,203
Miscellaneous revenues	-	-	-	275,000	454,273	179,273
Total Revenues	12,000	80,394	68,394	276,200	469,676	193,476
EXPENDITURES						
Current						
General government	-	-	-	-	-	-
Protection of persons and property	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Library	-	-	-	-	-	-
Parks and recreation	-	-	-	1,100	1,032	68
Conservation and development	-	-	-	-	-	-
Debt Service - interest and fiscal charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	-	-	-	1,100	1,032	68
Excess (deficiency) of revenues over expenditures	12,000	80,394	68,394	275,100	468,644	193,544
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	-	-	-	-	-
Premium on bond issued	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(236,500)	(236,500)	-
Total Other Financing Sources (Uses)	-	-	-	(236,500)	(236,500)	-
Net Change in Fund Balances	12,000	80,394	68,394	38,600	232,144	193,544
FUND BALANCES -						
Beginning of Year (DEFICIT)	1,832,552	1,832,552	-	310,464	310,464	-
FUND BALANCES - END OF YEAR	<u>\$ 1,844,552</u>	<u>\$ 1,912,946</u>	<u>\$ 68,394</u>	<u>\$ 349,064</u>	<u>\$ 542,608</u>	<u>\$ 193,544</u>

CITY OF NEW BERLIN

NONMAJOR GOVERNMENTAL FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2023

	Special Revenue Fund					
	Fourth of July Fund			Concession Stand Fund		
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Room taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Public charges for services	-	-	-	-	-	-
Public improvement revenues	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Miscellaneous revenues	85,200	157,894	72,694	10,500	17,545	7,045
Total Revenues	85,200	157,894	72,694	10,500	17,545	7,045
EXPENDITURES						
Current						
General government	-	-	-	-	-	-
Protection of persons and property	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Library	-	-	-	-	-	-
Parks and recreation	85,255	144,906	(59,651)	8,691	18,261	(9,570)
Conservation and development	-	-	-	-	-	-
Debt Service - interest and fiscal charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	85,255	144,906	(59,651)	8,691	18,261	(9,570)
Excess (deficiency) of revenues over expenditures	(55)	12,988	13,043	1,809	(716)	(2,525)
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	-	-	-	-	-
Premium on bond issued	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Change in Fund Balances	(55)	12,988	13,043	1,809	(716)	(2,525)
FUND BALANCES -						
Beginning of Year (DEFICIT)	146,037	146,037	-	17,814	17,814	-
FUND BALANCES -						
END OF YEAR	\$ 145,982	\$ 159,025	\$ 13,043	\$ 19,623	\$ 17,098	\$ (2,525)

CITY OF NEW BERLIN

NONMAJOR GOVERNMENTAL FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2023

	Special Revenue Fund					
	Park & Recreation Fund			Police Fund		
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Room taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	20,000	48,645	28,645
Public charges for services	-	-	-	-	-	-
Public improvement revenues	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Investment income	-	-	-	300	2,667	2,367
Miscellaneous revenues	11,000	8,614	(2,386)	57,000	43,127	(13,873)
Total Revenues	11,000	8,614	(2,386)	77,300	94,439	17,139
EXPENDITURES						
Current						
General government	-	-	-	-	-	-
Protection of persons and property	-	-	-	73,250	99,865	(26,615)
Public works	50	140	(90)	-	-	-
Library	-	-	-	-	-	-
Parks and recreation	26,000	21,734	4,266	-	-	-
Conservation and development	-	-	-	-	-	-
Debt Service - interest and fiscal charges	-	-	-	-	-	-
Capital Outlay	-	50,825	(50,825)	-	-	-
Total Expenditures	26,050	72,699	(46,649)	73,250	99,865	(26,615)
Excess (deficiency) of revenues over expenditures	(15,050)	(64,085)	(49,035)	4,050	(5,426)	(9,476)
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	-	-	-	-	-
Premium on bond issued	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Change in Fund Balances	(15,050)	(64,085)	(49,035)	4,050	(5,426)	(9,476)
FUND BALANCES -						
Beginning of Year (DEFICIT)	99,629	99,629	-	177,464	177,464	-
FUND BALANCES -						
END OF YEAR	\$ 84,579	\$ 35,544	\$ (49,035)	\$ 181,514	\$ 172,038	\$ (9,476)

CITY OF NEW BERLIN

NONMAJOR GOVERNMENTAL FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2023

	Special Revenue Fund					
	Fire Fund			Mayor Fund		
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Room taxes	-	-	-	-	-	-
Intergovernmental	7,500	12,195	4,695	-	-	-
Public charges for services	-	-	-	-	-	-
Public improvement revenues	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Miscellaneous revenues	15,000	16,635	1,635	-	-	-
Total Revenues	22,500	28,830	6,330	-	-	-
EXPENDITURES						
Current						
General government	-	-	-	-	-	-
Protection of persons and property	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Library	-	-	-	-	-	-
Parks and recreation	14,000	44,027	(30,027)	-	-	-
Conservation and development	-	-	-	-	-	-
Debt Service - interest and fiscal charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	14,000	44,027	(30,027)	-	-	-
Excess (deficiency) of revenues over expenditures	8,500	(15,197)	(23,697)	-	-	-
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	-	-	-	-	-
Premium on bond issued	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Change in Fund Balances	8,500	(15,197)	(23,697)	-	-	-
FUND BALANCES -						
Beginning of Year (DEFICIT)	66,269	66,269	-	2,239	2,239	-
FUND BALANCES - END OF YEAR	\$ 74,769	\$ 51,072	\$ (23,697)	\$ 2,239	\$ 2,239	\$ -

CITY OF NEW BERLIN

NONMAJOR GOVERNMENTAL FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2023

	Special Revenue Fund					
	Landscape Fund			Building Maintenance Fund		
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Room taxes	-	-	-	117,053	117,053	-
Intergovernmental	-	-	-	-	-	-
Public charges for services	-	156,300	156,300	-	-	-
Public improvement revenues	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Miscellaneous revenues	-	-	-	-	1,000	1,000
Total Revenues	-	156,300	156,300	117,053	118,053	1,000
EXPENDITURES						
Current						
General government	-	-	-	-	-	-
Protection of persons and property	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Library	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Conservation and development	12,000	13,802	(1,802)	-	22,791	(22,791)
Debt Service - interest and fiscal charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	29,900	(29,900)
Total Expenditures	12,000	13,802	(1,802)	-	52,691	(52,691)
Excess (deficiency) of revenues over expenditures	(12,000)	142,498	154,498	117,053	65,362	(51,691)
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	-	-	-	-	-
Premium on bond issued	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Change in Fund Balances	(12,000)	142,498	154,498	117,053	65,362	(51,691)
FUND BALANCES -						
Beginning of Year (DEFICIT)	503,442	503,442	-	591,828	591,828	-
FUND BALANCES -						
END OF YEAR	\$ 491,442	\$ 645,940	\$ 154,498	\$ 708,881	\$ 657,190	\$ (51,691)

CITY OF NEW BERLIN

NONMAJOR GOVERNMENTAL FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2023

	Special Revenue Fund					
	Technology Fund			Tourism Fund		
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Room taxes	-	-	-	120,000	122,920	2,920
Intergovernmental	-	-	-	-	-	-
Public charges for services	-	-	-	-	-	-
Public improvement revenues	9,000	17,850	8,850	-	-	-
Special assessments	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Miscellaneous revenues	-	-	-	-	-	-
Total Revenues	9,000	17,850	8,850	120,000	122,920	2,920
EXPENDITURES						
Current						
General government	-	-	-	-	-	-
Protection of persons and property	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Library	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Conservation and development	6,111	25,685	(19,574)	85,413	27,903	57,510
Debt Service - interest and fiscal charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	6,111	25,685	(19,574)	85,413	27,903	57,510
Excess (deficiency) of revenues over expenditures	2,889	(7,835)	(10,724)	34,587	95,017	60,430
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	-	-	-	-	-
Premium on bond issued	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Change in Fund Balances	2,889	(7,835)	(10,724)	34,587	95,017	60,430
FUND BALANCES -						
Beginning of Year (DEFICIT)	43,618	43,618	-	164,522	164,522	-
FUND BALANCES - END OF YEAR	<u>\$ 46,507</u>	<u>\$ 35,783</u>	<u>\$ (10,724)</u>	<u>\$ 199,109</u>	<u>\$ 259,539</u>	<u>\$ 60,430</u>

CITY OF NEW BERLIN

NONMAJOR GOVERNMENTAL FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2023

	Special Revenue Fund						
	Tax Increment District Fund			Grant Fund			
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES							
Property taxes	\$ 565,000	\$ 689,121	\$ 124,121	\$ -	\$ -	\$ -	\$ -
Room taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	3,000	97,345	272,015	174,670
Public charges for services	-	-	-	-	-	-	-
Public improvement revenues	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-
Investment income	500	531	31	-	-	-	-
Miscellaneous revenues	-	-	-	-	-	-	-
Total Revenues	<u>565,500</u>	<u>689,652</u>	<u>124,152</u>	<u>3,000</u>	<u>97,345</u>	<u>272,015</u>	<u>174,670</u>
EXPENDITURES							
Current							
General government	1,450	300	1,150	-	-	20,182	(20,182)
Protection of persons and property	-	-	-	3,000	97,345	157,488	(60,143)
Public works	-	-	-	-	-	-	-
Library	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-
Conservation and development	-	-	-	-	-	-	-
Debt Service - interest and fiscal charges	10,000	150,534	(140,534)	-	-	-	-
Capital Outlay	<u>400,000</u>	<u>7,473,917</u>	<u>(7,073,917)</u>	<u>-</u>	<u>-</u>	<u>94,344</u>	<u>(94,344)</u>
Total Expenditures	<u>411,450</u>	<u>7,624,751</u>	<u>(7,213,301)</u>	<u>3,000</u>	<u>97,345</u>	<u>272,014</u>	<u>(174,669)</u>
Excess (deficiency) of revenues over expenditures	<u>154,050</u>	<u>(6,935,099)</u>	<u>(7,089,149)</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
OTHER FINANCING SOURCES (USES)							
Long-term debt issued	410,000	9,225,000	8,815,000	-	-	-	-
Premium on bond issued	-	694,889	694,889	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	<u>(462,576)</u>	<u>(273,683)</u>	<u>188,893</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(52,576)</u>	<u>9,646,206</u>	<u>9,698,782</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	101,474	2,711,107	2,609,633	-	-	1	1
FUND BALANCES -							
Beginning of Year (DEFICIT)	<u>(538,375)</u>	<u>(538,375)</u>	<u>-</u>	<u>1,106</u>	<u>1,106</u>	<u>1,106</u>	<u>-</u>
FUND BALANCES -							
END OF YEAR	<u>\$ (436,901)</u>	<u>\$ 2,172,732</u>	<u>\$ 2,609,633</u>	<u>\$ 1,106</u>	<u>\$ 1,106</u>	<u>\$ 1,107</u>	<u>\$ 1</u>

CITY OF NEW BERLIN

NONMAJOR GOVERNMENTAL FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2023

	Special Revenue Fund					
	Library Fund			Garbage/Recycling Fund		
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Room taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Public charges for services	-	-	-	1,775,000	1,779,906	4,906
Public improvement revenues	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Miscellaneous revenues	17,000	56,862	39,862	-	-	-
Total Revenues	17,000	56,862	39,862	1,775,000	1,779,906	4,906
EXPENDITURES						
Current						
General government	-	-	-	-	-	-
Protection of persons and property	-	-	-	-	-	-
Public works	-	-	-	2,074,725	2,098,630	(23,905)
Library	16,600	50,874	(34,274)	-	-	-
Parks and recreation	-	-	-	-	-	-
Conservation and development	-	-	-	-	-	-
Debt Service - interest and fiscal charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	16,600	50,874	(34,274)	2,074,725	2,098,630	(23,905)
Excess (deficiency) of revenues over expenditures	400	5,988	5,588	(299,725)	(318,724)	(18,999)
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	-	-	-	-	-
Premium on bond issued	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Change in Fund Balances	400	5,988	5,588	(299,725)	(318,724)	(18,999)
FUND BALANCES -						
Beginning of Year (DEFICIT)	63,965	63,965	-	1,202,553	1,202,553	-
FUND BALANCES - END OF YEAR	<u>\$ 64,365</u>	<u>\$ 69,953</u>	<u>\$ 5,588</u>	<u>\$ 902,828</u>	<u>\$ 883,829</u>	<u>\$ (18,999)</u>

CITY OF NEW BERLIN

NONMAJOR GOVERNMENTAL FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2023

	Capital Projects Funds					
	Equipment Fund			Equipment Replacement Fund		
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Room taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Public charges for services	-	-	-	-	-	-
Public improvement revenues	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Investment income	4,000	39,047	35,047	-	-	-
Miscellaneous revenues	-	-	-	-	20,000	20,000
Total Revenues	4,000	39,047	35,047	-	20,000	20,000
EXPENDITURES						
Current						
General government	-	4,250	(4,250)	-	93,802	(93,802)
Protection of persons and property	-	-	-	-	66,744	(66,744)
Public works	-	-	-	-	10,132	(10,132)
Library	-	-	-	-	1,755	(1,755)
Parks and recreation	-	-	-	-	6,752	(6,752)
Conservation and development	-	-	-	-	-	-
Debt Service - interest and fiscal charges	-	-	-	-	-	-
Capital Outlay	-	-	-	300,000	18,185	281,815
Total Expenditures	-	4,250	(4,250)	300,000	197,370	102,630
Excess (deficiency) of revenues over expenditures	4,000	34,797	30,797	(300,000)	(177,370)	122,630
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	-	-	-	-	-
Premium on bond issued	-	-	-	-	-	-
Transfers in	-	-	-	300,000	265,000	(35,000)
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	300,000	265,000	(35,000)
Net Change in Fund Balances	4,000	34,797	30,797	-	87,630	87,630
FUND BALANCES -						
Beginning of Year (DEFICIT)	890,615	890,615	-	351,679	351,679	-
FUND BALANCES -						
END OF YEAR	\$ 894,615	\$ 925,412	\$ 30,797	\$ 351,679	\$ 439,309	\$ 87,630

CITY OF NEW BERLIN

NONMAJOR GOVERNMENTAL FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2023

	Total			Variance with
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 565,000	\$ 565,000	\$ 689,121	\$ 124,121
Room taxes	237,053	237,053	239,973	2,920
Intergovernmental	30,500	124,845	332,855	208,010
Public charges for services	1,775,000	1,775,000	1,936,206	161,206
Public improvement revenues	20,000	20,000	92,994	72,994
Special assessments	-	-	-	-
Investment income	26,380	26,380	197,672	171,292
Miscellaneous revenues	470,700	470,700	775,950	305,250
Total Revenues	<u>3,124,633</u>	<u>3,218,978</u>	<u>4,264,771</u>	<u>1,045,793</u>
EXPENDITURES				
Current				
General government	1,450	1,450	118,534	(117,084)
Protection of persons and property	76,250	170,595	324,097	(153,502)
Public works	2,074,775	2,074,775		(34,127)
Library	16,600	16,600	52,629	(36,029)
Parks and recreation	135,046	135,046	236,712	(101,666)
Conservation and development	103,524	103,524	90,181	13,343
Debt Service - interest and fiscal charges	10,000	10,000	150,534	(140,534)
Capital Outlay	700,000	700,000	7,667,171	(6,967,171)
Total Expenditures	<u>3,117,645</u>	<u>3,211,990</u>	<u>10,748,760</u>	<u>(7,536,770)</u>
Excess (deficiency) of revenues over expenditures	<u>6,988</u>	<u>6,988</u>	<u>(6,483,989)</u>	<u>(6,490,977)</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	410,000	410,000	9,225,000	8,815,000
Premium on bond issued	-	-	694,889	694,889
Transfers in	300,000	300,000	265,000	(35,000)
Transfers out	(709,076)	(709,076)	(520,183)	188,893
Total Other Financing Sources (Uses)	<u>924</u>	<u>924</u>	<u>9,664,706</u>	<u>9,663,782</u>
Net Change in Fund Balances	7,912	7,912	3,180,717	3,172,805
FUND BALANCES -				
Beginning of Year (DEFICIT)	<u>7,259,627</u>	<u>7,259,627</u>	<u>7,259,627</u>	<u>-</u>
FUND BALANCES -				
END OF YEAR	<u>\$ 7,267,539</u>	<u>\$ 7,267,539</u>	<u>\$ 10,440,344</u>	<u>\$ 3,172,805</u>

CITY OF NEW BERLIN

GENERAL FUND DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
TAXES				
General property taxes	\$ 22,998,102	\$ 22,998,102	\$ 22,998,102	\$ -
Payment in lieu of taxes	16,400	16,400	17,740	1,340
Agriculture Use Conversion	-	-	7,553	7,553
Interest and penalties on taxes	80,000	80,000	77,922	(2,078)
TOTAL TAXES	23,094,502	23,094,502	23,101,317	6,815
INTERGOVERNMENTAL				
State shared revenues				
Per capita	556,162	556,162	516,379	(39,783)
Special utility	168,235	168,235	213,179	44,944
Exempt computer aid	150,089	150,089	150,089	-
Video Service Provider	117,681	117,681	117,681	-
Personal Property Tax	365,004	365,004	365,004	-
Medical care transport	1,000	1,000	20,385	19,385
Fire Insurance - dues distribution	250,648	250,648	282,038	31,390
Federal grants	1,500,000	1,500,000	1,997,699	497,699
State grants - transportation aids	2,023,216	2,023,216	2,120,171	96,955
Local grants	-	-	26,782	26,782
New Berlin School District	117,402	117,402	125,129	7,727
TOTAL INTERGOVERNMENTAL	5,249,437	5,249,437	5,934,536	685,099
LICENSES AND PERMITS				
Licenses				
Beer and liquor	32,505	32,505	41,965	9,460
Bartenders	14,700	14,700	11,700	(3,000)
Sealer of weights	8,125	8,125	4,925	(3,200)
Sundry	23,000	23,000	32,313	9,313
Permits				
Building	375,000	375,000	316,109	(58,891)
Electrical	120,000	120,000	105,643	(14,357)
Plumbing	95,000	95,000	65,622	(29,378)

CITY OF NEW BERLIN

GENERAL FUND DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL (cont.) For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
LICENSES AND PERMITS (cont.)				
Permits (cont.)				
Sign	\$ 4,450	\$ 4,450	\$ 9,357	\$ 4,907
Fire Department	30,000	30,000	13,317	(16,683)
Sundry	82,000	82,000	77,625	(4,375)
Cable television fees	412,500	412,500	452,139	39,639
TOTAL LICENSES AND PERMITS	1,197,280	1,197,280	1,130,715	(66,565)
FINES, FORFEITURES AND PENALTIES				
Court fines	315,000	315,000	336,532	21,532
PUBLIC CHARGES FOR SERVICES				
General government				
Special assessment written reports	7,500	7,500	10,760	3,260
Sale of computer information	300	300	150	(150)
Workers' compensation dividend	20,000	20,000	54,211	34,211
CVMIC dividend	29,433	29,433	29,433	-
Health and social service				
Dog licenses	5,000	5,000	4,608	(392)
Dog license refund	3,200	3,200	3,105	(95)
Cat licenses	750	750	1,020	270
Protection of persons and property				
Miscellaneous police revenue	40,000	40,000	92,311	52,311
Fire Department fees	134,181	134,181	133,964	(217)
Engine response fee	5,000	5,000	17,171	12,171
Interfacility Transport	68,544	68,544	4,484	(64,060)
Ambulance fees	1,388,214	1,388,214	1,423,370	35,156
Public works				
Highway Department labor charges	25,000	25,000	12,480	(12,520)
Engineering services fees	25,550	25,550	157,146	131,596
Curb and ditch	1,500	1,500	2,350	850
Erosion Control Fee	5,000	5,000	14,298	9,298
Leisure activities				
Park and recreation	409,800	409,800	575,497	165,697

CITY OF NEW BERLIN

GENERAL FUND DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL (cont.) For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
PUBLIC CHARGES FOR SERVICES (cont.)				
Library Fees	\$ 66,569	\$ 66,569	\$ 59,080	\$ (7,489)
Planning Commission	47,850	47,850	70,639	22,789
Planning Service fees	36,000	36,000	28,570	(7,430)
Filing Fee	8,750	8,750	10,050	1,300
Board of Appeals	800	800	400	(400)
TOTAL PUBLIC CHARGES FOR SERVICES	<u>2,328,941</u>	<u>2,328,941</u>	<u>2,705,097</u>	<u>376,156</u>
INTERDEPARTMENTAL				
Administrative charges -				
Garbage/Recycling Fund	144,725	144,725	144,725	-
Tourism Fund	1,000	1,000	13,469	12,469
Water, Wastewater, Water Resource Utilities	439,874	439,874	518,884	79,010
TOTAL INTERDEPARTMENTAL	<u>585,599</u>	<u>585,599</u>	<u>677,078</u>	<u>91,479</u>
INVESTMENT INCOME				
Interest Income	225,000	225,000	1,841,923	1,616,923
Unrealized gain (loss)	-	-	190,127	190,127
TOTAL INVESTMENT INCOME	<u>225,000</u>	<u>225,000</u>	<u>2,032,050</u>	<u>1,807,050</u>
MISCELLANEOUS REVENUES				
Tower rental	155,000	155,000	187,299	32,299
Miscellaneous	58,000	58,000	70,792	12,792
TOTAL MISCELLANEOUS REVENUES	<u>213,000</u>	<u>213,000</u>	<u>258,091</u>	<u>45,091</u>
TOTAL REVENUES	<u>\$ 33,208,759</u>	<u>\$ 33,208,759</u>	<u>\$ 36,175,416</u>	<u>\$ 2,966,657</u>

CITY OF NEW BERLIN

GENERAL FUND DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (NON - GAAP) For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
GENERAL GOVERNMENT				
Mayor's office	\$ 239,956	\$ 239,956	\$ 240,646	\$ (690)
Common Council	88,536	88,536	89,615	(1,079)
Customer Service Committee	1,500	1,500	373	1,127
Human Resources	706,108	706,108	645,867	60,241
Finance	557,392	557,392	551,156	6,236
Assessor	491,694	491,694	450,229	41,465
City Attorney	303,300	303,300	303,892	(592)
Municipal Court	185,847	185,847	205,508	(19,661)
Crime prevention	7,000	7,000	7,000	-
Engineering	533,158	533,158	515,087	18,071
Facilities Management	1,448,269	1,448,269	1,415,860	32,409
Insurance	698,799	698,799	729,454	(30,655)
City Clerk	608,986	608,986	617,485	(8,499)
Information Technology	1,521,050	1,521,050	1,447,193	73,857
TOTAL GENERAL GOVERNMENT	7,391,595	7,391,595	7,219,365	172,230
PROTECTION OF PERSONS AND PROPERTY				
Police and Fire Commission	22,000	22,000	14,164	7,836
Police Department	11,316,503	11,316,503	10,887,077	429,426
Fire Department	6,276,841	6,276,841	6,405,858	(129,017)
Emergency government	106,587	106,587	102,948	3,639
Hydrant rental	705,893	705,893	705,893	-
Inspection Department	645,503	645,503	611,656	33,847
Sealer of weights and measures	7,200	7,200	4,400	2,800
Landmarks	2,000	2,000	100	1,900
TOTAL PROTECTION OF PERSONS AND PROPERTY	19,082,527	19,082,527	18,732,096	350,431
HIGHWAY AND TRANSPORTATION	3,851,235	3,866,235	3,827,686	38,549

CITY OF NEW BERLIN

GENERAL FUND DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (NON - GAAP) (cont.) For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
LIBRARY	<u>\$ 1,694,415</u>	<u>\$ 1,694,415</u>	<u>\$ 1,718,632</u>	<u>\$ (24,217)</u>
PARKS AND RECREATION				
Parks	980,979	980,979	982,201	(1,222)
Recreation	686,740	686,740	805,053	(118,313)
Athletic	27,388	27,388	27,520	(132)
4th of July	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
TOTAL PARKS AND RECREATION	<u>1,715,107</u>	<u>1,715,107</u>	<u>1,834,774</u>	<u>(119,667)</u>
CONSERVATION AND DEVELOPMENT				
Community Development	406,222	406,222	388,568	17,654
Planning	<u>377,658</u>	<u>377,658</u>	<u>322,186</u>	<u>55,472</u>
TOTAL CONSERVATION AND DEVELOPMENT	<u>783,880</u>	<u>783,880</u>	<u>710,754</u>	<u>73,126</u>
CONTINGENCY	<u>300,000</u>	<u>285,000</u>	<u>-</u>	<u>285,000</u>
TOTAL EXPENDITURES	<u>\$ 34,818,759</u>	<u>\$ 34,818,759</u>	<u>\$ 34,043,307</u>	<u>\$ 775,452</u>

CITY OF NEW BERLIN

DEBT SERVICE FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL GENERAL DEBT SERVICE FUND For the Year Ended December 31, 2023

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 9,364,335	\$ 9,364,335	\$ -
Room taxes	117,000	117,054	54
Total Revenues	<u>9,481,335</u>	<u>9,481,389</u>	<u>54</u>
EXPENDITURES			
Debt Service			
Principal retirement	7,535,000	21,580,000	(14,045,000)
Interest and fiscal charges	2,471,250	2,585,807	(114,557)
Total Expenditures	<u>10,006,250</u>	<u>24,165,807</u>	<u>(14,159,557)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(524,915)</u>	<u>(14,684,418)</u>	<u>(14,159,503)</u>
OTHER FINANCING SOURCES			
Premium on bond issued	-	504,138	504,138
Transfers in	385,183	385,183	-
Total Other Financing Sources	<u>385,183</u>	<u>889,321</u>	<u>504,138</u>
Net Change in Fund Balances	(139,732)	(13,795,097)	<u>\$ (13,655,365)</u>
FUND BALANCES - Beginning of Year	<u>15,262,569</u>	<u>15,262,569</u>	
FUND BALANCES - END OF YEAR	<u>\$ 15,122,837</u>	<u>\$ 1,467,472</u>	

CITY OF NEW BERLIN

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE BY FUNCTION AND ACTIVITY As of December 31, 2023

Function and Activity	Land	Land Improvements	Buildings	Machinery and Equipment	Infrastructure	Intangibles	Total
General Government							
Clerk	\$ -	\$ -	\$ -	\$ 305,790	\$ -	\$ -	\$ 305,790
Information services	-	-	-	2,084,995	-	1,367,008	3,452,003
Building maintenance	280,000	-	3,095,217	2,688,442	-	-	6,063,659
Other - unclassified	136,050	9,878	-	270,567	-	-	416,495
Total General Government	416,050	9,878	3,095,217	5,349,794	-	1,367,008	10,237,947
Protection of Persons and Property							
Police	-	12,304	7,295,204	4,661,291	-	440,743	12,409,542
Fire	237,168	100,919	4,702,996	7,504,238	-	-	12,545,321
Emergency government	-	-	-	448,189	-	-	448,189
Total Public Safety	237,168	113,223	11,998,200	12,613,718	-	440,743	25,403,052
Highway and Transportation							
Maintenance	-	-	5,859,997	8,701,077	-	-	14,561,074
Sidewalks/Bikepaths	-	-	-	-	4,064,831	-	4,064,831
Street system	9,565,553	-	-	1,009,896	114,162,496	-	124,737,945
Total Streets	9,565,553	-	5,859,997	9,710,973	118,227,327	-	143,363,850
Library	849,336	5,193	8,936,592	3,094,637	-	-	12,885,758
Parks and Recreation	7,253,499	5,610,082	13,222,864	4,361,429	-	30,000	30,477,874
Total Governmental Funds Capital Assets	<u>\$ 18,321,606</u>	<u>\$ 5,738,376</u>	<u>\$ 43,112,870</u>	<u>\$ 35,130,551</u>	<u>\$ 118,227,327</u>	<u>\$ 1,837,751</u>	<u>\$ 222,368,481</u>

CITY OF NEW BERLIN

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY As of December 31, 2023

Function and Activity	Governmental Funds Capital Assets January 1, 2023	Additions	Deductions	Governmental Funds Capital Assets December 31, 2023
General Government				
Clerk	\$ 305,790	\$ -	\$ -	\$ 305,790
Information services	3,452,003	-	-	3,452,003
Building maintenance	5,091,187	972,472	-	6,063,659
Other - unclassified	416,495	-	-	416,495
Total General Government	<u>9,265,475</u>	<u>972,472</u>	<u>-</u>	<u>10,237,947</u>
Protection of Persons and Property				
Police	12,199,818	209,724	-	12,409,542
Fire	12,272,440	272,881	-	12,545,321
Emergency government	448,189	-	-	448,189
Total Public Safety	<u>24,920,447</u>	<u>482,605</u>	<u>-</u>	<u>25,403,052</u>
Highway and Transportation				
Maintenance	14,353,942	499,416	292,284	14,561,074
Sidewalks/Bikepaths	4,013,213	51,618	-	4,064,831
Street system	116,482,402	9,406,487	1,150,944	124,737,945
Total Streets	<u>134,849,557</u>	<u>9,957,521</u>	<u>1,443,228</u>	<u>143,363,850</u>
Library	<u>12,668,766</u>	<u>261,837</u>	<u>44,845</u>	<u>12,885,758</u>
Parks and Recreation	<u>29,030,433</u>	<u>1,679,357</u>	<u>231,916</u>	<u>30,477,874</u>
Total Governmental Funds Capital Assets	<u>\$ 210,734,678</u>	<u>\$ 13,353,792</u>	<u>\$ 1,719,989</u>	<u>\$ 222,368,481</u>

STATISTICAL SECTION

Table 1
City of New Berlin
Net Position by Component
Last Ten Years
(amounts expressed in thousands)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental Activities										
Net investment in capital assets*	\$ 36,115	\$ 33,153	\$ 31,315	\$ 31,448	\$ 32,615	\$ 32,403	\$ 33,608	\$ 33,914	\$ 22,268	\$ 31,403
Restricted	6,415	9,571	7,185	7,763	11,021	7,516	11,808	16,090	32,947	10,023
Unrestricted	<u>3,904</u>	<u>8,464</u>	<u>10,688</u>	<u>7,761</u>	<u>4,393</u>	<u>7,463</u>	<u>(69)</u>	<u>(1,549)</u>	<u>(2,235)</u>	<u>10,953</u>
Total governmental activities net position	<u>\$ 46,434</u>	<u>\$ 51,188</u>	<u>\$ 49,188</u>	<u>\$ 46,972</u>	<u>\$ 48,029</u>	<u>\$ 47,382</u>	<u>\$ 45,347</u>	<u>\$ 48,455</u>	<u>\$ 52,980</u>	<u>\$ 52,379</u>
Business-type activities										
Net investment in capital assets*	\$ 97,213	\$ 98,177	\$ 98,771	\$ 100,030	\$ 103,541	\$ 104,711	\$ 103,011	\$ 103,273	\$ 105,090	\$ 114,224
Restricted	701	889	713	720	833	588	655	885	1,025	559
Unrestricted	<u>27,645</u>	<u>28,003</u>	<u>30,535</u>	<u>31,976</u>	<u>31,113</u>	<u>32,910</u>	<u>36,506</u>	<u>38,915</u>	<u>38,666</u>	<u>35,624</u>
Total business-type activities net position	<u>\$ 125,559</u>	<u>\$ 127,069</u>	<u>\$ 130,019</u>	<u>\$ 132,726</u>	<u>\$ 135,487</u>	<u>\$ 138,209</u>	<u>\$ 140,172</u>	<u>\$ 143,073</u>	<u>\$ 144,781</u>	<u>\$ 150,407</u>
Primary government										
Net investment in capital assets*	\$ 133,328	\$ 131,330	\$ 130,086	\$ 131,478	\$ 136,156	\$ 137,114	\$ 136,619	\$ 137,187	\$ 127,358	\$ 145,627
Restricted	7,116	10,460	7,898	8,483	11,854	8,104	12,463	16,975	33,972	10,582
Unrestricted	<u>31,549</u>	<u>36,467</u>	<u>41,223</u>	<u>39,737</u>	<u>35,506</u>	<u>40,373</u>	<u>36,437</u>	<u>37,366</u>	<u>36,431</u>	<u>46,577</u>
Total primary government net position	<u>\$ 171,993</u>	<u>\$ 178,257</u>	<u>\$ 179,207</u>	<u>\$ 179,698</u>	<u>\$ 183,516</u>	<u>\$ 185,591</u>	<u>\$ 185,519</u>	<u>\$ 191,528</u>	<u>\$ 197,761</u>	<u>\$ 202,786</u>

*Net of related debt

Table 2
City of New Berlin
Changes in Net Position
Last Ten Years
(amounts expressed in thousands)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Expenses										
Governmental activities:										
General government	\$ 6,433	\$ 6,356	\$ 6,635	\$ 6,736	\$ 6,415	\$ 6,636	\$ 8,454	\$ 5,587	\$ 6,944	\$ 7,403
Protection of persons and property	14,592	14,838	15,975	17,457	17,126	18,403	18,008	16,667	16,519	23,472
Highway and transportation	8,500	11,145	10,190	9,309	8,873	9,249	9,947	9,681	10,523	10,642
Library	1,494	1,466	1,629	1,706	1,715	1,720	1,818	1,672	1,658	1,875
Parks and recreation	1,859	1,799	1,897	2,074	1,932	2,233	1,978	2,097	2,693	3,053
Conservation and development	685	744	799	820	801	824	1,010	666	816	1,035
Interest and fiscal charges	<u>902</u>	<u>946</u>	<u>922</u>	<u>937</u>	<u>980</u>	<u>1,092</u>	<u>1,080</u>	<u>1,222</u>	<u>1,475</u>	<u>2,356</u>
Total governmental activities expenses	<u>34,465</u>	<u>37,294</u>	<u>38,047</u>	<u>39,039</u>	<u>37,842</u>	<u>40,157</u>	<u>42,295</u>	<u>37,592</u>	<u>40,628</u>	<u>49,836</u>
Business type activities:										
Water	4,104	4,673	4,171	4,240	4,486	4,334	4,391	4,507	4,435	4,878
Wastewater	9,439	10,384	10,157	10,340	11,804	10,615	10,116	10,115	10,630	12,304
Stormwater	<u>1,494</u>	<u>1,352</u>	<u>1,787</u>	<u>1,507</u>	<u>1,597</u>	<u>1,536</u>	<u>1,470</u>	<u>1,571</u>	<u>1,591</u>	<u>1,748</u>
Total business type activities expenses:	<u>15,037</u>	<u>16,409</u>	<u>16,115</u>	<u>16,087</u>	<u>17,887</u>	<u>16,485</u>	<u>15,972</u>	<u>16,193</u>	<u>16,656</u>	<u>18,930</u>
Total primary government expenses	<u>\$ 49,502</u>	<u>\$ 53,703</u>	<u>\$ 54,162</u>	<u>\$ 55,126</u>	<u>\$ 55,729</u>	<u>\$ 56,642</u>	<u>\$ 58,272</u>	<u>\$ 53,785</u>	<u>\$ 57,284</u>	<u>\$ 68,766</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 941	\$ 996	\$ 957	\$ 932	\$ 989	\$ 1,031	\$ 878	\$ 926	\$ 864	\$ 1,003
Protection of persons and property	2,185	2,263	2,480	2,809	3,065	2,791	2,787	2,773	2,673	2,601
Highway and transportation	346	1,644	2,163	1,925	2,255	2,235	2,246	2,427	2,291	2,431
Library	95	77	95	92	114	113	67	90	98	116
Parks and recreation	874	841	823	705	622	680	369	805	828	1,080
Conservation and development	126	122	120	139	107	113	88	124	91	137
Operating grants and contributions	2,206	2,537	2,769	2,736	2,938	3,114	4,027	3,309	4,756	5,194
Capital grants and contributions	<u>4,502</u>	<u>307</u>	<u>650</u>	<u>330</u>	<u>1,175</u>	<u>817</u>	<u>59</u>	<u>408</u>	<u>636</u>	<u>1,072</u>
Total governmental activities program revenues	<u>11,275</u>	<u>8,787</u>	<u>10,057</u>	<u>9,668</u>	<u>11,265</u>	<u>10,894</u>	<u>10,521</u>	<u>10,862</u>	<u>12,237</u>	<u>13,634</u>

