

PRELIMINARY OFFICIAL STATEMENT DATED MAY 20, 2025

NEW ISSUE
Bank Qualified

Rating Application:
Moody's Investors Service (See "RATING" herein)

In the opinion of Griggs Law Office LLC, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Notes is excludable from gross income and is not an item of tax preference for federal income tax purposes; however interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). See "LEGAL MATTERS – Tax Exemption" herein for a more detailed discussion of federal tax consequences of owning the Notes. Interest on the Notes is not exempt from present Wisconsin income taxes. The Notes will be designated by the City as "Qualified Tax Exempt Obligations" for purposes of Section 265 of the Code.

CITY OF BROOKFIELD Waukesha County, Wisconsin

\$8,075,000 General Obligation Promissory Notes

DATED: June 18, 2025

DUE: December 1, 2026 – 2044

The \$8,075,000 General Obligation Promissory Notes (the "Notes") will be dated June 18, 2025, will be in the denomination of \$5,000 each or any multiple thereof, and will mature serially on December 1, 2026 through 2044. Interest shall be payable commencing on June 1, 2026 and semiannually thereafter on December 1 and June 1 of each year. Interest is calculated based on 360-day year of twelve 30-day months.

MATURITY SCHEDULE

December 1	Amount	Rate	Yield	Base CUSIP 112857 ⁽¹⁾	December 1	Amount	Rate	Yield	Base CUSIP 112857 ⁽¹⁾
2026	\$875,000				2036	\$325,000			
2027	470,000				2037	325,000			
2028	470,000				2038	325,000			
2029	470,000				2039	325,000			
2030	470,000				2040	325,000			
2031	475,000				2041	325,000			
2032	480,000				2042	325,000			
2033	480,000				2043	325,000			
2034	480,000				2044	325,000			
2035	480,000								

The Notes are being issued pursuant to Chapter 67 of the Wisconsin Statutes, the Authorizing Resolution, and the Note Resolution (each as defined herein). The Notes will be general obligations of the City of Brookfield, Waukesha County, Wisconsin (the "City") for which its full faith and credit and unlimited taxing powers are pledged which taxes may, under current law, be levied without limitation as to rate or amount. Proceeds of the Notes will be used for the purpose of paying the costs of street, water utility, bike path and park improvements (the "Project").

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

The Notes are issued as fully registered Notes and will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York, ("DTC"), to which principal and interest payments on the Notes will be made. Individual purchases will be made in book-entry form only in denominations of \$5,000 principal amount or any integral multiple thereof. Purchasers of the Notes will not receive physical delivery of note certificates. See "BOOK-ENTRY-ONLY SYSTEM" herein. The City will act as Note registrar and paying agent for the Notes.

Bids for the Notes will be received by the City in accordance with the bidding specifications contained in the OFFICIAL NOTICE OF SALE included herein as Exhibit IV. The Notes shall be awarded to the responsible bidder whose proposal results in the lowest true interest cost to the City. The Notes will be delivered subject to the unqualified approval of legality by Griggs Law Office LLC, Milwaukee, Wisconsin, Bond Counsel. The Notes are expected to be delivered on or about June 18, 2025.

*The City reserves the right, after bids are opened and prior to award, to increase or decrease the amount of any individual maturity of the Notes in increments of \$5,000 on the day of sale. In the event of any such modification, the aggregate purchase price proposed will be adjusted to maintain the same gross spread relating to underwriter compensation per \$1,000.

SALE DATE AND TIME: Tuesday, June 3, 2025 at 10:30 A.M. Central Time

AWARD DATE: At a Common Council meeting commencing at 7:45 P.M. Central Time on June 3, 2025



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City of Brookfield, Wisconsin

City Hall
City of Brookfield
2000 North Calhoun Road
Brookfield, WI 53005
(262) 782-9650

Common Council

<u>Name</u>	<u>Aldermanic District</u>
Sara Monty	First
William F. Carnell	First
Richard Owen	Second
Robert Reddin	Second
Thomas Szews	Third
Jason Anderson	Third
Michael Hallquist	Fourth
Chuck Bloom	Fourth
Dean Marquardt	Fifth
Gary Mahkorn, President	Fifth
Christopher Blackburn	Sixth
Gerald Mellone	Sixth
Eric Fugleberg	Seventh
Kris Seals	Seventh

Administration

Steven V. Ponto	Mayor
Julie Aquavia	Deputy City Clerk
Robert W. Scott	Director of Finance and Administration/Treasurer
Jenna Merten	City Attorney
Nicholas Garcia	Assessor
Thomas M. Grisa	Director of Public Works
Daniel Erickson	City Engineer
Daniel F. Ertl	Director of Community Development

Paying Agent

City of Brookfield
Contact – Director of Finance and Administration/Treasurer

Professional Services

<u>Independent Auditors</u>	<u>Bond Counsel</u>
Baker Tilly US, LLP 790 N. Water Street, Suite 2000 Milwaukee, WI 53202	Griggs Law Office LLC 4230 N. Oakland Avenue #313 Milwaukee, WI 53211

Municipal Advisor

Wisconsin Public Finance Professionals, LLC
155 South Executive Drive, Suite 211
Brookfield, WI 53005

This Official Statement is being distributed in connection with the sale of the Notes referred to in this Official Statement and may not be used, in whole or in part, for any other purpose. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations concerning the Notes other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as statements of the City of Brookfield, Waukesha County, Wisconsin (the "City"). This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person, in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

Unless otherwise indicated, the City is the source of the information contained in this Official Statement. Certain information contained herein has been obtained from sources other than records of the City, and is believed to be reliable, but is not guaranteed as to accuracy or completeness. The information and opinions expressed herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date of this Official Statement.

Wisconsin Public Finance Professionals, LLC, Brookfield, Wisconsin, is serving as municipal advisor (the "Municipal Advisor") to the City in connection with the issuance of the Notes. In preparing this Official Statement, the Municipal Advisor has relied upon the City and other sources having access to relevant data to provide accurate information for this Official Statement. To the best of the Municipal Advisor's knowledge, the information contained in this Official Statement is true and accurate. However, the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information.

Any statements made in this Official Statement, including the Exhibits, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information that are based on the City's beliefs as well as assumptions made by and information currently available to the City. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

This Official Statement should be considered in its entirety. No one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, ordinances, reports or other documents are referred to in this Official Statement, reference should be made to those documents for more complete information regarding their subject matter.

The Notes will not be registered under the Securities Act of 1933, as amended, in reliance upon exemptions contained in the Act, or the securities laws of any state of the United States, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity, other than the City, shall have passed upon the accuracy or adequacy of this Official Statement.

TABLE OF CONTENTS

	<u>Page</u>
NEW ISSUE	1
SUMMARY	6
INTRODUCTION	7
THE NOTES	7
Authority and Purpose	7
Security	7
Maturities, Interest Rates and Form of Note	8
Redemption Provision	8
Notice of Redemption	8
Paying Agent	8
THE PROJECT	9
Source and Application of Funds	9
CONSTITUTIONAL AND STATUTORY CONSIDERATIONS AND LIMITATIONS CONCERNING THE CITY'S POWER TO INCUR INDEBTEDNESS	9
THE RESOLUTIONS	10
Tax Levy Limits	11
Revenue from the State	12
Continuing Disclosure	12
BOOK ENTRY-ONLY SYSTEM	13
THE CITY	15
Location and Organization	15
Common Council	15
Administration	15
Principal Services and Facilities	16
Employees and Labor Relations	16
Pension and Retirement Plan	17
Other Post-Employment Benefits	18
DEMOGRAPHIC AND ECONOMIC DATA	19
Local Economy	19
Population	21
Median Age	21
Median Home Value	21
Median Household Income	21
Per Return Adjusted Gross Income	21
Per Capita Income	21
Unemployment Rates	22
Building Permits	22
Employment by Industry	22
Largest Employers	23
Largest Taxpayers	24
Property Valuations and Tax Levies	25
Tax Rates	25

	<u>Page</u>
INDEBTEDNESS	26
Categories of Debt and Amount Outstanding	26
General Obligation Debt Service Schedule	28
Revenue Debt Service Schedule – Sewer Utility Purposes	40
Self-Supporting Utility Debt Service Projected Revenues and Expenses	41
General Obligation Debt Trends for the Last Five Years	43
Debt Limit	44
Future Financing	44
Borrowing for Operational Purposes	44
Default Record	44
Direct and Overlapping Debt	45
Statistical Summary	45
FINANCIAL INFORMATION	46
Budgeting Process	47
Budget Summary	48
Governmental Fund Summary	49
General Fund Summary	50
Room Tax Revenues	51
Summary of Property Assessment, Tax Levy and Tax Collection Procedures	51
History of Tax Collections	52
UNDERWRITING	52
Original Issue Discount	53
Bond Premium	54
LEGAL MATTERS	54
Tax Exemption	54
Designation as Qualified Tax-Exempt Obligations	55
Approval of Legality of the Notes	55
Absence of Material Litigation	55
MUNICIPAL BANKRUPTCY	56
RATING	56
EXHIBITS	57
MISCELLANEOUS	57
MUNICIPAL ADVISOR	57
ACCURACY AND COMPLETENESS OF OFFICIAL STATEMENT	58
EXHIBIT I.	City of Brookfield, Wisconsin Financial Statements and Independent Auditors' Report for the Year Ended December 31, 2024, which have been excerpted from the City's Annual Comprehensive Financial Report
EXHIBIT II.	Form of Legal Opinion
EXHIBIT III.	Form of Continuing Disclosure Certificate
EXHIBIT IV.	Official Notice of Sale and Bid Form

SUMMARY

This is not a summary of this Official Statement. The information on this page is qualified by more complete and detailed information contained in the entire Official Statement, including the cover page and exhibits hereto, and the documents summarized or described herein. A review of the entire Official Statement and all such documents should be made by potential investors.

Issuer	City of Brookfield, Waukesha County, Wisconsin (the "City")	
Issue	\$8,075,000 General Obligation Promissory Notes (the "Notes")	
Dated Date	June 18, 2025 (Date of Delivery)	
Sale Date and Award	Tuesday, June 3, 2025; sale at 10:30 A.M. Central Time; award at a Common Council meeting on June 3, 2025.	
Principal Due	December 1, 2026 through 2044	
Interest Payment Due	Commencing June 1, 2026 and on each December 1 and June 1 thereafter. Interest on the Notes will be computed on the basis of a 30-day month and 360-day year.	
Redemption Provision	The Notes maturing on December 1, 2036 and thereafter shall be subject to redemption prior to maturity, at the option of the City, beginning December 1, 2035 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.	
Authority	The Notes are issued pursuant to Chapter 67, Wisconsin Statutes, the Authorizing Resolution and the Note Resolution (each as defined herein) adopted by the Common Council.	
Purpose	Proceeds of the Notes will be used for the purpose of paying the costs of street, water utility, bike path and park improvements (the "Project").	
Security	The full faith, credit and resources of the City are pledged to the payment of the principal of and the interest on the Notes as the same become due and, for said purposes, there are levied without limitation on all taxable property in the City, direct, annual, irrevocable taxes in each year and in such amounts which will be sufficient to meet such principal and interest payments when due. Under current law, such taxes may be levied without limitation as to rate or amount.	
Tax Exemption	Griggs Law Office LLC, Milwaukee, Wisconsin, Bond Counsel, will provide an opinion as to the tax exemption of the Notes as discussed under "LEGAL MATTERS - Tax Exemption" in this Official Statement. Interest on the Notes is not exempt from present State of Wisconsin income or franchise taxes.	
Bank Qualification	The Notes shall be designated as "qualified tax-exempt obligations."	
Bond Rating	The City has applied for a rating on the Notes from Moody's Investors Service. See "RATING" herein.	
Bond Years	74,156.18	Average Life 9.183 years
Record Date	The 15 th day of each calendar month next preceding each interest payment date.	
Paying Agent	City of Brookfield, Wisconsin	

INTRODUCTION

The purpose of this Official Statement, which includes the cover page, reverse thereof and Exhibits, is to provide certain information relating to the City of Brookfield, Waukesha County, Wisconsin (the “City”) in connection with the issuance of \$8,075,000 General Obligation Promissory Notes (the “Notes”). The Notes are issued pursuant to the Constitution and laws of the State of Wisconsin, and the Resolutions (defined below), adopted by the City’s Common Council (the “Common Council”) and other proceedings and determinations related hereto.

Unless otherwise indicated, the information contained in this Official Statement is based upon material provided by the City and available at the date of publication of the Official Statement. Certain information has been obtained from sources other than records of the City and is believed to be reliable, but is not guaranteed as to accuracy or completeness.

Persons considering a purchase of the Notes should consider the Official Statement in its entirety. No one factor should be considered more or less important than any other by reason of its position in this Official Statement. All references to material included in this Official Statement not purporting to be quoted in full are only summaries of certain provisions thereof and do not purport to summarize or describe all the provisions thereof. Reference is made to such instruments, documents and other materials for the complete provisions thereof, copies of which will be furnished upon request.

THE NOTES

Authority and Purpose

The Notes are issued pursuant to the provisions of Chapter 67 of the Wisconsin Statutes. On May 6, 2025, the Common Council adopted a Resolution Authorizing the Borrowing of Not to Exceed \$8,075,000; and Providing for the Issuance and Sale of General Obligation Promissory Notes Therefor (“Authorizing Resolution”) for the purpose of paying the costs of street, water utility, bike path and park improvements (the “Project”).

The resolution awarding the sale of the Notes (the “Note Resolution”) will be adopted by the Common Council on June 3, 2025.

The Authorizing Resolution and the Note Resolution are collectively referred to as the “Resolutions.”

Security

The Notes will be general obligations of the City. The full faith, credit and taxing powers are pledged to the payment of the principal and interest on the Notes as the same becomes due. Under current law, taxes may be levied without limitation as to rate or amount. The City is authorized and required by law to levy direct, annual, irrevocable taxes each year in amounts as may be necessary to pay the Notes and the interest thereon. The tax for the Notes will be levied under the Note Resolution for collection in each of the years 2026 through 2044 (or monies to pay such debt service will otherwise be appropriated).

Maturities, Interest Rates and Form of Note

The Notes are dated June 18, 2025 and will bear interest from that date and will mature serially on December 1, 2026 through December 1, 2044 in the amounts and at the rates as set forth on the cover page of this Official Statement. Interest on the Notes will be computed on the basis of a 360-day year consisting of twelve 30-day months, and shall be payable on June 1 and December 1 of each year commencing June 1, 2026. Interest shall be paid to the registered owners of the Notes appearing of record in the note register at the close of business on the 15th day of each calendar month next preceding each interest payment date ("Record Date").

The Notes are issuable as fully registered notes and when issued will be registered to Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Ownership interests in the Notes will be in denominations of \$5,000 or integral multiples thereof and will be in book-entry-only form as described herein under "BOOK-ENTRY-ONLY SYSTEM." As long as the Notes are held under the book-entry-only system, beneficial ownership interest in the Notes may be acquired in book-entry form only and all payments of principal of, premium, if any, and interest on the Notes shall be made through the facilities of DTC and its Participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Notes shall be payable as provided in the Note Resolution.

Redemption Provision

The Notes maturing on December 1, 2036 and thereafter shall be subject to redemption prior to maturity, at the option of the City, beginning December 1, 2035 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption. If less than all of the Notes of a maturity are to be redeemed, selection of the Notes to be so redeemed shall be by lot conducted by DTC in accordance with its rules and practices. See "BOOK-ENTRY-ONLY SYSTEM" herein.

Notice of Redemption

In the event the City exercises its option to redeem the Notes 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 DTC, to DTC not less than thirty (30) nor more than sixty (60) days prior to the redemption date. If less than all the Notes are to be called for redemption, the Notes 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 failure of DTC to advise any DTC Participant or of any DTC Participant or Indirect Participant to notify the Beneficial Owner of any such notice and its' content or effect will not affect the validity or sufficiency of the proceedings relating to the redemption of the Notes called for redemption.

Paying Agent

The City of Brookfield will act as Paying Agent for the Notes. The City's Director of Finance and Administration/Treasurer is the contact person for paying agent matters.

THE PROJECT

Proceeds of the Notes will be used for the purpose of paying the costs of street, water utility, bike path and park improvements (the "Project"). Project construction began in Spring 2025 with substantial completion expected by late Fall 2025.