Business type activities:

Charges for services:

Water	5,144	5,273	5,327	5,188	5,269	5,179	5,328	5,445	5,312	5,419
Wastewater	9,395	10,400	10,395	10,311	11,031	11,138	11,119	11,256	11,226	11,384
Stormwater	1,672	1,709	1,726	1,743	1,746	1,748	1,742	1,767	1,780	1,791
Operating grants and contributions	10	238	293	-	765	176	286	83	-	1,787
Capital grants and contributions	<u>2,270</u>	<u>272</u>	<u>291</u>	<u>2,146</u>	<u>1,206</u>	<u>450</u>	<u>7</u>	<u>479</u>	<u>231</u>	<u>559</u>
Total business-type activities program revenues	<u>18,491</u>	<u>17,892</u>	<u>18,032</u>	<u>19,388</u>	<u>20,017</u>	<u>18,691</u>	<u>18,482</u>	<u>19,030</u>	<u>18,549</u>	<u>20,940</u>
Total primary government program revenues	<u>\$ 29,766</u>	<u>\$ 26,679</u>	<u>\$ 28,089</u>	<u>\$ 29,056</u>	<u>\$ 31,282</u>	<u>\$ 29,585</u>	<u>\$ 29,003</u>	<u>\$ 29,892</u>	<u>\$ 30,786</u>	<u>\$ 34,574</u>

Net (Expense)/Revenue

Governmental activities	\$ (23,190)	\$ (28,507)	\$ (27,990)	\$ (29,371)	\$ (26,577)	\$ (29,263)	\$ (31,774)	\$ (26,730)	\$ (28,391)	\$ (36,202)
Business type activities	<u>3,454</u>	<u>1,483</u>	<u>1,917</u>	<u>3,301</u>	<u>2,130</u>	<u>2,206</u>	<u>2,505</u>	<u>2,837</u>	<u>1,893</u>	<u>2,010</u>
Total primary government net expense	<u>\$ (19,736)</u>	<u>\$ (27,024)</u>	<u>\$ (26,073)</u>	<u>\$ (26,070)</u>	<u>\$ (24,447)</u>	<u>\$ (27,057)</u>	<u>\$ (29,269)</u>	<u>\$ (23,893)</u>	<u>\$ (26,498)</u>	<u>\$ (34,192)</u>

General Revenues and Other Changes in Net Position

Governmental activities:

Taxes

Property taxes	\$ 24,436	\$ 24,681	\$ 24,968	\$ 25,251	\$ 25,550	\$ 25,675	\$ 26,592	\$ 28,304	\$ 30,400	\$ 33,130
Other taxes	422	414	443	435	361	395	493	319	343	460
Intergovernmental revenues	998	1,020	1,026	1,221	897	1,200	1,402	1,178	1,216	1,054
Investment earnings (loss)	163	108	206	386	843	1,218	405	(42)	254	2,850
Miscellaneous	132	117	134	105	135	106	81	111	141	113
Transfers	<u>(1,283)</u>	<u>582</u>	<u>(787)</u>	<u>783</u>	<u>(153)</u>	<u>23</u>	<u>766</u>	<u>(32)</u>	<u>562</u>	<u>(2,005)</u>
Total Governmental activities	<u>24,868</u>	<u>26,922</u>	<u>25,990</u>	<u>28,181</u>	<u>27,633</u>	<u>28,617</u>	<u>29,739</u>	<u>29,838</u>	<u>32,916</u>	<u>35,602</u>
Business type activities:										
Investment earnings	262	232	246	281	478	538	224	32	297	1,593
Miscellaneous	-	-	-	-	-	-	-	-	79	17
Transfers	<u>1,283</u>	<u>(582)</u>	<u>787</u>	<u>(783)</u>	<u>153</u>	<u>(23)</u>	<u>(766)</u>	<u>32</u>	<u>(562)</u>	<u>2,005</u>
Total business-type activities	<u>1,545</u>	<u>(350)</u>	<u>1,033</u>	<u>(502)</u>	<u>631</u>	<u>515</u>	<u>(542)</u>	<u>64</u>	<u>(186)</u>	<u>3,615</u>
Total primary government	<u>\$ 26,413</u>	<u>\$ 26,572</u>	<u>\$ 27,023</u>	<u>\$ 27,679</u>	<u>\$ 28,264</u>	<u>\$ 29,132</u>	<u>\$ 29,197</u>	<u>\$ 29,902</u>	<u>\$ 32,730</u>	<u>\$ 39,217</u>

Change in Net Position

Governmental activities	\$ 1,678	\$ (1,585)	\$ (2,000)	\$ (1,190)	\$ 1,056	\$ (646)	\$ (2,035)	\$ 3,108	\$ 4,525	\$ (600)
Business type activities	<u>4,999</u>	<u>1,133</u>	<u>2,950</u>	<u>2,799</u>	<u>2,761</u>	<u>2,721</u>	<u>1,963</u>	<u>2,901</u>	<u>1,707</u>	<u>5,625</u>
Total primary government	<u>\$ 6,677</u>	<u>\$ (452)</u>	<u>\$ 950</u>	<u>\$ 1,609</u>	<u>\$ 3,817</u>	<u>\$ 2,075</u>	<u>\$ (72)</u>	<u>\$ 6,009</u>	<u>\$ 6,232</u>	<u>\$ 5,025</u>

Table 3
City of New Berlin
Fund Balances, Governmental Funds,
Last Ten Years
(amounts expressed in thousands)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund										
Nonspendable	\$ 81	\$ 50	\$ 117	\$ 67	\$ 343	\$ 306	\$ 59	\$ 677	\$ 479	\$ 175
Assigned	985	956	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Unassigned	<u>7,330</u>	<u>7,797</u>	<u>8,196</u>	<u>8,476</u>	<u>8,724</u>	<u>8,820</u>	<u>9,070</u>	<u>7,635</u>	<u>7,927</u>	<u>10,923</u>
Total general fund	<u>\$ 8,396</u>	<u>\$ 8,803</u>	<u>\$ 9,313</u>	<u>\$ 9,543</u>	<u>\$ 10,067</u>	<u>\$ 10,126</u>	<u>\$ 10,129</u>	<u>\$ 9,312</u>	<u>\$ 9,406</u>	<u>\$ 12,098</u>
All Other Governmental Funds										
Restricted	\$ 9,745	\$ 10,471	\$ 11,250	\$ 13,314	\$ 14,624	\$ 15,469	\$ 13,033	\$ 15,956	\$ 38,350	\$ 15,790
Committed	1,034	1,956	1,553	1,007	978	801	762	782	875	1,241
Assigned	332	382	313	337	340	486	604	233	352	1,439
Unassigned	<u>(2)</u>	<u>-</u>	<u>-</u>	<u>(8)</u>	<u>-</u>	<u>(40)</u>	<u>(10)</u>	<u>-</u>	<u>(538)</u>	<u>-</u>
Total all other governmental funds	<u>\$ 11,109</u>	<u>\$ 12,809</u>	<u>\$ 13,116</u>	<u>\$ 14,650</u>	<u>\$ 15,942</u>	<u>\$ 16,716</u>	<u>\$ 14,389</u>	<u>\$ 16,971</u>	<u>\$ 39,039</u>	<u>\$ 18,470</u>

Table 4
City of New Berlin
Changes in Fund Balances, Governmental Funds,
Last Ten Years
(amounts expressed in thousands)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
REVENUES										
Taxes	\$ 24,859	\$ 25,095	\$25,411	\$25,686	\$25,912	\$26,071	\$ 27,084	\$ 28,623	\$ 30,743	\$ 33,590
Intergovernmental	2,941	3,248	3,462	3,620	3,480	3,779	4,913	4,137	5,975	6,229
Licenses and permits	1,416	1,454	1,338	1,353	1,621	1,459	1,386	1,276	1,449	1,131
Fines and penalties	321	361	453	384	348	309	286	327	304	337
Charges for services	2,098	3,497	4,225	4,471	4,534	4,504	4,024	4,190	3,996	4,641
Public improvement revenues	55	101	26	340	260	66	69	39	92	93
Special assessments	1	1	1	1	1	-	-	-	-	-
Interdepartmental revenues	381	330	402	149	461	414	397	572	560	677
Investment income (loss)	163	108	206	386	843	1,218	406	(42)	266	2,850
Miscellaneous revenues	<u>1,139</u>	<u>719</u>	<u>873</u>	<u>949</u>	<u>722</u>	<u>892</u>	<u>570</u>	<u>1,740</u>	<u>903</u>	<u>1,155</u>
Total Revenues	<u>33,374</u>	<u>34,914</u>	<u>36,397</u>	<u>37,339</u>	<u>38,182</u>	<u>38,712</u>	<u>39,135</u>	<u>40,862</u>	<u>44,288</u>	<u>50,703</u>
EXPENDITURES										
General government	6,008	5,920	6,058	6,037	6,047	6,236	5,954	6,323	7,056	7,349
Protection of persons and property	14,032	14,239	14,617	15,631	16,030	16,565	16,994	17,931	17,944	19,137
Public Works	3,207	4,200	4,477	4,337	4,620	4,899	4,723	5,563	5,648	5,937
Library	1,363	1,373	1,424	1,498	1,553	1,519	1,623	1,537	1,561	1,771
Parks and recreation	1,496	1,400	1,445	1,467	1,391	1,609	1,293	1,515	1,858	2,071
Conservation and development	685	725	775	758	780	727	768	726	842	801
Capital outlay	7,427	7,050	8,353	7,851	8,098	8,119	12,942	18,607	14,958	28,468
Debt service										
Principal retirement	6,095	6,060	5,930	5,975	5,950	5,890	6,755	22,780	7,125	21,580
Interest and fiscal charges	<u>1,189</u>	<u>1,226</u>	<u>1,204</u>	<u>1,185</u>	<u>1,205</u>	<u>1,302</u>	<u>1,292</u>	<u>1,371</u>	<u>2,177</u>	<u>2,890</u>
Total Expenditures	<u>41,502</u>	<u>42,193</u>	<u>44,283</u>	<u>44,739</u>	<u>45,674</u>	<u>46,866</u>	<u>52,344</u>	<u>76,353</u>	<u>59,169</u>	<u>90,004</u>

Excess of revenues over (under) expenditures	<u>(8,128)</u>	<u>(7,279)</u>	<u>(7,886)</u>	<u>(7,400)</u>	<u>(7,492)</u>	<u>(8,154)</u>	<u>(13,209)</u>	<u>(35,491)</u>	<u>(14,881)</u>	<u>(39,301)</u>
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**OTHER FINANCING
SOURCES (USES)**

Proceeds from long-term debt	6,954	8,230	7,735	8,215	9,060	8,095	9,815	20,805	21,795	19,300
Refunding debt issued	-	-	-	-	-	-	-	13,170	13,865	-
Premium on bond issue	294	244	167	161	164	102	195	2,228	698	1,353
Capital lease	-	72	-	63	-	-	110	343	-	106
Transfers in	1,673	1,534	1,393	1,477	1,515	1,410	1,508	1,673	1,531	1,450
Transfers out	<u>(827)</u>	<u>(694)</u>	<u>(592)</u>	<u>(752)</u>	<u>(1,432)</u>	<u>(619)</u>	<u>(742)</u>	<u>(963)</u>	<u>(846)</u>	<u>(785)</u>
Total other financing sources (uses)	<u>8,094</u>	<u>9,386</u>	<u>8,703</u>	<u>9,164</u>	<u>9,307</u>	<u>8,988</u>	<u>10,886</u>	<u>37,256</u>	<u>37,043</u>	<u>21,424</u>

Net change in fund balances	<u>\$ (34)</u>	<u>\$ 2,107</u>	<u>\$ 817</u>	<u>\$ 1,764</u>	<u>\$ 1,815</u>	<u>\$ 834</u>	<u>\$ (2,323)</u>	<u>\$ 1,765</u>	<u>\$ 22,162</u>	<u>\$ (17,877)</u>
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Debt service as a percentage of noncapital expenditures	21.4%	20.7%	19.9%	19.4%	19.0%	18.6%	20.4%	41.8%	21.0%	39.8%
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Table 5
City of New Berlin
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Years

(amounts expressed in thousands)

Year	Residential Property	Commercial Property	Manufacturing Property	Other Property	Personal Property	Total Taxable Assessed Value	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value	Total Direct Tax Rate
2014	\$ 3,140,288	\$ 993,967	\$ 181,837	\$ 13,914	\$ 149,198	\$ 4,479,204	\$ 4,703,600	95.23%	5.5102
2015	3,359,201	1,047,565	197,897	15,346	144,184	4,764,193	4,808,728	99.07%	5.2408
2016	3,375,849	1,065,173	205,622	15,131	159,107	4,820,882	4,957,311	97.16%	5.2378
2017	3,399,510	1,087,933	196,725	14,940	154,307	4,853,415	5,186,500	93.58%	5.2644
2018	3,812,419	1,146,847	207,896	16,000	102,149	5,285,311	5,408,748	97.72%	4.8579
2019	3,856,282	1,163,578	201,424	16,272	94,213	5,331,769	5,714,406	93.30%	4.9990
2020	3,903,183	1,159,170	212,481	15,497	100,294	5,390,625	5,849,284	92.21%	5.1810
2021	3,942,882	1,176,737	199,345	15,792	83,521	5,418,277	6,270,870	86.36%	5.5232
2022	3,975,858	1,211,968	184,278	14,955	85,684	5,472,743	7,105,119	77.02%	5.9713
2023	4,004,827	1,222,904	178,347	14,861	78,303	5,499,242	7,871,954	69.62%	6.2584

Source: New Berlin City Assessors Office

Note: State law requires average assessment ratios to be within 10% of market value once every 4 years. Additionally, state statutes require each taxation district to assess property at full value at least once in every 5 year period. The City Assessor's office has formulated a policy of conducting revaluations on a biennial basis.

Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per \$1,000 of assessed value.

Table 6
City of New Berlin
Direct and Overlapping Property Tax Rates,
Last Ten Years

(rate per \$1,000 of assessed value)

Levy Year	City Direct Rates			Overlapping Rates				Total Gross Rate
	Basic Rate	General Obligation Debt Service	Total Direct	New Berlin School District	Waukesha County Technical College	Waukesha County	State of Wisconsin	
2014	4.0561	1.4541	5.5102	11.9221	0.4086	2.1854	0.1782	20.2046
2015	3.8448	1.3960	5.2408	11.3358	0.3833	2.0608	0.1712	19.1919
2016	3.8546	1.3832	5.2378	11.4779	0.3788	2.0529	0.1745	19.3219
2017	3.8904	1.3740	5.2644	11.5694	0.3939	2.0858	-	19.3135
2018	3.5963	1.2617	4.8579	10.4435	0.3705	1.9341	-	17.6060
2019	3.7484	1.2507	4.9990	10.0299	0.3860	1.9503	-	17.3653
2020	3.7924	1.3886	5.1810	9.2594	0.3815	1.9135	-	16.7354
2021	3.9911	1.5321	5.5232	8.7589	0.3497	1.9497	-	16.5815
2022	5.9713	1.5257	5.9713	8.9401	0.3475	1.9847	-	17.2436
2023	6.2584	1.7170	6.2584	8.4005	0.3585	1.9901	-	17.0075

Note: The City has four tax rates dependent upon the school district the property is located. The total shown is for only the largest school district (New Berlin), State of Wisconsin property taxes were eliminated in 2017.

Table 7
City of New Berlin
Principal Property Taxpayers
Current Year and Nine Years Ago

<u>Taxpayer</u>	<u>2023</u>			<u>2014</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percent of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percent of Total City Taxable Assessed Value</u>
Froedert Health	\$ 31,990,600	1	0.59%	\$ 34,639,210	4	0.77%
Clark Building Joint Venture	23,834,700	2	0.44%	-	-	-
Buy Seasons	23,412,300	3	0.43%	39,475,200	3	0.88%
Fountain Square	21,669,000	4	0.40%			
Sanctuary of Woodshire	20,605,000	5	0.38%	18,146,600	8	0.41%
Stonegate Condo LLC	19,755,300	6	0.36%			
Wyndridge Nominee, LLC	18,951,600	7	0.35%	16,689,800	9	0.37%
James Campbell Company	17,585,700	8	0.32%	-	-	-
Costco	16,498,900	9	0.30%	-	-	-
Ethic Indoor, LLC	16,331,500	10	0.30%	-	-	-
Individual	-	-	-	60,529,500	1	1.35%
Individual	-	-	-	58,329,000	2	1.30%
FXG, Inc	-	-	-	32,719,170	5	0.73%
Towne-Luterbach	-	-	-	27,347,300	6	0.61%
MSP	-	-	-	22,522,700	7	0.50%
Pinewood Apartments	-	-	-	13,737,600	10	0.31%
Oak Moor Development	-	-	-	-	-	0.00%
B&G Realty	-	-	-	-	-	0.00%
	<u>\$ 210,634,600</u>		<u>3.89%</u>	<u>\$ 324,136,080</u>		<u>7.23%</u>

Source: New Berlin City Assessor

Table 8
City of New Berlin
Property Tax Levies & Collections
Last Ten Years

<u>Collection Year</u>	<u>Total Tax Levy</u>	<u>Collections Prior to Transfer</u>		<u>Total Collections to Date</u>	
		<u>of Tax Roll on August 1</u>	<u>Percent of Levy Collected</u>	<u>Amount</u>	<u>Percentage of Levy</u>
2014	\$ 24,436,282	\$ 24,279,109	99.36%	\$ 24,434,177	99.99%
2015	24,681,517	24,567,841	99.54%	24,665,383	99.93%
2016	24,968,332	24,864,003	99.58%	24,947,440	99.92%
2017	25,251,000	25,136,214	99.55%	25,245,738	99.98%
2018	25,550,392	25,456,313	99.63%	25,543,854	99.97%
2019	25,675,618	25,574,501	99.61%	25,655,517	99.92%
2020	26,592,266	26,495,336	99.64%	26,567,825	99.91%
2021	27,813,189	27,740,955	99.74%	27,772,740	99.85%
2022	29,748,131	29,669,174	99.73%	29,711,290	99.88%
2023	32,440,834	32,292,619	99.54%	32,396,313	99.86%

Note: The amount of outstanding taxes represents uncollected personal property taxes at the end of the year. The portion of delinquent taxes attributable to overlapping jurisdictions is charged back to those jurisdictions in the subsequent year.

Table 9
City of New Berlin
Ratio of Outstanding Debt by Type
Last Ten Years
(dollars in thousands, except per capita)

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Lease	Advance from Sewer	State Trust Fund Loan	Water Revenue Bonds	Water Advance from Sewer	Water General Obligation	WRM Advance from Sewer			
2014	\$ 42,129	\$ 68	\$ -	\$ 465	\$ -	\$ 1,685	\$ 3,975	\$ 1,435	\$ 49,757	3.15%	\$ 1,240
2015	45,719	80	-	360	-	1,310	3,715	1,230	52,414	3.21%	1,304
2016	46,319	60	-	250	-	925	3,445	1,020	52,019	3.11%	1,293
2017	48,685	82	-	125	62	505	3,165	810	53,434	3.12%	1,335
2018	51,920	50	-	-	1,979	255	2,875	590	57,669	3.24%	1,429
2019	54,125	26	-	-	1,944	-	2,380	430	58,905	3.17%	1,451
2020	57,185	97	-	-	2,903	-	1,890	325	62,400	3.16%	1,537
2021	68,380	398	-	-	2,779	-	1,290	220	73,067	3.60%	1,790
2022	82,945	301	666	13,970	2,639	-	875	110	101,506	4.59%	2,511
2023	94,635	337	1,280	-	2,496	-	435	55	99,238	4.52%	2,473

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Table 10
City of New Berlin
Ratio of Net General Bonded Debt Outstanding
Last Ten Years
(dollars in thousands, except per capita)

Fiscal Year	General Bonded Debt Outstanding				Funds Restricted for Principal	Net Bonded Debt Outstanding	Percentage of	
	General Obligation Bonds	WRM General Obligation	Water General Obligation	Total			Actual Taxable Value of Property	Per Capita
2014	\$ 42,129	\$ -	\$ -	\$ 42,129	\$ -	\$ 42,129	0.90%	\$ 1,050
2015	46,079	-	4,430	50,509	-	50,509	1.05%	1,257
2016	46,569	-	4,220	50,789	-	50,789	1.02%	1,263
2017	48,810	-	3,975	52,785	-	52,785	1.02%	1,319
2018	51,920	-	3,892	55,812	-	55,812	1.03%	1,383
2019	54,125	-	3,445	57,570	-	57,570	1.01%	1,418
2020	57,185	-	1,890	59,075	-	59,075	1.01%	1,455
2021	68,380	-	1,290	69,670	-	69,670	1.11%	1,707
2022	82,945	-	875	83,820	-	83,820	1.18%	2,073
2023	94,635	-	435	95,070	-	95,070	1.21%	2,369

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Table 11
City of New Berlin
Direct and Overlapping Governmental Activities Debt
As of December 31, 2023
(dollars in thousands)

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Waukesha County	\$ 80,660	9.4345%	\$ 7,610
Elmbrook School District	26,410	1.2340%	326
Muskego-Norway School District	72,105	0.1281%	92
New Berlin School District	24,570	100.0000%	24,570
West Allis School District	5,700	5.8487%	333
Waukesha County Technical College	20,190	8.6585%	1,748
Milwaukee Area Technical College	100,320	0.4199%	<u>421</u>
Subtotal, overlapping debt			35,101
City direct debt			<u>69,670</u>
Total direct and overlapping debt			<u>\$ 104,771</u>

Sources: Assessed value data provided by the City Assessor's office. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographical boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of New Berlin. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Table 12
City of New Berlin
Legal Debt Margin Information,
Last Ten Years

(dollars in thousands)

Legal debt margin calculation for 2023

Equalized Valuation	\$ 7,871,954
Debt Limit (5% of equalized value)	393,598
Debt applicable to limit:	
General Obligation Debt	95,070
Less: Available funds designated for principal debt retirement	<u>360</u>
Total net debt applicable to limit	<u>94,710</u>
Legal debt margin	<u>\$ 298,888</u>

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt Limit	\$ 226,196	\$ 235,180	\$ 240,436	\$ 247,866	\$ 259,325	\$ 285,720	\$ 292,464	\$ 313,544	\$ 355,256	\$ 393,598
Total net debt applicable to limit	<u>45,677</u>	<u>46,251</u>	<u>49,901</u>	<u>49,811</u>	<u>51,787</u>	<u>56,282</u>	<u>58,852</u>	<u>69,227</u>	<u>83,500</u>	<u>94,710</u>
Legal debt margin	<u>\$ 180,519</u>	<u>\$ 188,929</u>	<u>\$ 190,535</u>	<u>\$ 198,055</u>	<u>\$ 207,538</u>	<u>\$ 229,438</u>	<u>\$ 233,612</u>	<u>\$ 244,317</u>	<u>\$ 393,918</u>	<u>\$ 298,888</u>
Total net debt applicable to the limit as a percentage of debt limit	20.19%	19.67%	20.75%	20.10%	19.97%	19.70%	20.12%	22.08%	23.50%	24.06%

Note: Under state law the city's outstanding general obligation debt cannot exceed 5 percent of total equalized property value. However, the city has established a more conservative internal limit of not more than 2.5 percent. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Table 13
City of New Berlin
Pledged-Revenue Coverage,
Last ten years

Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Maximum Annual Debt Service Requirement			Total
				Principal	Interest	Coverage	
2014	\$ n/a	\$ n/a	\$ n/a	\$ n/a	\$ n/a	\$ n/a	\$ n/a
2015	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2016	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2017	5,264,980	2,876,287	2,388,693	2,575	1,131	644.55	3,706
2018	5,417,489	3,081,448	2,336,041	87,253	34,580	19.17	121,833
2019	5,337,794	2,893,109	2,444,685	89,379	35,580	19.56	124,959
2020	5,377,379	2,953,084	2,424,295	137,615	54,461	12.62	192,076
2021	5,445,963	3,023,388	2,422,575	137,615	54,461	12.61	192,076
2022	5,312,313	2,907,305	2,405,008	137,615	54,461	12.52	192,076
2023	5,848,634	3,179,520	2,669,114	145,648	46,339	13.90	191,987

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Gross revenues are operating revenues plus interest. Operating expenses do not include interest, depreciation or amortization.

Table 14
City of New Berlin
Demographic and Economic Statistics
Last Ten Years

Year	Population	New Berlin Per Capita Income	Personal Income (thousands of dollars)	School Enrollment	Unemployment Rate
2014	40,130	\$ 39,339	\$ 1,578,674	4,590	4.30%
2015	40,195	40,678	1,635,052	4,528	3.60%
2016	40,227	41,546	1,671,271	4,445	3.70%
2017	40,027	42,788	1,712,675	4,410	2.30%
2018	40,349	44,119	1,780,158	4,503	2.70%
2019	40,596	45,732	1,856,536	4,348	3.00%
2020	40,600	48,563	1,971,658	4,362	6.00%
2021	40,821	49,691	2,028,436	4,250	3.10%
2022	40,426	54,748	2,213,243	4,250	2.70%
2023	40,135	54,748	2,197,311	4,256	2.40%

Sources: Population provided by State Department of Revenue. Per capita income is from the US Census Bureau and personal income is population times per capita. School enrollment data from WI Dept of Public Instruction. Unemployment data provided by State Department of Workforce Development.

Notes: Personal income data from Wisconsin Department of Administration, Demographic Services Center. Unemployment rate information is annual average. School enrollment is based on census at the middle of the school year and includes public schools only.

Table 15
City of New Berlin
Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	<u>2023</u>			<u>2014</u>		
	Approximate Number of Employees	Rank	Percentage of Total City Employment	Approximate Number of Employees	Rank	Percentage of Total City Employment
Spring City/Pieper Electric	1,200	1	5.66%	-	-	0.00%
Ideal Mechanical	550	2	2.59%	-	-	0.00%
ABB Industrial Systems Inc.	525	3	2.48%	650	2	3.06%
New Berlin School District	474	4	2.23%	-	-	0.00%
Modern Maintenance Building	450	5	2.12%	400	4	1.88%
Regency Janitorial Service, Inc.	380	6	1.79%	250	9	1.18%
City of New Berlin	372	7	1.75%	367	6	1.73%
Collins Aerospace	300	8	1.41%	-	-	0.00%
ACS Group	259	9	1.22%	-	-	0.00%
GMR Marketing	337	10	1.59%	400	3	1.88%
Chris Hansen, Inc	-	-	-	780	1	3.67%
Humana	-	-	-	373	5	1.76%
Dematic Corp	-	-	-	250	7	1.18%
Gortie	-	-	-	250	8	1.18%
Linden Grove	-	-	-	220	10	1.04%
Total	<u>4,847</u>		22.85%	<u>3,940</u>		<u>18.58%</u>

Source: City Official Statement - ReferenceUSA, written and telephone survey (August, 2019), *Wisconsin Manufacturers Register*, and the Wisconsin Department of Workforce Development

Table 16
City of New Berlin
Full-time Equivalent City Employees by Function/Program,
Last Ten Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<i>GENERAL GOVERNMENT</i>										
Mayor	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Human Resources	2.50	2.00	2.00	2.50	3.00	3.00	3.00	3.33	3.66	3.00
Finance	4.75	4.75	4.81	5.31	5.31	5.31	5.31	5.31	5.31	5.23
Assessor	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.00	4.00
Municipal Court	2.15	2.10	2.10	2.10	2.20	2.04	2.04	2.04	2.04	2.04
Engineering	3.00	2.50	2.50	2.25	2.25	2.25	2.25	2.25	2.25	2.25
Parks, Facilities & Grounds	8.00	12.00	13.00	13.00	14.00	12.50	13.50	13.50	13.50	15.00
Parks, Facilities & Grounds - Pt	6.50	4.88	5.88	6.60	6.10	5.01	5.53	5.53	5.53	2.26
Clerk	4.34	4.34	4.50	4.70	4.60	4.60	4.60	4.87	5.14	5.00
Information Technology	3.50	3.50	3.50	3.50	3.50	3.50	3.50	4.01	4.52	4.00
Protection of Persons and Property										
Police	81.00	79.75	80.75	81.25	84.00	84.00	84.00	84.00	81.00	81.00
Fire	32.00	33.00	36.00	36.00	39.00	40.00	42.00	42.00	45.00	55.00
Fire - Pt	10.60	11.00	11.02	11.12	11.50	11.00	12.43	12.43	12.43	0.50
Emergency Management						0.50	0.50	0.50	0.50	0.50
Inspection	6.00	6.00	6.00	5.50	5.50	5.50	5.50	5.50	7.00	7.00
Library	4.00	4.00	5.00	5.00	6.00	6.00	6.00	6.00	6.00	7.00
Library - Pt	13.82	13.00	13.41	13.41	12.66	12.66	12.66	12.66	12.66	10.48
Recreation	3.00	3.00	2.00	3.00	3.00	4.00	4.00	4.00	5.00	8.00
Recreation - Pt	9.25	9.70	8.60	6.84	6.84	6.34	5.42	5.42	6.19	5.38
Streets	27.00	27.00	27.00	27.50	28.50	27.50	27.50	27.50	27.50	27.50
Public Works						1.00	1.00	1.00	1.00	1.00
Conservation & Development	7.50	7.50	7.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50
<i>ENTERPRISE FUNDS</i>										
Sewer Utility	6.35	4.85	6.65	6.65	6.65	6.95	6.95	6.95	6.95	6.95
Water Utility	11.65	12.15	11.35	11.35	11.35	11.05	11.05	11.05	11.05	11.05
Water Resource Management	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00
TOTAL	255.41	255.52	262.07	264.58	271.96	270.71	274.74	275.85	279.73	275.64

Source: City budget document

Table 17
City of New Berlin
Operating Indicators by Function/Program
Last Ten Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Police Protection:										
Calls for service	29,339	31,241	30,716	31,076	28,418	29,302	25,466	27,041	26,156	27,299
Citations issued	4,719	5,016	4,877	3,834	3,987	4,420	3,941	4,777	4,571	6,044
Fire Protection:										
Fire calls answered	852	799	847	913	964	1,016	948	1,173	1,142	1,009
Medical calls answered	2,746	2,847	3,279	3,953	4,010	3,941	3,666	3,787	3,809	3,584
Inspections	4,614	2,832	2,822	2,779	3,072	2,923	2,419	2,676	2,835	2,757
Other Public Works										
Street Resurfacing (miles)	10.6	10.9	13.32	15.17	15.24	13.55	11.06	6.54	5.3	10.97
Recycling Center Visitors	100,098	110,106	110,344	110,448	115,211	118,627	120,903	*	*	93,412
Library										
Volumes in collection	151,291	149,595	147,047	146,396	150,003	150,497	148,040	148,275	143,373	145,279
Total Volumes borrowed	350,396	349,290	365,702	374,801	392,043	405,089	296,711	343,711	339,694	362,527
Water System:										
New connections	32	39	84	15	41	77	43	29	11	11
Water main breaks	15	13	8	11	20	7	4	11	9	13
Average Daily consumption (thousands of gallons)	2,236	2,337	2,296	2,192	2,630	2,460	2,585	2,616	2528	2,554
Peak daily consumption (thousands of gallons)	4,420	4,429	4,684	4,347	5,919	4,432	4,838	5,298	4538	4,384

Sources: Various city departments

* Visitor counts unavailable

Table 18
City of New Berlin
Capital Asset Statistics by Function/Program,
Last Ten Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Police Protection:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	20	20	20	20	20	20	20	20	20	20
Fire Stations	5	5	5	5	5	5	5	5	5	5
Other public works										
Miles of streets	226.7	226.7	226.73	226.73	227.76	229.54	229.81	230.34	230.34	231.16
Park and Recreation										
Parks	27	27	27	27	29	30	30	30	30	30
Park & Conservancy Areas Acreage	894	894	894	894	914	915	917	917	917	917
Golf course & Disc Golf	2	2	2	2	2	2	2	2	2	2
Hiking trails	8	8	8	8	8	8	8	8	8	8
Tennis courts	14	14	14	14	14	14	14	14	14	14
Water System:										
Water mains (miles)	169.5	169.7	170.14	172.52	173.1	174	174	174.58	174.74	176.17
Fire hydrants	2,071	2,075	2,083	2,111	2,114	2,117	2,117	2,130	2,149	2,167
Storage capacity (thousand gallons)	4,040	4,040	4,040	4,040	4,040	4,040	4,040	4,040	4,040	4,040
Wastewater System:										
Miles of sanitary sewers	180.9	180.9	180.97	182.3	182.91	183.2	183.2	183.44	183.44	183.44
Number of service connections	10,534	10,523	10,537	10,548	10,568	10,593	10,621	10,718	10,758	10,771
Stormwater System:										
Miles of stormsewers	68.2	68.5	69.75	70.7	73.7	75.6	75.6	76.7	77.1	78.14
Culverts	737	742	743	746	747	748	748	751	751	773

Sources: Various city departments

NEW BERLIN WATER UTILITY

New Berlin, Wisconsin

FINANCIAL STATEMENTS

As of and for the Years Ended
December 31, 2023 and 2022

NEW BERLIN WATER UTILITY

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As of and for the Years Ended December 31, 2023 and 2022

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Independent Auditors' Report

To the City Council of
City of New Berlin

Opinion

We have audited the financial statements of the City of New Berlin Water Utility (the Water Utility), an enterprise fund of the City of New Berlin, as of and for the years ended December 31, 2023 and 2022 and the related notes to the 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 financial position for the Water Utility, as of December 31, 2023 and 2022 and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Water Utility 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 opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Water Utility, are intended to present the financial position, the changes in the financial position and cash flows of only the Water Utility. They do not purport to and do not, present fairly the financial position of the City of New Berlin, as of December 31, 2023, and 2022, and the changes in financial position, or cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Water Utility'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.

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 financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. 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 financial statements and other knowledge we obtained during our audit of the 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 an opinion on the financial statements as a whole. 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Baker Tilly US, LLP

Milwaukee, Wisconsin
July 22, 2024

NEW BERLIN WATER UTILITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

As of and for the Years Ended December 31, 2023 and 2022

The purpose of this section is to provide users with an objective easy to read overview of the financial activities of the New Berlin Water Utility for the years ended December 31, 2023 and 2022. This section should be read in conjunction with the financial statements and the accompanying notes that follow.

FINANCIAL HIGHLIGHTS

- The utility's operating income decreased from \$1,051,576 in 2022 to \$861,225 in 2023.
- The utility's total cash and investment position is \$8,799,673 in 2023, an increase of \$67,181 from 2022.
- The utility's total net position increased in 2023 to \$49,119,657 up \$2,071,060 from a 2022 ending net position of \$47,048,597.

REQUIRED FINANCIAL STATEMENTS

The financial statements report information of the utility using accounting methods similar to those used by private sector companies. These statements offer short and long-term information about its activities. The Statement of Net Position includes all the utility's assets, deferred outflows of resources, liabilities and deferred inflows of resources and provides information about the nature and amounts of investments in resources (assets) and the obligations to utility creditors (liabilities). It also provides the basis for evaluating the capital structure of the utilities and assessing the liquidity and financial flexibility of the utilities.