Source and Application of Funds

Source of Funds:

Note Proceeds	\$8,075,000
Reoffering Premium (Est.)	402,845
Investment Earnings (Est.)	<u>60,000</u>
Total Source of Funds	<u>\$8,537,845</u>

Application of Funds:

Project Costs	\$8,135,000
Cost of Issuance, Including Underwriter's Discount (Est.)	158,950
Premium Deposited to Debt Service (Est.)	<u>243,895</u>
Total Application of Funds	<u>\$8,537,845</u>

CONSTITUTIONAL AND STATUTORY CONSIDERATIONS AND LIMITATIONS CONCERNING THE CITY'S POWER TO INCUR INDEBTEDNESS

The Constitution and laws of the State limit the power of the City (and other municipalities of the State) to issue obligations and to contract indebtedness. Such constitutional and legislative limitations include the following, in summary form and as generally applicable to the City.

Purpose

The City may not borrow money or issue notes or bonds therefor for any purpose except those specified by statute, which include among others the purposes for which the Notes are being issued.

General Obligation Bonds

The principal amount of every sum borrowed by the City and secured by an issue of bonds may be payable at one time in a single payment or at several times in two or more installments; however, no installment may be made payable later than the termination of twenty years immediately following the date of the bonds. The Common Council is required to levy a direct, annual, irrevocable tax sufficient in amount to pay the interest on such bonds as it falls due and also to pay and discharge the principal thereof at maturity. Bonds issued by the City to refinance or refund outstanding notes or bonds issued by the City may be payable no later than twenty years following the original date of such notes or bonds.

Refunding Bonds

In addition to being authorized to issue bonds, the City is authorized to borrow money using bonds for refunding existing debt. To evidence such indebtedness, the City must issue to the lender its refunding bonds (with interest) payable within a period not exceeding twenty years following the initial date of the debt to be refunded. Such refunding bonds constitute a general obligation of the City. Refunding bonds are not subject to referendum.

Promissory Notes

In addition to being authorized to issue bonds, the City is authorized to borrow money using promissory notes for any public purpose. To evidence such indebtedness, the City must issue its promissory notes (with interest) payable within a period not exceeding twenty years following the date of said notes. Such notes constitute a general obligation of the City. Notes may be issued to refinance or refund outstanding notes or bonds. However, such notes must be payable not later than twenty years following the original date of such notes or bonds being refunded.

Bond or Note Anticipation Notes

In anticipation of issuing general obligation bonds or notes, the City is authorized to borrow money using bond or note anticipation notes. The bond or note anticipation notes shall in no event be general obligations of the City and do not constitute an indebtedness of the City, or a charge against its general credit or taxing power. The bond or note anticipation notes are payable only from (a) proceeds of the bond or note anticipation notes set aside for payment of interest on the bond or note anticipation notes as they become due and (b) proceeds to be derived from the issuance and sale of general obligation bonds or notes, which proceeds are pledged for the payment of the principal of and interest on the bond or note anticipation notes. The maximum term of any bond or note anticipation notes (including any refunding) is five years.

Debt Limit

The City has the power to contract indebtedness for purposes specified by statute so long as the principal amount thereof does not exceed five percent of the equalized value of taxable property within the City. For information with respect to the City's percentage of legal debt incurred, see the section titled "INDEBTEDNESS - Debt Limit" included in this Official Statement.

THE RESOLUTIONS

Authorizing Resolution

On May 6, 2025, the Common Council adopted a Resolution Authorizing the Borrowing of Not to Exceed \$8,075,000; and Providing for the Issuance and Sale of General Obligation Promissory Notes Therefor for the purpose of paying the costs of the "Project".

Note Resolution

On June 3, 2025, the Common Council will adopt a Resolution Awarding the Sale of \$8,075,000 General Obligation Promissory Notes; Providing the Form of the Notes; and Levying a Tax in Connection Therewith (the "Note Resolution"), pursuant to the procedures prescribed by Wisconsin Statutes, accepting the bid of the Underwriter (defined herein) for the purchase of the Notes in accordance with the bid specifications, setting forth the details and form of the Notes, and setting out certain covenants with respect thereto. The Note Resolution pledges the full faith, credit and resources of the City to payments of the principal of and interest on the Notes until paid. Pursuant to the Note Resolution, the amount of direct, annual irrevocable taxes levied for collection in the years 2026 through 2044, which will be sufficient to meet the principal and interest payments on the Notes when due, will be specified (or monies to pay such debt will otherwise be appropriated). The Note Resolution establishes, separate and distinct from all other funds of the City, a debt service fund with respect to payment of principal of and interest on the Notes.

Tax Levy Limits

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

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

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

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other adjustments to and exclusions from the tax levy limit. Among the exclusions, Section 66.0602(3)(e)5. of the Wisconsin Statutes provides that the levy limit does not apply to "the amount that a political subdivision levies in that year to make up any revenue shortfall for the debt service on a revenue bond issued under Section 66.0621 by that political subdivision." Recent positions taken by the Wisconsin Department of Revenue ("DOR") call into question the availability of this exception if the revenue shortfall is planned or ongoing. To date, such DOR positions have not been expressed formally in a declaratory ruling under Section 227.41(5)(a) of the Wisconsin Statutes, nor have they been the subject of any court challenge or resulting court ruling.

With respect to general obligation debt service, the following provisions are made:

- (a) If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally issued before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy.
- (b) For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts. This adjustment is based on scheduled debt service rather than the amount actually levied for debt service (after taking into account offsetting revenues such as sales tax revenues, special assessments, utility revenues, tax increment revenues or surplus funds). Therefore, the levy limit could negatively impact political subdivisions that experience a reduction in offsetting revenues.
- (c) The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005.

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

Revenue from the State

In addition to local property taxes described above, a number of state programs exist which provide revenue to the City. One such program is commonly known as shared revenue which, pursuant to sec. 79.036, Wis. Stats., provides funding to the City that can be used for any public purpose. Chapter 79, Wis. Stats. includes other revenue sharing programs, which each have their own requirements. 2023 Wisconsin Act 12 ("Act 12") created a supplement to shared revenue, with payments to the City beginning in 2024. This supplemental shared revenue may be used only for the purposes specified in section 79.037, Wis. Stats. In 2024, the City received \$1,576,867 in shared revenue and supplemental shared revenue from the State, an increase from the \$597,462 received in 2023. The City is currently estimated to receive approximately \$1,620,628 in shared revenue under Chapter 79, Wis. Stats. in 2025. In future years, the amount of supplemental shared revenue could grow if state sales tax collections grow.

Continuing Disclosure

In order to assist the Underwriter in complying with SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934 (the "Rule"), the City shall covenant pursuant to the Note Resolution adopted by the Common Council to enter into an undertaking (the "Undertaking") for the benefit of holders including beneficial holders of the Notes to provide certain financial information and operating data relating to the City annually to the Municipal Securities Rulemaking Board (the "MSRB") and to provide notices of the occurrence of certain events enumerated in the Rule electronically or in the manner otherwise prescribed by the MSRB to the MSRB. **The Undertaking provides that the annual report will be filed not later than December 31 of each year.** The details and terms of the Undertaking, as well as the information to be contained in the annual report or the notices of material events, are set forth in the Continuing Disclosure Certificate to be executed and delivered by the City at the time the Notes are delivered. Such Certificate will be in substantially the form attached hereto as Exhibit III.

In the previous five years, the City believes it has not failed to comply in all material respects with any previous undertakings under the Rule. A failure by the City to comply with the Undertaking will not constitute an event of default on the Notes (although holders will have the right to obtain specific performance of the obligations under the Undertaking). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Notes in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

The City is required to file its continuing disclosure information using the Electronic Municipal Market Access ("EMMA") system. Investors will be able to access continuing disclosure information filed with the MSRB at www.emma.msrb.org.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC") will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each issue of the Notes, in the aggregate principal amount of such issue, and will be deposited with DTC.

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

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

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

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

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

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

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

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

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the City takes no responsibility for the accuracy thereof.

The City will have no responsibility or obligation to any securities depository, any Participants in the Book-Entry System or the Beneficial Owners with respect to (i) the accuracy of any records maintained by the securities depository or any Participant; (ii) the payment by the securities depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption price of, or interest on, any Notes; (iii) the delivery of any notice by the securities depository or any Participant; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Notes; or (v) any other action taken by the securities depository or any Participant.