All the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of the utility's operations over the past year and can be used to measure profitability and credit worthiness and to determine whether the utility has successfully recovered all of its costs through the user fees and other charges.

The final required financial statement is the Statement of Cash Flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities and provides answers to such questions as where cash came from, what was cash used for, and what was the change in the cash balance during the reporting period.

FINANCIAL ANALYSIS OF THE UTILITY

An important question that is asked and needs to be answered is how this past year's activities have affected the overall financial health of the utility. The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position will help to answer this question. The Statement of Net Position, which shows the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources can be analyzed over a period to help the reader determine whether the financial condition of the utility is improving or deteriorating. This statement must be reviewed in conjunction with a number of other non-financial factors that can have an impact on the financial health of the utility. For instance, changes in local economic conditions, legislative changes, demographic changes, even weather, can affect, positively or negatively, the financial health of a utility.

NEW BERLIN WATER UTILITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

As of and for the Years Ended December 31, 2023 and 2022

FINANCIAL ANALYSIS OF THE UTILITY (cont.)

TABLE A-1
CONDENSED SUMMARY OF NET POSITION

	2023	2022	2021	Percentage Increase (Decrease) 2023 versus 2022
Current and other assets	\$ 11,474,443	\$ 12,779,905	\$ 13,263,036	-10.21%
Restricted assets	-	289,565	231,150	-100.00%
Capital assets	47,755,699	46,550,720	40,170,340	2.59%
Total Assets	<u>59,230,142</u>	<u>59,620,190</u>	<u>53,664,526</u>	-0.65%
Deferred Outflows of Resources	<u>815,547</u>	<u>641,716</u>	<u>446,221</u>	27.09%
Current liabilities	1,364,528	1,708,186	1,055,534	-20.12%
Non-current liabilities	<u>7,934,691</u>	<u>8,583,850</u>	<u>3,925,932</u>	-7.56%
Total Liabilities	<u>9,299,219</u>	<u>10,292,036</u>	<u>4,981,466</u>	-9.65%
Deterred Inflows of Resources	<u>1,626,813</u>	<u>2,921,273</u>	<u>3,046,366</u>	-44.31%
Net investment in capital assets	44,814,399	42,994,790	35,988,893	4.23%
Restricted	-	289,565	231,150	-100.00%
Unrestricted	<u>4,305,258</u>	<u>3,764,242</u>	<u>10,201,344</u>	14.37%
Total Net Position	<u>\$ 49,119,657</u>	<u>\$ 47,048,597</u>	<u>\$ 46,421,387</u>	4.40%

NEW BERLIN WATER UTILITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

As of and for the Years Ended December 31, 2023 and 2022

FINANCIAL ANALYSIS OF THE UTILITY (cont.)

TABLE A-2
CONDENSED SUMMARY OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION

	2023	2022	2021	Percentage Increase (Decrease) 2023 versus 2022
Operating revenues	\$ 5,419,113	\$ 5,253,039	\$ 5,445,313	3.16%
Non-operating revenues	461,231	358,484	42,303	28.66%
Total Revenues	<u>5,880,344</u>	<u>5,611,523</u>	<u>5,487,616</u>	4.79%
Operating expenses	4,557,888	4,201,463	4,261,336	8.48%
Non-operating expenses	<u>320,187</u>	<u>233,941</u>	<u>245,875</u>	36.87%
Total Expenses	<u>4,878,075</u>	<u>4,435,404</u>	<u>4,507,211</u>	9.98%
Income Before Capital Contributions and Transfers	1,002,269	1,176,119	980,405	-14.78%
Capital contributions	1,722,232	123,829	390,096	1290.81%
Interfund transfers out (tax equiv)	<u>(653,441)</u>	<u>(672,738)</u>	<u>(703,301)</u>	-2.87%
Change in Net Position	2,071,060	627,210	667,200	230.20%
Beginning Net Position	<u>47,048,597</u>	<u>46,421,387</u>	<u>45,754,187</u>	1.35%
Ending Net Position	<u>\$ 49,119,657</u>	<u>\$ 47,048,597</u>	<u>\$ 46,421,387</u>	4.40%

While the Summary of Net Position (Table A-1) shows the change in our financial position, the Statements of Revenues, Expenses and Changes in Net Position provides answers as to the nature and source of these changes. Water sales to customers increased \$121,421 or 3.00% when compared to 2022. The City received less than average amount of rain during the summer of 2023. Of the increase we saw the largest increase in residential revenue due to residents watering their lawns and flower beds. Non-operating revenues increased in 2023 by 1,290.8% due to the large increase in interest rates, which lead to a large increase in investment income. Operating expenses saw an increase of 8.48% in 2023 when compared to 2022. Due to the increase in water sales to customers, the utility's purchased water from Milwaukee Water Works was up 1%. We also had a full year of a Milwaukee Water rate increase. Milwaukee Water Works increased their rates by 3.00% in 2022.

The Water Utility had two contributed projects in 2023 in the amount of \$1,722,232. It was for the installation of watermain for a new development along Lincoln Avenue, and Small Road. The Water Utility had one developer contributed project in 2022 in the amount of \$123,823. It was for the installation of watermain for the City's Activity and Recreation Center. This account is unpredictable and can vary greatly depending on subdivisions added, impact fees collected, or special assessments levied in the current year. Contributions here are generally offset by capital assets added to the utility.

NEW BERLIN WATER UTILITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

As of and for the Years Ended December 31, 2023 and 2022

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS (See Note 4)

At the end of 2023, the amount the utility has invested approximately \$47.8 million in property, plant and equipment an increase of \$1.2 million or 2.59% when compared with 2022. The Utility had watermain from the city contributed project from Lincoln Avenue and Small Road. There were some other minor additions of hydrants and meters. The balance of capital asset additions and deletions was routine in nature.

At the end of 2022, the amount the utility has invested approximately \$46.6 million in property, plant and equipment an increase of \$6.4 million or 15.88% when compared with 2021. The utility had a major relining of watermain and hydrant replacements along Moorland Road. There was also watermain from the city contributed project at the Activity and Recreation Center. There were some other minor additions of hydrants and meters. The balance of capital asset additions and deletions was routine in nature.

TABLE A-3
CAPITAL ASSETS

	2023	2022	2021	2023 versus 2022
Land and Land Rights	\$ 642,046	\$ 642,046	\$ 652,146	0.00%
Intangible Asset	1,500,000	1,500,000	1,500,000	0.00%
Source of Supply	172,146	172,146	172,146	0.00%
Pumping	4,679,549	4,244,357	4,224,928	10.25%
Water Treatment	6,759	6,759	6,759	0.00%
Transmission & Distribution	63,640,885	61,736,941	54,681,306	3.08%
General	4,644,165	4,552,376	4,511,870	2.02%
Construction in Progress	597,146	450,435	108,955	32.57%
Subtotal	75,882,696	73,305,060	65,858,110	3.52%
Less:				
Accumulated Depreciation	(28,126,997)	(26,754,340)	(25,687,769)	5.13%
Net Capital Assets	<u>\$ 47,755,699</u>	<u>\$ 46,550,720</u>	<u>\$ 40,170,341</u>	2.59%

NEW BERLIN WATER UTILITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(unaudited)

As of and for the Years Ended December 31, 2023 and 2022

CAPITAL ASSETS AND DEBT ADMINISTRATION (cont.)

DEBT (See Note 5)

In 2022, the Water Utility borrowed \$5,500,000 from the City of New Berlin Wastewater to fund the Moorland Road watermain relining project. This advance as a balance of \$5,335,000 and is to be retired in 2042.

In 2021 the Water Utility refunded its outstanding General Obligation debt of \$1,890,000. The debt was refunded with \$1,290,000 of General Obligation note. The refunding resulted in a present value savings of \$61,571. The new issue is scheduled to be retired in 2024 and was rated Aaa by Moody's. The general obligation note has a balance of \$435,000.

At the end of 2023, the water utility has three outstanding revenue bonds. The first revenue bond, used to fund the Crawford Drive Reliability project, has a balance of \$926,938. This revenue bond is scheduled to be retired in 2037. The second revenue bond, used to fund the 162nd Street watermain project, has a balance of \$606,989. This revenue bond is scheduled to be retired in 2038. The third revenue bond, used to fund the Greenridge watermain project, has a balance of \$961,843.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In 2024 the Utility will be raising their water rates on April 1st to help offset the increases in purchased water from Milwaukee Water works and other increases in supplies costs. The increase is necessary due to a 41.23 percent increase in gross plant investment and a 16.87 percent increase in operating expenses since the last water rate case was completed in 2009.

In 2024 the Water Utility has no major projects. The capital additions planned over the next two years are routine in nature.

CONTACTING THE UTILITY FINANCIAL MANAGEMENT

This financial report is designed to provide a general easy to read overview of the finances of the New Berlin Water Utility and to provide a glimpse at plans for the future and how those plans may affect the financial health of the utility. If you have any questions about this report or would like to obtain additional information, please feel free to contact the City of New Berlin Finance Director, 3805 S Casper Drive, New Berlin, WI. 53151.

Statements of Net Position Follow

NEW BERLIN WATER UTILITY

STATEMENTS OF NET POSITION As of December 31, 2023 and 2022

	ASSETS	
	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash and investments	\$ 8,799,673	\$ 8,732,492
Customer accounts receivable	1,095,014	1,102,765
Interest receivable	1,432	2,738
Lease receivable	157,656	290,670
Receivable from municipality	447,610	628,887
Receivable from wastewater	912	144,887
Receivable from water resource management	22,650	-
Prepaid	4,480	-
Total Current Assets	<u>10,529,427</u>	<u>10,902,439</u>
NON-CURRENT ASSETS		
Restricted Assets		
Net pension asset	-	289,565
Other Property and Investments		
Special assessments receivable	39,478	36,878
Lease receivable	905,538	1,840,588
Capital Assets		
Land and land rights	642,046	642,046
Plant in service	74,643,504	72,212,579
Accumulated depreciation/amortization	(28,126,997)	(26,754,340)
Construction work in progress	597,146	450,435
Total Non-Current Assets	<u>48,700,715</u>	<u>48,717,751</u>
Total Assets	<u>59,230,142</u>	<u>59,620,190</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related amounts	785,017	612,022
OPEB related amounts	30,530	29,694
Total Deferred Outflows of Resources	<u>815,547</u>	<u>641,716</u>

See accompanying notes to financial statements.

NEW BERLIN WATER UTILITY

STATEMENTS OF NET POSITION As of December 31, 2023 and 2022

LIABILITIES		
	2023	2022
CURRENT LIABILITIES		
Accounts payable	\$ 258,011	\$ 316,718
Unearned rent	58,233	128,616
Payable to municipality	234,823	262,002
Payable to wastewater	4,708	185,666
Payable to water resource management	-	15
Current portion of advances	205,000	165,000
Interest accrued on advances	13,338	55,302
Current portion of GO bonds	435,000	440,000
Interest accrued on GO Bonds	1,812	3,646
Current portion of revenue bonds	145,648	142,920
Interest accrued on revenue bonds	7,955	8,301
Total Current Liabilities	<u>1,364,528</u>	<u>1,708,186</u>
NON-CURRENT LIABILITIES		
Long-Term Debt		
Advance from Sewer	5,130,000	5,335,000
GO Bonds	10,530	477,240
Revenue Bonds	2,350,122	2,495,770
Total OPEB obligation	252,974	275,840
Net pension liability	191,065	-
Total Non-Current Liabilities	<u>7,934,691</u>	<u>8,583,850</u>
Total Liabilities	<u>9,299,219</u>	<u>10,292,036</u>
DEFERRED INFLOWS OF RESOURCES		
Lease related amounts	1,063,194	2,131,258
Pension related amounts	447,277	702,597
OPEB related amounts	116,342	87,418
Total Deferred inflows of Resources	<u>1,626,813</u>	<u>2,921,273</u>
NET POSITION		
NET POSITION		
Net investment in capital assets	44,814,399	42,994,790
Restricted for		
Pension	-	289,565
Unrestricted	<u>4,305,258</u>	<u>3,764,242</u>
TOTAL NET POSITION	<u>\$ 49,119,657</u>	<u>\$ 47,048,597</u>

See accompanying notes to financial statements.

NEW BERLIN WATER UTILITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION For the Years Ended December 31, 2023 and 2022

	2023	2022
OPERATING REVENUES	\$ 5,419,113	\$ 5,253,039
OPERATING EXPENSES		
Operation and maintenance	3,117,131	2,852,961
Depreciation	1,378,368	1,294,158
Taxes	62,389	54,344
Total Operating Expenses	4,557,888	4,201,463
Operating Income	861,225	1,051,576
NON-OPERATING REVENUE (EXPENSE)		
Investment income	429,521	209,523
Amortization of bond premium	31,710	70,275
Interest and amortization expense	(320,187)	(233,941)
Sale of land	-	78,686
Total Non-Operating Revenue (Expense)	141,044	124,543
Income Before Contributions and Transfers	1,002,269	1,176,119
CAPITAL CONTRIBUTIONS	1,722,232	123,829
TRANSFERS OUT - TAX EQUIVALENT	(653,441)	(672,738)
CHANGE IN NET POSITION	2,071,060	627,210
NET POSITION - BEGINNING OF YEAR	47,048,597	46,421,387
NET POSITION - END OF YEAR	\$ 49,119,657	\$ 47,048,597

See accompanying notes to financial statements.

Statements of Cash Flows Follow

NEW BERLIN WATER UTILITY

STATEMENTS OF CASH FLOWS For the Years Ended December 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 4,959,225	\$ 4,282,278
Receipts from municipality for services	699,858	720,468
Payments to suppliers	(2,495,743)	(1,871,162)
Payments to employees	(746,062)	(682,562)
Net Cash Flows From Operating Activities	<u>2,417,278</u>	<u>2,449,022</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers out - paid to municipality for tax equivalent	(653,441)	(672,738)
Net Cash Flows From Noncapital Financing Activities	<u>(653,441)</u>	<u>(672,738)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(1,120,545)	(7,693,867)
Salvage on retired plant	30,314	7,962
Sale of land	-	88,786
Advance from wastewater	-	5,500,000
Advance retired	(165,000)	-
Debt retired	(582,920)	(555,242)
Interest paid	(289,331)	(124,375)
Net Cash Flows From Capital and Related Financing Activities	<u>(2,127,482)</u>	<u>(2,776,736)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments sold	369,886	-
Interest received	417,195	261,357
Net Cash Flows From Investing Activities	<u>787,081</u>	<u>261,357</u>
Net Change in Cash and Cash Equivalents	423,436	(739,095)
CASH AND CASH EQUIVALENTS – Beginning of Year	<u>7,945,883</u>	<u>8,684,978</u>
CASH AND CASH EQUIVALENTS – END OF YEAR	<u>\$ 8,369,319</u>	<u>\$ 7,945,883</u>

See accompanying notes to financial statements.

NEW BERLIN WATER UTILITY

STATEMENTS OF CASH FLOWS For the Years Ended December 31, 2023 and 2022

	2023	2022
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 861,225	\$ 1,051,576
Adjustments to reconcile operating income to net cash flows from operating activities		
Noncash items included in operating income		
Depreciation expense	1,378,368	1,294,158
Depreciation charged to other accounts	109,637	90,327
Changes in Assets, Deferred Outflows, Liabilities and Deferred Inflows		
Accounts receivable	7,751	(15,975)
Lease receivable	1,068,064	338,472
Receivable from municipality	181,277	(200,832)
Receivable from wastewater	143,975	(90,991)
Receivable from water resource management	(22,650)	-
Prepays	(4,480)	-
Accounts payable	(16,827)	24,200
Payable to municipality	(27,179)	126,916
Payable to wastewater	(180,958)	176,541
Payable to water resource management	(15)	15
Unearned rent	(70,383)	57,505
Net pension liability (asset)	480,630	(58,415)
Pension related inflow	(255,320)	194,971
Pension related outflow	(172,995)	(196,109)
Lease related inflow	(1,068,064)	(338,472)
Total OPEB obligation	(22,866)	(23,887)
OPEB related inflow	28,924	18,408
OPEB related outflow	(836)	614
Net Cash Flows From Operating Activities	<u>\$ 2,417,278</u>	<u>\$ 2,449,022</u>

RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENTS OF NET POSITION

Cash and investments	\$ 8,799,673	\$ 8,732,492
Less: Non-cash equivalents	<u>(430,354)</u>	<u>(786,609)</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 8,369,319</u>	<u>\$ 7,945,883</u>

NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

Cost of utility plant installed and/or financed by developers	<u>\$ 1,719,632</u>	<u>\$ 123,829</u>
Capital assets included in accounts payable	<u>\$ 10,862</u>	<u>\$ 52,741</u>
Amortization of bond premium	<u>\$ 31,710</u>	<u>\$ 70,275</u>

See accompanying notes to financial statements.

NEW BERLIN WATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the New Berlin Water Utility have been prepared in conformity with accounting standards generally accepted in the United States of America as applied to enterprise funds of government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The significant accounting principles and policies utilized by the utility are described below:

REPORTING ENTITY AND NATURE OF BUSINESS

New Berlin Water Utility (utility) is a separate enterprise fund of the City of New Berlin (municipality). The utility is managed by the City Common Council through its Utility Committee. The utility provides water service to properties within the municipality.

The utility charges rates and operates under service rules established by the Public Service Commission of Wisconsin (PSCW). The accounting records of the utility are maintained in accordance with the Uniform System of Accounts prescribed by the Public Service Commission.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

The utility is presented as an enterprise fund of the municipality. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, costs incurred and net income is necessary for management accountability.

The financial statements 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 is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange-like transactions are recognized when the exchange takes place.

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NEW BERLIN WATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

Deposits and Investments

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

See Note 2 for further information.

Receivables/Payables

Transactions between the utility and other funds of the municipality that are representative of lending/borrowing arrangements outstanding at year end are referred to as advances to/from other funds.

All other outstanding balances between the utility and other funds of the municipality are reported as due to/from other funds. These amounts 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 utility has the right under Wisconsin statutes to place delinquent water bills on the tax roll for collection. As such, no allowance for uncollectible customer accounts is considered necessary.

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties.

Net Pension Asset

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

Special Assessments Receivable

This account represents the balances of special assessments levied against property owners for infrastructure improvements. The balances are receivable over various time periods with interest accrued annually.

Capital Assets

Capital assets are defined by the utility as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year.

NEW BERLIN WATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (cont.)

Capital Assets (cont.)

Capital assets of the utility are recorded at cost or the estimated acquisition value at the time of contribution to the utility. Major outlays for utility plant are capitalized as projects are constructed. Capital assets in service are depreciated/amortized using the straight-line method over the following useful lives:

	<u>Years of Service</u>
Intangible Assets	20
Source of supply plant	36 - 50
Pumping plant	21 - 44
Water treatment plant	15
Transmission and distribution plant	16 - 100
General plant	4 - 44

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,
- 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 WRS. For this purpose, benefit payments (including refund of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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) until that future time.

Accrued Vacation

Employees are allowed to accumulate sick leave to various maximums dependent upon employee group which is payable in the event of retirement, disability, or death. Vested vacation pay of \$68,994 and \$63,913 December 31, 2023 and 2022, respectively, is also recorded as a liability. These liabilities are considered current and will be paid within one year. These liabilities are liquidated from general operating revenues of the utility.

NEW BERLIN WATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (cont.)

Long-Term Obligations

Long-term debt and other obligations are reported as utility liabilities. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Gains or losses on prior refundings are amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. The balance at year end for premiums and discounts is shown as an increase or decrease in the liability section of the statement of net position. The balance at year end for gains/losses is shown as a deferred outflow/inflow in the statement of net position.

Leases

The utility is a lessor because it leases capital assets to other entities. As a lessor, the utility reports a lease receivable and corresponding deferred inflow of resources.

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.

Other Postemployment Benefits

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, the utility OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Net Position

Net position classifications are defined as follows:

- *Net investment in capital assets* – 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.
- *Restricted net position* – This component of net position consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by the law through constitutional provisions or enabling legislation.

NEW BERLIN WATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (cont.)

Net Position (cont.)

- *Unrestricted net position* – The component of net position consist of net position that do not meet the definition of “restricted” or “net investment in capital assets.”

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

REVENUES AND EXPENSES

The utility distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing water service to properties within the municipality. The principal operating revenues of the utility are charges to customers for sales and services. Operating expenses for the utility include the cost of sales and services, administrative expenses, taxes, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Charges for Services

Utility billings are rendered and recorded quarterly based on metered usage. The utility does not accrue revenue beyond billing dates.

Taxes

Municipal utilities are exempt from federal and state income taxes. Taxes included in the financial statements are social security taxes and regulatory commission expenses.

Capital Contributions

Cash and capital assets are contributed to the utility from customers, the municipality, or external parties. The value of property contributed to the utility is reported as revenue on the statements of revenues, expenses, and changes in net position.

Interfund Transfer

The utility records an annual payment in lieu of taxes (PILOT) expense based on the value of its plant and the current assessment ratio and local and school portion of the mill rate. This payment is made to the municipality.

Comparative Data

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year’s presentation.

NEW BERLIN WATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 2 – DEPOSITS AND INVESTMENTS

Cash equivalents and investments as shown on the utility's statements of net position are subject to the following risks:

	Carrying Value as of December 31		Risks
	2023	2022	
Petty cash	\$ 250	\$ 250	N/A
Certificates of deposits - negotiable	-	329,793	Custodial credit, credit, interest rate and concentration of credit
Local government investment pool	8,369,069	7,945,633	Credit
U.S. Government agency securities	141,048	136,632	Custodial credit, credit, interest rate and concentration of credit
Municipal securities	289,306	320,184	Custodial credit, credit, interest rate and concentration of credit
Total Deposits and Investments	<u>\$ 8,799,673</u>	<u>\$ 8,732,492</u>	
Reconciliation to financial statements			
Per Statement of Net Position			
Cash and investments	<u>\$ 8,799,673</u>	<u>\$ 8,732,492</u>	
Total	<u>\$ 8,799,673</u>	<u>\$ 8,732,492</u>	

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

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing custodial credit risk.

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 outlined later in this note. 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 balance and carrying value is due to outstanding checks and/or deposits in transit.

NEW BERLIN WATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 2 – DEPOSITS AND INVESTMENTS (cont.)

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, 2023 and 2022 the fair value of the LGIP's assets were substantially equal to the utility's share.

Wisconsin Statute 66.0603 authorizes the City to invest in the following type of instruments:

1. Time deposits in any credit union, bank, savings bank or trust company.
2. 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.
3. Bonds or securities issued or guaranteed by the federal government.
4. The local government investment pool.
5. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
6. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
7. Repurchase agreements with public depositories, with certain conditions.

The City of New Berlin has adopted an investment policy, which is followed by the utility. The investment policy limits investments to the following:

- U.S. Treasury obligations with maturities not exceeding five years from trade settlement date.
- Federal instrumentalities with maturities not exceeding five years from trade settlement date.
- Local government investment pools meeting Wisconsin statute 25.50 or 66.0301.
- Repurchase agreements with the city's deposit bank collateralized with 102% of market value of principal and accrued interest.
- Interest-bearing certificates of deposit collateralized with 102% of market value of principal and accrued interest.
- Commercial securities of the highest or second highest ratings.

NEW BERLIN WATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 2 – DEPOSITS AND INVESTMENTS (cont.)

PMA Financial Network, Inc. is the administrator for the Wisconsin Investment Series Cooperative (WISC). The investment manager for WISC is PMA Financial Network, Inc. The WISC is not registered with the Securities and Exchange Commission, but invests its funds in accordance with applicable Wisconsin statutes. The WISC has the characteristics of a mutual fund and accordingly, reports the value of its underlying assets at fair value. At December 31, 2023 and 2022 the utility's share of the WISC's assets was substantially equal to the amount reported above.

The utility 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 method used for recurring fair value measurements is quoted market prices.

Investment Type	December 31, 2023			
	Level 1	Level 2	Level 3	Total
U.S. Agency Securities	\$ -	\$ 141,048	\$ -	\$ 141,048
Municipal Securities	-	289,306	-	289,306
Total	<u>\$ -</u>	<u>\$ 430,354</u>	<u>\$ -</u>	<u>\$ 430,354</u>

Investment Type	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Certificate of Deposit - negotiable	\$ -	\$ 329,793	\$ -	\$ 329,793
U.S. Agency Securities	-	136,632	-	136,632
Municipal Securities	-	320,184	-	320,184
Total	<u>\$ -</u>	<u>\$ 786,609</u>	<u>\$ -</u>	<u>\$ 786,609</u>

Custodial Credit Risk – Deposits: Is the risk that in the event of a financial institution failure, the utility's deposits may not be returned to the utility. The utility does not have any deposits exposed to custodial credit risk.

Custodial Credit Risk – Investments: 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. All investments exposed to custodial risk are held by the city's agent in the city's name. The utility does not have any investments exposed to custodial credit risk.

NEW BERLIN WATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 2 – DEPOSITS AND INVESTMENTS (cont.)

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The city's investment policy minimizes credit risk by limiting investments to the safest type of securities and diversifying the investment portfolio. The policy also states that with the exception of U.S. Treasury securities and authorized pools, no more than 50% of the city's total investment portfolio will be invested with a single financial institution.

As of December 31, 2023 and 2022, the utility's investments in municipal securities and U.S. government agency securities were rated Aaa and Aa1, respectively, by Moody's Investor Services.

The Local Government Investment Pool and the negotiable certificates of deposit are not rated.

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, 2023, the utility did not have investments in a single issuer that exceed 5% of the utility's total portfolio.

At December 31, 2022, the utility did not have investments in a single issuer that exceed 5% of the utility's total portfolio.

Interest Rate Risk – Is the risk that changes in interest rates will adversely affect the value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the city's investment policy limits the maturity of any security to no more than five years from the date of purchase or in accordance with state and local statutes and ordinances, whichever is less. In addition, the policy indicates that the investment portfolio should be structured so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior maturity.

NEW BERLIN WATER UTILITY

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2023 and 2022

NOTE 2 – DEPOSITS AND INVESTMENTS (cont.)

As of December 31, 2023 the utility's investments were as follows:

	Investment Maturities (in years)		
	Fair Value	Less than 1	1-3
Municipal Securities	\$ 141,048	\$ -	\$ 141,048
U.S. Government Agency	289,306	164,559	124,747
Total Investments	<u>\$ 430,354</u>	<u>\$ 164,559</u>	<u>\$ 265,795</u>

As of December 31, 2022 the utility's investments were as follows:

	Investment Maturities (in years)		
	Fair Value	Less than 1	1-3
Certificate of Deposit - negotiable	\$ 329,793	\$ 329,793	\$ -
U.S. Government Agency	136,632	-	136,632
Municipal Securities	<u>320,184</u>	<u>40,094</u>	<u>280,090</u>
Total Investments	<u>\$ 786,609</u>	<u>\$ 369,887</u>	<u>\$ 416,722</u>

NEW BERLIN WATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 3 – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for 2023 follows:

	Balance 12/31/22	Additions	Retirements	Balance 12/31/23
Capital assets, not being depreciated:				
Land and land rights	\$ 642,046	\$ -	\$ -	\$ 642,046
Construction in progress	450,435	703,346	(556,635)	597,146
Total Capital Assets Not Being Depreciated	1,092,481	703,346	(556,635)	1,239,192
Capital assets being depreciated/amortized:				
Intangible asset	1,500,000	-	-	1,500,000
Source of supply	172,146	-	-	172,146
Pumping	4,244,357	444,907	(9,715)	4,679,549
Water treatment	6,759	-	-	6,759
Transmission and distribution	61,736,941	1,983,215	(79,271)	63,640,885
General	4,552,376	137,711	(45,922)	4,644,165
Total Capital Assets Being Depreciated/Amortized	72,212,579	2,565,833	(134,908)	74,643,504
Less: Accumulated depreciation/amortization				
Intangible Asset	(1,050,000)	(75,000)		(1,125,000)
Source of supply	(114,300)	(2,798)	-	(117,098)
Pumping	(3,077,663)	(162,256)	95,470	(3,144,449)
Water treatment	(5,475)	(405)	-	(5,880)
Transmission and distribution	(19,758,308)	(1,088,200)	61,819	(20,784,689)
General	(2,748,594)	(234,346)	33,059	(2,949,881)
Total Accumulated Depreciation/Amortization	(26,754,340)	(1,563,005)	190,348	(28,126,997)
Net Capital Assets	\$ 46,550,720	\$ 1,706,174	\$ (501,195)	\$ 47,755,699

NEW BERLIN WATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 3 – CHANGES IN CAPITAL ASSETS (cont.)

A summary of changes in capital assets for 2022 follows:

	Balance 12/31/21	Additions	Retirements	Balance 12/31/22
Capital assets, not being depreciated:				
Land and land rights	\$ 652,146	\$ -	\$ (10,100)	\$ 642,046
Construction in progress	108,955	7,401,864	(7,060,384)	450,435
Total Capital Assets Not Being Depreciated	761,101	7,401,864	(7,070,484)	1,092,481
Capital assets being depreciated/amortized:				
Intangible asset	1,500,000	-	-	1,500,000
Source of supply	172,146	-	-	172,146
Pumping	4,224,928	63,729	(44,300)	4,244,357
Water treatment	6,759	-	-	6,759
Transmission and distribution	54,681,306	7,247,407	(191,772)	61,736,941
General	4,511,870	40,506	-	4,552,376
Total Capital Assets Being Depreciated/Amortized	65,097,009	7,351,642	(236,072)	72,212,579
Less: Accumulated depreciation/amortization				
Intangible Asset	(975,000)	(75,000)		(1,050,000)
Source of supply	(111,502)	(2,798)	-	(114,300)
Pumping	(3,011,343)	(152,370)	86,050	(3,077,663)
Water treatment	(5,069)	(406)	-	(5,475)
Transmission and distribution	(19,043,018)	(1,022,153)	306,863	(19,758,308)
General	(2,541,837)	(206,757)	-	(2,748,594)
Total Accumulated Depreciation/Amortization	(25,687,769)	(1,459,484)	392,913	(26,754,340)
Net Capital Assets	\$ 40,170,341	\$ 13,294,022	\$ (6,913,643)	\$ 46,550,720

NEW BERLIN WATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 4 – LONG-TERM DEBT

GENERAL OBLIGATION DEBT

The utility's long-term debt activity for general obligation for the year ended December 31, 2023 and 2022 is as follows:

	Balance 12/31/22	Additions	Retirements	Balance 12/31/23	Due Within One Year
GO Notes	\$ 875,000	\$ -	\$ 440,000	\$ 435,000	\$ 435,000
Debt Premium	42,240	-	31,710	10,530	-
	<u>\$ 917,240</u>	<u>\$ -</u>	<u>\$ 471,710</u>	<u>\$ 445,530</u>	<u>\$ 435,000</u>

	Balance 12/31/21	Additions	Retirements	Balance 12/31/22	Due Within One Year
GO Notes	\$ 1,290,000	\$ -	\$ 415,000	\$ 875,000	\$ 440,000
Debt Premium	112,515	-	70,275	42,240	-
	<u>\$ 1,402,515</u>	<u>\$ -</u>	<u>\$ 485,275</u>	<u>\$ 917,240</u>	<u>\$ 440,000</u>

The municipality, on behalf of the utility, has issued the following GO bonds:

Date	Maturity	Interest Rates	Original Issue	Outstanding 12/31/23
8/18/2021	6/1/24	1.00 - 5.00%	\$ 1,290,000	<u>\$ 435,000</u>

GO bond debt service requirements to maturity follows:

December 31	Principal	Interest	Total
2024	<u>\$ 435,000</u>	<u>\$ 10,875</u>	<u>\$ 445,875</u>

NEW BERLIN WATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 4 – LONG-TERM DEBT (cont.)

REVENUE BONDS FROM DIRECT BORROWINGS AND DIRECT PLACEMENTS

The utility's long-term debt activity for revenue bonds for the year ended December 31, 2023 and 2022 is as follows:

	Balance 12/31/22	Additions	Retirements	Balance 12/31/23	Due Within One Year
2017 Revenue Bonds	\$ 984,398	\$ -	\$ 57,460	\$ 926,938	\$ 58,535
2018 Revenue Bonds	641,769	-	34,780	606,989	35,430
2019 Revenue Bonds	1,012,523	-	50,680	961,843	51,683
	<u>\$ 2,638,690</u>	<u>\$ -</u>	<u>\$ 142,920</u>	<u>\$ 2,495,770</u>	<u>\$ 145,648</u>

	Balance 12/31/21	Additions	Retirements	Balance 12/31/22	Due Within One Year
2017 Revenue Bonds	\$ 1,040,803	\$ -	\$ 56,405	\$ 984,398	\$ 57,460
2018 Revenue Bonds	675,910	-	34,141	641,769	34,780
2019 Revenue Bonds	1,062,219	-	49,696	1,012,523	50,680
	<u>\$ 2,778,932</u>	<u>\$ -</u>	<u>\$ 140,242</u>	<u>\$ 2,638,690</u>	<u>\$ 142,920</u>

Date	Maturity	Interest Rates	Original Issue	Outstanding 12/31/23
06/13/18	5/1/2037	1.87%	\$ 1,206,457	\$ 926,938
12/12/18	5/1/2038	1.87%	774,620	606,989
06/26/19	5/1/2039	1.98%	1,158,141	961,843
				<u>\$ 2,495,770</u>

Revenue bond debt service requirements to maturity follows:

December 31	Principal	Interest	Total
2024	\$ 145,648	\$ 46,339	191,987
2025	148,428	43,532	191,960
2026	151,262	40,671	191,933
2027	154,150	37,756	191,906
2028	157,092	34,785	191,877
2029-2033	831,612	123,733	955,345
2034-2038	838,223	44,775	882,998
2039	69,355	686	70,041
	<u>\$ 2,495,770</u>	<u>\$ 372,277</u>	<u>\$ 2,868,047</u>

NEW BERLIN WATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 4 – LONG-TERM DEBT (cont.)

REVENUE BONDS FROM DIRECT BORROWINGS AND DIRECT PLACEMENTS (cont.)

All utility revenues net of specified operating expenses are pledged as a security of the above revenue bonds until the bonds are defeased. Principal and interest paid for 2023 and 2022 was \$192,013 and \$192,038 respectively. Total customer net revenues as defined for the same period was \$2,669,114 and \$2,555,257 respectively. Annual principal and interest payments are expected to require 7.19% of net revenues on average.

The Utility's outstanding revenue bonds from direct borrowings and/or direct placements of \$2,495,770 contains provisions that in an event of default, outstanding amounts are recoverable by the State by deducting those amounts from any State payments due to the City.

BOND COVENANT DISCLOSURES

The following information is provided in compliance with the resolution creating the revenue bonds:

Insurance

The utility 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. These risk are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded coverage in any of the last three years. There was no significant reductions in coverage compared to the prior year.

The utility is covered under the following insurance policies at December 31, 2023:

<u>Policy</u>	<u>Expiration Date</u>	<u>Total Coverage</u>
Workers compensation	1/1/2023 - 12/31/2023	Statutory
Automobile	1/1/2023 - 12/31/2023	\$20,188,018
Boiler and Machinery	1/1/2023 - 12/31/2023	\$500,000,000
Building and grounds	09/02/22 - 09/01/2023	\$105,291,341

NEW BERLIN WATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 4 – LONG-TERM DEBT (cont.)

BOND COVENANT DISCLOSURES (cont.)

Number of Customers

The utility served the following number of water customers at December 31:

	2023	2022
Residential	8,197	8,186
Commercial	1,543	1,553
Multifamily	287	290
Industrial	124	125
Public Authority	33	36
Totals	10,184	10,190

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.1 times the highest annual debt service of the bonds. The overage only includes revenue debt and does not include general obligation or other debt. The coverage requirement was met in 2022 as follows:

	2023	2022
Total operating revenues	\$ 5,419,113	\$ 5,253,039
Interest income	429,521	209,523
Less: Operation and maintenance expenses	(3,117,131)	(2,852,961)
Taxes - other than PILOT	(62,389)	(54,344)
Balance Available for Debt Service	\$ 2,669,114	\$ 2,555,257
Maximum Annual Principal and Interest	\$ 191,987	\$ 192,013
Coverage	14:1	13:1

NEW BERLIN WATER UTILITY

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2023 and 2022

NOTE 4 – LONG-TERM DEBT (cont.)

INTERFUND ADVANCE

The utility's long-term debt activity for Interfund Advance for the year ended December 31, 2023 and 2022 is as follows:

	Balance 12/31/2022	Additions	Retirements	Balance 12/31/2023	Due Within One Year
2022 Advance from Wastewater	\$ 5,500,000	\$ -	\$ 165,000	\$ 5,335,000	\$ 205,000

	Balance 12/31/2021	Additions	Retirements	Balance 12/31/2022	Due Within One Year
2022 Advance from Wastewater	\$ -	\$ 5,500,000	\$ -	\$ 5,500,000	\$ 165,000

Date	Received from	Maturity	Interest Rates	Original Issue	Outstanding 12/31/2022
8/18/2022	Wastewater Utility	12/1/2042	3.00%	\$ 5,500,000	\$ 5,335,000

Interfund transfer debt service requirements to maturity follows:

December 31	Principal	Interest	Total
2024	\$ 205,000	\$ 160,050	\$ 365,050
2025	210,000	153,900	363,900
2026	220,000	147,600	367,600
2027	225,000	141,000	366,000
2028	230,000	134,250	364,250
2029-2033	1,350,000	558,300	1,908,300
2034-2038	1,515,000	345,600	1,860,600
2039-2042	1,380,000	105,000	1,485,000
	<u>\$ 5,335,000</u>	<u>\$ 1,745,700</u>	<u>\$ 7,080,700</u>

NOTE 5 – LEASE DISCLOSURES

Lease Receivables Description	Date of Inception	Final Maturity	Interest Rates	Receivable Balance Dec 31, 2023
Cellular antennas	1998-2021	2024-2030	2.4%	\$ 1,063,194

NEW BERLIN WATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 5 – LEASE DISCLOSURES (cont.)

Lease Receivables Description	Date of Inception	Final Maturity	Interest Rates	Receivable Balance Dec 31, 2022
Cellular antennas	1998-2021	2024-2032	2.4%	\$ 2,131,258

For the years 2023 and 2022 The Utility recognized \$276,302 and \$221,694 in lease revenue and \$32,704 and \$59,274 in lease interest revenue respectively.

Future minimum lease payments are as follows:

Years	Principal	Interest	Total
2024	\$ 157,656	\$ 27,761	\$ 185,417
2025	171,376	23,311	194,687
2026	185,783	18,638	204,421
2027	202,610	12,033	214,643
2028	135,716	8,581	144,297
2029-2030	210,053	3,201	213,254
	<u>\$ 1,063,194</u>	<u>\$ 93,525</u>	<u>\$ 1,156,719</u>

NOTE 6 – NET POSITION

The following calculation supports the net investment invested in capital assets, net of related debt:

	2023	2022
Net investment in capital assets, net of related debt		
Capital assets, net of accumulated depreciation	\$ 47,158,553	\$ 46,100,285
Construction work in progress	597,146	450,435
Less: Long-term debt outstanding	(2,930,770)	(3,513,690)
Less: Debt premium	(10,530)	(42,240)
Total net investment in capital assets	<u>\$ 44,814,399</u>	<u>\$ 42,994,790</u>

NEW BERLIN WATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 7 – EMPLOYEES' RETIREMENT SYSTEM (cont.)

General Information about the Pension Plan

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 and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

EFT 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 retirement benefit based on a formula factor, their average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

NEW BERLIN WATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 7 – EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2013	(9.6)%	9%
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. 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 periods 2023 and 2022, the WRS recognized \$48,896 and \$43,365, respectively, in contributions from the utility.

Contribution rates for the plan year reported as of December 31, 2023 and 2022 are:

	Employee	Employer
2023 General	6.80%	6.80%
2022 General	6.75%	6.75%

NEW BERLIN WATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 7 – EMPLOYEES' RETIREMENT SYSTEM (cont.)

Pension Liability/(Asset), Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (cont.)

At December 31, 2023 the utility reported a liability of \$191,065 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The utility's proportion of the net pension liability was based on the utility's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the utility's proportion was .003606560%, which was a decrease of .000293273% from its proportion measured as of December 31, 2021.

At December 31, 2022 the utility reported an asset of \$289,565 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The utility's proportion of the net pension asset was based on the utility's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the utility's proportion was .003592537%, which was a decrease of .000307296% from its proportion measured as of December 31, 2020.

For the years ended December 31, 2023 and 2022, the utility recognized pension expense (revenue) of \$101,211 and (\$16,188).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	\$ 345,615	\$ 446,021
Changes of actuarial assumptions	50,312	-
Net differences between projected and actual earnings on pension plan investments	339,544	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	650	1,256
Employer contributions subsequent to the measurement date	48,896	-
Total	<u>\$ 785,017</u>	<u>\$ 447,277</u>

NEW BERLIN WATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 7 – EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

At December 31, 2022 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 of Resources
Differences between projected and actual experience	\$ 501,968	\$ 79,449
Changes of actuarial assumptions	65,941	-
Net differences between projected and actual earnings on pension plan investments	-	622,956
Changes in proportion and differences between employer contributions and proportionate share of contributions	748	192
Employer contributions subsequent to the measurement date	43,365	-
Total	<u>\$ 612,022</u>	<u>\$ 702,597</u>

NEW BERLIN WATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 7 – EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

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

Year ended December 31:	Deferred Outflow of Resources and Deferred Inflows of Resources (net)
2024	\$ 11,554
2025	59,791
2026	61,235
2027	156,264

Deferred outflows related to pension resulting from the WRS employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension as of December 31, 2022 will be recognized in pension expense as follows:

Year ended December 31:	Deferred Outflow of Resources and Deferred Inflows of Resources (net)
2023	\$ (11,251)
2024	(65,898)
2025	(28,931)
2026	(27,860)

NEW BERLIN WATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 7 – EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

Actuarial assumptions. The total pension liability in the actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2023	2022
Actuarial valuation date	December 31, 2021	December 31, 2020
Measurement date of net pension liability	December 31, 2022	December 31, 2021
Actuarial cost method	Entry age normal	Entry age normal
Asset valuation method	Fair value	Fair value
Long-term expected rate of return	6.8%	6.8%
Discount rate	6.8%	6.8%
Salary increases		
Inflation	3.0%	3.0%
Seniority/Merit	0.1% - 5.6%	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality table	2020 WRS Experience Mortality table
Post-retirement adjustments	1.7%	1.9%

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

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The Total Pension Liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

NEW BERLIN WATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 7 – EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

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 as of December 31, 2023 are summarized in the following table:

<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Public Equity	48.0%	7.5%	5.0%
Public Fixed Income	25.0	5.3	2.7
Inflation Sensitive	19.0	3.6	1.1
Real Estate	8.0	5.2	2.6
Private Equity/Debt	15.0	9.6	6.9
Total Core Fund	115	7.4	4.8
 <u>Variable Fund Asset</u>			
US Equities	70	7.2	4.6
International Equities	30	8.1	5.5
Total Variable Fund	100	7.7	5.1

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

** New England Pension Consultants Long Term US CPI (inflation) Forecast; 2.5%

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

NEW BERLIN WATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 7 – EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

The target allocation and best estimates of geometric real rates of return for each major asset class as of December 31, 2022 are summarized in the following table:

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	52.0%	6.8%	4.2%
Fixed Income	25.0	4.3	1.8
Inflation Sensitive	19.0	2.7	0.2
Real Estate	7.0	5.6	3
Private Equity/Debt	12.0	9.7	7
Total Core Fund	115	6.6	4
<u>Variable Fund Asset</u>			
US Equities	70	6.3	3.7
International Equities	30	7.2	4.9
Total Variable Fund	100	6.8	4.2

Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations. New England Pension Consultants Long Term US CPI (inflation) Forecast; 2.5% The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used subject to an allowable range of up to 20%.

NEW BERLIN WATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 7 – EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

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 was based on the expected rate of return on pension plan investments 6.8 percent and a municipal bond rate of 4.05 percent. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the utility's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the utility's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80 percent, as well as what the utility'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 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

The sensitivity analysis as of December 31, 2023 follows:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
The Utility's proportionate share of the net pension liability (asset)	\$ 634,138	\$ 191,065	\$ (113,732)

The sensitivity analysis as of December 31, 2022 follows:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
The Utility's proportionate share of the net pension liability (asset)	\$ 205,467	\$ (289,565)	\$ (645,896)

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

NEW BERLIN WATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 8 – RISK MANAGEMENT

The utility 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 risks are covered through the purchase of commercial insurance, with minimal deductibles as described in this note. The city purchases general, auto liability/physical damage and workers compensation insurance from the Cities and Villages Mutual Insurance Company (CVMIC). The City purchases commercial insurance for all other risks. There have been no significant reductions in insurance coverage for any risk of loss in the past year and settled claims have not exceeded the commercial coverage in any of the past three fiscal years.

In 1987, the City invested \$802,060 for participation in the Wisconsin Municipal Insurance commission (WMIC). The WMIC is an intergovernmental cooperation commission formed to facilitate the formation of Cities and Villages Mutual Insurance Company (CVMIC). CVMIC is a separate and distinct entity independent of the WMIC and owned by the participating cities and villages of the WMIC. CVMIC was formed to provide liability insurance to Wisconsin municipalities as of January 1, 1988.

CVMIC provides the City with \$5,000,000 of liability coverage for losses over its self-insurance retention level of \$50,000 per occurrence with a \$200,000 annual aggregate stop loss.

An annual premium is charged to cover expected claims and administrative costs. The claims component of the premium is determined by independent actuaries and allocated among the participating municipalities based on payroll and loss history. The City and other participating cities and villages are subject to cover loss experiences that exceed predictions through retrospective assessments.

Management of each organization consists of a board of directors or officers comprised of representatives elected by each of three classes of participants based on population. The city does not exercise any control over the activities of the agencies beyond the election of the officers and board.

At December 31, 2023 the Risk Management Fund, an Internal Service Fund had net position of \$1,181,061 available for future claims related to prior years. The balance includes \$454,522 in cash and \$802,060 in non-cash assets.

The City has recorded an unpaid claims liability for claims that have occurred but are not settled and for claims incurred by not recorded (IBNR). This liability is based upon estimates from an annual actuarial study. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims.

NEW BERLIN WATER UTILITY

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2023 and 2022

NOTE 8 – RISK MANAGEMENT (CONT.)

Changes in the fund's unpaid claims liability amount in fiscal 2023 and 2022 were:

	Beginning Balance	Current Claims and Changes in Estimates	Claims Paid/ Settled	Ending Balance
2022	\$ -	\$ 95,694	\$ -	\$ 95,694
2023	95,694	(20,173)	-	75,521

The City's percentage participation in WMIC and CVMIC at December 31, 2023 was 2.74%. Percentage participation can be affected by acceptance of new members to WMIC and CVMIC. Upon dissolution, the City would be entitled to a lump sum payment from CVMIC that may vary significantly from the amount of its deposit referred to above, based on the then financial condition of CVMIC.

Financial statements of WMIC and CVMIC can be obtained directly from CVMIC offices.

NOTE 9 – BASIS OF EXISTING RATES

Current rates were approved by the PSCW, effective January 1, 2017 and are designated to provide a 6.75% rate of return.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

From time to time, the utility 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 utility's financial position or results of operations.

FEDERAL AND STATE GRANTS

The utility 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.

IMPACT FEES

The utility receives impact fees for new development projects. The fees are to be used to fund specific projects within a specific period of time. In the event the projects are not completed or the time period elapses, the utility will be required to refund the impact fees to the owners of the property on which the fees were originally charged.

NEW BERLIN WATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 11 – OTHER INFORMATION

OTHER POSTEMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan description. The utility, as an enterprise fund of the city, participates in the city's OPEB plan. The city's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the city. RBP is a single-employer defined benefit OPEB plan administered by the city. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Common Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits provided. The city's group health insurance plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. The result is another postemployment benefit (OPEB) for the retirees, commonly referred to as an implicit rate subsidy.

Contribution requirements are established through collective bargaining agreements and other city agreements, and may be amended only through negotiations between city and the union, or for non-union employees pursuant to employment policies adopted by the Common Council.

Employees covered by benefit terms. At December 31, 2023 the following utility employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	-
Active plan members	<u>10</u>
	<u>10</u>

At December 31, 2022 the following utility employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	-
Active plan members	<u>10</u>
	<u>10</u>

Total OPEB Liability

The utility's total OPEB liability of \$252,974 and \$275,840 were measured as of December 31, 2023 and 2022, respectively, and was determined by an actuarial valuation as of December 31, 2023.

NEW BERLIN WATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 11 – OTHER INFORMATION (cont.)

OTHER POSTEMPLOYMENT BENEFITS (cont.)

Total OPEB Liability (cont.)

Actuarial assumptions and other inputs. The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	2023	2022
Actuarial valuation date	December 31, 2023	December 31, 2022
Measurement date of total OPEB liability	December 31, 2023	December 31, 2022
Actuarial cost method	Entry age	Entry age
Asset valuation method	Fair value	Fair value
Long-term expected rate of return	5.0%	5.0%
Discount rate	4.00%	4.31%
Healthcare Cost Trend Rates	5.00% for 2023 and beyond	5.00% for 2022 and beyond
Salary increases		
Merit and Cost of living	3.0%	3.0%
Mortality	Wisconsin 2020 Mortality Table	Wisconsin 2020 Mortality Table

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance, December 31, 2022	\$ 275,840
Service cost	12,706
Interest cost	9,961
Changes in assumptions	(30,432)
Estimated Benefit payments	(15,101)
Net Changes	(22,866)
Balance, December 31, 2023	\$ 252,974

	Total OPEB Liability
Balance, December 31, 2021	\$ 299,727
Service cost	21,204
Interest cost	6,427
Changes in assumptions	(18,444)
Estimated Benefit payments	(33,074)
Net Changes	(23,887)
Balance, December 31, 2022	\$ 275,840

NEW BERLIN WATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 11 – Other Information (cont.)

OTHER POSTEMPLOYMENT BENEFITS (cont.)

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the utility, as well as what the utility's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3 percent) or 1-percentage-point higher (5 percent) than the current rate as of December, 31 2023:

	1% Decrease (3.0%)	Discount Rate (4.0%)	1% Increase (5.0%)
Total OPEB liability	\$ 268,006	\$ 252,974	\$ 238,895

. The following presents the total OPEB liability of the utility, as well as what the utility's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.31 percent) or 1-percentage-point higher (5.31 percent) than the current rate as of December, 31 2022:

	1% Decrease (3.31%)	Discount Rate (4.31%)	1% Increase (5.31%)
Total OPEB liability	\$ 292,551	\$ 275,840	\$ 260,204

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the city, as well as what the city's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4 percent) or 1-percentage-point higher (6 percent) than the current rate as of December 31, 2023:

	1% Decrease to (4.0%)	Healthcare Cost Trend Rates (5.0%)	1% Increase to (6.0%)
Total OPEB liability	\$ 236,282	\$ 252,974	\$ 269,787

The following presents the total OPEB liability of the city, as well as what the city's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4 percent) or 1-percentage-point higher (6 percent) than the current rate as of December 31, 2022:

	1% Decrease to (4.5% Decreasing (to 4.0%))	Healthcare Cost Trend Rates (5.5% Decreasing to 5.0%)	1% Increase to (6.5% Decreasing to 6.0%)
Total OPEB liability	\$ 262,799	\$ 275,840	\$ 305,014

NEW BERLIN WATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 11 – Other Information (cont.)

OTHER POSTEMPLOYMENT BENEFITS (cont.)

OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended December 31, 2023 and 2022, the utility recognized OPEB expense of \$18,296 and \$8,668, respectively. At December 31, 2023 and 2022, the utility reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>2023</u>		
Differences between projected and actual earnings	\$ -	\$ 116,342
Changes in assumptions	30,530	-
Total	<u>\$ 30,530</u>	<u>\$ 116,342</u>
<u>2022</u>		
Differences between projected and actual earnings	\$ -	\$ 87,418
Changes in assumptions	29,694	-
Total	<u>\$ 29,694</u>	<u>\$ 87,418</u>

NEW BERLIN WATER UTILITY

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2023 and 2022

NOTE 11 – Other Information (cont.)

OTHER POSTEMPLOYMENT BENEFITS (cont.)

OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB (CONT.)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows as of December 31, 2023:

Year ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2024	\$ (11,530)
2025	(10,850)
2026	(9,948)
2027	(9,089)
2028	(6,995)
Thereafter	(37,400)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows as of December 31, 2022:

Year ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2023	\$ (9,262)
2024	(7,428)
2025	(6,777)
2026	(5,913)
2027	(5,090)
Thereafter	(23,254)

NEW BERLIN WATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 12 – Effect of New Accounting Standards on Current-Period Financial Statements

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

- > Statement No. 100, Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62
- > Statement No. 101, Compensated Absences
- > Statement No. 102, Certain Risk Disclosures

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

NOTE 13 – Subsequent Events

Current water rates were approved by the PSC subsequent to December 31, 2023 with an effective date of April 1, 2024.

REQUIRED SUPPLEMENTARY INFORMATION

NEW BERLIN WATER UTILITY

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) - WISCONSIN RETIREMENT SYSTEM As of December 31, 2023

WRS Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/14	0.004615922%	\$ (113,380)	\$ 655,281	17.30%	102.74%
12/31/15	0.004715029%	76,618	672,335	11.40%	98.20%
12/31/16	0.004071779%	33,561	587,519	5.71%	99.12%
12/31/17	0.003863020%	(114,698)	605,234	18.95%	102.93%
12/31/18	0.003885548%	138,236	612,634	22.56%	96.45%
12/31/19	0.003899833%	(125,748)	622,434	20.20%	102.96%
12/31/20	0.003702461%	(231,150)	627,711	36.82%	105.26%
12/31/21	0.003592537%	(289,565)	626,987	46.18%	106.02%
12/31/22	0.003606560%	191,065	667,149	28.64%	95.72%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM As of December 31, 2023

Utility Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 45,719	\$ 45,719	\$ -	\$ 672,335	6.80%
12/31/16	38,776	38,776	-	587,519	6.60%
12/31/17	41,156	41,156	-	605,234	6.80%
12/31/18	41,046	41,046	-	612,634	6.70%
12/31/19	40,769	40,769	-	622,434	6.55%
12/31/20	42,371	42,371	-	627,711	6.75%
12/31/21	42,322	42,322	-	626,987	6.75%
12/31/22	43,365	43,365	-	667,149	6.50%
12/31/23	48,896	48,896	-	719,055	6.80%

See independent auditors' report.

NEW BERLIN WATER UTILITY

NOTES TO SCHEDULE - WISCONSIN RETIREMENT SYSTEM SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM

Wisconsin Retirement System

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

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

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

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

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

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

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

See independent auditors' report.

NEW BERLIN WATER UTILITY

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS As of December 31, 2023

	2017	2018	2019	2020	2021	2022	2023
Total OPEB Liability							
Service cost	\$ 17,056	\$ 18,727	\$ 14,381	\$ 14,153	\$ 20,996	\$ 21,204	\$ 12,706
Interest	9,158	8,315	8,433	8,996	5,451	6,427	9,961
Changes in benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	-	-	-	-	-	-	-
Changes of assumptions	4,530	(1,518)	(9,450)	25,372	(3,531)	(18,444)	(30,432)
Benefit payments	(10,001)	(10,882)	(12,898)	(16,105)	(34,894)	(33,074)	(15,101)
Net Change in Total OPEB Liability	20,743	14,642	466	32,416	(11,978)	(23,887)	(22,866)
Total OPEB Liability - Beginning	243,438	264,181	278,823	279,289	311,705	299,727	275,840
Total OPEB Liability - Ending	\$ 264,181	\$ 278,823	\$ 279,289	\$ 311,705	\$ 299,727	\$ 275,840	\$ 252,974
Covered-employee payroll	\$ 514,850	\$ 530,296	\$ 552,748	\$ 552,748	\$ 552,748	\$ 642,165	\$ 664,276
Total OPEB liability as a percentage of covered-employee payroll	51.31%	52.58%	50.53%	56.39%	54.22%	42.95%	38.08%

Notes to Schedule:

The utility implemented GASB Statement No. 75 in fiscal year 2017. Information prior to fiscal year 2017 is not available. Additional years will be added prospectively until 10 years are presented.

Changes in Assumptions:

2023 - Discount rate changed from 4.31% to 4.0%

2022 - Discount rate changed from 2.25% to 4.31% and mortality tables changed from Wisconsin 2018 mortality table to Wisconsin 2020 mortality table.

See independent auditors' report.

S U P P L E M E N T A R Y I N F O R M A T I O N

NEW BERLIN WATER UTILITY

OPERATING REVENUES AND EXPENSES For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES		
Sales of Water		
Unmetered sales	\$ 21,713	\$ 6,890
Metered sales		
Residential	2,347,271	2,251,914
Commercial	906,945	895,407
Multifamily	523,530	531,608
Industrial	341,222	335,499
Public authorities	55,691	38,810
Private fire protection	168,726	167,928
Public fire protection	<u>705,893</u>	<u>705,893</u>
Total Sales of Water	<u>5,070,991</u>	<u>4,933,949</u>
Other Operating Revenues		
Forfeited discounts	33,741	30,594
Water department rentals	276,302	221,694
Other water revenues	<u>38,079</u>	<u>66,802</u>
Total Other Operating Revenues	<u>348,122</u>	<u>319,090</u>
Total Operating Revenues	<u>5,419,113</u>	<u>5,253,039</u>
OPERATING EXPENSES		
Operation and Maintenance Expenses		
Purchased Water	1,558,586	1,466,529
Pumping Expenses		
Fuel or power purchased for pumping	91,345	119,149
Pumping labor	53,043	63,166
Maintenance of structures and improvements	44,189	62,170
Maintenance of pumping equipment	<u>33,514</u>	<u>12,061</u>
Total Pumping Expenses	<u>1,780,677</u>	<u>1,723,075</u>
Water Treatment Expenses		
Operation labor	<u>28,697</u>	<u>22,324</u>
Total Water Treatment Expenses	<u>28,697</u>	<u>22,324</u>
Transmission and Distribution Expenses		
Meter expenses	36,861	39,133
Maintenance of distribution reservoirs	5,314	56,455
Maintenance of mains	250,830	236,860
Maintenance of services	99,200	89,942
Maintenance of meters	37,867	39,764
Maintenance of hydrants	<u>107,157</u>	<u>84,582</u>
Total Transmission and Distribution Expenses	<u>537,229</u>	<u>546,736</u>

NEW BERLIN WATER UTILITY

OPERATING REVENUES AND EXPENSES (cont.) For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
OPERATING EXPENSES (cont.)		
Operation and Maintenance Expenses (cont.)		
Customer and Account Expenses		
Meter reading	\$ 4,674	\$ 7,277
Customer records and collection	33,212	32,460
Uncollectible accounts	15,856	-
Total Customer Account Expenses	<u>53,742</u>	<u>39,737</u>
Administrative and General Expenses		
Administrative and general salaries	218,689	157,537
Office supplies and expense	31,489	25,012
Outside services	64,570	58,299
Property insurance	30,912	27,080
Injuries and damages	19,414	21,015
Employees pensions and benefits	297,671	173,784
Maintenance of general plant	5,066	8,089
Maintenance of structures	43,578	34,582
Safety and training	5,397	15,691
Total Administrative and General Expenses	<u>716,786</u>	<u>521,089</u>
Total Operation and Maintenance Expenses	3,117,131	2,852,961
Depreciation expense	1,378,368	1,294,158
Taxes	62,389	54,344
Total Operating Expenses	<u>4,557,888</u>	<u>4,201,463</u>
 OPERATING INCOME	 <u>\$ 861,225</u>	 <u>\$ 1,051,576</u>

NEW BERLIN WATER UTILITY

UTILITY PLANT IN SERVICE
As of December 31, 2023 and 2022

	Balance 12/31/2022	Additions	Retirements	Balance 12/31/2023
INTANGIBLE ASSET				
Purchased water rights (1)	\$ 1,500,000	\$ -	\$ -	\$ 1,500,000
SOURCE OF SUPPLY PLANT				
Land and land rights	304,592	-	-	304,592
Supply mains	155,454	-	-	155,454
Other water source plant	16,692	-	-	16,692
Total Source of Supply Plant	476,738	-	-	476,738
PUMPING PLANT				
Land and land rights	32,585	-	-	32,585
Structures and improvements	2,721,775	-	-	2,721,775
Other power production equipment	235,060	-	-	235,060
Electric pumping equipment	1,255,499	444,907	9,715	1,690,691
Other pumping equipment	32,023	-	-	32,023
Total Pumping Plant	4,276,942	444,907	9,715	4,712,134
WATER TREATMENT PLANT				
Water treatment equipment	6,759	-	-	6,759
TRANSMISSION AND DISTRIBUTION PLANT				
Land and land rights	304,869	-	-	304,869
Distribution reservoirs and standpipes	2,373,005	-	-	2,373,005
Transmission and distribution mains	45,006,084	1,511,082	-	46,517,166
Fire mains	33,338	-	-	33,338
Services	6,267,099	-	-	6,267,099
Meters	2,479,365	238,558	79,271	2,638,652
Hydrants	5,578,050	233,575	-	5,811,625
Total Transmission and Distribution Plant	62,041,810	1,983,215	79,271	63,945,754
GENERAL PLANT				
Structures and improvements	1,977,012	-	-	1,977,012
Office furniture and equipment	6,587	-	-	6,587
Transportation equipment	846,830	52,700	41,239	858,291
Tools, shop and garage equipment	228,760	54,463	4,683	278,540
Power operated equipment	113,135	-	-	113,135
Communication equipment	1,279,065	23,388	-	1,302,453
Computer equipment	100,987	7,160	-	108,147
Total General Plant	4,552,376	137,711	45,922	4,644,165
TOTAL UTILITY PLANT IN SERVICE	\$ 72,854,625	\$ 2,565,833	\$ 134,908	\$ 75,285,550

(1) Purchased water rights have been capitalized for financial reporting in accordance with generally accepted accounting principles. For regulatory accounting purposes these amounts were expensed in the year of payment.

**NEW BERLIN WASTEWATER
UTILITY**

New Berlin, Wisconsin

FINANCIAL STATEMENTS

As of and for the Years Ended
December 31, 2023 and 2022

NEW BERLIN WASTEWATER UTILITY

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Independent Auditors' Report

To the City Council of
City of New Berlin

Opinion

We have audited the financial statements of the City of New Berlin Wastewater Utility (the Wastewater Utility), an enterprise fund of the City of New Berlin, as of and for the years ended December 31, 2023 and 2022 and the related notes to the 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 financial position for the Wastewater Utility, as of December 31, 2023 and 2022 and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Wastewater Utility 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 opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Wastewater Utility, are intended to present the financial position, the changes in the financial position and cash flows of only the Wastewater Utility. They do not purport to and do not, present fairly the financial position of the City of New Berlin, as of December 31, 2023, and 2022, and the changes in financial position, or cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Wastewater Utility'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.

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 financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. 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 financial statements and other knowledge we obtained during our audit of the 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 an opinion on the financial statements as a whole. 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Baker Tilly US, LLP

Milwaukee, Wisconsin
July 22, 2024

NEW BERLIN WASTEWATER UTILITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

As of and for the Years Ended December 31, 2023 and 2022

The purpose of this section is to provide users with an objective easy to read overview of the financial activities of the New Berlin Wastewater Utility for the years ended December 31, 2023 and 2022. This section should be read in conjunction with the financial statements and the accompanying notes that follow.

FINANCIAL HIGHLIGHTS

- The utility had an operating income of \$829,229 in 2023 an increase from the operating income of \$598,751 in 2022.
- The utility's total cash position decreased to \$15,556,491 a decrease of \$2,111,110 from 2022 with unrestricted cash decreasing \$2,173,086.
- The utility's total net position increased in 2023 to \$71,033,214 up \$1,800,488 from a 2022 ending net position of \$69,232,726.

REQUIRED FINANCIAL STATEMENTS

The financial statements report information of the utility using accounting methods similar to those used by private sector companies. These statements offer short and long-term information about its activities. The Statement of Net Position includes all of the utility's assets, deferred outflows of resources, liabilities, and deferred inflows of resources and provide information about the nature and amounts of investments in resources (assets) and the obligations to utility creditors (liabilities). It also provides the basis for evaluating the capital structure of the utility and assessing the liquidity and financial flexibility of the utility.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of the utility's operations over the past year and can be used to measure profitability and credit worthiness and to determine whether the utility has successfully recovered all of its costs through the user fees and other charges.

The final required financial statement is the Statement of Cash Flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

FINANCIAL ANALYSIS OF THE UTILITY

An important question that is asked and needs to be answered is how have this past year's activities affected the overall financial health of the utility? The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position will help to answer this question. The Statement of Net Position, which shows the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, can be analyzed over a period of time to help the reader determine whether the financial condition of the utility is improving or deteriorating. This statement must be reviewed in conjunction with a number of other non-financial factors that can have an impact on the financial health of the utility. For instance, changes in local economic conditions, legislative changes, demographic changes, even weather, can affect, positively or negatively, the financial health of a utility.

NEW BERLIN WASTEWATER UTILITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

As of and for the Years Ended December 31, 2023 and 2022

FINANCIAL ANALYSIS OF THE UTILITIES (continued)

TABLE A-1
CONDENSED SUMMARY OF NET POSITION

	2023	2022	2021	Percentage Increase (Decrease) 2023 versus 2022
Current and other assets	\$ 26,993,351	\$ 27,362,498	\$ 25,385,095	-1.35%
Restricted assets	559,032	701,911	628,199	-20.36%
Capital assets	43,952,956	43,245,356	43,219,939	1.64%
Total Assets	<u>71,505,339</u>	<u>71,309,765</u>	<u>69,233,233</u>	0.27%
Deferred Outflows of Resources	<u>539,657</u>	<u>432,312</u>	<u>293,633</u>	24.83%
Current liabilities	250,091	1,720,750	239,981	-85.47%
Non-current liabilities	<u>364,760</u>	<u>220,672</u>	<u>239,782</u>	65.30%
Total Liabilities	<u>614,851</u>	<u>1,941,422</u>	<u>479,763</u>	-68.33%
Deferred Inflows of Resources	<u>396,931</u>	<u>567,929</u>	<u>415,270</u>	-30.11%
Net investment in capital assets	43,952,956	43,245,356	43,219,939	1.64%
Restricted	559,032	701,911	628,199	-20.36%
Unrestricted	<u>26,521,226</u>	<u>25,285,459</u>	<u>24,783,695</u>	4.89%
Total Net Position	<u>\$ 71,033,214</u>	<u>\$ 69,232,726</u>	<u>\$ 68,631,833</u>	2.60%

NEW BERLIN WASTEWATER UTILITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

As of and for the Years Ended December 31, 2023 and 2022

FINANCIAL ANALYSIS OF THE UTILITY (continued)

TABLE A-2
CONDENSED SUMMARY OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION

	2023	2022	2021	Percentage Increase (Decrease) 2023 versus 2022
Operating revenues	\$ 11,383,817	\$ 11,226,187	\$ 11,255,697	1.40%
Non-operating revenues	<u>2,725,714</u>	<u>103,094</u>	<u>76,651</u>	2543.91%
Total Revenues	<u>14,109,531</u>	<u>11,329,281</u>	<u>11,332,348</u>	24.54%
Operating expenses	10,554,588	10,627,436	10,114,551	-0.69%
Non-operating expenses	<u>1,748,975</u>	<u>88,159</u>	<u>-</u>	1883.89%
Total Expenses	<u>12,303,563</u>	<u>10,715,595</u>	<u>10,114,551</u>	14.82%
Income Before Capital Contributions and transfers	1,805,968	613,686	1,217,797	194.28%
Capital contributions	6,000	-	83,413	10.00%
Interfund transfers	<u>(11,480)</u>	<u>(12,793)</u>	<u>(15,180)</u>	-10.26%
Change in Net Position	1,800,488	600,893	1,286,030	199.64%
Beginning Net Position	<u>69,232,726</u>	<u>68,631,833</u>	<u>67,345,803</u>	0.88%
Ending Net Position	<u>\$ 71,033,214</u>	<u>\$ 69,232,726</u>	<u>\$ 68,631,833</u>	2.60%

While the Summary of Net Position (Table A-1) shows the change in our financial position, the Statements of Revenues, Expenses and Changes in Net Position provides answers as to the nature and source of these changes. Operating revenues remained flat when compared to 2022 with only a slight increase of 1.35% in wastewater sales. Non-operating revenues increased in 2023 by 2,543.91% because of two major reasons. First there was a large increase in interest rates, which led to a substantial increase in investment income. Second, the Utility received a large amount in the MMSD Private Property I&I grant. This grant allowed the Utility to do I&I work on customers' property that would reduce wastewater flow. This in turn leads to the large increase in non-operating expenses.

The Wastewater Utility did not have a developer contributed project in 2023 and 2022. This account is unpredictable and can vary greatly depending on subdivisions added, impact fees used, or special assessments levied in the current year. Contributions here are generally offset by capital assets added to the utility.

NEW BERLIN WASTEWATER UTILITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

As of and for the Years Ended December 31, 2023 and 2022

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS (See Note 4)

At the end of 2023, the utility has \$43.9 million invested in property, plant and equipment, an increase of \$707 thousand from 2022. The Utility is in the process of upgrading a liftstation that is still in progress and not yet completed. The rest of the additions and deletions were routine in nature.

At the end of 2022, the utility has \$43.2 million invested in property, plant and equipment, an increase of \$25 thousand from 2021. The utility added a large jetter truck and a portable generator during 2022. The rest of the additions and deletions were routine in nature.

**TABLE A-3
CAPITAL ASSETS**

	2023	2022	2021	Percentage Increase (Decrease) 2023 versus 2022
Land & Land Rights	\$ 456,017	\$ 456,017	\$ 456,017	0.00%
Collection System	52,174,113	52,174,113	52,174,114	0.00%
Collection System Pumping	5,756,107	5,756,107	5,756,107	0.00%
General	3,081,824	2,973,166	2,613,549	3.65%
Construction in Progress	2,103,564	623,487	66,500	237.39%
Subtotal	<u>63,571,625</u>	<u>61,982,890</u>	<u>61,066,287</u>	2.56%
Less:				
Accumulated Depreciation	<u>(19,618,669)</u>	<u>(18,737,534)</u>	<u>(17,846,348)</u>	4.70%
Net Capital Assets	<u>\$ 43,952,956</u>	<u>\$ 43,245,356</u>	<u>\$ 43,219,939</u>	1.64%

DEBT

The utility has no outstanding debt at the end of 2023 or 2022. The utility has no plans to borrow money in 2024.

NEW BERLIN WASTEWATER UTILITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(unaudited)

As of and for the Years Ended December 31, 2023 and 2022

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The 2024 Wastewater budget does not include a rate increase. Future rate increases will depend on increases made by MMSD in either operating charge or capital charges. Together these two charges make up about 75% of the utilities total budget.

In 2024 the Wastewater Utility has no major capital projects scheduled. All capital additions over the next year are routine in nature.