THE CITY

Location and Organization

The City of Brookfield is located in Waukesha County, approximately 15 miles from downtown Milwaukee and 64 miles east of Madison in the southeast corner of Wisconsin. Incorporated in 1954, the City covers over 27.59 square miles, with a 2024 final estimated population of 41,055 (per Wisconsin Department of Administration).

The City operates under a “Mayor-Council” form of government. Fourteen aldermen represent seven districts, serving four-year staggered terms, with one alderman per district elected every two years. The Mayor is elected to serve a four-year term and serves as the City’s Chief Executive and Administrative Officer.

Steven V. Ponto, Mayor
Term: April 2022 – April 2026

Common Council

<u>Name</u>	<u>Aldermanic District</u>	<u>Term Expiration</u>
Sara Monty	First	April, 2028
William F. Carnell	First	April, 2026
Richard Owen	Second	April, 2028
Robert Reddin	Second	April, 2026
Thomas Szews	Third	April, 2028
Jason Anderson	Third	April, 2026
Michael Hallquist	Fourth	April, 2028
Chuck Bloom	Fourth	April, 2026
Dean Marquardt	Fifth	April, 2028
Gary Mahkorn, President	Fifth	April, 2026
Christopher Blackburn	Sixth	April, 2028
Gerald Mellone	Sixth	April, 2026
Eric Fugleberg	Seventh	April, 2028
Kris Seals	Seventh	April, 2026

Administration

Steven V. Ponto	Mayor
Julie Aquavia	Deputy City Clerk
Robert W. Scott	Director of Finance and Administration/Treasurer
Jenna Merten	City Attorney
Nicholas Garcia	Assessor
Thomas M. Grisa	Director of Public Works
Daniel Erickson	City Engineer
Daniel F. Ertl	Director of Community Development

Source: City of Brookfield

Principal Services and Facilities

The City provides a full range of services typical of municipal governments, including police, fire and emergency medical protection; public works activities such as highway and street maintenance, refuse and recycling collection, water utility and wastewater treatment services; public library; parks and recreation activities; community development activities including planning and zoning enforcement, economic development, and construction inspection; and general and financial administration.

<u>Department</u>	<u>Number of Employees</u>
Police	91
Fire	69
Highway, Public Works and Park Maintenance	127
Library	28
Administrative and Auxiliary Service	<u>56</u>
TOTAL	<u>371</u> FTE

Source: City of Brookfield

Employees and Labor Relations

The following Associations represent the respective number of City employees:

Brookfield Professional Fire Fighters Association represents 60 members working under a three-year contract which expires December 31, 2025.

Brookfield Professional Police Association represents 61 members working under a four-year contract which expires December 31, 2026.

The City considers its relationship with the employee Associations to be very good.

The City administers a market-based pay for performance compensation plan for employees not represented by a union, updating salary grades on an annual basis.

All eligible City personnel are covered by the Municipal Employment Relations Act ("MERA") of the Wisconsin Statutes. Pursuant to that law, employees have rights to organize and, after significant changes were made to the law in 2011, very limited rights to collectively bargain with municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32.

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

*On July 3, 2024, a Wisconsin circuit court judge issued a decision in the case Abbotsford Education Association vs. Wisconsin Employment Relations Commission, Case No. 2023CV003152, denying the Wisconsin State Legislature's intervening motion to dismiss the plaintiffs' challenge to the different classifications the Act created regarding collective bargaining rights. The court's order denying the motion to dismiss states that the Act violates the equal protection clause of the Wisconsin Constitution and declares those provisions of the Act relating to collective bargaining modifications unconstitutional and void. The decision further instructed the parties to make additional filings to the court as to whether the court should issue judgment on the pleadings in light of the court's order or take some other action to bring the case to a final judgment. On December 2, 2024, the court issued an order granting the plaintiffs' motion for judgment on the pleadings and striking down substantial portions of the Act. The court's decision has been appealed to the Wisconsin Court of Appeals. No guarantee can be made regarding the future outcome of the matter.

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

Due to the changes described above, the City is free to unilaterally determine and promulgate policies, benefits and other terms and conditions of employment. Accordingly, the City approved a compendium of employment policies for all non-represented employees who are employed by the City after January 1, 2012, setting forth policies, procedures and benefits for employees of the nature that were previously set forth in labor contracts. The City's compendium of employment policies was updated as of January 1, 2024 and is updated every three years. The terms are subject to change at the sole discretion of the City and are not subject to grievance or arbitration by the unions. However, individual employees are allowed to file a grievance if they are disciplined or terminated. However, under the changes to MERA, the City, rather than an arbitrator, is the final decision-maker regarding any grievance, though the grievance must be heard by an impartial hearing officer before reaching the City.

Source: City of Brookfield

Pension and Retirement Plan

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

City employees are required to contribute half of the actuarially determined contributions, and the City generally may not pay the employees' required contribution. The City's portion of contributions to WRS (not including any employee contributions) during the fiscal year ending December 31, 2022 ("Fiscal Year 2022") was \$2,738,181, fiscal year ending December 31, 2023 ("Fiscal Year 2023") was \$2,880,632, and fiscal year ending December 31, 2024 ("Fiscal Year 2024") was \$3,380,278.

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

As of December 31, 2023, the total pension liability of the WRS was calculated as \$129.2 billion and the fiduciary net position of the WRS was calculated as \$127.7 billion, resulting in a net pension liability of \$1.5 billion.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2024, the City reported a liability of \$3,650,599 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2023 based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. The City's proportion was 0.24553301% of the aggregate WRS net pension liability as of December 31, 2023.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the net pension liability of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees.

Source: City of Brookfield Financial Statements and Independent Auditor's Report for Year Ended December 31, 2024 – Notes to Financial Statements - Note V – Other Information – A. Employees' Retirement System, included herein as Exhibit I.

Other Post-Employment Benefits

City Retiree Healthcare Plan

The City provides "other post-employment benefits" ("OPEB") (i.e. post-employment healthcare benefits, other than pension benefits, owed to its employees and former employees) to employees who have terminated their employment with the City and have satisfied specified eligibility standards through a single-employer plan. Membership of the plan consisted of 54 retirees receiving benefits and 326 active eligible plan members as of January 1, 2023, the date of the latest actuarial valuation, projected to a measurement date of December 31, 2024.

OPEB calculations are required to be updated every two years and prepared in accordance with Statements No. 74 and 75 of the Governmental Accounting Standards Board ("GASB 74/75"). An actuarial study for the plan prepared in accordance with GASB 74/75 was most recently completed by Gabriel, Roeder, Smith & Company ("GRS"), consulting actuaries, Inc., dated March 15, 2024 with an actuarial valuation date of January 1, 2023 (the "Actuarial Report"). As of March 6, 2025, GRS provided OPEB disclosures projected to a measurement date of December 31, 2024.

Under GASB 74/75, a net OPEB liability (or asset) is calculated as the difference between the plan's total OPEB liability and the plan's fiduciary net position, which terms have similar meanings as under GASB 68 for pension plans.

As shown in the Actuarial Report projected to a measurement date of December 31, 2024, the City reported a net change in the total OPEB liability of \$22,274, which was affected by a difference between expected and actual experience of \$(378,010) and changes of actuarial assumptions or other input of \$(258,359). The City recognized an OPEB expense of \$899,157 which was comprised of service costs of \$482,594 and interest costs of \$416,563. The City did make benefit payments of \$240,514 which offset the expense. The City's funding practice has been to fully fund the yearly amount of benefits on a "pay-as-you-go-basis." The City's total OPEB liability, measured as of December 31, 2024, was \$11,139,059, and the plan fiduciary net position was \$0, resulting in a net OPEB liability of \$11,139,059.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. For more detailed information regarding such actuarial assumptions, see the Notes to Financial Statements - Note V – Other Information – B. Other Postemployment Benefits – City Retiree Healthcare Plan, included herein as Exhibit I. - Financial Statements and Independent Auditor’s Report for Year Ended December 31, 2024.

Local Retiree Life Insurance Fund (LRLIF)

The City is a participant in LRLIF, a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds and the Group Insurance Board have statutory authority for program administration and oversight, including establishing contribution requirements for employers. The plan provides post-employment life insurance benefits for all eligible employees.