CONTACTING THE UTILITY FINANCIAL MANAGEMENT

This financial report is designed to provide a general easy to read overview of the finances of the New Berlin Wastewater Utility and to provide a glimpse at plans for the future and how those plans may affect the financial health of the utility. If you have any questions about this report or would like to obtain additional information, please feel free to contact the City of New Berlin Finance Director, 3805 S. Casper Drive, New Berlin, WI. 53151

Statements of Net Position Follow

NEW BERLIN WASTEWATER UTILITY

STATEMENTS OF NET POSITION As of December 31, 2023 and 2022

	ASSETS	
	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash and investments	\$ 14,997,459	\$ 17,170,545
Customer accounts receivable	3,559,568	3,067,384
Interest receivable	31,945	11,609
Receivable from municipality	1,720,987	649,365
Receivable from water	5,296	185,165
Advance to municipality	112,900	53,000
Advance to water resource management	55,000	55,000
Advance to water	205,000	165,000
Total Current Assets	<u>20,688,155</u>	<u>21,357,068</u>
NON-CURRENT ASSETS		
Other property and investments		
Special assessments receivable	7,764	1,764
Restricted Assets		
Replacement account - cash and investments	559,032	497,056
Net pension asset	-	204,855
Advance to municipality	1,167,432	613,666
Advance to water resource management	-	55,000
Advance to water	5,130,000	5,335,000
Capital Assets		
Land and land rights	456,017	456,017
Plant in service	61,012,044	60,903,386
Accumulated depreciation	(19,618,669)	(18,737,534)
Construction work in progress	2,103,564	623,487
Total Non-Current Assets	<u>50,817,184</u>	<u>49,952,697</u>
Total Assets	<u>71,505,339</u>	<u>71,309,765</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related amounts	512,180	408,557
OPEB related amounts	27,477	23,755
Total Deferred Outflows of Resources	<u>539,657</u>	<u>432,312</u>

See accompanying notes to financial statements.

NEW BERLIN WASTEWATER UTILITY

STATEMENTS OF NET POSITION As of December 31, 2023 and 2022

	LIABILITIES	
	<u>2023</u>	<u>2022</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 185,926	\$ 779,224
Payable to municipality	63,253	796,139
Payable to water	912	145,387
Total Current Liabilities	<u>250,091</u>	<u>1,720,750</u>
NON-CURRENT LIABILITIES		
Net pension liability	137,083	-
Total OPEB obligation	<u>227,677</u>	<u>220,672</u>
Total Non-Current Liabilities	<u>364,760</u>	<u>220,672</u>
Total Liabilities	<u>614,851</u>	<u>1,941,422</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related amounts	292,224	497,994
OPEB related amounts	<u>104,707</u>	<u>69,935</u>
Total Deferred inflows of Resources	<u>396,931</u>	<u>567,929</u>
	NET POSITION	
NET POSITION		
Investment in capital assets	43,952,956	43,245,356
Restricted net position for		
Replacement	559,032	497,056
Net Pension Asset	-	204,855
Unrestricted net position	<u>26,521,226</u>	<u>25,285,459</u>
TOTAL NET POSITION	<u>\$ 71,033,214</u>	<u>\$ 69,232,726</u>

See accompanying notes to financial statements.

NEW BERLIN WASTEWATER UTILITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES	\$ 11,383,817	\$ 11,226,187
OPERATING EXPENSES		
Operation and maintenance	9,595,756	9,692,026
Depreciation	921,728	900,759
Taxes	<u>37,104</u>	<u>34,651</u>
Total Operating Expenses	<u>10,554,588</u>	<u>10,627,436</u>
Operating Income	<u>829,229</u>	<u>598,751</u>
NON-OPERATING REVENUE (EXPENSES)		
Investment income	939,103	18,178
MMSD I&I Subsidy	1,786,611	84,916
MMSD I&I Program	<u>(1,748,975)</u>	<u>(88,159)</u>
Total Non-Operating Revenue (Expenses)	<u>976,739</u>	<u>14,935</u>
Income Before Contributions and Transfers	1,805,968	613,686
CAPITAL CONTRIBUTIONS	6,000	-
TRANSFERS OUT - TAX EQUIVALENT	<u>(11,480)</u>	<u>(12,793)</u>
CHANGE IN NET POSITION	1,800,488	600,893
NET POSITION - BEGINNING OF YEAR	<u>69,232,726</u>	<u>68,631,833</u>
NET POSITION - END OF YEAR	<u>\$ 71,033,214</u>	<u>\$ 69,232,726</u>

See accompanying notes to financial statements.

Statements of Cash Flows Follow

NEW BERLIN WASTEWATER UTILITY

STATEMENTS OF CASH FLOWS For the Years Ended December 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 10,492,267	\$ 10,838,575
Payments to suppliers	(10,567,307)	(7,792,043)
Payments to employees	(523,733)	(484,055)
Net Cash Flows From Operating Activities	(598,773)	2,562,477
CASH FLOW FROM NON-CAPITAL RELATED FINANCING ACTIVITIES		
Advance to city	(666,666)	(666,666)
Receipt of advance to city	53,000	-
Advance to water utility	-	(5,500,000)
Receipt of advance to water utility	165,000	-
Receipt of advance to water resource management utility	55,000	110,000
Transfer out - paid to water for tax equivalent	(11,480)	(12,793)
Net Cash Flows From Non-Capital Related Financing Activities	(405,146)	(6,069,459)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(1,593,158)	(950,025)
Salvage on retired plant	20,018	7,302
Grant received	1,294,224	-
Grant costs	(1,747,042)	(88,159)
Net Cash Flows From Capital and Related Financing Activities	(2,025,958)	(1,030,882)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(1,698,932)	(723,226)
Investments sold	1,625,003	833,640
Interest received	835,330	194,042
Net Cash Flows From Investing Activities	761,401	304,456
Net Change in Cash and Cash Equivalents	(2,268,476)	(4,233,408)
CASH AND CASH EQUIVALENTS – Beginning of Year	<u>14,274,590</u>	<u>18,507,998</u>
CASH AND CASH EQUIVALENTS – END OF YEAR	<u>\$ 12,006,114</u>	<u>\$ 14,274,590</u>

See accompanying notes to financial statements.

NEW BERLIN WASTEWATER UTILITY

STATEMENTS OF CASH FLOWS For the Years Ended December 31, 2023 and 2022

	2023	2022
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 829,229	\$ 598,751
Adjustments to reconcile operating income to net cash flows from operating activities		
Depreciation expense	921,728	900,759
Changes in Assets, Deferred Outflows, Liabilities and Deferred Inflows		
Accounts receivable	203	(76,012)
Receivable from municipality	(1,071,622)	(135,927)
Receivable from water	179,869	(176,040)
Receivable from water resource management	-	367
Net pension liability (asset)	341,938	(41,598)
Pension related inflow	(205,770)	137,932
Pension related outflow	(103,623)	(139,171)
Total OPEB obligation	7,005	(19,110)
OPEB related inflow	34,772	14,727
OPEB related outflow	(3,722)	492
Accounts payable	(651,419)	655,269
Payable to municipality	(732,886)	750,547
Payable to water	(144,475)	91,491
Net Cash Flows From Operating Activities	<u>\$ (598,773)</u>	<u>\$ 2,562,477</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENTS OF NET POSITION		
Replacement account	\$ 559,032	\$ 497,056
Cash and investments	14,997,459	17,170,545
Less: Non-cash equivalents	<u>(3,550,377)</u>	<u>(3,393,011)</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 12,006,114</u>	<u>\$ 14,274,590</u>
NON-CASH INVESTING, CAPITAL, AND RELATED FINANCING ACTIVITIES		
Cost of utility plant installed and/or financed by developers	<u>\$ 6,000</u>	<u>\$ -</u>
Capital assets included in accounts payable	<u>\$ 62,085</u>	<u>\$ 5,897</u>

See accompanying notes to financial statements.

NEW BERLIN WASTEWATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the New Berlin Wastewater Utility (the “utility”) have been prepared in conformity with accounting standards generally accepted in the United States of America as applied to enterprise funds of government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The significant accounting principles and policies utilized by the utility are described below:

REPORTING ENTITY AND NATURE OF BUSINESS

New Berlin Wastewater Utility is a separate enterprise fund of the City of New Berlin (municipality). The utility is managed by the City Common Council through its Utility Committee. The utility provides wastewater collecting and treatment operation service to properties within the municipality. The wastewater utility operates under rules and rates established by the City Common Council.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

The utility is presented as an enterprise fund of the municipality. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, costs incurred and net income is necessary for management accountability.

The financial statements 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 is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange-like transactions are recognized when the exchange takes place.

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NEW BERLIN WASTEWATER UTILITY

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

Deposits and Investments

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

See Note 2 for further information.

Receivables/Payables

Transactions between the utility and other funds of the municipality that are representative of lending/borrowing arrangements outstanding at year end are referred to as advances to/from other funds.

All other outstanding balances between the utility and other funds of the municipality are reported as due to/from other funds. These amounts 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 utility has the right under Wisconsin statutes to place delinquent water and sewer bills on the tax roll for collection. As such, no allowance for uncollectible customer accounts is considered necessary.

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified.

Replacement Account

This account is restricted for replacements of utility equipment and is not to be used for general operations.

Net Pension Asset

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

Special Assessments Receivable

This account represents the balances of special assessments levied against property owners for infrastructure improvements. The balances are receivable over various time periods with interest accrued annually.

NEW BERLIN WASTEWATER UTILITY

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (cont.)

Capital Assets

Capital assets are defined by the utility as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year.

Capital assets of the utility are recorded at cost or the estimated acquisition value at the time of contribution to the utility. Major outlays for utility plant are capitalized as projects are constructed. Capital assets in service are depreciated using the straight-line method over the following useful lives:

	Years
Collection system	100
Collecting system pumping plant	33
General plant	5 - 25

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,
- 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 WRS. For this purpose, benefit payments (including refund of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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) until that future time.

Accrued Vacation and Sick Leave

Employees are allowed to accumulate sick leave up to various maximums dependent upon employee group which is payable in the event of retirement, disability, or death. Vested vacation pay of \$48,876 and \$46,925 as of December 31, 2023 and 2022, respectively, is also recorded as a liability. These liabilities are considered current and will be paid within one year. These liabilities are liquidated from general operating revenues of the utility.

NEW BERLIN WASTEWATER UTILITY

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (cont.)

Long-Term Obligations

The utility has no long-term obligations at December 31, 2023 or 2022.

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.

Other Postemployment Benefits

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, the utility OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Net Position

Net position classifications are defined as follows:

- *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.
- *Restricted net position* – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by the law through constitutional provisions or enabling legislation.
- *Unrestricted net position* – The component of net position consist of net position that do not meet the definition of “restricted” or “ net investment in capital assets.”

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

NEW BERLIN WASTEWATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

REVENUES AND EXPENSES

The utility distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing wastewater collecting and treatment service to properties within the municipality. The principal operating revenues of the utility are charges to customers for sales and services. Operating expenses for the utility include the cost of sales and services, administrative expenses, taxes, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Charges for Services

Utility billings are rendered and recorded quarterly based on metered usage. The utility does not accrue revenues beyond billing dates.

Taxes

Municipal utilities are exempt from federal and state income taxes. Taxes included in the financial statements are social security taxes.

Capital Contributions

Cash and capital assets are contributed to the utility from customers, the municipality or external parties. The value of property contributed to the utility is reported as revenue on the statements of revenues, expenses and changes in net position.

Interfund Transfer

The utility records an annual payment in lieu of taxes (PILOT) expense based on the value of its plant and the current assessment ratio and local and school portion of the mill rate. This is paid to the municipality.

Comparative Data

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

NEW BERLIN WASTEWATER UTILITY

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2023 and 2022

NOTE 2 – DEPOSITS AND INVESTMENTS

Cash equivalents and investments as shown on the utility's statements of net position are subject to the following risks:

	Carrying Value as of December 31,		
	2023	2022	Risks
Certificates of deposits - negotiable	\$ 1,091,407	\$ 441,486	Custodial credit, credit, interest rate and concentration of credit
Local government investment pool	12,002,474	14,270,950	Credit
Money market account	3,640	3,640	Custodial credit
Money market mutual fund	6,745	8,013	Credit and interest rate
U.S. Government agency securities	1,799,113	1,196,347	Custodial credit, credit, interest rate and concentration of credit
U.S. Government treasury securities	348,203	1,060,051	Custodial credit, and interest rate
Municipal securities	304,909	687,114	Custodial credit, credit, interest rate and concentration of credit
Total Deposits and Investments	<u>\$ 15,556,491</u>	<u>\$ 17,667,601</u>	
Reconciliation to financial statements			
Per Statement of Net Position			
Cash and investments	\$ 14,997,459	\$ 17,170,545	
Restricted - Replacement	<u>559,032</u>	<u>497,056</u>	
Total	<u>\$ 15,556,491</u>	<u>\$ 17,667,601</u>	

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

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing custodial credit risk.

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 outlined later in this note. 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 balance and carrying value is due to outstanding checks and/or deposits in transit.

NEW BERLIN WASTEWATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 2 – DEPOSITS AND INVESTMENTS (cont.)

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, 2023 and 2022 the fair value of the LGIP's assets were substantially equal to the utility's share.

Wisconsin Statute 66.0603 authorizes the City to invest in the following type of instruments:

1. Time deposits in any credit union, bank, savings bank or trust company.
2. 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.
3. Bonds or securities issued or guaranteed by the federal government.
4. The local government investment pool.
5. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
6. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
7. Repurchase agreements with public depositories, with certain conditions.

The City of New Berlin has adopted an investment policy, which is followed by the utility. The investment policy limits investments to the following:

- U.S. Treasury obligations with maturities not exceeding five years from trade settlement date.
- Federal instrumentalities with maturities not exceeding five years from trade settlement date.
- Local government investment pools meeting Wisconsin statute 25.50 or 66.0301.
- Repurchase agreements with the city's deposit bank collateralized with 102% of market value of principal and accrued interest.
- Interest-bearing certificates of deposit collateralized with 102% of market value of principal and accrued interest.
- Commercial securities of the highest or second highest ratings.

NEW BERLIN WASTEWATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 2 – DEPOSITS AND INVESTMENTS (cont.)

PMA Financial Network, Inc. is the administrator for the Wisconsin Investment Series Cooperative (WISC). The investment manager for WISC is PMA Financial Network, Inc. The WISC is not registered with the Securities and Exchange Commission, but invests its funds in accordance with applicable Wisconsin statutes. The WISC has the characteristics of a mutual fund and accordingly, reports the value of its underlying assets at fair value. At December 31, 2023, and 2022 the City's share of the WISC's assets was substantially equal to the amount reported above.

The Utility 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 method for recurring fair value measurements of investments is the quoted market prices approach.

The valuation method used for recurring fair value measurements is quoted market prices.

Investment Type	December 31, 2023			
	Level 1	Level 2	Level 3	Total
U.S. Govt Agencies	\$ -	\$ 1,799,113	\$ -	\$ 1,799,113
U.S. Govt Treasury	-	348,203	-	348,203
Certificate of Deposit - negotiable	-	1,091,407	-	1,091,407
Money Market Mutual Funds	6,745	-	-	6,745
Municipal Securities	-	304,909	-	304,909
Total	<u>\$ 6,745</u>	<u>\$ 3,543,632</u>	<u>\$ -</u>	<u>\$ 3,550,377</u>

Investment Type	December 31, 2022			
	Level 1	Level 2	Level 3	Total
U.S. Govt Agencies	\$ -	\$ 1,196,347	\$ -	\$ 1,196,347
U.S. Govt Treasury	-	1,060,051	-	1,060,051
Certificate of Deposit - negotiable	-	441,486	-	441,486
Money Market Mutual Funds	8,013	-	-	8,013
Municipal Securities	-	687,114	-	687,114
Total	<u>\$ 8,013</u>	<u>\$ 3,384,998</u>	<u>\$ -</u>	<u>\$ 3,393,011</u>

NEW BERLIN WASTEWATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 2 – DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk – Deposits: Is the risk that in the event of a financial institution failure, the utility's deposits may not be returned to the utility. The following is a summary of the utility's total deposit balances. As of December 31, 2023 and 2022 the entire balances are insured.

As of December 31, 2023 and 2022, the utility does not have any deposits exposed to custodial credit risk.

Custodial Credit Risk – Investments: 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. All investments exposed to custodial risk are held by the city's agent in the city's name. The utility 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 obligation. The city's investment policy minimizes credit risk by limiting investments to the safest type of securities and diversifying the investment portfolio. The policy also states that with the exception of U.S. Treasury securities and authorized pools, no more than 50% of the city's total investment portfolio will be invested with a single financial institution.

As of December 31, 2023 and 2022, the utility's investments in municipal securities and U.S. government agency securities were rated Aa1 and Aaa, respectively, by Moody's Investor Services.

The Local Government Investment Pool and the negotiable certificates of deposit are not rated.

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, 2023, the utility's investment portfolio was concentrated as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>% of Portfolio</u>
Federal Farm Credit	U.S. Government Agency Securities	6.59%

At December 31, 2022, the utility did not have investments in a single issuer that exceed 5% of the utility's total portfolio.

NEW BERLIN WASTEWATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 2 – DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk – Is the risk that changes in interest rates will adversely affect the value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the city's investment policy limits the maturity of any security to no more than five years from the date of purchase or in accordance with state and local statutes and ordinances, whichever is less. In addition, the policy indicates that the investment portfolio should be structured so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior maturity. The policy also states that with the exception of U.S. Treasury securities and authorized pools, no more than 50% of the city's total investment portfolio will be invested in a single security type.

As of December 31, 2023, the utility's investments were as follows:

	Investment Maturities (in years)			
	Fair Value	Less than 1	1-3	4-5
U.S. Government agency securities	\$ 1,799,113	\$ 1,567,758	\$ 231,355	\$ -
U.S. Government treasury securities	348,203	348,203	-	-
Certificates of deposit - negotiable	1,091,407	243,212	848,195	-
Money market mutual funds	6,745	6,745	-	-
Municipal Securities	304,909	304,909	-	-
Total Investments	<u>\$ 3,550,377</u>	<u>\$ 2,470,827</u>	<u>\$ 1,079,550</u>	<u>\$ -</u>

As of December 31, 2022, the utility's investments were as follows:

	Investment Maturities (in years)		
	Fair Value	Less than 1	1-3
U.S. Government agency securities	\$ 1,196,347	\$ -	\$ 1,196,347
U.S. Government treasury securities	1,060,051	719,911	340,140
Certificates of deposit - negotiable	441,486	207,237	234,249
Money market mutual funds	8,013	8,013	-
Municipal Securities	687,114	360,081	327,033
Total Investments	<u>\$ 3,393,011</u>	<u>\$ 1,295,242</u>	<u>\$ 2,097,769</u>

NEW BERLIN WASTEWATER UTILITY

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2023 and 2022

NOTE 3 – RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Equipment Replacement Account

The wastewater utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources. The balance of this account was \$559,032 and \$497,056 as of December 31, 2023 and 2022, respectively.

NOTE 4 – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for 2023 follows:

	Balance 12/31/22	Additions	Retirements	Balance 12/31/23
Capital assets, not being depreciated:				
Land and land rights	\$ 456,017	\$ -	\$ -	\$ 456,017
Construction in progress	623,487	1,508,872	(28,795)	2,103,564
Total Capital Assets Not Being Depreciated	1,079,504	1,508,872	(28,795)	2,559,581
Capital assets being depreciated:				
Collection System	52,174,113	-	-	52,174,113
Collecting System Pumping	5,756,107	-	-	5,756,107
General	2,973,166	169,269	(60,611)	3,081,824
Total Capital Assets Being Depreciated	60,903,386	169,269	(60,611)	61,012,044
Less: Accumulated depreciation				
Collection System	(14,942,199)	521,741	-	(15,463,940)
Collection System Pumping	(2,026,910)	172,683	-	(2,199,593)
General	(1,768,425)	227,304	(40,593)	(1,955,136)
Total Accumulated Depreciation	(18,737,534)	921,728	(40,593)	(19,618,669)
Net Capital Assets	\$ 43,245,356	\$ 756,413	\$ (48,813)	\$ 43,952,956

NEW BERLIN WASTEWATER UTILITY

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2023 and 2022

NOTE 4 – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for 2022 follows:

	Balance 12/31/21	Additions	Retirements	Balance 12/31/22
Capital assets, not being depreciated:				
Land and land rights	\$ 456,017	\$ -	\$ -	\$ 456,017
Construction in progress	66,500	659,571	(102,584)	623,487
Total Capital Assets Not Being Depreciated	522,517	659,571	(102,584)	1,079,504
Capital assets being depreciated:				
Collection System	52,174,113	-	-	52,174,113
Collecting System Pumping	5,756,107	-	-	5,756,107
General	2,613,550	376,491	(16,875)	2,973,166
Total Capital Assets Being Depreciated	60,543,770	376,491	(16,875)	60,903,386
Less: Accumulated depreciation				
Collection System	(14,420,458)	521,741	-	(14,942,199)
Collection System Pumping	(1,854,227)	172,683	-	(2,026,910)
General	(1,571,663)	206,335	(9,573)	(1,768,425)
Total Accumulated Depreciation	(17,846,348)	900,759	(9,573)	(18,737,534)
Net Capital Assets	\$ 43,219,939	\$ 135,303	\$ (109,886)	\$ 43,245,356

NEW BERLIN WASTEWATER UTILITY

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2023 and 2022

NOTE 5 – INTERFUND ADVANCE

In 2014, 2022 and 2023 the utility made the following interfund advances to fund capital projects:

Date	Advance to	Final Maturity	Interest Rate	Original Amount	Outstanding Amount 12/31/2023
6/1/2014	Water Resource Management	12/1/2024	2.00 - 3.00 %	\$ 500,000	\$ 55,000
8/1/2022	Water Utility	12/1/2042	3.00%	5,500,000	5,335,000
8/1/2022	City of New Berlin	12/1/2032	3.00%	666,666	613,666
8/1/2023	City of New Berlin	12/1/2033	3.00%	666,666	666,666
					<u>\$ 6,670,332</u>

Repayment requirements to maturity are as follows:

December 31	Principal	Interest	Total
2024	\$ 372,900	\$ 205,507	\$ 578,407
2025	331,350	188,922	520,272
2026	346,450	178,982	525,432
2027	356,000	168,590	524,590
2028	365,000	157,910	522,910
2029-2033	2,003,632	613,664	2,617,296
2034-2038	1,515,000	345,600	1,860,600
2039-2043	<u>1,380,000</u>	<u>105,000</u>	<u>1,485,000</u>
	<u>\$ 6,670,332</u>	<u>\$ 1,964,175</u>	<u>\$ 8,634,507</u>

NOTE 6 – LONG-TERM DEBT

The utility had no long-term debt activity for the year ended December 31, 2023 and 2022.

NOTE 7 – NET POSITION

The following calculation supports the investment in capital assets:

	2023	2022
Net investment in capital assets, net of related debt		
Capital assets, net of accumulated depreciation	\$ 41,849,392	\$ 42,621,869
Construction work in progress	<u>2,103,564</u>	<u>623,487</u>
Total net investment in capital assets	<u>\$ 43,952,956</u>	<u>\$ 43,245,356</u>

NEW BERLIN WASTEWATER UTILITY

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2023 and 2022

NOTE 8 – EMPLOYEES' RETIREMENT SYSTEM

General Information about the Pension Plan

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 and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

EFT 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 retirement benefit based on a formula factor, their average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

NEW BERLIN WASTEWATER UTILITY

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2023 and 2022

NOTE 8 – EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2013	(9.6)%	9.0%
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. 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.

The WRS recognized \$37,173 and \$31,113 in contributions from the utility during the current and prior reporting periods, respectively

Contribution rates for the plan year reported of December 31, 2023 and 2022 are:

	Employee	Employer
2023 General	6.80%	6.80%
2022 General	6.75%	6.75%

NEW BERLIN WASTEWATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 8 – EMPLOYEES' RETIREMENT SYSTEM (cont.)

Pension Asset/Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2023 the utility reported a liability of \$137,083 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The utility proportion of the net pension liability was based on the utility share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the utility's proportion was .002587591% which was a decrease of .000089461% from its proportion measured as of December 31, 2021.

At December 31, 2022 the utility reported an asset of \$204,855 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The utility proportion of the net pension asset was based on the utility share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the utility's proportion was .002541566%, which was a decrease of .000073427% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2023 and 2022, the utility recognized pension expense (revenue) of \$69,718 and (\$11,724).

NEW BERLIN WASTEWATER UTILITY

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2023 and 2022

NOTE 8 – EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of of Resources</u>
Differences between projected and actual experience	\$ 227,066	\$ 291,356
Changes of actuarial assumptions	26,986	-
Net differences between projected and actual earnings on pension plan investments	221,026	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	(71)	868
Employer contributions subsequent to the measurement date	<u>37,173</u>	<u>-</u>
Total	<u><u>\$ 512,180</u></u>	<u><u>\$ 292,224</u></u>

NEW BERLIN WASTEWATER UTILITY

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2023 and 2022

NOTE 8 – EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of of Resources</u>
Differences between projected and actual experience	\$ 339,244	\$ 28,352
Changes of actuarial assumptions	38,200	-
Net differences between projected and actual earnings on pension plan investments	-	469,537
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	105
Employer contributions subsequent to the measurement date	<u>31,113</u>	<u>-</u>
Total	<u>\$ 408,557</u>	<u>\$ 497,994</u>

NEW BERLIN WASTEWATER UTILITY

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2023 and 2022

NOTE 8 – EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

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

<u>Year ended December 31:</u>	<u>Deferred Outflow of Resources and Deferred Inflows of Resources (net)</u>
2024	\$ 7,311
2025	37,836
2026	38,750
2027	98,886

Deferred outflows of resources related to pension resulting from WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension as of December 31, 2022 will be recognized in pension expense as follows:

<u>Year ended December 31:</u>	<u>Deferred Outflow of Resources and Deferred Inflows of Resources (net)</u>
2023	\$ (10,126)
2024	(59,311)
2025	(26,039)
2026	(25,074)

NEW BERLIN WASTEWATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 8 – EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

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:

	2023				2022			
Actuarial valuation date	December 31, 2021				December 31, 2020			
Measurement date of net pension liability	December 31, 2022				December 31, 2021			
Actuarial cost method	Entry age normal				Entry age normal			
Asset valuation method	Fair value				Fair value			
Long-term expected rate of return	6.8%				6.8%			
Discount rate	6.8%				6.8%			
Salary increases								
Inflation	3.0%				3.0%			
Seniority/Merit	0.1% - 5.6%				0.1% - 5.6%			
Mortality	2020	WRS	Experience	Mortality	2020	WRS	Experience	Mortality
	Table				Table			
Post-retirement adjustments	1.7%				1.7%			

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

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The Total Pension Liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

NEW BERLIN WASTEWATER UTILITY

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2023 and 2022

NOTE 8 – EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

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 as of December 31, 2023 are summarized in the following table:

<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Public Equity	48.0%	7.5%	5.0%
Public Fixed Income	25.0	5.3	2.7
Inflation Sensitive	19.0	3.6	1.1
Real Estate	8.0	5.2	2.6
Private Equity/Debt	15.0	9.6	6.9
Total Core Fund	115	7.4	4.8
<u>Variable Fund Asset</u>			
US Equities	70	7.2	4.6
International Equities	30	8.1	5.5
Total Variable Fund	100	7.7	5.1

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

** New England Pension Consultants Long Term US CPI (inflation) Forecast; 2.5%

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

NEW BERLIN WASTEWATER UTILITY

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2023 and 2022

NOTE 8 – EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

The target allocation and best estimates of geometric real rates of return for each major asset class as of December 31, 2022 are summarized in the following table:

<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	52.0%	6.8%	4.2%
Fixed Income	25.0	4.3	1.8
Inflation Sensitive	19.0	2.7	0.2
Real Estate	7.0	5.6	3
Private Equity/Debt	12.0	9.7	7
Total Core Fund	115	6.6	4
<u>Variable Fund Asset</u>			
US Equities	70	6.3	3.7
International Equities	30	7.2	4.9
Total Variable Fund	100	6.8	4.2

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

** New England Pension Consultants Long Term US CPI (inflation) Forecast; 2.5%

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

NEW BERLIN WASTEWATER UTILITY

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2023 and 2022

NOTE 8 – EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

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 was based on the expected rate of return on pension plan investments 6.8 percent and a municipal bond rate of 4.05 percent. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the utility's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the utility's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80 percent, as well as what the utility'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 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

The sensitivity analysis as of December 31, 2023 follows:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
The Utility's proportionate share of the net pension liability (asset)	<u>\$ 454,974</u>	<u>\$ 137,083</u>	<u>\$ (81,599)</u>

The sensitivity analysis as of December 31, 2022 follows:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
The Utility's proportionate share of the net pension liability (asset)	<u>\$ 145,359</u>	<u>\$ (204,855)</u>	<u>\$ (456,944)</u>

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

NEW BERLIN WASTEWATER UTILITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2023 and 2022

NOTE 9 – RISK MANAGEMENT

The utility 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 risks are covered through the purchase of commercial insurance, with minimal deductibles as described in this note. The city purchases general, auto liability/physical damage and workers compensation insurance from the Cities and Villages Mutual Insurance Company (CVMIC). The City purchases commercial insurance for all other risks. There have been no significant reductions in insurance coverage for any risk of loss in the past year and settled claims have not exceeded the commercial coverage in any of the past three fiscal years.

In 1987, the City invested \$802,060 for participation in the Wisconsin Municipal Insurance commission (WMIC). The WMIC is an intergovernmental cooperation commission formed to facilitate the formation of Cities and Villages Mutual Insurance Company (CVMIC). CVMIC is a separate and distinct entity independent of the WMIC and owned by the participating cities and villages of the WMIC. CVMIC was formed to provide liability insurance to Wisconsin municipalities as of January 1, 1988.

CVMIC provides the City with \$5,000,000 of liability coverage for losses over its self-insurance retention level of \$50,000 per occurrence with a \$200,000 annual aggregate stop loss.

An annual premium is charged to cover expected claims and administrative costs. The claims component of the premium is determined by independent actuaries and allocated among the participating municipalities based on payroll and loss history. The City and other participating cities and villages are subject to cover loss experiences that exceed predictions through retrospective assessments.

Management of each organization consists of a board of directors or officers comprised of representatives elected by each of three classes of participants based on population. The city does not exercise any control over the activities of the agencies beyond the election of the officers and board.

At December 31, 2023 the Risk Management Fund, an Internal Service Fund had net position of \$1,181,061 available for future claims related to prior years. The balance includes \$454,522 in cash and \$802,060 in non-cash assets.

The City has recorded an unpaid claims liability for claims that have occurred but are not settled and for claims incurred by not recorded (IBNR). This liability is based upon estimates from an annual actuarial study. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims.

NEW BERLIN WASTEWATER UTILITY

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2023 and 2022

NOTE 9 – RISK MANAGEMENT (cont.)

Changes in the fund's unpaid claims liability amount in fiscal 2023 and 2022 were:

	Beginning Balance	Current Claims and Changes in Estimates	Claims Paid/ Settled	Ending Balance
2022	\$ -	\$ 95,694	\$ -	\$ 95,694
2023	95,694	(20,173)	-	75,521

The City's percentage participation in WMIC and CVMIC at December 31, 2023 was 2.74%. Percentage participation can be affected by acceptance of new members to WMIC and CVMIC. Upon dissolution, the City would be entitled to a lump sum payment from CVMIC that may vary significantly from the amount of its deposit referred to above, based on the then financial condition of CVMIC.

Financial statements of WMIC and CVMIC can be obtained directly from CVMIC offices.

NOTE 10 – BASIS FOR EXISTING RATES

Current sewer rates were placed into effect on January 1, 2018.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

From time to time, the utility 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.

FEDERAL AND STATE GRANTS

The utility 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.

IMPACT FEES

The utility receives impact fees for new development projects. The fees are to be used to fund specific projects within a specific period of time. In the event the projects are not completed or the time period elapses, the utility will be required to refund the impact fees to the owners of the property on which the fees were originally charged.

NEW BERLIN WASTEWATER UTILITY

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2023 and 2022

NOTE 12 – OTHER INFORMATION

OTHER POSTEMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan description. The utility, as an enterprise fund of the city, participates in the city's OPEB plan. The city's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the city. RBP is a single-employer defined benefit OPEB plan administered by the city. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Common Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits provided. The city's group health insurance plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. The result is another postemployment benefit (OPEB) for the retirees, commonly referred to as an implicit rate subsidy.

Contribution requirements are established through collective bargaining agreements and other city agreements, and may be amended only through negotiations between city and the union, or for non-union employees pursuant to employment policies adopted by the Common Council.

Employees covered by benefit terms. At December 31, 2023 the following utility employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	-
Active plan members	9
	<u>9</u>

At December 31, 2022 the following utility employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	-
Active plan members	8
	<u>8</u>

Total OPEB Liability

The utility's total OPEB liability of \$227,667 and \$220,672 were measured as of December 31, 2023 and 2022, respectively, and was determined by an actuarial valuation as of December 31, 2023.

NEW BERLIN WASTEWATER UTILITY

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2023 and 2022

NOTE 12 – OTHER INFORMATION (cont.)

OTHER POSTEMPLOYMENT BENEFITS (cont.)

Actuarial assumptions and other inputs. The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	2023	2022
Actuarial valuation date	December 31, 2023	December 31, 2022
Measurement date of total OPEB liability	December 31, 2023	December 31, 2022
Actuarial cost method	Entry age	Entry age
Asset valuation method	Fair value	Fair value
Long-term expected rate of return	5.00%	5.00%
Discount rate	4.00%	4.31%
Healthcare Cost Trend Rates	5.00% for 2023 and beyond	5.00% for 2022 and beyond
Salary increases		
Merit and Cost of living	3.0%	3.0%
Mortality	Wisconsin 2020 Mortality Table	Wisconsin 2020 Mortality Table

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance, December 31, 2022	\$ 220,672
Service cost	11,436
Interest cost	8,964
Changes in assumptions	(1,314)
Estimated Benefit payments	(12,081)
Net Changes	7,005
Balance, December 31, 2023	\$ 227,677

	Total OPEB Liability
Balance, December 31, 2021	\$ 239,782
Service cost	16,963
Interest cost	5,142
Changes in assumptions	(13,080)
Estimated Benefit payments	(28,135)
Net Changes	(19,110)
Balance, December 31, 2022	\$ 220,672

NEW BERLIN WASTEWATER UTILITY

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2023 and 2022

NOTE 12 – OTHER INFORMATION (cont.)

OTHER POSTEMPLOYMENT BENEFITS (cont.)

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the utility, as well as what the utility's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.31 percent) or 1-percentage-point higher (5.31 percent) than the current rate:

	1% Decrease (3.31%)	Discount Rate (4.31%)	1% Increase (5.31%)
Total OPEB liability	<u>\$ 241,205</u>	<u>\$ 227,677</u>	<u>\$ 215,006</u>

The following presents the total OPEB liability of the utility, as well as what the utility's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.31 percent) or 1-percentage-point higher (5.31 percent) than the current rate as of December, 31 2022:

	1% Decrease (3.31%)	Discount Rate (4.31%)	1% Increase (5.31%)
Total OPEB liability	<u>\$ 234,041</u>	<u>\$ 220,672</u>	<u>\$ 208,164</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the city, as well as what the city's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4 percent) or 1-percentage-point higher (6 percent) than the current rate as of December 31, 2023:

	1% Decrease to (4.0%)	Healthcare Cost Trend Rates (5%)	1% Increase to (6.0%)
Total OPEB liability	<u>\$ 212,655</u>	<u>\$ 227,677</u>	<u>\$ 242,809</u>

The following presents the net OPEB liability of the city, as well as what the city's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4 percent) or 1-percentage-point higher (6 percent) than the current rate as of December 31, 2022:

	1% Decrease to (4.5% Decreasing to 4.0%)	Healthcare Cost Trend Rates (5.5% Decreasing to 5.0%)	1% Increase to (6.5% Decreasing to 6.0%)
Total OPEB liability	<u>\$ 186,367</u>	<u>\$ 220,672</u>	<u>\$ 216,304</u>

NEW BERLIN WASTEWATER UTILITY

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2023 and 2022

NOTE 12 – OTHER INFORMATION (cont.)

OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the years ended December 31, 2023 and 2022, the utility recognized OPEB (revenue) expense of \$16,466 and (\$3,891), respectively. At December 31, 2023 and 2022, the utility reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

2023	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings	\$ -	\$ 104,707
Changes in assumptions	27,477	-
Total	<u>\$ 27,477</u>	<u>\$ 104,707</u>

2022	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings	\$ -	\$ 69,935
Changes in assumptions	23,755	-
Total	<u>\$ 23,755</u>	<u>\$ 69,935</u>

NEW BERLIN WASTEWATER UTILITY

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2023 and 2022

NOTE 12 – OTHER INFORMATION (cont.)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows as of December 31, 2023:

Year ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2024	\$ (10,377)
2025	(9,765)
2026	(8,953)
2027	(8,180)
2028	(6,296)
Thereafter	(33,659)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows as of December 31, 2022:

Year ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2023	\$ (7,409)
2024	(5,942)
2025	(5,421)
2026	(4,730)
2027	(4,072)
Thereafter	(18,606)

NEW BERLIN WASTEWATER UTILITY

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2023 and 2022

NOTE 13 – EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

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

- > Statement No. 100, Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62
- > Statement No. 101, Compensated Absences
- > Statement No. 102, Certain Risk Disclosures

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

REQUIRED SUPPLEMENTARY INFORMATION

NEW BERLIN WASTEWATER UTILITY

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) - WISCONSIN RETIREMENT SYSTEM As of December 31, 2023

WRS Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/14	0.001844160%	\$ (53,655)	\$ 309,615	17.33%	102.74%
12/31/15	0.002424081%	39,391	345,662	11.40%	98.20%
12/31/16	0.002551058%	21,027	368,092	5.71%	99.12%
12/31/17	0.002426824%	(72,055)	380,222	18.95%	102.93%
12/31/18	0.002650382%	94,292	417,887	22.56%	96.45%
12/31/19	0.002677052%	(86,321)	427,267	20.20%	102.96%
12/31/20	0.002614993%	(163,257)	443,346	36.82%	105.26%
12/31/21	0.002541566%	(204,855)	443,567	46.18%	106.02%
12/31/22	0.002587591%	137,083	478,655	28.64%	95.72%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM As of December 31, 2023

Utility Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 23,505	\$ 23,505	\$ -	\$ 345,662	6.80%
12/31/16	24,294	24,294	-	368,092	6.60%
12/31/17	25,855	25,855	-	380,222	6.80%
12/31/18	27,998	27,998	-	417,887	6.70%
12/31/19	27,986	27,986	-	427,267	6.55%
12/31/20	29,926	29,926	-	443,346	6.75%
12/31/21	29,941	29,941	-	443,567	6.75%
12/31/22	31,113	31,113	-	478,655	6.50%
12/31/23	37,173	37,173	-	546,657	6.80%

See independent auditors' report.

NEW BERLIN WASTEWATER UTILITY

NOTES TO SCHEDULE - WISCONSIN RETIREMENT SYSTEM As of December 31, 2023

Wisconsin Retirement System

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

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

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

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

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

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

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

See independent auditors' report.

NEW BERLIN WASTEWATER UTILITY

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS As of December 31, 2023

	2017	2018	2019	2020	2021	2022	2023
Total OPEB Liability							
Service cost	\$ 11,940	\$ 13,109	\$ 11,186	\$ 11,008	\$ 16,796	\$ 16,963	\$ 11,436
Interest	6,411	5,821	6,559	6,997	4,360	5,142	8,964
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	-	-	-	-	-	-	-
Changes of assumptions	3,170	(1,063)	13,333	19,733	(2,746)	(13,080)	(1,314)
Benefit payments	(7,001)	(7,618)	(9,029)	(12,526)	(21,065)	(28,135)	(12,081)
Net Change in Total OPEB Liability	14,520	10,249	22,049	25,212	(2,655)	(19,110)	7,005
Total OPEB Liability - Beginning	170,407	184,927	195,176	217,225	242,437	239,782	220,672
Total OPEB Liability - Ending	\$ 184,927	\$ 195,176	\$ 217,225	\$ 242,437	\$ 239,782	\$ 220,672	\$ 227,677
Covered-employee payroll	\$ 383,822	\$ 395,337	\$ 416,146	\$ 416,146	\$ 416,146	\$ 453,671	\$ 416,146
Total OPEB liability as a percentage of covered-employee payroll	48.18%	46.53%	52.20%	58.26%	57.62%	48.64%	54.71%

Notes to Schedule:

The utility implemented GASB Statement No. 75 in fiscal year 2017. Information prior to fiscal year 2017 is not available. Additional years will be added prospectively until 10 years are presented.

Changes in Assumptions:

2023 - Discount rate changed from 4.31% to 4.0%

2022 - Discount rate changed from 2.25% to 4.31% and mortality tables changed from Wisconsin 2018 mortality table to Wisconsin 2020 mortality table.

See independent auditors' report.

S U P P L E M E N T A R Y I N F O R M A T I O N

NEW BERLIN WASTEWATER UTILITY

OPERATING REVENUES AND EXPENSES For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES		
Wastewater Revenues		
Residential	\$ 7,864,948	\$ 7,810,411
Commercial	2,502,420	2,483,968
Industrial	788,995	731,864
Public authority	101,909	82,601
Total Wastewater Revenues	<u>11,258,272</u>	<u>11,108,844</u>
Other Operating Revenues		
Forfeited discounts	114,895	106,358
Miscellaneous	10,650	10,985
Total Other Operating Revenues	<u>125,545</u>	<u>117,343</u>
Total Operating Revenues	<u>11,383,817</u>	<u>11,226,187</u>
OPERATING EXPENSES		
Operation and Maintenance Expenses		
Operation Expenses		
Sewage disposal	8,058,645	8,124,317
Power for pumping	48,658	47,705
Chemicals	-	488
Transportation	43,128	37,660
Total Operation Expenses	<u>8,150,431</u>	<u>8,210,170</u>
Maintenance Expenses		
Collecting sewers	468,354	679,007
Pumping system	137,480	128,892
General plant	51,050	23,531
Total Maintenance Expenses	<u>656,884</u>	<u>831,430</u>
Customer Accounting and Collection Expenses		
Accounting and collecting	34,928	34,074
Meter maintenance and meter reading	186,515	201,428
Total Customer Accounting and Collection Expenses	<u>221,443</u>	<u>235,502</u>
Administrative and General Expenses		
Administrative and general salaries	342,186	272,109
Office supplies and expense	24,323	20,739
Outside services	33,471	35,049
Property and liability insurance	18,761	15,539
Workmen's compensation	15,306	15,317
Pensions and benefits	126,049	42,501
Safety and training	6,902	13,670
Total Administrative and General Expenses	<u>566,998</u>	<u>414,924</u>
Total Operation and Maintenance Expenses	<u>9,595,756</u>	<u>9,692,026</u>
Depreciation expense	921,728	900,759
Taxes	37,104	34,651
Total Operating Expenses	<u>10,554,588</u>	<u>10,627,436</u>
OPERATING INCOME	<u>\$ 829,229</u>	<u>\$ 598,751</u>

NEW BERLIN WASTEWATER UTILITY

UTILITY PLANT IN SERVICE
As of December 31, 2023 and 2022

	Balance 12/31/2022	Additions	Retire- ments	Balance 12/31/2023
COLLECTION SYSTEM				
Collection system mains and equipment	\$ 52,174,113	\$ -	\$ -	\$ 52,174,113
COLLECTING SYSTEM PUMPING PLANT				
Land	456,017	-	-	456,017
Sewer lift station	5,756,107	-	-	5,756,107
Total Collecting System Pumping Plant	6,212,124	-	-	6,212,124
GENERAL PLANT				
Transportation equipment	1,149,433	138,721	40,974	1,247,180
Communication equipment	658,616	23,388	-	682,004
Computer equipment	90,668	7,160	-	97,828
Miscellaneous equipment	1,074,449	-	19,637	1,054,812
Total General Plant	2,973,166	169,269	60,611	3,081,824
TOTAL UTILITY PLANT IN SERVICE	\$ 61,359,403	\$ 169,269	\$ 60,611	\$ 61,468,061

Reporting and insights from 2023 audit:

City of New Berlin

December 31, 2023

Executive summary

July 22, 2024

To the Common Council
City of New Berlin

We have completed our audit of the financial statements of the City of New Berlin (the City) for the year ended December 31, 2023, and have issued our report thereon dated July 22, 2024. This letter presents communications required by our professional standards.

Your audit should provide you with confidence in your financial statements. The audit was performed based on information obtained from meetings with management, data from your systems, knowledge of your City's operating environment and our risk assessment procedures. We strive to provide you clear, concise communication throughout the audit process and of the final results of our audit.

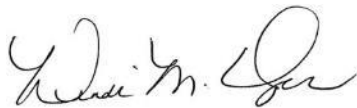
Additionally, we have included information on key risk areas the City of New Berlin should be aware of in your strategic planning. We are available to discuss these risks as they relate to your organization's financial stability and future planning.

If you have questions at any point, please connect with us:

- Wendi M. Unger, CPA, Principal: wendi.unger@bakertilly.com or +1 (414) 777 5423

Sincerely,

Baker Tilly US, LLP



Wendi M. Unger, CPA, Principal

THIS COMMUNICATION IS INTENDED SOLELY FOR THE INFORMATION AND USE OF THOSE CHARGED WITH GOVERNANCE, AND, IF APPROPRIATE, MANAGEMENT, AND IS NOT INTENDED TO BE AND SHOULD NOT BE USED BY ANYONE OTHER THAN THESE SPECIFIED PARTIES.

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.

Responsibilities

Our responsibilities

As your independent auditor, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high level of assurance.
- Assessing the risks of material misstatement of the financial statements, whether due to fraud or error. Included in that assessment is a consideration of the City's internal control over financial reporting.
- Performing appropriate procedures based upon our risk assessment.
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management.
- Forming and expressing an opinion based on our audit about whether the financial statements prepared by management, with the oversight of the Common Council:
 - Are free from material misstatement
 - Present fairly, in all material respects and in accordance with accounting principles generally accepted in the United States of America
- Performing tests related to compliance with certain provisions of laws, regulations, contracts and grants, as required by *Government Auditing Standards*
- Considering internal control over compliance with requirements that could have a direct and material effect on major federal and major state programs to design tests of both controls and compliance with identified requirements
- Forming and expressing an opinion based on our audit in accordance with OMB's Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and State Single Audit Guidelines about the entity's compliance with requirements described in the OMB Compliance Supplement and State Single Audit Guidelines that could have a direct and material effect on each of its major federal and major state programs.
- Our audit does not relieve management the Common Council of their responsibilities.

We are also required to communicate significant matters related to our audit that are relevant to the responsibilities of the Common Council, including:

- Internal control matters
- Qualitative aspects of the City's accounting practice including policies, accounting estimates and financial statement disclosures
- Significant unusual transactions
- Significant difficulties encountered
- Disagreements with management
- Circumstances that affect the form and content of the auditors' report
- Audit consultations outside the engagement team
- Corrected and uncorrected misstatements
- Other audit findings or issues

Audit status

Significant changes to the audit plan

There were no significant changes made to either our planned audit strategy or to the significant risks and other areas of emphasis identified during the performance of our risk assessment procedures.

Audit approach and results

Planned scope and timing

Audit focus

Based on our understanding of the City and environment in which you operate, we focused our audit on the following key areas:

- Key transaction cycles
- Areas with significant estimates
- Implementation of new accounting standards

Our areas of audit focus were informed by, among other things, our assessment of materiality. Materiality in the context of our audit was determined based on specific qualitative and quantitative factors combined with our expectations about the City's current year results.

Key areas of focus and significant findings

Significant risks of material misstatement

A significant risk is an identified and assessed risk of material misstatement that, in the auditor's professional judgment, requires special audit consideration. Within our audit, we focused on the following areas below.

Significant risk areas	Testing approach	Conclusion
Management override of controls	Incorporate unpredictability into audit procedures, emphasize professional skepticism and utilize audit team with industry expertise	Procedures identified provided sufficient evidence for our audit opinion
Improper revenue recognition due to fraud	Confirmation or validation of certain revenues supplemented with detailed predictive analytics based on non-financial data and substantive testing of related receivables	Procedures identified provided sufficient evidence for our audit opinion

Other areas of emphasis

We also focused on other areas that did not meet the definition of a significant risk, but were determined to require specific awareness and a unique audit response.

Other areas of emphasis		
Cash and investments	Revenues and receivables	General disbursements
Payroll	Pension and OPEB liabilities	Long-term debt
Capital assets including infrastructure	Net position calculations	Financial reporting and required disclosures

Internal control matters

We considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements. We are not expressing an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A material weakness is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that are we consider to be material weaknesses.

Required communications

Qualitative aspect of accounting practices

- Accounting policies: Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we have advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by City are described in Note [1] to the financial statements. No new accounting policies were adopted and the application of existing accounting policies was not changed during 2023. We noted no transactions entered into by the City during the year for which accounting policies are controversial or for which there is a lack of authoritative guidance or consensus or diversity in practice.
- Accounting estimates: Accounting estimates, including fair value estimates, are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements, the degree of subjectivity involved in their development and because of the possibility that future events affecting them may differ significantly from those expected. The following estimates are of most significance to the financial statements:

Estimate	Management's process to determine	Baker Tilly's conclusions regarding reasonableness
Accrued compensated absences	Evaluation of hours earned and accumulated in accordance with employment policies and average wage per hour rates	Reasonable in relation to the financial statements as a whole
Net pension liability and related deferrals	Evaluation of information provided by the Wisconsin Retirement System	Reasonable in relation to the financial statements as a whole
Allowance for doubtful accounts	Evaluation of historical revenues and loss levels with the analysis on collectability of individual amounts	Reasonable in relation to the financial statements as a whole

Estimate	Management's process to determine	Baker Tilly's conclusions regarding reasonableness
Net OPEB liability and related deferrals	Key assumptions set by management with the assistance of a third party actuary	Reasonable in relation to the financial statements as a whole
Depreciation	Evaluate estimated useful life of the asset and original acquisition value	Reasonable in relation to the financial statements as a whole

There have been no significant changes made by management to either the processes used to develop the particularly sensitive accounting estimates, or to the significant assumptions used to develop the estimates, noted above.

- Financial statement disclosures: The disclosures in the financial statements are neutral, consistent and clear.

Significant unusual transactions

There have been no significant transactions that are outside the normal course of business for the City or that otherwise appear to be unusual due to their timing, size or nature.

Significant difficulties encountered during the audit

We encountered no significant difficulties in dealing with management and completing our audit.

Disagreements with management

Professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Audit report

There have been no departures from the auditors' standard report.

Other audit findings or issues

We encountered no other audit findings or issues that require communication at this time.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other information in documents containing audited basic financial statements

The City's audited financial statements will be included in the annual comprehensive financial report. Our responsibility for this information does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. We have read the annual comprehensive financial report to determine whether a material inconsistency exists between the other information and the financial statements. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, was materially inconsistent with the information, or manner of its presentation, in the financial statements.

The City's audited financial statements are "general purpose" financial statements. General purpose financial statements consist of the basic financial statements that can be used by a broad group of people for a broad range of activities. Once we have issued our audit report, we have no further obligation to update our report for events occurring subsequent to the date of our report. The City can use the audited financial statements in other client prepare documents, such as official statements related to the issuance of debt, without our acknowledgement. Unless we have been engaged to perform services in connection with any subsequent transaction requiring the inclusion of our audit report, as well as to issue an auditor's acknowledgment letter, we have neither read the document nor performed subsequent event procedures in order to determine whether or not our report remains appropriate.

Management's consultations with other accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing or accounting matters.

Written communications between management and Baker Tilly

The attachments include copies of other material written communications, including a copy of the management representation letter.

Compliance with laws and regulations

We did not identify any non-compliance with laws and regulations during our audit

Fraud

We did not identify any known or suspected fraud during our audit.

Going concern

Pursuant to professional standards, we are required to communicate to you, when applicable, certain matters relating to our evaluation of the City's ability to continue as a going concern for a reasonable period of time but no less than 12 months from the date of the financial statements, including the effects on the financial statements and the adequacy of the related disclosures, and the effects on the auditor's report. No such matters or conditions have come to our attention during our engagement.

Independence

We are not aware of any relationships between Baker Tilly and the City that, in our professional judgment, may reasonably be thought to bear on our independence.

Related parties

We did not have any significant findings or issues arise during the audit in connection with the City's related parties.

Other matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information which accompanies the financial statements but is not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the other information, which accompanies the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Common Council resources

Visit our resource page for regulatory updates, trending challenges and opportunities in your industry and other timely updates.

Visit the resource page at <https://www.bakertilly.com/insights/audit-committee-resource-page>.

Management representation letter



Department of Finance
3805 South Casper Drive
P.O. Box 510921
New Berlin, Wisconsin 53151-5097

(262) 797-2448
(262) 786-6121
www.newberlin.org

July 22, 2024

Baker Tilly US, LLP
790 N Water Street, Suite 2000
Milwaukee, WI 53202

Dear Baker Tilly US, LLP:

We are providing this letter in connection with your audit of the financial statements of the City of New Berlin as of December 31, 2023 and for the year then ended and for the New Berlin Water and Wastewater Utilities as of December 31, 2023 and 2022 and for the years then ended for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of New Berlin and the respective changes in financial position and cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America (GAAP). We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 30, 2023, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- 2) The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America. We have engaged you to advise us in fulfilling that responsibility. The financial statements include all properly classified funds of the primary government required by accounting principles generally accepted in the United States of America to be included in the financial reporting entity.

Distinct, Friendly Community-Extensive Transportation Network-Vibrant Future

- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, if any, are reasonable in accordance with U.S. GAAP.
- 6) All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America require adjustment or disclosure have been adjusted or disclosed. No other events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.
- 7) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal and state awards.
- 8) All known audit and bookkeeping adjustments have been included in our financial statements, and we are in agreement with those adjustments.
- 9) We are not aware of any known actual, possible, pending, or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with accounting principles generally accepted in the United States of America, or which would affect federal or state award programs, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 10) Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of City of New Berlin or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) We have disclosed to you results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:

- a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others.
 - 15) We have no knowledge of known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
 - 16) There are no related parties or related party relationships and transactions, including side agreements, of which we are aware.

Other

- 17) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 18) We have a process to track the status of audit findings and recommendations.
- 19) We have identified to you any previous financial audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 20) The City has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources or fund balance or net position.
- 21) We are responsible for compliance with federal, state, and local laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits, debt contracts, and IRS arbitrage regulations; and we have identified and disclosed to you all federal, state, and local laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 22) There are no:
 - a) Violations or possible violations of budget ordinances, federal, state, and local laws or regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance, except those already disclosed in the financial statement, if any.
 - b) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America.
 - c) Nonspendable, restricted, committed, or assigned fund balances that were not properly authorized and approved.

- d) Rates being charged to customers other than the rates as authorized by the applicable authoritative body.
 - e) Violations of restrictions placed on revenues as a result of bond resolution covenants such as revenue distribution or debt service funding.
- 23) The City of New Berlin has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
 - 24) The City of New Berlin has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.
 - 25) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations, if any. Component units have been properly presented as either blended or discrete.
 - 26) The financial statements properly classify all funds and activities.
 - 27) All funds that meet the quantitative criteria in GASB Statement No. 34 and No. 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
 - 28) Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.
 - 29) The City of New Berlin has no derivative financial instruments such as contracts that could be assigned to someone else or net settled, interest rate swaps, collars or caps.
 - 30) Provisions for uncollectible receivables, if any, have been properly identified and recorded.
 - 31) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
 - 32) Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
 - 33) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
 - 34) Deposits and investments are properly classified, valued, and disclosed (including risk disclosures, collateralization agreements, valuation methods, and key inputs, as applicable).
 - 35) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated/amortized. Any known impairments have been recorded and disclosed.
 - 36) Tax-exempt bonds issued have retained their tax-exempt status.

- 37) We have appropriately disclosed the City of New Berlin's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position were properly recognized under the policy. We have also disclosed our policy regarding which resources (that is, restricted, committed, assigned or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available.
- 38) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 39) With respect to the supplementary information, (SI):
- a) We acknowledge our responsibility for presenting the SI in accordance with accounting principles generally accepted in the United States of America, and we believe the SI, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the SI have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the SI is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- 40) We assume responsibility for, and agree with, the findings of specialists in evaluating the other postemployment benefits and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had impact on the independence or objectivity of the specialists.
- 41) We assume responsibility for, and agree with, the information provided by the Wisconsin Retirement System as audited by the Legislative Audit Bureau relating to the net pension asset/liability and related deferred outflows and deferred inflows and have adequately considered the reasonableness of the amounts and disclosures used in the financial statements and underlying accounting records. We also assume responsibility for the census data that has been reported to the plan.
- 42) We have implemented GASB Statement No. 87, *Leases*, and believe that all required disclosures and accounting considerations have been identified and properly classified in the financial statements in compliance with the Standard.
- 43) We have considered the implementation of GASB Statement No.96, SBITAs. We compiled related documentation of outstanding subscription-based information technology arrangements and have concluded that the standard is not material to the City and therefore implementation is not necessary.

- 44) We are responsible for the estimation methods and assumptions used in measuring assets and liabilities reported or disclosed at fair value, including information obtained from brokers, pricing services or third parties. Our valuation methodologies have been consistently applied from period to period. The fair value measurements reported or disclosed represent our best estimate of fair value as the measurement date in accordance with the requirements of GASB 72 – *Fair Value Measurement*. In addition our disclosures related to fair value measurements are consistent with the objectives outlined in GASB 72. We have evaluated the fair value information provided to us by brokers, pricing services or other parties that has been used in the financial statements and believe this information to be reliable and consistent with the requirements.
- 45) The auditing standards define an annual report as “a document, or combination of documents, typically prepared on an annual basis by management or those charged with governance in accordance with law, regulation, or custom, the purpose of which is to provide owners (or similar stakeholders) with information on the entity's operations and the financial results and financial position as set out in the financial statements.” Among other items, an annual report contains, accompanies, or incorporates by reference the financial statements and the auditors' report thereon. Our annual report is comprised of the annual comprehensive financial report. We have provided you with the final version of the annual report. There are no material inconsistencies between the financial statements and any other information contained within the annual report.
- 46) With respect to federal and state award programs:
- a) We are responsible for understanding and complying with and have complied with the requirements of the Single Audit Act Amendments of 1996, OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), *State Single Audit Guidelines*, including requirements relating to preparation of the schedule of expenditures of federal and state awards (SEFSA).
 - b) We acknowledge our responsibility for preparing and presenting the SEFSA and related disclosures in accordance with the requirements of the Uniform Guidance and the State Single Audit Guidelines, and we believe the SEFSA, including its form and content, is fairly presented in accordance with the Uniform Guidance and the *State Single Audit Guidelines*. The methods of measurement and presentation of the SEFSA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFSA.
 - c) If the SEFSA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFSA no later than the date we issue the SEFSA and the auditors' report thereon.
 - d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance and the *State Single Audit Guidelines* and included in the SEFSA, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
 - e) We are responsible for understanding and complying with, and have complied with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal and state programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal and state program.

- f) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal and state programs that provide reasonable assurance that we are administering our federal and state awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal and state programs. We believe the internal control system is adequate and is functioning as intended. Also, no changes have been made in the internal control over compliance or other factors to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to control deficiencies reported in the schedule of findings and questioned costs.
- g) We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal or state agencies or pass-through entities relevant to the programs and related activities.
- h) We have received no requests from a federal or state agency to audit one or more specific programs as a major program.
- i) We have complied with the direct and material compliance requirements including when applicable, those set forth in the OMB Compliance Supplement and the State Single Audit Guidelines, relating to federal and state awards.
- j) We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditors' report.
- k) Amounts claimed or used for matching were determined in accordance with relevant guidelines in the Uniform Guidance.
- l) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- m) We have made available to you all documentation related to the compliance with the direct and material compliance requirements, including information related to federal and state program financial reports and claims for advances and reimbursements.
- n) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- o) We are not aware of any instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditors' report.
- p) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the date as of which compliance was audited.
- q) Federal and state program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- r) The copies of federal and state program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal and state agency or pass-through entity, as applicable.

- s) We have monitored subrecipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of the Uniform Guidance and the *State Single Audit Guidelines*.
- t) We have taken appropriate action, including issuing management decisions, on a timely basis after receipt of subrecipients' auditors' reports that identified noncompliance with laws, regulations, or the provisions of contracts or grant agreements to ensure that subrecipients have taken the appropriate and timely corrective action on findings.
- u) We have considered the results of subrecipient audits and made any necessary adjustments to our books and records.
- v) We have charged costs to federal and state awards in accordance with applicable cost principles.
- w) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and the *State Single Audit Guidelines* and we have provided you with all information on the status of the follow-up on prior audit findings by federal and state awarding agencies and pass-through entities, including all management decisions.
- x) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- y) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- z) We are responsible for preparing and implementing a corrective action plan for each audit finding.
- aa) We have disclosed to you all contracts or other agreements with our service organizations, and we have disclosed to you all communications from the service organization relating to noncompliance at the service organizations.

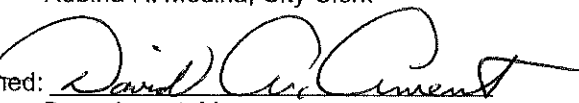
Sincerely,

City of New Berlin

Signed: 
Ralph Chipman, Director of Finance

Signed: 
John Sughrue, Accounting Manager

Signed: 
Rubina R. Medina, City Clerk

Signed: 
Dave Ament, Mayor

Client service team



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Accounting changes relevant to the City of New Berlin

Future accounting standards update

GASB Statement Number	Description	Potentially impacts you	Effective date
100	Accounting Changes and Error Corrections	✓	12/31/24
101	Compensated Absences	✓	12/31/24
102	Certain Risk Disclosures	✓	12/31/25

Further information on upcoming [GASB pronouncements](#).

Revised guidance for accounting changes and error corrections

GASB Statement No. 100, *Accounting Changes and Error Corrections*, an amendment of GASB Statement No. 62, seeks to provide more understandable, reliable, relevant, consistent and comparable information for making decisions and assessing accountability.

The standard establishes the following categories:

1. Accounting changes, which is comprised of:
 - a. Changes in accounting principles – result from a change from one generally accepted accounting principle to another that is justified on the basis that the newly adopted principle is preferable to the previously applied principle, or the implementation of a new pronouncement.
 - b. Changes in accounting estimates – occur when inputs change due to a change in circumstances, new information, or more experience. Note that the focus is on changes to the inputs used; a change in the value of an input such as an annual inflation update does not require disclosure under this standard.
 - c. Changes to or within the financial reporting entity – result from the addition or removal of a fund that results from the movement of continuing operations (such as moving sanitation operation from the general fund to its own separate fund), a change in a fund's presentation as major or nonmajor, the addition or removal of a component unit (with certain exceptions), or a change in a component unit's presentation as blended or discretely presented.
2. Error corrections – result from mathematical mistakes, mistakes in the application of accounting principles, or oversight or misuse of facts that existed at the time of the financial statements were issued (i.e., facts that could reasonably be expected to have been obtained and considered at that time).

A summary of the reporting impact of each category is as follows:

Reporting considerations	Accounting changes			
	Change in accounting principle	Change in estimate	Change to the financial reporting entity	Correction of an error
Basic financial statement schedules:	Restate earliest period presented	Report prospectively	Adjust current year beginning balances	Restate earliest period presented
Required supplementary information & supplementary information:	Should match the financial statement presentation noted above; no adjustments to earlier periods needed			Restate all periods impacted
Additional disclosures?	Yes	Yes	Yes	Yes

The City should become familiar with the new guidance in advance of the implementation effective date.

Updated accounting and reporting for compensated absences

The Governmental Accounting Standards Board (GASB) issued its Statement No. 101, *Compensated Absences*, in June 2022. The objective of GASB 101 is to update the recognition and measurement guidance for compensated absences for state & local government employers. It supersedes GASB No. 16, *Accounting for Compensated Absences*, issued in 1992, as well as earlier guidance, and addresses changes resulting from the types of leave now being offered. GASB 101 is effective for fiscal years beginning after December 15, 2023 (i.e., December 31, 2024, and June 30, 2025 year-end reporting entities).

GASB 101 more appropriately reflects a liability *when* a government incurs an obligation for compensated absences, and will improve comparability of reporting between governments that offer different types of leave. It requires that liabilities be recognized for (1) leave that has not been used, and (2) leave that has been used but not yet paid in cash or settled-up via non-cash means. Compensated absences is defined as leave for which employees may receive one or more of the following:

- Cash payments when the leave is used for time off;
- Other cash payments, such as payment for unused leave upon termination of employment, or;
- Noncash settlements, such as conversion to defined benefit postemployment benefits.

Examples of compensated absences provided in GASB 101 include vacation, sick leave, paid time off (PTO), holidays, parental leave, bereavement leave, and certain types of sabbatical leave. Payment or settlement of compensated absences could occur during employment, or upon termination of employment. GASB 101 does not apply to benefits that are within the scope of GASB 47, *Accounting for Termination Benefits*.

GASB 101 requires that a liability should be recognized for leave that has not been used if all of the following are true:

- The leave is attributable to services already rendered;
- The leave accumulates, and;
- The leave is “more likely than not” (i.e., likelihood of more than 50%) to be used for time off or otherwise paid in cash or settled through noncash means (101 provides factors to assess this criteria). (This differs from GASB 16, which required payment to be “probable” to be recognized).

Under GASB 101, governments will now need to accrue for time that has accumulated and is likely to be used, even if the employee is not eligible for a payout upon termination. This was not a requirement under GASB 16, and thus may result in a higher compensated absence liability.

GASB 101 requires liabilities for compensated absences to be recognized in financial statements prepared using the economic resources measurement focus equal to the amount of leave that has not yet been used and leave that has been used but not yet paid or settled. GASB 101 did not change the report for financial statements prepared using the current financial resources measurement focus (i.e., governmental funds).

Other changes in financial statement disclosures include the change in compensated absences liability can now be disclosed as a net change, rather than gross increases/decreases in the liability. Also, governments are no longer required to disclose which fund has typically liquidated the liability.

We recommend that governments begin to review the guidance contained in GASB 101 within the context of your existing compensated absences policies and accounting practices, in order to be better informed in terms of the information that you will need for this implementation.

New guidance on disclosure of certain risks

The requirements in GASB Statement No. 102, *Certain Risk Disclosures* is meant to provide financial statement users with information about certain risks when circumstances make a government vulnerable to a heightened possibility of loss or harm. It requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints.

- (a) The Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow or outflow of resources—for example, a small number of companies that represent a majority of employment in a government's jurisdiction, or a government that relies on one revenue source for most of its revenue.
- (b) The Statement defines a constraint as a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority—such as a voter-approved property tax cap or a state-imposed debt limit.

Concentrations and constraints may limit a government's ability to acquire resources or control spending.

The Statement generally requires a government to disclose information about a concentration or constraint if all of the following criteria are met:

- (a) The concentration or constraint is *known* to the government prior to issuing the financial statements.
- (b) The concentration or constraint makes the government vulnerable to the risk of a substantial impact.
- (c) An event or events associated with the concentration or constraint that could cause a substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

The disclosures should include a description of the following:

- The concentration or constraint,
- Each event associated with the concentration or constraint that could cause a substantial impact if the event has occurred or has begun to occur prior to the issuance of the financial statements, and
- Actions taken by the government to mitigate the risk prior to the issuance of the financial statements.

Two-way audit communications

As part of our audit of your financial statements, we are providing communications to you throughout the audit process. Auditing requirements provide for two-way communication and are important in assisting the auditor and you with more information relevant to the audit.

As this past audit is concluded, we use what we have learned to begin the planning process for next year's audit. It is important that you understand the following points about the scope and timing of our next audit:

- a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.
- b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:
 - Identify types of potential misstatements.
 - Consider factors that affect the risks of material misstatement.
 - Design tests of controls, when applicable, and substantive procedures.
- c. We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations and provisions of contracts or grant programs. For audits performed in accordance with *Government Auditing Standards*, our report will include a paragraph that states that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance and that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose.
- d. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.

Our audit will be performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, *OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines*.

We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations, and provisions of contracts or grant programs. For audits done in accordance with *Government Auditing Standards*, the Uniform Guidance, and the *State Single Audit Guidelines*, our report will include a paragraph that states that the purpose of the report is solely to describe (a) the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, (b) the scope of testing internal control over compliance for major programs and major program compliance and the result of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance and, (c) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance and the Uniform Guidance, and the *State Single Audit Guidelines*, in considering internal control over compliance and major program compliance. The paragraph will also state that the report is not suitable for any other purpose.

We are very interested in your views regarding certain matters. Those matters are listed here:

- a. We typically will communicate with your top level of management unless you tell us otherwise.
- b. We understand that the governing board has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.
- c. We need to know your views about your organization's objectives and strategies, and the related business risks that may result in material misstatements.
- d. We anticipate that the City will receive an unmodified opinion on its financial statements.
- e. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?
- f. Have you had any significant communications with regulators or grantor agencies?
- g. Are there other matters that you believe are relevant to the audit of the financial statements?

Also, is there anything that we need to know about the attitudes, awareness and actions of the governing body concerning:

- a. The entity's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?
- b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here is some general information. If necessary, we may do preliminary financial audit work during the months of October-December, and sometimes early in January. Our final financial fieldwork is scheduled during the spring to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our financial audit procedures at our office and may issue drafts of our report for your review. Final copies of our report and other communications are issued after approval by your staff. This is typically 6-12 weeks after final fieldwork, but may vary depending on a number of factors.

Keep in mind that while this communication may assist us with planning the scope and timing of the audit, it does not change the auditor's sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We realize that you may have questions on what this all means, or wish to provide other feedback. We welcome the opportunity to hear from you.