During fiscal year 2024, the LRLIF recognized \$11,313 in contributions from the City. On December 31, 2024, the City reported a liability of \$2,554,205 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2023, rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City’s proportion of the net OPEB liability was based on the City’s share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2023, the City’s proportion was 0.55518300% of the aggregate LRLIF net OPEB liability.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the net OPEB liability of the LRLIF, which may also cause ETF to change the contribution requirements for employers and employees.

For more information see the Notes to Financial Statements - Note V – Other Information - B. Other Postemployment Benefits – Local Retiree Life Insurance Fund (LRLIF), included herein as Exhibit I – Financial Statements and Independent Auditor’s Report for Year Ended December 31, 2024.

DEMOGRAPHIC AND ECONOMIC DATA

Local Economy

Commercial facilities within the City include ten office parks and office complexes, five industrial parks, eleven hotels with over 1,800 guest rooms and numerous shopping centers, including an enclosed regional shopping mall with numerous restaurants and entertainment facilities, and nearby the municipally owned conference center, managed by a private entity.

Tax Increment Districts

The City’s 2024 equalized valuation of \$9,841,962,300 includes four tax increment districts created under Wisconsin Statutes Section 66.1105. The TID valuations totaling \$106,269,800 (1.08% of the City’s total equalized value) have been excluded from the City’s tax base for 2024 as shown below:

	<u>Base Year</u>	<u>Base Value</u>	<u>2024 TID Current Value</u>	<u>2024 Value Increment</u>	<u>Maximum Life</u>
TID No. 4	2015	\$158,800	\$2,240,700	\$2,081,900	12/02/2034
TID No. 6	2016	\$9,008,300	\$46,381,900	\$37,373,600	03/01/2037
TID No. 7	2018	\$660,600	\$23,903,100	\$23,242,500	04/03/2039
TID No. 8	2018	\$26,528,200	\$70,100,000	\$43,571,800	06/05/2045

Tax Increment Districts Developments

- TID No. 6 was created in 2016 to assist Milwaukee Tool in development of a four-story, 206,000 square foot office addition to its headquarters in Brookfield, which is completed. Milwaukee Tool, which had 300 employees at this location in 2011, has approximately 2,200 employees at its Brookfield location today. Tax increment from this development continues to keep pace with the debt retirement schedule contained in TID No. 6. A second phase (no TIF funding) was completed in 2018 to add approximately 30,000 square feet of space to existing buildings. A third phase, including a \$17 million, 114,500 square foot Class A office building for research and development of new product lines, opened in January 2020 and added 248 additional jobs. This phase included new TIF funding (TID No. 7) of approximately \$3.5 million provided by the proceeds from Taxable General Obligation Community Development Bonds, dated November 15, 2019, which was paid to Milwaukee Tool in January 2020. Tax increment from this development also continues to keep pace with the debt retirement schedule contained in TID No. 7. Taken as a whole, the Milwaukee Tool developments comprise the single largest property taxpayer in the City, with a total value of approximately \$61.2 million and 2024 taxes paid of \$714,735.

New Businesses and Development (2024-2025):

- Irgens Development has acquired the 16-acre former Boston Store property at the Brookfield Square Mall. Irgens has plans focused on redevelopment of the property to build upon the conversion of the mall into a suburban town center with medical office uses, retail and restaurants to replace the obsolete building. The former department store building was razed in 2024-25 to assist in clearing the area for redevelopment.
- The City operates a 55,000 square-foot, City-owned, conference center known as the "Brookfield Conference Center" (BCC) located adjacent to the southern end of the Brookfield Square Mall via a management contract with the North Central Group (NCG). The conference center includes an 18,000 square-foot grand ballroom, an adjacent and integrated 6,000 square-foot commercial grade kitchen, a 6,000 square-foot junior ballroom, multiple meeting rooms, board rooms, pre- and post-function spaces, and a 10,000 square-foot glass walkway atrium connecting to the adjacent Hilton Garden Inn (HGI) Hotel owned and operated by NCG. The BCC was nearly fully booked starting in fall 2021, remained so throughout 2024 and into future years, and has exceeded expectations for booking events and securing sufficient revenues to offset operating expenses.
- With Fiserv completing the move of its headquarters from Brookfield to downtown Milwaukee in 2024, Fiserv's existing, approximately 170,000 square foot building in Brookfield is being actively marketed for sale or lease. Fiserv owns this building which will remain an asset that can be taxed.
- Wingspan Development constructed and opened a 215-unit luxury apartment project near Brookfield Square Mall. This project has generated significant new taxes and residents that will shop and dine near Brookfield Square and the environs.
- Lincoln Avenue Capital is constructing an approximate 200-unit apartment building with eight Live-Work units allowing for a professional office associated with a dwelling, at the site of two obsolete office buildings located in the Bishops Woods Office Park. The project secured tax credit funding from Wisconsin Housing and Economic Development Agency programs to facilitate workforce housing level rents for those earning within the range of approximately \$45,000 to \$84,000 per year. Such a project will assist in providing housing for teachers, nurses, managers, and other similar employees in the region. Closing available housing gaps for workers is an identified concern for local business. The project expects to begin occupancy in late 2025.

- Various small to moderately sized commercial development projects are completed, underway or soon to be underway, ranging from a first to market Café Zupas restaurant, Caribou coffee shop, a mixed-use building located in The Corridor project on Bluemound Road and similar projects. All these will continue to add tax value to the community and create jobs.
- In addition to the commercial development, several luxury residential subdivisions are in various stages of construction, namely Northern Oaks and Kharsia Estates with home values projected to be between \$850,000 and \$2,500,000. A 14-unit condominium development is under construction in the Brookfield Village area. Sales of existing housing stock continue to be very strong, with property sales generally more than taxable assessed values.
- TID No. 5 supported infrastructure construction for Irgens Development of The Corridor, a 55-acre mixed-use project between Bluemound Road and Interstate 94 and was closed in 2024, five years ahead of schedule. The properties are now adding new property values to all taxing authorities. The Corridor development consists of multiple parcel owners and is collectively the largest taxpayer not only in the City, but in all of Waukesha County. Two office buildings, equaling 240,000 square feet of Class A office space, were completed in late 2021 (anchor tenant – Hydrite Corporation) and 2022 (anchor tenant – Milliman). Previously, two hotels (Holiday Inn Express and Fairfield Inn) opened; a state-of-the-art large fitness center (Lifetime Fitness), and 33,000 square feet of additional retail space was completed.

Population	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	Census <u>2020</u>
City of Brookfield	41,055	41,121	41,430	40,276	41,464
Waukesha County	413,728	411,538	410,769	410,666	406,978
State of Wisconsin	5,989,256	5,951,400	5,949,155	5,901,473	5,893,718

Source: Wisconsin Department of Administration

	Median Age (2019-2023)	Median Home Value (2019-2023)	Median Household Income (2019-2023)
City of Brookfield	43.6	\$419,300	\$124,026
Waukesha County	43.3	\$373,600	\$104,100
State of Wisconsin	40.1	\$247,400	\$75,670

Source: U.S. Census Bureau, 2019-2023 American Community Survey 5-year Estimates

Per Return Adjusted Gross Income	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City of Brookfield	\$140,021	\$134,721	\$132,491	\$123,025	\$122,610
Waukesha County	\$108,213	\$107,010	\$101,489	\$94,089	\$92,569
State of Wisconsin	\$73,001	\$70,548	\$66,369	\$61,518	\$61,003

Source: Wisconsin Department of Revenue

Per Capita Income	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Waukesha County	\$91,766	\$87,582	\$84,113	\$76,931	\$73,569
State of Wisconsin	\$64,763	\$61,475	\$60,381	\$55,431	\$52,364

Source: U.S. Department of Commerce

Unemployment Rates	March	Average Annual			
	<u>2025*</u>	<u>2024*</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
City of Brookfield	2.9%	2.7%	2.8%	2.4%	3.1%
Waukesha County	3.1	2.6	2.6	2.5	3.2
State of Wisconsin	3.7	3.0	2.8	2.9	3.8

*Preliminary

Source: State of Wisconsin Department of Workforce Development

Building Permits	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
City of Brookfield	\$25,566,481*	\$158,729,631	\$101,755,328	\$99,251,203	\$140,568,638