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE
OF \$14,135,000 GENERAL OBLIGATION PROMISSORY
NOTES, SERIES 2024A

WHEREAS, on July 23, 2024, the Common Council of the City of New Berlin, Waukesha County, Wisconsin (the "City") adopted a resolution (the "Set Sale Resolution"), providing for the sale of General Obligation Promissory Notes, Series 2024A (the "Notes") for public purposes, including paying the cost of the 2024 capital improvement projects, including the Hickory Grove building renovation (the "Project");

WHEREAS, the Common Council hereby finds and determines that the Project is within the City's power to undertake and therefore serves a "public purpose" as that term is defined in Section 67.04(1)(b), Wisconsin Statutes;

WHEREAS, the City is authorized by the provisions of Section 67.12(12), Wisconsin Statutes, to borrow money and issue general obligation promissory notes for such public purposes;

WHEREAS, pursuant to the Set Sale Resolution, the City has directed Ehlers & Associates, Inc. ("Ehlers") to take the steps necessary to sell the Notes to pay the cost of the Project;

WHEREAS, Ehlers, in consultation with the officials of the City, prepared a Notice of Sale (a copy of which is attached hereto as Exhibit A and incorporated herein by this reference) setting forth the details of and the bid requirements for the Notes and indicating that the Notes would be offered for public sale on August 27, 2024;

WHEREAS, the City Clerk (in consultation with Ehlers) caused a form of notice of the sale to be published and/or announced and caused the Notice of Sale to be distributed to potential bidders offering the Notes for public sale on August 27, 2024;

WHEREAS, the City has duly received bids for the Notes as described on the Bid Tabulation attached hereto as Exhibit B and incorporated herein by this reference (the "Bid Tabulation"); and

WHEREAS, it has been determined that the bid proposal (the "Proposal") submitted by the financial institution listed first on the Bid Tabulation fully complies with the bid requirements set forth in the Notice of Sale and is deemed to be the most advantageous to the City. Ehlers has recommended that the City accept the Proposal. A copy of said Proposal submitted by such institution (the "Purchaser") is attached hereto as Exhibit C and incorporated herein by this reference.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City that:

Section 1. Ratification of the Notice of Sale and Offering Materials. The Common Council hereby ratifies and approves the details of the Notes set forth in Exhibit A attached hereto as and for the details of the Notes. The Notice of Sale and any other offering materials prepared and circulated by Ehlers are hereby ratified and approved in all respects. All actions taken by officers of the City and Ehlers in connection with the preparation and distribution of the Notice of Sale, and any other offering materials are hereby ratified and approved in all respects.

Section 1A. Authorization and Award of the Notes. For the purpose of paying the cost of the Project, there shall be borrowed pursuant to Section 67.12(12), Wisconsin Statutes, the principal sum of FOURTEEN MILLION ONE HUNDRED THIRTY-FIVE THOUSAND DOLLARS (\$14,135,000) from the Purchaser in accordance with the terms and conditions of the Proposal. The Proposal of the Purchaser offering to purchase the Notes for the sum set forth on the Proposal, plus accrued interest to the date of delivery, resulting in a true interest cost as set forth on the Proposal, is hereby accepted. The Mayor and City Clerk or other appropriate officers of the City are authorized and directed to execute an acceptance of the Proposal on behalf of the City. The good faith deposit of the Purchaser shall be applied in accordance with the Notice of Sale, and any good faith deposits submitted by unsuccessful bidders shall be promptly returned. The Notes shall bear interest at the rates set forth on the Proposal.

Section 2. Terms of the Notes. The Notes shall be designated "General Obligation Promissory Notes, Series 2024A"; shall be issued in the aggregate principal amount of \$14,135,000; shall be dated September 18, 2024; shall be in the denomination of \$5,000 or any integral multiple thereof; shall be numbered R-1 and upward; and shall bear interest at the rates per annum and mature on June 1 of each year, in the years and principal amounts as set forth on the Pricing Summary attached hereto as Exhibit D-1 and incorporated herein by this reference. Interest shall be payable semi-annually on June 1 and December 1 of each year commencing on June 1, 2025. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board. The schedule of principal and interest payments due on the Notes is set forth on the Debt Service Schedule attached hereto as Exhibit D-2 and incorporated herein by this reference (the "Schedule").

Section 3. Redemption Provisions. The Notes maturing on June 1, 2034 and thereafter shall be subject to redemption prior to maturity, at the option of the City, on June 1, 2033 or on any date thereafter. Said Notes shall be redeemable as a whole or in part, and if in part, from maturities selected by the City, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

[The Proposal specifies that [some of] the Notes shall be subject to mandatory redemption. The terms of such mandatory redemption are set forth on an attachment hereto as Exhibit MRP and incorporated herein by this reference. Upon the optional redemption of any of the Notes subject to mandatory redemption, the principal amount of such Notes so redeemed shall be credited against the mandatory redemption payments established in Exhibit MRP for such Notes in such manner as the City shall direct.]

Section 4. Form of the Notes. The Notes shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit E and incorporated herein by this reference.

Section 5. Tax Provisions.

(A) Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Notes as the same becomes due, the full faith, credit and resources of the City are hereby irrevocably pledged, and there is hereby levied upon all of the taxable property of the City a direct annual irrepealable tax in the years 2024 through 2043 for the payments due in the years 2025 through 2044 in the amounts set forth on the Schedule.

(B) Tax Collection. So long as any part of the principal of or interest on the Notes remains unpaid, the City shall be and continue without power to repeal such levy or obstruct the collection of said tax until all such payments have been made or provided for. After the issuance of the Notes, said tax shall be, from year to year, carried onto the tax roll of the City and collected in addition to all other taxes and in the same manner and at the same time as other taxes of the City for said years are collected, except that the amount of tax carried onto the tax roll may be reduced in any year by the amount of any surplus money in the Debt Service Fund Account created below.

(C) Additional Funds. If at any time there shall be on hand insufficient funds from the aforesaid tax levy to meet principal and/or interest payments on said Notes when due, the requisite amounts shall be paid from other funds of the City then available, which sums shall be replaced upon the collection of the taxes herein levied.

Section 6. Segregated Debt Service Fund Account.

(A) Creation and Deposits. There shall be and there hereby is established in the treasury of the City, if one has not already been created, a debt service fund, separate and distinct from every other fund, which shall be maintained in accordance with generally accepted accounting principles. Debt service or sinking funds established for obligations previously issued by the City may be considered as separate and distinct accounts within the debt service fund.

Within the debt service fund, there hereby is established a separate and distinct account designated as the "Debt Service Fund Account for General Obligation Promissory Notes, Series 2024A, dated September 18, 2024" (the "Debt Service Fund Account") and such account shall be maintained until the indebtedness evidenced by the Notes is fully paid or otherwise extinguished. There shall be deposited into the Debt Service Fund Account (i) all accrued interest received by the City at the time of delivery of and payment for the Notes; (ii) any premium which may be received by the City above the par value of the Notes and accrued interest thereon; (iii) all money raised by the taxes herein levied and any amounts appropriated for the specific purpose of meeting principal of and interest on the Notes when due; (iv) such other sums as may be necessary at any time to pay principal of and interest on the Notes when due; (v) surplus monies in the Borrowed Money Fund as specified below; and (vi) such further deposits as may be required by Section 67.11, Wisconsin Statutes.

(B) Use and Investment. No money shall be withdrawn from the Debt Service Fund Account and appropriated for any purpose other than the payment of principal of and interest on the Notes until all such principal and interest has been paid in full and the Notes canceled; provided (i) the funds to provide for each payment of principal of and interest on the Notes prior to the scheduled receipt of taxes from the next succeeding tax collection may be invested in direct obligations of the United States of America maturing in time to make such payments when they are due or in other investments permitted by law; and (ii) any funds over and above the amount of such principal and interest payments on the Notes may be used to reduce the next succeeding tax levy, or may, at the option of the City, be invested by purchasing the Notes as permitted by and subject to Section 67.11(2)(a), Wisconsin Statutes, or in permitted municipal investments under the pertinent provisions of the Wisconsin Statutes ("Permitted Investments"), which investments shall continue to be a part of the Debt Service Fund Account. Any investment of the Debt Service Fund Account shall at all times conform with the provisions of the Internal Revenue Code of 1986, as amended (the "Code") and any applicable Treasury Regulations (the "Regulations").

(C) Remaining Monies. When all of the Notes have been paid in full and canceled, and all Permitted Investments disposed of, any money remaining in the Debt Service Fund Account shall be transferred and deposited in the general fund of the City, unless the Common Council directs otherwise.

Section 7. Proceeds of the Notes; Segregated Borrowed Money Fund. The proceeds of the Notes (the "Note Proceeds") (other than any premium and accrued interest which must be paid at the time of the delivery of the Notes into the Debt Service Fund Account created above) shall be deposited into a special fund (the "Borrowed Money Fund") separate and distinct from all other funds of the City and disbursed solely for the purpose or purposes for which borrowed. Monies in the Borrowed Money Fund may be temporarily invested in Permitted Investments. Any monies, including any income from Permitted Investments, remaining in the Borrowed Money Fund after the purpose or purposes for which the Notes have been issued have been accomplished, and, at any time, any monies as are not needed and which obviously thereafter cannot be needed for such purpose(s) shall be deposited in the Debt Service Fund Account.

Section 8. No Arbitrage. All investments made pursuant to this Resolution shall be Permitted Investments, but no such investment shall be made in such a manner as would cause the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Code or the Regulations and an officer of the City, charged with the responsibility for issuing the Notes, shall certify as to facts, estimates, circumstances and reasonable expectations in existence on the date of delivery of the Notes to the Purchaser which will permit the conclusion that the Notes are not "arbitrage bonds," within the meaning of the Code or Regulations.

Section 9. Compliance with Federal Tax Laws. (a) The City represents and covenants that the projects financed by the Notes and the ownership, management and use of the projects will not cause the Notes to be "private activity bonds" within the meaning of Section 141 of the Code. The City further covenants that it shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the Notes including, if applicable, the rebate requirements of Section 148(f) of the Code. The City further covenants

that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Notes) if taking, permitting or omitting to take such action would cause any of the Notes to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Notes to be included in the gross income of the recipients thereof for federal income tax purposes. The City Clerk or other officer of the City charged with the responsibility of issuing the Notes shall provide an appropriate certificate of the City certifying that the City can and covenanting that it will comply with the provisions of the Code and Regulations.

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

Section 10. Execution of the Notes; Closing; Professional Services. The Notes shall be issued in printed form, executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Clerk, authenticated, if required, by the Fiscal Agent (defined below), sealed with its official or corporate seal, if any, or a facsimile thereof, and delivered to the Purchaser upon payment to the City of the purchase price thereof, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Notes may be imprinted on the Notes in lieu of the manual signature of the officer but, unless the City has contracted with a fiscal agent to authenticate the Notes, at least one of the signatures appearing on each Note shall be a manual signature. In the event that either of the officers whose signatures appear on the Notes shall cease to be such officers before the Closing, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until the Closing. The aforesaid officers are hereby authorized and directed to do all acts and execute and deliver the Notes and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The City hereby authorizes the officers and agents of the City to enter into, on its behalf, agreements and contracts in conjunction with the Notes, including but not limited to agreements and contracts for legal, trust, fiscal agency, disclosure and continuing disclosure, and rebate calculation services. Any such contract heretofore entered into in conjunction with the issuance of the Notes is hereby ratified and approved in all respects.

Section 11. Payment of the Notes; Fiscal Agent. The principal of and interest on the Notes shall be paid by [_____, _____, _____, which is hereby appointed as the City's registrar and fiscal agent pursuant to the provisions of Section 67.10(2), Wisconsin Statutes] [the City Clerk or City Treasurer] (the "Fiscal Agent"). [The City hereby authorizes the Mayor and City Clerk or other appropriate officers of the City to enter into a Fiscal Agency Agreement between the City and the Fiscal Agent. Such contract may provide, among other things, for the performance by the Fiscal Agent of the functions listed in Wis. Stats. Sec. 67.10(2)(a) to (j), where applicable, with respect to the Notes].

Section 12. Persons Treated as Owners; Transfer of Notes. The City shall cause books for the registration and for the transfer of the Notes to be kept by the Fiscal Agent. The person in whose name any Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Note shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

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

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

Section 13. Record Date. The 15th day of the calendar month next preceding each interest payment date shall be the record date for the Notes (the "Record Date"). Payment of interest on the Notes on any interest payment date shall be made to the registered owners of the Notes as they appear on the registration book of the City at the close of business on the Record Date.

Section 14. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Notes eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the City agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations, which the City Clerk or other authorized representative of the City is authorized and directed to execute and deliver to DTC on behalf of the City to the extent an effective Blanket Issuer Letter of Representations is not presently on file in the City Clerk's office.

Section 15. Payment of Issuance Expenses. The City authorizes the Purchaser to forward the amount of the proceeds of the Notes allocable to the payment of issuance expenses to a financial institution selected by Ehlers at Closing for further distribution as directed by Ehlers.

Section 16. Official Statement. The Common Council hereby approves the Preliminary Official Statement with respect to the Notes and deems the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by officers of the City in connection with the preparation of such Preliminary Official Statement and any addenda to it or final Official Statement are hereby ratified and approved. In connection with the Closing, the appropriate City official shall certify the Preliminary Official Statement and any addenda or final Official Statement. The City Clerk shall cause copies of the Preliminary Official Statement and any addenda or final Official Statement to be distributed to the Purchaser.

Section 17. Undertaking to Provide Continuing Disclosure. The City hereby covenants and agrees, for the benefit of the owners of the Notes, to enter into a written undertaking (the "Undertaking") if required by the Rule to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the Notes or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the City to comply with the provisions of the Undertaking shall not be an event of default with respect to the Notes).

To the extent required under the Rule, the Mayor and City Clerk, or other officer of the City charged with the responsibility for issuing the Notes, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the City's Undertaking.

Section 18. Record Book. The City Clerk shall provide and keep the transcript of proceedings as a separate record book (the "Record Book") and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Notes in the Record Book.

Section 19. Bond Insurance. If the Purchaser determines to obtain municipal bond insurance with respect to the Notes, the officers of the City are authorized to take all actions necessary to obtain such municipal bond insurance. The Mayor and City Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the Mayor and City Clerk including provisions regarding restrictions on investment of Note proceeds, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Notes by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Note provided herein.

Section 20. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the Common Council or any parts thereof in conflict with the provisions hereof shall be, and the same are, hereby rescinded insofar as the same may so conflict. In the event that any one or more provisions hereof shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions hereof. The foregoing shall take effect immediately upon adoption and approval in the manner provided by law.

Adopted, approved and recorded August 27, 2024.

David A. Ament
Mayor

ATTEST:

Rubina R. Medina
City Clerk

(SEAL)

EXHIBIT A

Notice of Sale

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT B

Bid Tabulation

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT C

Winning Bid

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT D-1

Pricing Summary

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT D-2

Debt Service Schedule and Irrepealable Tax Levies

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

[EXHIBIT MRP

Mandatory Redemption Provision

The Notes due on June 1, ____, ____, and ____ (the "Term Bonds") are subject to mandatory redemption prior to maturity by lot (as selected by the Depository) at a redemption price equal to One Hundred Percent (100%) of the principal amount to be redeemed plus accrued interest to the date of redemption, from debt service fund deposits which are required to be made in amounts sufficient to redeem on June 1 of each year the respective amount of Term Bonds specified below:

For the Term Bonds Maturing on June 1, ____

<u>Redemption Date</u>	<u>Amount</u>
____	\$ ____
____	____
____	____ (maturity)

For the Term Bonds Maturing on June 1, ____

<u>Redemption Date</u>	<u>Amount</u>
____	\$ ____
____	____
____	____ (maturity)

For the Term Bonds Maturing on June 1, ____

<u>Redemption Date</u>	<u>Amount</u>
____	\$ ____
____	____
____	____ (maturity)

For the Term Bonds Maturing on June 1, ____

<u>Redemption Date</u>	<u>Amount</u>
____	\$ ____
____	____
____	____ (maturity)]

EXHIBIT E

(Form of Note)

REGISTERED UNITED STATES OF AMERICA DOLLARS
STATE OF WISCONSIN
WAUKESHA COUNTY
NO. R-____ CITY OF NEW BERLIN \$_____
GENERAL OBLIGATION PROMISSORY NOTE, SERIES 2024A

MATURITY DATE: ORIGINAL DATE OF ISSUE: INTEREST RATE: CUSIP:
June 1, _____ September 18, 2024 _____% _____

DEPOSITORY OR ITS NOMINEE NAME: CEDE & CO.

PRINCIPAL AMOUNT: _____ THOUSAND DOLLARS
(\$ _____)

FOR VALUE RECEIVED, the City of New Berlin, Waukesha County, Wisconsin (the "City"), hereby acknowledges itself to owe and promises to pay to the Depository or its Nominee Name (the "Depository") identified above (or to registered assigns), on the maturity date identified above, the principal amount identified above, and to pay interest thereon at the rate of interest per annum identified above, all subject to the provisions set forth herein regarding redemption prior to maturity. Interest shall be payable semi-annually on June 1 and December 1 of each year commencing on June 1, 2025 until the aforesaid principal amount is paid in full. Both the principal of and interest on this Note are payable to the registered owner in lawful money of the United States. Interest payable on any interest payment date shall be paid by wire transfer to the Depository in whose name this Note is registered on the Bond Register maintained by [_____, _____, _____] OR [the City Clerk or City Treasurer] (the "Fiscal Agent") or any successor thereto at the close of business on the 15th day of the calendar month next preceding each interest payment date (the "Record Date"). This Note is payable as to principal upon presentation and surrender hereof at the office of the Fiscal Agent.

For the prompt payment of this Note together with interest hereon as aforesaid and for the levy of taxes sufficient for that purpose, the full faith, credit and resources of the City are hereby irrevocably pledged.

This Note is one of an issue of Notes aggregating the principal amount of \$14,135,000, all of which are of like tenor, except as to denomination, interest rate, maturity date and redemption provision, issued by the City pursuant to the provisions of Section 67.12(12), Wisconsin Statutes, for public purposes, including paying the cost of the 2024 capital improvement projects, including the Hickory Grove building renovation, as authorized by a resolution adopted on August 27, 2024. Said resolution is recorded in the official minutes of the Common Council for said date.

The Notes maturing on June 1, 2034 and thereafter are subject to redemption prior to maturity, at the option of the City, on June 1, 2033 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the City, and within each maturity by lot (as selected by the Depository), at the principal amount thereof, plus accrued interest to the date of redemption.

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

In the event the Notes are redeemed prior to maturity, as long as the Notes are in book-entry-only form, official notice of the redemption will be given by mailing a notice by registered or certified mail, overnight express delivery, facsimile transmission, electronic transmission or in any other manner required by the Depository, to the Depository not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. If less than all of the Notes of a maturity are to be called for redemption, the Notes of such maturity to be redeemed will be selected by lot. Such notice will include but not be limited to the following: the designation, date and maturities of the Notes called for redemption, CUSIP numbers, and the date of redemption. Any notice provided as described herein shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice. The Notes shall cease to bear interest on the specified redemption date provided that federal or other immediately available funds sufficient for such redemption are on deposit at the office of the Depository at that time. Upon such deposit of funds for redemption the Notes shall no longer be deemed to be outstanding.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this Note have been done, have existed and have been performed in due form and time; that the aggregate indebtedness of the City, including this Note and others issued simultaneously herewith, does not exceed any limitation imposed by law or the Constitution of the State of Wisconsin; and that a direct annual irrepealable tax has been levied sufficient to pay this Note, together with the interest thereon, when and as payable.

This Note is transferable only upon the books of the City kept for that purpose at the office of the Fiscal Agent, only in the event that the Depository does not continue to act as depository for the Notes, and the City appoints another depository, upon surrender of the Note to the Fiscal Agent, by the registered owner in person or his duly authorized attorney, together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Fiscal Agent duly executed by the registered owner or his duly authorized attorney. Thereupon a new fully registered Note in the same aggregate principal amount shall be issued to the new depository in exchange therefor and upon the payment of a charge sufficient to reimburse the City for any tax, fee or other governmental charge required to be paid with respect to such registration. The Fiscal Agent shall not be obliged to make any transfer of the Notes (i) after the Record Date, (ii) during the fifteen (15) calendar days preceding the date of any publication of notice of any proposed redemption of the Notes, or (iii) with respect to any particular Note, after such Note has been called for redemption. The Fiscal Agent and City may treat and consider the Depository in

whose name this Note is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever. The Notes are issuable solely as negotiable, fully-registered Notes without coupons in the denomination of \$5,000 or any integral multiple thereof.

【This Note shall not be valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Fiscal Agent.】

No delay or omission on the part of the owner hereof to exercise any right hereunder shall impair such right or be considered as a waiver thereof or as a waiver of or acquiescence in any default hereunder.

IN WITNESS WHEREOF, the City of New Berlin, Waukesha County, Wisconsin, by its governing body, has caused this Note to be executed for it and in its name by the manual or facsimile signatures of its duly qualified Mayor and City Clerk; and to be sealed with its official or corporate seal, if any, all as of the original date of issue specified above.

CITY OF NEW BERLIN
WAUKESHA COUNTY, WISCONSIN

By: _____
David A. Ament
Mayor

(SEAL)

By: _____
Rubina R. Medina
City Clerk

[Date of Authentication: _____, _____]

CERTIFICATE OF AUTHENTICATION

This Note is one of the Notes of the issue authorized by the within-mentioned resolution of the City of New Berlin, Waukesha County, Wisconsin.

_____, _____

By _____
Authorized Signatory]

DRAFT

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

(Social Security or other Identifying Number of Assignee)

the within Note and all rights thereunder and hereby irrevocably constitutes and appoints _____, Legal Representative, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

(e.g. Bank, Trust Company
or Securities Firm)

(Depository or Nominee Name)

NOTICE: This signature must correspond with the name of the Depository or Nominee Name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.

(Authorized Officer)

August 27, 2024

SALE DAY REPORT FOR:

City of New Berlin, Wisconsin

**\$13,950,000 General Obligation Promissory Notes,
Series 2024A**



Prepared by:

Ehlers
N19W24400 Riverwood Drive,
Suite 100
Waukesha, WI 53188

Greg Johnson,
Senior Municipal Advisor

Harry Allen,
Associate Municipal Advisor

BUILDING COMMUNITIES. IT'S WHAT WE DO.

Competitive Sale Results

PURPOSE:	For public purposes, including paying the cost of the 2024 capital improvement projects, including the Hickory Grove building renovation.
RATING:	Moody's Investor's Service "Aaa"
NUMBER OF BIDS:	7
LOW BIDDER:	TD Securities (USA) LLC, New York, New York

COMPARISON FROM LOWEST TO HIGHEST BID: (TIC as bid)

LOW BID:	3.2684%
HIGH BID:	3.3738%

Summary of Sale Results:	
Principal Amount:	\$13,950,000
Underwriter's Discount:	\$80,213
Reoffering Premium:	\$829,148
True Interest Cost:	3.2766%
Costs of Issuance:	\$114,200
Yield:	2.50%-4.01%
Total Net P&I	\$17,386,294

NOTES:	The net total principal and interest is \$881,014 less than the pre-sale estimate.
	The City Treasurer will serve as Paying Agent on the Notes.
	The Notes maturing June 1, 2034 and thereafter are callable June 1, 2033 or any date thereafter.

CLOSING DATE:	September 18, 2024
CITY COUNCIL ACTION:	Adopt a resolution awarding the sale of \$13,950,000 General Obligation Promissory Notes, Series 2024A.

SUPPLEMENTARY ATTACHMENTS

- Bid Tabulation
- Existing G.O. Debt Summary
- Project List
- Sources and Uses of Funds
- Updated Debt Service Schedules
- Tax Impact Schedule
- G.O. Debt Capacity
- Rating Report

BID TABULATION

\$14,135,000* General Obligation Promissory Notes, Series 2024A

City of New Berlin, Wisconsin

SALE: August 27, 2024

AWARD: TD SECURITIES (USA) LLC

Rating: Moody's Investor's Service "Aaa"

Tax Exempt - Non-Bank Qualified

NAME OF BIDDER	MATURITY (June 1)	COUPON RATE	REOFFERING YIELD	PRICE	TRUE INTEREST RATE
TD SECURITIES (USA) LLC New York, New York	2025	5.000%	2.660%	\$14,929,178.90	3.2684%
	2026	5.000%	2.550%		
	2027	5.000%	2.500%		
	2028	5.000%	2.500%		
	2029	5.000%	2.520%		
	2030	4.000%	2.610%		
	2031	4.000%	2.750%		
	2032	4.000%	2.850%		
	2033	4.000%	2.890%		
	2034	4.000%	3.010%		
	2035	4.000%	3.100%		
	2036	4.000%	3.160%		
	2037	4.000%	3.290%		
	2038	4.000%	3.340%		
	2039	4.000%	3.470%		
	2040	4.000%	3.620%		
	2041	4.000%	3.750%		
	2042	4.000%	3.820%		
	2043	4.000%	3.930%		
	2044	4.000%	4.010%		
PIPER SANDLER & CO. Minneapolis, Minnesota					3.2689%
HILLTOP SECURITIES Dallas, Texas					3.2997%

* Subsequent to bid opening the issue size was decreased to \$13,950,000.

Adjusted Price: \$14,698,935.95 Adjusted Net Interest Cost: \$3,436,294.19 Adjusted TIC: 3.2766%

NAME OF BIDDER	TRUE INTEREST RATE
KEYBANC CAPITAL MARKETS INCORPORATED Cleveland, Ohio	3.3084%
BOK FINANCIAL SECURITIES, INC. Milwaukee, Wisconsin	3.3498%
JANNEY MONTGOMERY SCOTT LLC Philadelphia , Pennsylvania	3.3666%
BAIRD Milwaukee, Wisconsin	3.3738%

Table 1

Existing G.O. Debt Base Case

City of New Berlin, WI

Year Ending	Existing Debt									Year Ending	
	Total G.O. Debt Payments	Less: Golf Course	Less: TID #3	Less: TID #5	Less: Premium (prior issues)	Less: Impact Fees	Net Tax Levy	Equalized Value (TID OUT)	Tax Rate Per \$1,000		Annual Taxes \$300,000 Home
2024	12,667,985	(97,000)	(422,481)	(396,771)	(621,192)	(10,000)	11,120,541	7,796,566,900	\$1.43	\$427.90	2024
2025	11,864,860	(97,375)	(391,246)	(334,850)	(167,452)		10,873,937	7,949,009,900	\$1.37	\$410.39	2025
2026	11,710,663		(535,940)	(644,850)			10,529,873	8,281,005,134	\$1.27	\$381.47	2026
2027	11,552,160		(551,090)	(807,225)			10,193,845	8,626,866,350	\$1.18	\$354.49	2027
2028	10,955,998		(624,063)	(780,200)			9,551,736	8,987,172,670	\$1.06	\$318.85	2028
2029	10,534,058		(622,753)	(753,400)			9,157,905	9,362,527,403	\$0.98	\$293.44	2029
2030	9,105,768		(623,535)	(726,600)			7,755,633	9,753,559,055	\$0.80	\$238.55	2030
2031	8,597,938		(558,425)	(699,800)			7,339,713	10,160,922,382	\$0.72	\$216.70	2031
2032	5,430,825		(540,600)	(775,400)			4,114,825	10,585,299,486	\$0.39	\$116.62	2032
2033	4,302,003		(520,200)	(731,700)			3,050,103	11,027,400,957	\$0.28	\$82.98	2033
2034	2,733,513		0	(770,000)			1,963,513	11,487,967,066	\$0.17	\$51.28	2034
2035	2,663,856			(742,000)			1,921,856	11,967,768,998	\$0.16	\$48.18	2035
2036	2,588,188			(714,000)			1,874,188	12,467,610,150	\$0.15	\$45.10	2036
2037	1,825,550			0			1,825,550	12,988,327,471	\$0.14	\$42.17	2037
2038	1,775,944						1,775,944	13,530,792,868	\$0.13	\$39.38	2038
2039	1,724,281						1,724,281	14,095,914,662	\$0.12	\$36.70	2039
2040	1,671,531						1,671,531	14,684,639,112	\$0.11	\$34.15	2040
2041	1,617,813						1,617,813	15,297,951,997	\$0.11	\$31.73	2041
2042	895,234						895,234	15,936,880,267	\$0.06	\$16.85	2042
2043	0						0	16,602,493,765	\$0.00	\$0.00	2043
Total	114,218,167	(194,375)	(5,390,333)	(8,876,796)	(788,644)	(10,000)	98,958,019				Total

Notes:

Legend:

Represents +/- 25% Change over previous year

Table 2

Capital Improvement Plan & Funding Uses

Projects	Department	Repayment & Term	Plan Issue	Funding	2024
Chiller/Condensor-Library	Buildings & Grounds	Levy-10	2024 G.O. Notes	G.O. Debt	600,000
Transit Van	Buildings & Grounds	Levy-10	2024 G.O. Notes	G.O. Debt	90,000
Window Upgrade-City Hall	Buildings & Grounds	Levy-10	2024 G.O. Notes	G.O. Debt	500,000
Fire Training Tower	Buildings & Grounds	Levy-10	2024 G.O. Notes	G.O. Debt	50,000
Fire Station #1 Lateral	Buildings & Grounds	Levy-10	2024 G.O. Notes	G.O. Debt	250,000
Card Access Upgrades	Buildings & Grounds	Levy-10	2024 G.O. Notes	G.O. Debt	200,000
Golf Course Roof Replacement	Buildings & Grounds	Levy-10	2024 G.O. Notes	G.O. Debt	150,000
Historic Park Painting	Parks	Levy-10	2024 G.O. Notes	G.O. Debt	60,000
Basketball Court Surface	Parks	Levy-10	2024 G.O. Notes	G.O. Debt	50,000
Chipper	Parks	Levy-10	2024 G.O. Notes	G.O. Debt	85,000
Plow Truck -Two	Streets-Equipment	Levy-10	2024 G.O. Notes	G.O. Debt	574,000
Skidsteer	Streets-Equipment	Levy-10	2024 G.O. Notes	G.O. Debt	100,000
Forklift	Streets-Equipment	Levy-10	2024 G.O. Notes	G.O. Debt	50,000
Roadway Rehabilitation	Engineering Streets	Levy-10	2024 G.O. Notes	G.O. Debt	2,000,000
Sunnyslope- Grange to College	Engineering Streets	Levy-10	2024 G.O. Notes	G.O. Debt	422,500
Grange Ave- Moorland to 124th St	Engineering Streets	Levy-10	2024 G.O. Notes	G.O. Debt	370,000
Greenfield- Brookfield Rd to 12th St.	Engineering Streets	Levy-10	2024 G.O. Notes	G.O. Debt	562,500
Lighting- National Ave	Engineering Improvements	Levy-10	2024 G.O. Notes	G.O. Debt	175,000
Sidewalk Repair and Maintenance	Engineering Improvements	Levy-10	2024 G.O. Notes	G.O. Debt	50,000
Malone Park- Baseball Diamond Maintenance	Community Development	Levy-10	2024 G.O. Notes	G.O. Debt	400,000
Park Shelter Maintenance	Community Development	Levy-10	2024 G.O. Notes	G.O. Debt	60,000
Hearing Protection/Headsets	Fire Department	Levy-10	2024 G.O. Notes	G.O. Debt	80,000
Ambulance	Fire Department	Levy-10	2024 G.O. Notes	G.O. Debt	410,000
Hickory Grove Building Renovation	Community Development	Levy-20	2024 G.O. Notes	G.O. Debt	6,827,000
Actual CIP Costs					14,116,000

Table 3

Sources and Uses

City of New Berlin, WI

	2024		
	G.O. Notes	Levy-10 Portion	Levy-20 Portion
CIP Projects			
General CIP Projects	7,289,000	7,289,000	
Hickory Grove	6,827,000		6,827,000
Subtotal Project Costs	14,116,000	7,289,000	6,827,000
CIP Projects	14,116,000	7,289,000	6,827,000
Premium			
Underwriter's Premium (built into rates)	(829,148)	(473,595)	(355,554)
Premium Deposit To Debt Service	748,936	432,166	316,770
Issuance Expenses			
Municipal Advisor (Ehlers)	59,700	30,834	28,866
Bond Counsel	27,500	14,203	13,297
Rating Fee	27,000	13,945	13,055
Underwriter's Discount	5.75 80,213	41,429	38,784
Paying Agent	0	0	0
Subtotal Issuance Expenses	194,413	100,412	94,001
TOTAL TO BE FINANCED	14,230,200	7,347,983	6,882,217
Estimated Interest Earnings	4.00% (282,320)	(145,780)	(136,540)
Assumed spend down (months)	6		
Rounding	2,120	2,797	(677)
NET ISSUE SIZE	13,950,000	7,205,000	6,745,000
PRE-SALE ESTIMATE	14,135,000	7,300,000	6,835,000
DIFFERENCE	(185,000)	(95,000)	(90,000)

Table 4
Allocation of Debt Service - 2024 G.O. Notes

City of New Berlin, WI

Year Ending	Levy-10 Portion					Levy-20 Portion				
	Principal	Rate	Interest	Premium	Net Total	Principal	Rate	Interest	Premium	Net Total
2024					0					0
2025	1,345,000	5.00%	363,653	(363,653)	1,345,000	380,000	5.00%	335,878	(316,770)	399,108
2026	675,000	5.00%	246,175	(68,514)	852,661	335,000	5.00%	259,775		594,775
2027	715,000	5.00%	211,425		926,425	340,000	5.00%	242,900		582,900
2028	730,000	5.00%	175,300		905,300	340,000	5.00%	225,900		565,900
2029	745,000	5.00%	138,425		883,425	340,000	5.00%	208,900		548,900
2030	600,000	4.00%	107,800		707,800	340,000	4.00%	193,600		533,600
2031	600,000	4.00%	83,800		683,800	340,000	4.00%	180,000		520,000
2032	600,000	4.00%	59,800		659,800	340,000	4.00%	166,400		506,400
2033	600,000	4.00%	35,800		635,800	340,000	4.00%	152,800		492,800
2034	595,000	4.00%	11,900		606,900	340,000	4.00%	139,200		479,200
2035						340,000	4.00%	125,600		465,600
2036						340,000	4.00%	112,000		452,000
2037						340,000	4.00%	98,400		438,400
2038						340,000	4.00%	84,800		424,800
2039						340,000	4.00%	71,200		411,200
2040						340,000	4.00%	57,600		397,600
2041						340,000	4.00%	44,000		384,000
2042						340,000	4.00%	30,400		370,400
2043						340,000	4.00%	16,800		356,800
2044						250,000	4.00%	5,000		255,000
Total	7,205,000		1,434,078	(432,166)	8,206,911	6,745,000		2,751,153	(316,770)	9,179,383

Year Ending	Totals			
	Principal (6/1)	Interest	Premium	Net Total
2024	0	0	0	0
2025	1,725,000	699,530	(680,422)	1,744,108
2026	1,010,000	505,950	(68,514)	1,447,436
2027	1,055,000	454,325	0	1,509,325
2028	1,070,000	401,200	0	1,471,200
2029	1,085,000	347,325	0	1,432,325
2030	940,000	301,400	0	1,241,400
2031	940,000	263,800	0	1,203,800
2032	940,000	226,200	0	1,166,200
2033	940,000	188,600	0	1,128,600
2034	935,000	151,100	0	1,086,100
2035	340,000	125,600	0	465,600
2036	340,000	112,000	0	452,000
2037	340,000	98,400	0	438,400
2038	340,000	84,800	0	424,800
2039	340,000	71,200	0	411,200
2040	340,000	57,600	0	397,600
2041	340,000	44,000	0	384,000
2042	340,000	30,400	0	370,400
2043	340,000	16,800	0	356,800
2044	250,000	5,000	0	255,000
Total	13,950,000	4,185,230	(748,936)	17,386,294

Notes:

PRE-SALE ESTIMATE
DIFFERENCE

18,267,308
(881,014)