*As of April 21, 2025

Source: Building Inspector, City of Brookfield

Employment by Industry

	<u>Waukesha County Average Employment</u>
Natural Resources & Mining	737
Construction	20,512
Manufacturing	42,341
Trade, Transportation, Utilities	51,659
Information	2,512
Financial Activities	14,710
Professional & Business Services	35,913
Education & Health Services	42,348
Leisure & Hospitality	23,954
Other Services	8,054
Public Administration	<u>6,739</u>
Total All Industries	<u>249,479</u>

Source: State of Wisconsin, Department of Workforce Development, 3rd Quarter 2024

Largest Employers

<u>Employer</u>	<u>Nature of Business</u>	<u>Approximate Number of Employees</u>	
Milwaukee Tool	Manufacturer of portable electric tools		2,209
Elmbrook School District	Education	582 FT 639 PT	1,221
BMO Bank, N.A.	Diversified financial services	632 FT 15 PT 87 Contractors	734
Ascension Wisconsin (includes Elmbrook Memorial Hospital, Wheaton Franciscan Medical Group, and Franciscan Woods Nursing Home)	Healthcare	353 FT 152 PT 86 OTH	591
Landmark Credit Union	Financial Institution	565 FT 15 PT	580
Old Republic	Provides risk insurance products and services; surety bond products and services		562
Pick 'n Save (4 stores)	Food stores	218 FT 251 PT	469
Milliman, Inc.	Actuarial consulting firm		450
U.S. Bank	Information services, home mortgages, and banking	444 FT 3 PT	447
City of Brookfield	Government	FTE	371

Source: Phone survey April/May 2025

Largest Taxpayers

<u>Name</u>	<u>Nature of Business</u>	<u>2024 Assessed Valuation</u>	<u>Net Taxes</u>
Milwaukee Tool	Manufacturer of heavy-duty power tools, accessories and hand tools/ corporate headquarters	\$61,229,800	\$714,735
Brookfield Square Joint Venture	Shopping Mall	55,893,200	652,490
Landmark Credit Union	Financial Institution	54,710,300	638,620
The Linx Club LLC	Apartments / Hotel	47,167,800	550,562
BBK Brookfield Reserve LLC	Apartments	43,228,100	504,626
Brookfield Lakes Wisconsin Realty LP	Office Buildings	41,730,300	486,486
Bridge Brook 2 LLC	Lifetime Fitness luxury athletic resort	40,624,000	474,223
ICA BFC Venture (Brookfield Fashion Center)	Shopping Center	39,605,300	462,330
Norhardt Crossing LLC	Apartments	38,360,000	447,732
Ruby LA LLC	Apartments	36,413,500	425,066
The Woodlands of Brookfield Apts.	Apartments	34,214,500	399,393
Brookfield Square Anchor S LLC	Movie Tavern, Whirlyball, other retail/restaurants	32,785,800	382,723
Deer Creek LLC	Office Building	32,608,000	380,637
Georgetown Square LLC	Apartments	30,289,200	353,565
Sutter Creek LLC	Apartments	30,250,100	314,699
ICA Brookfield Venture LLC (Calhoun Crossing)	Shopping Center	29,057,600	339,186
LSC-3 Office DST LLC	BMO Bank/Institute of Learning	25,846,100	301,692
Brookfield Station LLC	Shopping Center	24,822,700	289,744
Brookfield 195 MP RK6 LLC	Pro Health Office Building	24,416,000	284,996
Shoppes at the Corridor LLC	Shopping Center	24,225,300	282,651

The total assessed value of the 10 largest taxpayers (\$458,962,300) represents 4.95% of the total 2024 assessed valuation of the City (\$9,271,292,700).

The total assessed value of the 20 largest taxpayers (\$747,477,600) represents 8.06% of the total 2024 assessed valuation of the City (\$9,271,292,700).

Source: City of Brookfield

Property Valuations and Tax Levies

REAL ESTATE:	2024	2023	2022	2021	2020
Residential	\$7,129,732,100	\$7,042,361,000	\$6,362,486,800	\$5,683,605,500	\$5,302,993,800
Commercial	2,647,136,200	2,685,515,100	2,469,199,800	2,311,391,700	2,223,488,400
Manufacturing	64,263,000	59,825,200	56,673,600	57,064,800	56,387,300
Agricultural	22,300	19,600	17,500	17,600	16,300
Undeveloped	601,600	659,400	659,400	667,800	630,000
Other	207,100	203,600	203,600	0	0
TOTAL REAL ESTATE	<u>\$9,841,962,300</u>	<u>\$9,788,583,900</u>	<u>\$8,889,240,700</u>	<u>\$8,052,747,400</u>	<u>\$7,583,515,800</u>
TOTAL PERSONAL PROPERTY*	<u>\$0</u>	<u>\$155,383,400</u>	<u>\$138,727,600</u>	<u>\$139,286,200</u>	<u>\$130,424,400</u>
TOTAL EQUALIZED VALUE (TID IN)	<u>\$9,841,962,300</u>	<u>\$9,943,967,300</u>	<u>\$9,027,968,300</u>	<u>\$8,192,033,600</u>	<u>\$7,713,940,200</u>
TOTAL EQUALIZED VALUE (TID OUT)	<u>\$9,735,692,500</u>	<u>\$9,686,972,300</u>	<u>\$8,760,531,200</u>	<u>\$7,966,642,400</u>	<u>\$7,533,760,300</u>
TOTAL ASSESSED VALUE	<u>\$9,271,292,700</u>	<u>\$9,341,645,000</u>	<u>\$7,635,332,800</u>	<u>\$7,550,746,600</u>	<u>\$7,491,533,500</u>
RATIO OF ASSESSED TO EQUALIZED VALUE	94.11%	93.94%	84.56%	92.29%	96.64%
ALL PURPOSE TAX LEVY	\$124,676,838	\$126,032,720	\$128,029,011	\$133,961,650	\$136,547,768
CITY PROPERTY TAX LEVY	\$43,091,000	\$42,950,000	\$42,275,000	\$41,935,000	\$42,020,000

Source: Wisconsin Department of Revenue; City of Brookfield

*2023 Wisconsin Act 12 repealed personal property taxes starting with the property tax assessments as of January 1, 2024. Therefore, personal property will not have an assessment or property tax bill beginning in 2024.

Tax Rates

Budget Year	City	Schools*	Assessed Tech. College District	County	Less: State Tax Credit	Tax Rate Per \$1,000 Assessed Valuation	Ratio of Assessed to Equalized Valuation	Tax Rate Per \$1,000 Equalized Valuation
2025	\$ 4.698	\$ 6.919	\$ 0.273	\$ 1.431	\$ (1.646)	\$ 11.675	94.11 %	\$ 10.987
2024	4.720	6.925	0.267	1.480	(1.659)	11.733	93.94	11.022
2023	5.706	8.823	0.316	1.808	(1.675)	14.978	84.56	12.664
2022	5.711	9.760	0.328	1.828	(1.717)	15.910	92.29	14.683
2021	5.743	10.195	0.362	1.816	(1.718)	16.398	96.64	15.847

*Represents Elmbrook School District figures.

Source: City of Brookfield

INDEBTEDNESS

Categories of Debt and Amount Outstanding

<u>Date of Issue</u>	<u>Type of Debt</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Due Serially To</u>	<u>Principal Outstanding as of 06/18/25</u>
<u>City Purposes</u>					
06/01/10	G.O. Corp. Purp. Bonds	\$3,595,000	3.375	12/01/25	\$ 200,000
06/01/11	G.O. Corp. Purp. Bonds	2,420,000	3.25	12/01/25	175,000
06/05/12	G.O. Corp. Purp. Bonds	2,505,000	2.00 – 2.375	12/01/29	730,000
06/04/14	G.O. Corp. Purp. Bonds	4,270,000	2.25 – 3.50	12/01/33	1,386,725
06/03/15	G.O. Corp. Purp. Bonds	1,740,000	3.00 – 3.50	12/01/34	1,000,000
06/01/16	G.O. Corp. Purp. Bonds	1,430,000	2.00 – 3.00	12/01/35	815,000
11/15/16	G.O. Refunding Bonds	2,750,000	2.00	12/01/25	105,000
06/05/17	G.O. Corp. Purp. Bonds	2,700,000	2.00 – 3.00	12/01/33	1,540,000
06/04/18	G.O. Corp. Purp. Bonds	2,330,000	3.00	12/01/33	1,340,000
11/08/18	G.O. Refunding Bonds	5,000,000	3.00	12/01/27	1,485,000
06/17/19	G.O. Corp. Purp. Bonds	4,565,000	2.50 – 3.00	12/01/38	3,130,000
11/15/19	G.O. Refunding Bonds	1,555,000	2.00 – 3.00	11/01/28	650,000
06/25/20	G.O. Corp. Purp. Bonds	3,100,000	1.00 – 2.00	12/01/39	2,325,000
06/17/21	G.O. Corp. Purp. Bonds	5,495,000	1.50 – 2.00	12/01/40	4,615,000
07/07/22	G.O. Corp. Purp. Bonds	1,935,000	3.00 – 4.00	12/01/37	1,685,000
06/22/23	G.O. Corp. Purp. Bonds	3,280,000	3.00 – 4.00	12/01/37	3,020,000
06/18/24	G.O. Promissory Notes	2,685,000	4.00 – 5.00	12/01/43	2,685,000
06/18/25	G.O. Promissory Notes	4,605,000		12/01/44	<u>4,605,000</u>
Total City Purposes General Obligation Debt Outstanding					<u>\$31,491,725</u>
<u>Sewer Utility Purposes</u>					
06/05/12	G.O. Corp. Purp. Bonds	705,000	2.00 – 2.125	12/01/26	100,000
06/04/14	G.O. Corp. Purp. Bonds	1,250,000	2.25 – 3.50	12/01/33	431,475
06/03/15	G.O. Corp. Purp. Bonds	1,360,000	3.00 – 3.50	12/01/34	750,000
06/01/16	G.O. Corp. Purp. Bonds	4,860,000	2.00 – 3.00	12/01/35	<u>2,200,000</u>
Total Sewer Utility Purposes General Obligation Debt Outstanding					<u>3,481,475</u>
<u>Water Utility Purposes</u>					
06/05/12	G.O. Corp. Purp. Bonds	1,560,000	2.00 – 2.125	12/01/26	50,000
06/04/14	G.O. Corp. Purp. Bonds	2,915,000	2.25 – 3.50	12/01/33	406,800
06/03/15	G.O. Corp. Purp. Bonds	2,465,000	3.00 – 3.50	12/01/34	450,000
06/01/16	G.O. Corp. Purp. Bonds	2,010,000	2.00	12/01/26	360,000
11/15/16	G.O. Refunding Bonds	1,300,000	2.00	12/01/25	55,000
06/05/17	G.O. Corp. Purp. Bonds	1,860,000	2.00 – 3.00	12/01/32	745,000
06/04/18	G.O. Corp. Purp. Bonds	2,800,000	3.00	12/01/33	1,335,000
11/08/18	G.O. Refunding Bonds	230,000	3.00	12/01/27	45,000
06/17/19	G.O. Corp. Purp. Bonds	3,115,000	2.50 – 3.00	12/01/38	1,780,000
11/15/19	G.O. Refunding Bonds	370,000	3.00	11/01/28	90,000
06/25/20	G.O. Corp. Purp. Bonds	4,010,000	1.00 – 2.00	12/01/39	2,845,000
06/17/21	G.O. Corp. Purp. Bonds	3,670,000	1.50 – 2.00	12/01/40	2,920,000
07/07/22	G.O. Corp. Purp. Bonds	4,050,000	3.00 – 4.00	12/01/37	3,295,000
06/22/23	G.O. Corp. Purp. Bonds	2,200,000	3.00 – 4.00	12/01/37	1,935,000
06/18/24	G.O. Promissory Notes	4,020,000	4.00 – 5.00	12/01/43	4,020,000
06/18/25	G.O. Promissory Notes	4,020,000		12/01/44	<u>3,470,000</u>
Total Water Utility Purposes General Obligation Debt Outstanding					<u>23,801,800</u>

<u>Date of Issue</u>	<u>Type of Debt</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Due Serially To</u>	<u>Principal Outstanding as of 06/18/25</u>
<u>TID No. 4 Purposes</u>					
06/03/15	Tax. G.O. Comm. Dev. Bonds	2,845,000	2.90 – 3.70	12/01/29	<u>1,315,000</u>
<u>TID No. 6 Purposes</u>					
06/01/16	Tax. G.O. Comm. Dev. Bonds	6,225,000	2.40 – 3.00	10/01/31	<u>3,415,000</u>
<u>TID No. 7 Purposes</u>					
11/15/19	Tax. G.O. Comm. Dev. Bonds	3,570,000	2.05 – 2.80	11/01/35	<u>2,705,000</u>
<u>Conference Center Purposes</u>					
06/28/18	Tax. G.O. Conference Center Bonds, 2018A	4,735,000	3.10 – 3.55	03/01/30	2,560,000
03/04/19	Tax. G.O. Conference Center Bonds	23,100,000	3.25 – 4.00	03/01/39	18,015,000
06/17/21	Tax. G.O. Refunding Bonds	3,065,000	0.70 – 2.35	03/01/39	<u>2,720,000</u>
Total Conference Center Purposes General Obligation Debt Outstanding					<u>23,295,000</u>
Total All General Obligation Debt Outstanding					<u>\$89,505,000</u>

General Obligation Debt Service Schedule

City Purposes

Year Due	(City Purposes) \$3,595,000 G.O. Corp. Bonds – 06/01/10		(City Purposes) \$2,420,000 G.O. Corp. Bonds – 06/01/11		(City Purposes) \$2,505,000 G.O. Corp. Bonds – 06/05/12		(City Purposes) \$4,270,000 G.O. Corp. Bonds – 06/04/14		(City Purposes) \$1,740,000 G.O. Corp. Bonds – 06/03/15	
	Principal (12/01)	Interest	Principal (12/01)	Interest	Principal (12/01)	Interest	Principal (12/01)	Interest	Principal (12/01)	Interest
2025	\$ 200,000	\$ 6,750	\$ 175,000	\$ 5,688	\$ 125,000	\$ 16,156	\$ 175,000	\$ 41,648	\$ 100,000	\$ 32,625
2026					125,000	13,656	175,000	37,273	100,000	29,625
2027					160,000	11,000	175,000	32,460	100,000	26,625
2028					160,000	7,400	175,000	27,211	100,000	23,625
2029					160,000	3,800	140,000	21,960	100,000	20,500
2030							140,000	17,760	100,000	17,250
2031							135,000	13,560	100,000	13,875
2032							135,000	9,173	100,000	10,500
2033							136,725	4,786	100,000	7,000
2034									100,000	3,500
	<u>\$200,000</u>	<u>\$6,750</u>	<u>\$175,000</u>	<u>\$5,688</u>	<u>\$730,000</u>	<u>\$52,012</u>	<u>\$1,386,725</u>	<u>\$205,831</u>	<u>\$1,000,000</u>	<u>\$185,125</u>

Year Due	(City Purposes) \$1,430,000 G.O. Corp. Bonds – 06/01/16		(City Purposes) \$2,750,000 G.O. Ref. Bonds – 11/15/16		(City Purposes) \$2,700,000 G.O. Corp. Bonds – 06/05/17		(City Purposes) \$2,330,000 G.O. Corp. Bonds – 06/04/18		(City Purposes) \$5,000,000 G.O. Ref. Bonds – 11/08/18	
	Principal (12/01)	Interest	Principal (12/01)	Interest	Principal (12/01)	Interest	Principal (12/01)	Interest	Principal (12/01)	Interest
2025	\$ 75,000	\$ 20,088	\$ 105,000	\$ 2,100	\$ 175,000	\$ 42,700	\$ 150,000	\$ 40,200	\$ 575,000	\$ 44,550
2026	75,000	18,587			175,000	39,200	150,000	35,700	540,000	27,300
2027	80,000	17,088			175,000	35,700	150,000	31,200	370,000	11,100
2028	75,000	15,487			115,000	30,450	150,000	26,700		
2029	75,000	13,988			175,000	27,000	150,000	22,200		
2030	75,000	12,300			175,000	21,750	150,000	17,700		
2031	75,000	10,519			175,000	16,500	150,000	13,200		
2032	75,000	8,269			175,000	11,250	135,000	8,700		
2033	75,000	6,019			200,000	6,000	155,000	4,650		
2034	75,000	3,956								
2035	60,000	1,800								
	<u>\$815,000</u>	<u>\$128,101</u>	<u>\$105,000</u>	<u>\$2,100</u>	<u>\$1,540,000</u>	<u>\$230,550</u>	<u>\$1,340,000</u>	<u>\$200,250</u>	<u>\$1,485,000</u>	<u>\$82,950</u>