Table 5
Financing Plan Tax Impact

City of New Berlin, WI

Year Ending	Existing Debt		Proposed Debt											Year Ending	
	Net Debt Service Levy	Equalized Value (TID OUT)	2024 G.O. Notes	2025 G.O. Notes	2026 G.O. Notes	2027 G.O. Notes	2028 G.O. Notes	Debt Service Levy		Taxes					
			14,135,000	31,815,000	12,910,000	25,655,000	12,870,000	Total	Levy Change	Total Tax	Annual Taxes	Impact of			
			Dated: 9/18/2024	Dated: 9/1/2025	Dated: 9/1/2026	Dated: 9/1/2027	Dated: 9/1/2028	Net Debt	from Prior	Rate for	\$300,000	New Financings			
			Total Net P&I	Total P&I	Total P&I	Total P&I	Total P&I	Total P&I	Service Levy	Year	Debt Service	Home	Only		
2024	11,120,541	7,796,566,900	0	4.50%	0	4.75%	0	5%	0	11,120,541		\$1.43	\$428		2024
2025	10,873,937	7,949,009,900	1,744,108	0	0	0	0	0	0	12,618,044	1,497,503	\$1.59	\$476	\$66	2025
2026	10,529,873	8,281,005,134	1,447,436	2,141,494	0	0	0	0	0	14,118,803	1,500,759	\$1.70	\$511	\$130	2026
2027	10,193,845	8,626,866,350	1,509,325	3,150,538	766,531	0	0	0	0	15,620,239	1,501,435	\$1.81	\$543	\$189	2027
2028	9,551,736	8,987,172,670	1,471,200	3,881,988	613,225	1,603,438	0	0	0	17,121,586	1,501,347	\$1.91	\$572	\$253	2028
2029	9,157,905	9,362,527,403	1,432,325	3,769,650	2,175,225	1,282,750	804,375			18,622,230	1,500,644	\$1.99	\$597	\$303	2029
2030	7,755,633	9,753,559,055	1,241,400	3,735,288	2,099,225	2,794,000	643,500			18,269,045	(353,185)	\$1.87	\$562	\$323	2030
2031	7,339,713	10,160,922,382	1,203,800	3,614,013	2,023,225	2,765,250	1,131,000			18,077,000	(192,045)	\$1.78	\$534	\$317	2031
2032	4,114,825	10,585,299,486	1,166,200	3,497,625	1,947,225	3,606,625	2,339,375			16,671,875	(1,405,125)	\$1.58	\$473	\$356	2032
2033	3,050,103	11,027,400,957	1,128,600	3,376,125	1,871,225	3,479,375	2,251,125			15,156,553	(1,515,322)	\$1.37	\$412	\$329	2033
2034	1,963,513	11,487,967,066	1,086,100	3,254,625	1,795,225	3,352,125	2,162,875			13,614,463	(1,542,091)	\$1.19	\$356	\$304	2034
2035	1,921,856	11,967,768,998	465,600	3,172,225	1,719,225	3,224,875	2,074,625			12,578,406	(1,036,056)	\$1.05	\$315	\$267	2035
2036	1,874,188	12,467,610,150	452,000	1,172,125	1,750,613	3,097,625	1,986,375			10,332,925	(2,245,481)	\$0.83	\$249	\$204	2036
2037	1,825,550	12,988,327,471	438,400	1,135,225	0	3,326,250	1,898,125			8,623,550	(1,709,375)	\$0.66	\$199	\$157	2037
2038	1,775,944	13,530,792,868	424,800	1,098,325	0	1,011,375	1,824,500			6,134,944	(2,488,606)	\$0.45	\$136	\$97	2038
2039	1,724,281	14,095,914,662	411,200	1,066,313	0	977,125	0			4,178,919	(1,956,025)	\$0.30	\$89	\$52	2039
2040	1,671,531	14,684,639,112	397,600	1,029,188	0	942,875	0			4,041,194	(137,725)	\$0.28	\$83	\$48	2040
2041	1,617,813	15,297,951,997	384,000	992,063	0	908,625	0			3,902,500	(138,694)	\$0.26	\$77	\$45	2041
2042	895,234	15,936,880,267	370,400	954,938	0	874,375	0			3,094,947	(807,553)	\$0.19	\$58	\$41	2042
2043	0	16,602,493,765	356,800	917,813	0	840,125	0			2,114,738	(980,209)	\$0.13	\$38	\$38	2043
2044	0	17,295,907,016	255,000	880,688	0	805,875	0			1,941,563	(173,175)	\$0.11	\$34	\$34	2044
2045	0	18,018,281,093	0	843,563	0	771,625	0			1,615,188	(326,375)	\$0.09	\$27	\$27	2045
2046	0	18,770,825,562	0	0	0	737,375	0			737,375	(877,813)	\$0.04	\$12	\$12	2046
2047	0	19,554,800,509	0	0	0	722,625	0			722,625	(14,750)	\$0.04	\$11	\$11	2047
Total	98,958,019		17,386,294	43,683,806	16,760,944	37,124,313	17,115,875			231,029,251				3,603	Total

Notes:

Table 6**General Obligation Debt Capacity Analysis - Impact of Financing Plan***City of New Berlin, WI*

Existing Debt				
Year Ending	Projected Equalized Value (TID IN)	Debt Limit	Existing Principal Outstanding	% of Limit
2023	7,871,954,300	393,597,715	95,070,000	24.15%
2024	8,046,558,800	402,327,940	85,610,000	21.28%
2025	8,392,337,868	419,616,893	76,440,000	18.22%
2026	8,752,975,856	437,648,793	67,105,000	15.33%
2027	9,129,111,283	456,455,564	57,605,000	12.62%
2028	9,521,410,112	476,070,506	48,385,000	10.16%

Proposed Debt			
Combined Principal Existing & Proposed			Year Ending
	% of Limit	Residual Capacity	
\$95,070,000	24%	\$298,527,715	2023
\$99,560,000	25%	\$302,767,940	2024
\$120,480,000	29%	\$299,136,893	2025
\$122,685,000	28%	\$314,963,793	2026
\$136,010,000	30%	\$320,445,564	2027
\$135,985,000	29%	\$340,085,506	2028

Notes:

CREDIT OPINION

22 August 2024



Send Your Feedback

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Japan 81-3-5408-4100
EMEA 44-20-7772-5454

City of New Berlin, WI

Update to credit analysis

Summary

[New Berlin, WI](#) (Aaa) has a strong financial position and unused levy capacity that provides operational flexibility. Economic indicators are solid, though they lag the median for Aaa rated peers. Long-term leverage is moderate and expected to rise with future debt plans, though debt amortization is fast.

Credit strengths

- » Strong reserve position and notable unused levy capacity
- » Improving full value per capita because of the city's growing tax base

Credit challenges

- » While healthy, economic indicators lag medians for Aaa rated peers
- » Moderate long-term leverage driven by debt

Rating outlook

We do not typically assign outlooks to local government issuers with this amount of debt.

Factors that could lead to an upgrade

- » Not applicable

Factors that could lead to a downgrade

- » Narrowing of reserves to levels below 40% of revenue
- » Significant increase in long-term leverage to levels approaching 350% of revenue

Key indicators

Exhibit 1

New Berlin (City of) WI

	2020	2021	2022	2023	Aaa Medians
Economy					
Resident income ratio (%)	137.6%	132.4%	132.8%	N/A	170.6%
Full Value (\$000)	\$5,849,284	\$6,270,870	\$7,105,119	\$7,871,954	\$8,680,662
Population	39,794	40,289	40,387	N/A	36,119
Full value per capita (\$)	\$146,989	\$155,647	\$175,926	N/A	N/A
Annual Growth in Real GDP	-4.0%	4.3%	1.0%	N/A	4.9%
Financial Performance					
Revenue (\$000)	\$57,840	\$59,463	\$62,979	\$72,701	\$101,733
Available fund balance (\$000)	\$48,983	\$49,735	\$43,500	\$48,938	\$62,520
Net unrestricted cash (\$000)	\$59,357	\$65,861	\$83,572	\$65,831	\$88,880
Available fund balance ratio (%)	84.7%	83.6%	69.1%	67.3%	61.7%
Liquidity ratio (%)	102.6%	110.8%	132.7%	90.5%	91.1%
Leverage					
Debt (\$000)	\$64,974	\$76,961	\$104,091	\$101,343	\$68,781
Adjusted net pension liabilities (\$000)	\$68,635	\$86,687	\$82,590	\$41,820	\$105,726
Adjusted net OPEB liabilities (\$000)	\$5,801	\$5,635	\$5,455	\$5,246	\$11,674
Other long-term liabilities (\$000)	\$1,722	\$1,739	\$7,120	\$6,947	\$3,903
Long-term liabilities ratio (%)	244.0%	287.6%	316.4%	213.7%	258.2%
Fixed costs					
Implied debt service (\$000)	\$4,263	\$4,653	\$5,398	\$7,270	\$4,899
Pension tread water contribution (\$000)	\$1,010	\$723	\$807	N/A	\$3,333
OPEB contributions (\$000)	\$82	\$84	\$85	\$89	\$503
Implied cost of other long-term liabilities (\$000)	\$120	\$123	\$122	\$497	\$262
Fixed-costs ratio (%)	9.5%	9.4%	10.2%	11.9%	11.2%

For definitions of the metrics in the table above please refer to the [US Cities and Counties Methodology](#) or see the Glossary in the Appendix below. Metrics represented as N/A indicate the data were not available at the time of publication. The medians come from our most recently published [US Cities and Counties Median Report](#).

The real GDP annual growth metric cited above is for the Milwaukee-Waukesha, WI Metropolitan Statistical Area Metropolitan Statistical Area.

Sources: US Census Bureau, New Berlin (City of) WI's financial statements and Moody's Ratings, US Bureau of Economic Analysis

Profile

New Berlin encompasses 36 square miles in Waukesha County (Aaa stable), roughly 10 miles southwest of the City of Milwaukee (A3 stable). It provides a full range of municipal services to close to 40,000 residents.

Detailed credit considerations

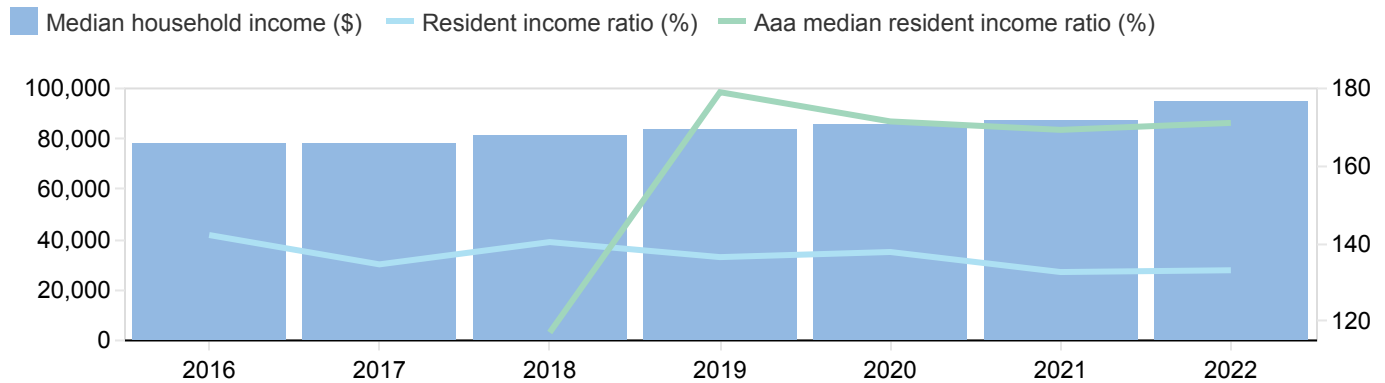
New Berlin's credit profile is supported by a growing tax base and unused levy capacity that provides operational flexibility. A steady trend of new construction and ongoing residential appreciation grew the city's 2024 equalized assessed value by 2%, increasing full value per capita to nearly \$200,000. While the city's economic indicators are solid, they lag the medians for Aaa rated cities nationally. However, the city's unused levy capacity distinguishes it from many peers in the state and helps provide a buffer against strict state imposed limits on increasing the levy. In fiscal 2024 (Dec. 31 year-end) New Berlin had a little over \$5 million in unused levy capacity, or 10% of governmental revenue. Capacity is from the city's abated debt service levy that is paid from other sources, including tax increment district (TID) increment, golf course revenue and utility revenue.

The city's financial position will remain strong. The city will receive an increase of \$1 million in state shared revenue in 2024 that will likely support salary increases. The fiscal 2024 budget is balanced, though management expects positive results due to conservative budgeting. Fiscal 2023 closed with an increase in fund balance that was driven by positive investment income and conservative budgeting of expenses. The city's leverage will grow, but likely remain moderate as the city plans to issue \$60 million over the next five years for a public works garage and street and park improvements. Payout is quick with majority of outstanding GOULT retired in the next 10 years.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody.com> for the most updated credit rating action information and rating history.

Exhibit 2

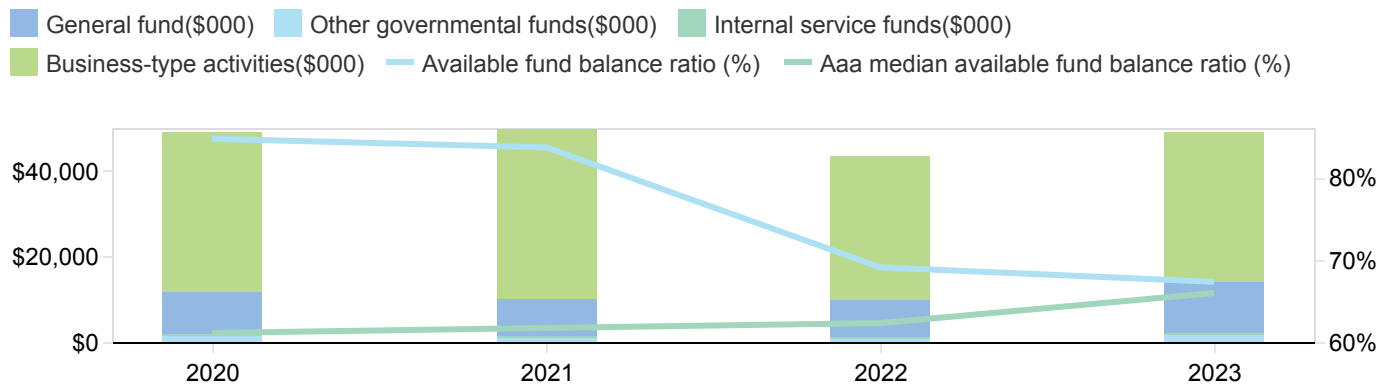
Resident Income



Source: Moody's Ratings

Exhibit 3

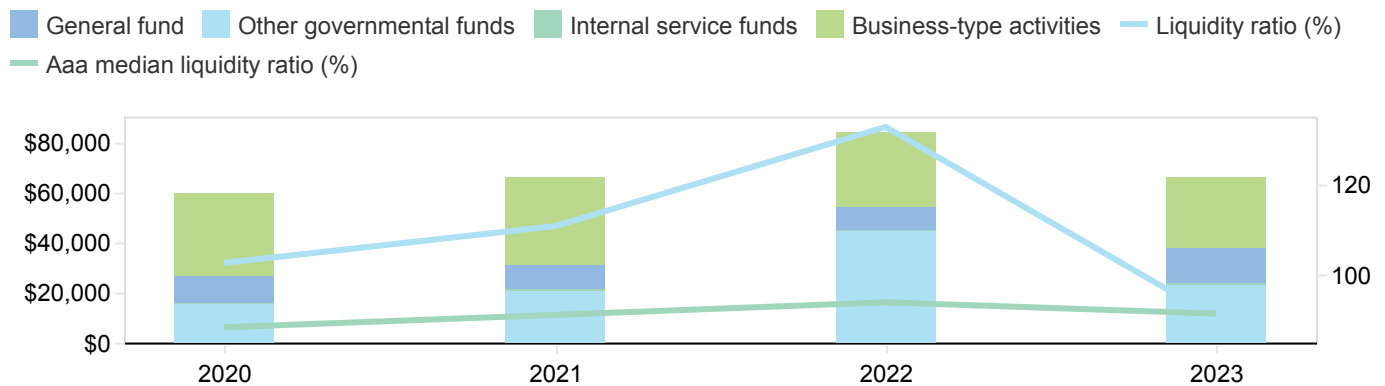
Fund Balance



Source: Moody's Ratings

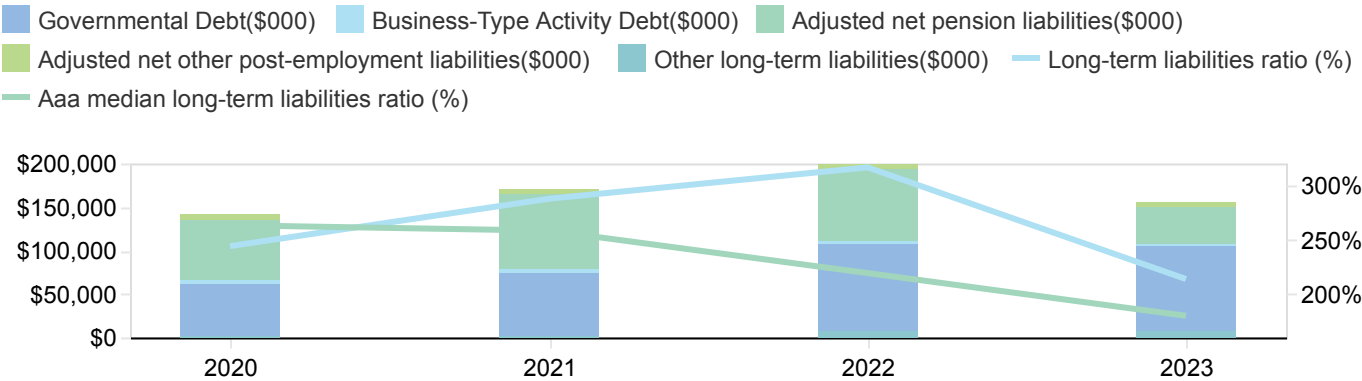
Exhibit 4

Cash



Source: Moody's Ratings

Exhibit 5
Total Primary Government - Long Term Liabilities

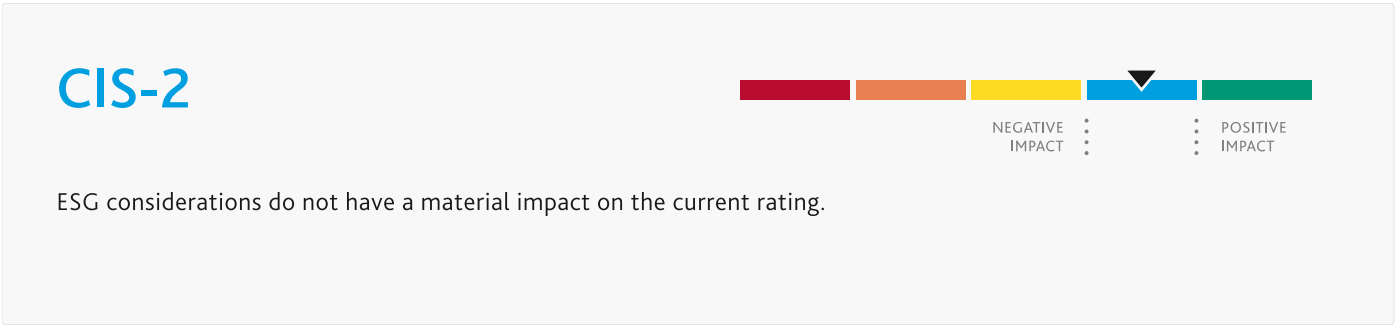


Source: Moody's Ratings

ESG considerations

New Berlin (City of) WI's ESG Credit Impact Score is Neutral-to-Low CIS-2

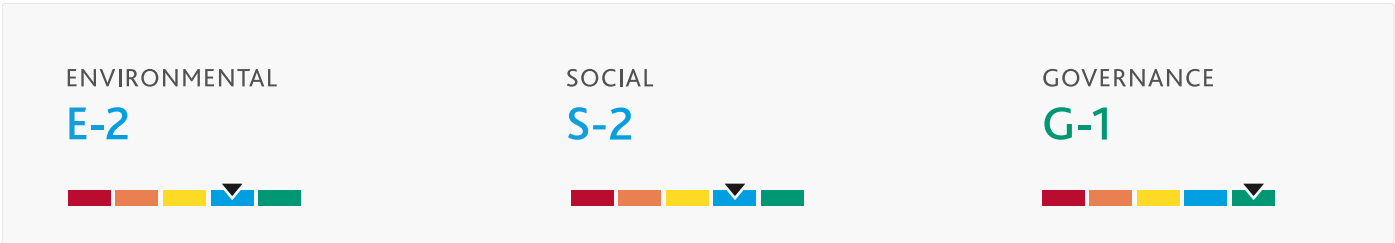
Exhibit 6
ESG credit impact score



Source: Moody's Ratings

New Berlin's ESG Credit Impact Score of **CIS-2** indicates that ESG considerations have a neutral-to-low impact on its credit rating, reflecting neutral to low exposure to environmental, social and governance risks.

Exhibit 7
ESG issuer profile scores



Source: Moody's Ratings

Environmental

New Berlin's E Issuer Profile Score is **E-2**, reflecting neutral-to-low exposure to all environmental risks categories, including physical climate risk, carbon transition, water management, natural capital and waste and pollution. Environmental considerations do not play a material role in the city's credit profile. Located in eastern Wisconsin, Waukesha County has a continental climate with four

distinct season. Based on data from Moody's ESG Solutions data, Waukesha County has low exposure to extreme rainfall and heat stress relative to counties nationally, though its water stress exposure is high. This measure does not account for the city's abundant groundwater resources. Aquifers supply drinking water to a majority of city residents. Availability will likely remain strong, though heavy reliance on groundwater can occasionally present risks, such as rising levels of nutrients and other contaminants which could require additional treatment. We do not anticipate environmental, climate, or weather related events to materially impact the city's operations in the near term.

Social

New Berlin's S Issuer Profile Score is **S-2**, reflecting neutral-to-low exposure to social risks in most categories including access to basic services, housing, education, labor and income and demographics. Population growth is steady and the city's unemployment metrics are slightly above average compared to the nation, with residents having access to ample employment options in the nearby Milwaukee metropolitan area. The city has positive exposure to education and health and safety. The city has above average educational attainment and life expectancy metrics, as well as low violent crime rates. The city has also prioritized ADA accessibility throughout public facilities.

Governance

New Berlin's G Issuer Profile Score is **G-1** reflecting strengths in the city's policy credibility and effectiveness and strong management and budgeting practices. The city's transparency and disclosure is in line with peers, reflected in timely filing of audited financial statements and budgets. The city currently maintains different investment, budgeting, and fund balance policies to name a few, which it updates every three years. Budget management is strong, proven by the city's solid reserves, its utilization of a long-term capital improvement plan, and its flexibility in revenue raising ability. Unlike most Wisconsin (Aa1 stable) cities, which levy at the maximum allowable amount, New Berlin has consistently maintained a significant amount of unused levy capacity, providing flexibility to increase operating revenues as needed.

Rating methodology and scorecard factors

The US Cities and Counties Methodology includes a scorecard, which summarizes the rating factors generally most important to city and county credit profiles. Because the scorecard is a summary, and may not include every consideration in the credit analysis for a specific issuer, a scorecard-indicated outcome may or may not map closely to the actual rating assigned.

The assigned rating is higher than the scorecard indicated outcome because of the city's trend of maintaining strong reserves, its unused levy capacity and quick amortization schedule.

Exhibit 8

New Berlin (City of) WI

	Measure	Weight	Score
Economy			
Resident income ratio	132.8%	10.0%	Aaa
Full value per capita	199,236	10.0%	Aaa
Economic growth metric	-1.3%	10.0%	A
Financial Performance			
Available fund balance ratio	67.3%	20.0%	Aaa
Liquidity ratio	90.5%	10.0%	Aaa
Institutional Framework			
Institutional Framework	A	10.0%	A
Leverage			
Long-term liabilities ratio	213.7%	20.0%	A
Fixed-costs ratio	11.9%	10.0%	Aa
Notching factors			
No notchings applied			
Scorecard-Indicated Outcome			Aa2
Assigned Rating			Aaa

The Economic Growth metric cited above compares the five-year CAGR of real GDP for Milwaukee-Waukesha, WI Metropolitan Statistical Area Metropolitan Statistical Area to the five-year CAGR of real GDP for the US.

Sources: US Census Bureau, New Berlin (City of) WI's financial statements and Moody's Ratings

Appendix

Exhibit 9

Key Indicators Glossary

	Definition	Typical Source*
Economy		
Resident income ratio	Median Household Income (MHI) for the city or county, adjusted for Regional Price Parity (RPP), as a % of the US MHI	MHI: US Census Bureau - American Community Survey 5-Year Estimates RPP: US Bureau of Economic Analysis
Full value	Estimated market value of taxable property in the city or county	State repositories; audited financial statements; continuing disclosures
Population	Population of the city or county	US Census Bureau - American Community Survey 5-Year Estimates
Full value per capita	Full value / population	
Economic growth metric	Five year CAGR of real GDP for Metropolitan Statistical Area or county minus the five-year CAGR of real GDP for the US	Real GDP: US Bureau of Economic Analysis
Financial performance		
Revenue	Sum of revenue from total governmental funds, operating and non-operating revenue from total business-type activities, and non-operating revenue from internal services funds, excluding transfers and one-time revenue, e.g., bond proceeds or capital contributions	Audited financial statements
Available fund balance	Sum of all fund balances that are classified as unassigned, assigned or committed in the total governmental funds, plus unrestricted current assets minus current liabilities from the city's or county's business-type activities and internal services funds	Audited financial statements
Net unrestricted cash	Sum of unrestricted cash in governmental activities, business type activities and internal services fund, net of short-term debt	Audited financial statements
Available fund balance ratio	Available fund balance (including net current assets from business-type activities and internal services funds) / Revenue	
Liquidity ratio	Net unrestricted cash / Revenue	
Leverage		
Debt	Outstanding long-term bonds and all other forms of long-term debt across the governmental and business-type activities, including debt of another entity for which it has provided a guarantee disclosed in its financial statements	Audited financial statements; official statements
Adjusted net pension liabilities (ANPL)	Total primary government's pension liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits	Audited financial statements; Moody's Investors Service
Adjusted net OPEB liabilities (ANOL)	Total primary government's net other post-employment benefit (OPEB) liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits	Audited financial statements; Moody's Investors Service
Other long-term liabilities (OLTL)	Miscellaneous long-term liabilities reported under the governmental and business-type activities entries	Audited financial statements
Long-term liabilities ratio	Debt + ANPL + ANOL + OLTL / Revenue	
Fixed costs		
Implied debt service	Annual cost to amortize city or county's long-term debt over 20 years with level payments	Audited financial statements; official statements; Moody's Investors Service
Pension tread water contribution	Pension contribution necessary to prevent reported unfunded pension liabilities from growing, year over year, in nominal dollars, if all actuarial assumptions are met	Audited financial statements; Moody's Investors Service
OPEB contribution	City or county's actual contribution in a given period	Audited financial statements
Implied cost of OLTL	Annual cost to amortize city or county's other long-term liabilities over 20 years with level payments	Audited financial statements; Moody's Investors Service
Fixed-costs ratio	Implied debt service + Pension tread water + OPEB contributions + Implied cost of OLTL / Revenue	

*Note: If typical data source is not available then alternative sources or proxy data may be considered. For more detailed definitions of the metrics listed above please refer to the [US Cities and Counties Methodology](#).

Source: Moody's Ratings

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CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

BID FORM

The Common Council
City of New Berlin, Wisconsin (the "City")

August 27, 2024

RE: **\$14,135,000* General Obligation Promissory Notes, Series 2024A (the "Notes")**
DATED: **September 18, 2024**

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 \$14,929,178.90 (not less than \$13,958,312.50, nor more than \$15,265,800) plus accrued interest to date of delivery for fully registered Notes bearing interest rates and maturing in the stated years as follows:

5.00	% due	2025	4.00	% due	2032	4.00	% due	2039
5.00	% due	2026	4.00	% due	2033	4.00	% due	2040
5.00	% due	2027	4.00	% due	2034	4.00	% due	2041
5.00	% due	2028	4.00	% due	2035	4.00	% due	2042
5.00	% due	2029	4.00	% due	2036	4.00	% due	2043
4.00	% due	2030	4.00	% due	2037	4.00	% due	2044
4.00	% due	2031	4.00	% due	2038			

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

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

A good faith deposit ("Deposit") in the amount of \$282,700 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 September 18, 2024.

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

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

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

By submitting this bid, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds. YES: X 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: TD Securities (USA) LLC
Account Members: Alone

By: 

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 September 18, 2024 of the above bid is \$ 3,666,804.02 and the true interest cost (TIC) is 3.268453 %.

The foregoing offer is hereby accepted by and on behalf of the Common Council of the City of New Berlin, Wisconsin, on August 27, 2024.

By: _____

By: _____

Title: _____

Title: _____

REQUESTED ACTION STATEMENT

MEMO TO: Mayor David Ament
Common Council

CC: Plan Commission (via email)

MEMO FROM: Gregory W. Kessler, AICP - Director

DATE: August 21, 2024

ISSUE: Sherri Meyer on behalf of Holy Apostles Congregation has filed a petition to:

- Amend the Future Land Use Map within the City's Comprehensive Plan (Chapter 10 – Land Use) from Suburban Commercial to Institutional.

AND

- Rezone from B-2 to I-1 for the property located at 15856 W. National Avenue (Tax Key #: 1212-993) and a portion of the property located at 16000 W. National Ave (Tax Key #: 1212-991-002).

REQUESTED: Recommend to the Common Council that a joint public hearing be set for October 7, 2024 at 6:00 p.m. to be held before the Plan Commission to amend the Future Land Use Map within the City's Comprehensive Plan (Chapter 10 – Land Use) for the located at 15856 W. National Avenue (Tax Key #: 1212-993) and a portion of the property located at 16000 W. National Ave (Tax Key #: 1212-991-002) from Suburban Commercial to Institutional;

AND

Recommend to the Common Council that a joint public hearing be set for October 7, 2024 at 6:00 p.m. to be held before the Plan Commission to rezone the property located at 15856 W. National Avenue (Tax Key #: 1212-993) and a portion of the property located at 16000 W. National Avenue (Tax Key #: 1212-991-002 from B-2 TO I-1.

RATIONALE: Per Chapter 275-21.1 of the City's Zoning Code, the applicant has filed a completed application and petitioned the City to amend the Comprehensive Plan / Future Land Use Map for this property. Per this section, the applicant submits the application to the Common Council for initial review. DCD staff prepares a requested action statement to refer the request to the Plan Commission to hold a public hearing and take action via a resolution. A report shall be forwarded to the Common Council for final action.

Per Chapter 275-22 of the City's Zoning Code, the applicant has filed a completed application and petitioned the City to rezone these properties. In addition, per State Statute 62.23(7), the Common Council may refer to the Plan Commission all petitions to rezone a property and require that a public

hearing be held to obtain public input and that the Plan Commission formulate a recommendation. These recommendations shall be forwarded to the Common Council for final action.

Per Zoning Code Section 275-20I, the applicant has simultaneously filed a Land Division application.

Note: Staff is continuing to prepare the 2030 Comprehensive Plan Updates as time permits. Please note this request will include other basic changes to these chapters. This will represent a public hearing for the 2030 Comprehensive Plan updates. Additional public hearings will be set up to handle the remaining chapters at a future date.



741 N. Grand Ave., #210
Waukesha, WI 53186

P 262.896.8080
W bridgeslibrarysystem.org

To: Chief Elected Officials/Administrators in Municipalities with Libraries, Library Directors
From: Karol Kennedy, Bridges Library System Director
Re: Waukesha County Library Tax Exemption Notice
Date: August 19, 2024

Annually, Waukesha County sets a special levy for library services. The funds are distributed to public libraries to compensate them for use by non-residents of their communities. State law (ss. 43.64(2) Wisc. Statutes) provides that municipalities with libraries may avoid double taxation and exempt themselves from this special levy if they meet certain conditions:

- Exempting library municipalities must levy and expend an amount equal to or greater than the mill rate set by Waukesha County in the preceding year with the exception of joint libraries whose participating municipalities have an alternate option for exempting which is to levy and expend an amount not less than the average of the previous 3 years (ss.43.64 (2)(c)).
- Exempting library communities are required to provide written notification to the county annually.
- The County Code requires that the notification be from the **local governing body** rather than from the clerk alone.
- The County Code also requires a deadline of September 30 so that the County Executive Budget available to supervisors and the general public can properly reflect the county library taxation levels in the Adopted Budget in November.
- Exempting communities must also have a library that meets or exceeds minimum service levels and quality assurance standards (included in the Waukesha County Library Services Plan and formally adopted by the Waukesha County Board of Supervisors in 2022) which are certified by the library board. (The libraries have already received their standards certification letters.)

If you would like to exempt your municipality from the Waukesha County library tax, the form (on page 2), ***Request for Exemption from Waukesha County Library Levy 2024 Tax for 2025 Purposes*** must be completed, approved by the municipality's governing body, signed, and returned to Bridges Library System no later than September 30, 2024. A copy of your adopted municipal ordinance or resolution certifying that your library appropriation meets or exceeds the requirements is also required. Email submission is acceptable as long as the form includes the actual signature.

Thank you for providing library services to our citizens. Strong libraries build strong communities and your commitment to support your library is vital and valued!

**Request for Exemption from Waukesha County Library Levy
2024 Tax for 2025 Purposes**

Name of Community:

Name of library:

We recognize that, pursuant to 43.64 of Wisconsin Statutes, to obtain an exemption from the 2024 county library levy for 2025 purposes, the municipality must certify that during budget year 2025, its library will be provided and be allowed to expend no less than the county library tax rate in the prior year, \$0.201553 per \$1,000 Equalized Value.

In the case of a joint library, an alternate exemption option exists pursuant to ss 43.64 (2) (c). Under this language, each participating municipality in the joint library has the option to certify that during its budget year 2025, the library will be provided and allowed to expend no less than the average of the funding levels of the previous 3 years.

We further recognize that, pursuant to state law, listed funding must be only from municipal sources, not the entire library budget. Reported amounts must exclude fines, fees, and other revenues. Capital expenditures are excluded as well.

I am authorized to certify that the governing body of the municipality has enacted an ordinance or resolution pledging that it will appropriate and allow the library to expend no less than a rate of \$0.201553 per \$1,000 of the actual state Equalized Value amount for the community that was published by the state on August 15, 2024 or, in the case of a joint library whose municipality may choose this option, that the participating municipality will appropriate and allow the library to expend no less than the average of the funding levels of the previous 3 years.

The community meets its requirement stated above and is therefore eligible for exemption from the 2024 Waukesha County library levy.

Name and Title of Person filling out this form:

Signature

Date

This form, along with a copy of the municipal resolution/ordinance, must be filed no later than September 30, 2024.

Send to:

Bridges Library System

741 N. Grand Avenue, Suite 210

Waukesha, WI 53186

Or email to kkennedy@bridgeslibrarysystem.org

- RESOLUTION NO. 2024-11
RESOLUTION OF ELIGIBILITY FOR EXEMPTION
FROM THE 2024 COUNTY LIBRARY TAX LEVY FOR 2025 PURPOSES

WHEREAS, The City of New Berlin seeks an exemption from the county library tax and must submit a Notice of Exemption to the Bridges Library System; and

WHEREAS, Pursuant to §43.64 Wisconsin Statutes, in order to obtain an exemption from the 2024 County library levy for 2025 purposes, the City of New Berlin must certify that during budget year 2025, its library will be provided and be allowed to expend no less than the County rate in the prior year; and

WHEREAS, Pursuant to state law, listed funding must be only from municipal sources, not the entire library budget and reported amounts must exclude fines, fees and other revenues and capital expenditures are excluded as well; and

WHEREAS, Said Notice of Exemption must be supported by a duly enacted ordinance or resolution of the governing body of the City of New Berlin.

NOW, THEREFORE, BE IT RESOLVED That the Common Council of the City of New Berlin does hereby pledge that it will appropriate and allow the library to tax at a rate of at least \$0.201553 per \$1,000 of equalized valuation.

BE IT FURTHER RESOLVED That the Mayor is authorized to sign and submit the Notice of Exemption in the name of the City to the Bridges Library System.

Dated at New Berlin, Wisconsin this 27th day of August 2024.

APPROVED:

David A. Ament, Mayor

Countersigned:

Kenneth A. Harenda II
Common Council President