General Obligation Debt Service Schedule (Continued)

City Purposes - Continued

Year Due	(City Purposes) \$4,565,000 G.O. Corp. Bonds – 06/17/19		(City Purposes) \$1,555,000 G.O. Ref. Bonds – 11/15/19		(City Purposes) \$3,100,000 G.O. Corp. Bonds – 06/25/20		(City Purposes) \$5,495,000 G.O. Corp. Bonds – 06/17/21		(City Purposes) \$1,935,000 G.O. Corp. Bonds – 07/07/22	
	Principal (12/01)	Interest	Principal (11/01)	Interest	Principal (12/01)	Interest	Principal (12/01)	Interest	Principal (12/01)	Interest
2025	\$ 235,000	\$ 90,375	\$ 165,000	\$ 19,500	\$ 155,000	\$ 46,500	\$ 290,000	\$ 86,500	\$ 105,000	\$ 64,500
2026	235,000	83,325	165,000	14,550	155,000	43,400	290,000	80,700	105,000	60,300
2027	235,000	76,275	160,000	9,600	155,000	40,300	290,000	74,900	105,000	56,100
2028	235,000	69,225	160,000	4,800	155,000	37,200	290,000	69,100	105,000	51,900
2029	235,000	62,175			155,000	34,100	290,000	63,300	105,000	47,700
2030	235,000	55,125			155,000	31,000	290,000	57,500	100,000	43,500
2031	235,000	49,250			155,000	27,900	290,000	51,700	100,000	39,500
2032	235,000	43,375			155,000	24,800	290,000	45,900	100,000	35,500
2033	235,000	37,500			155,000	21,700	290,000	41,550	100,000	31,500
2034	235,000	30,450			155,000	18,600	290,000	37,200	200,000	28,000
2035	235,000	23,400			155,000	15,500	290,000	32,850	200,000	21,000
2036	235,000	16,350			155,000	12,400	285,000	28,500	200,000	13,500
3037	155,000	9,300			155,000	9,300	285,000	22,800	160,000	6,000
2038	155,000	4,650			155,000	6,200	285,000	17,100		
2039					155,000	3,100	285,000	11,400		
2040							285,000	5,700		
	<u>\$3,130,000</u>	<u>\$650,775</u>	<u>\$650,000</u>	<u>\$48,450</u>	<u>\$2,325,000</u>	<u>\$372,000</u>	<u>\$4,615,000</u>	<u>\$726,700</u>	<u>\$1,685,000</u>	<u>\$499,000</u>

General Obligation Debt Service Schedule (Continued)

City Purposes - Continued

Year Due	(City Purposes) \$3,280,000 G.O. Corp. Bonds – 06/22/23		(City Purposes) \$2,685,000 G.O. Prom. Notes – 06/18/24		--- New Issue --- (City Purposes) \$4,605,000 G.O. Prom. Notes – 06/18/25		----- City Purposes Only -----		
	Principal (12/01)	Interest	Principal (12/01)	Interest	Principal (12/01)	Interest Est. @ 4.4%	Total Principal	Total Interest	Total Debt Service
2025	\$ 255,000	\$ 120,800	\$ 270,000	\$ 176,077			\$ 3,330,000	\$ 856,757	\$ 4,186,757
2026	255,000	110,600	85,000	107,700	\$ 555,000	\$ 303,340	3,185,000	1,005,256	4,190,256
2027	255,000	100,400	85,000	103,450	210,000	181,450	2,705,000	807,648	3,512,648
2028	260,000	90,200	110,000	99,200	210,000	170,950	2,300,000	723,448	3,023,448
2029	260,000	79,800	115,000	93,700	210,000	160,450	2,170,000	650,673	2,820,673
2030	260,000	69,400	140,000	87,950	210,000	149,950	2,030,000	581,185	2,611,185
2031	255,000	59,000	140,000	80,950	215,000	139,450	2,025,000	515,404	2,540,404
2032	250,000	48,800	145,000	73,950	215,000	128,700	2,010,000	448,917	2,458,917
2033	250,000	38,800	145,000	66,700	215,000	117,950	2,056,725	384,155	2,440,880
2034	180,000	28,800	145,000	59,450	215,000	107,200	1,595,000	317,156	1,912,156
2035	180,000	21,600	145,000	52,200	215,000	96,450	1,480,000	264,800	1,744,800
2036	180,000	14,400	145,000	46,400	235,000	85,700	1,435,000	217,250	1,652,250
2037	180,000	7,200	145,000	40,600	235,000	76,300	1,315,000	171,500	1,486,500
2038			145,000	34,800	235,000	66,900	975,000	129,650	1,104,650
2039			145,000	29,000	235,000	57,500	820,000	101,000	921,000
2040			145,000	23,200	235,000	48,100	665,000	77,000	742,000
2041			145,000	17,400	240,000	38,700	385,000	56,100	441,100
2042			145,000	11,600	240,000	29,100	385,000	40,700	425,700
2043			145,000	5,800	240,000	19,500	385,000	25,300	410,300
2044					240,000	9,900	240,000	9,900	249,900
	<u>\$3,020,000</u>	<u>\$789,800</u>	<u>\$2,685,000</u>	<u>\$1,210,127</u>	<u>\$4,605,000</u>	<u>\$1,987,590</u>	<u>\$31,491,725</u>	<u>\$7,383,799</u>	<u>\$38,875,524</u>

General Obligation Debt Service Schedule (Continued)

Sewer Utility Purposes

Year Due	(Sewer Portion) \$705,000 G.O. Corp. Bonds - 6/05/12		(Sewer Portion) \$1,250,000 G.O. Corp. Bonds – 06/04/14		(Sewer Portion) \$1,360,000 G.O. Corp. Bonds - 06/03/15		(Sewer Portion) \$4,860,000 G.O. Corp. Bonds - 06/01/16	
	Principal (12/01)	Interest	Principal (12/01)	Interest	Principal (12/01)	Interest	Principal (12/01)	Interest
2025	\$ 50,000	\$ 2,062	\$ 50,000	\$ 13,041	\$ 75,000	\$ 24,469	\$ 205,000	\$ 54,213
2026	50,000	1,063	50,000	11,792	75,000	22,219	205,000	50,112
2027			50,000	10,416	75,000	19,968	205,000	46,013
2028			50,000	8,917	75,000	17,718	205,000	41,912
2029			45,000	7,417	75,000	15,375	205,000	37,813
2030			45,000	6,067	75,000	12,937	205,000	33,200
2031			47,000	4,716	75,000	10,406	205,000	28,331
2032			47,000	3,189	75,000	7,875	205,000	22,181
2033			47,475	1,661	75,000	5,250	205,000	16,031
2034					75,000	2,625	205,000	10,394
2035							150,000	4,500
	<u>\$100,000</u>	<u>\$3,125</u>	<u>\$431,475</u>	<u>\$67,216</u>	<u>\$750,000</u>	<u>\$138,842</u>	<u>\$2,200,000</u>	<u>\$344,700</u>

General Obligation Debt Service Schedule (Continued)

Sewer Utility Purposes – Continued

Year Due	----- Sewer Utility Purposes -----		
	Total Principal	Total Interest	Total Debt Service
2025	\$ 380,000	\$ 93,785	\$ 473,785
2026	380,000	85,186	465,186
2027	330,000	76,397	406,397
2028	330,000	68,547	398,547
2029	325,000	60,605	385,605
2030	325,000	52,204	377,204
2031	327,000	43,453	370,453
2032	327,000	33,245	360,245
2033	327,475	22,942	350,417
2034	280,000	13,019	293,019
2035	150,000	4,500	154,500
	<u>\$3,481,475</u>	<u>\$553,883</u>	<u>\$4,035,358</u>

The City anticipates revenues from the Sewer Utility to offset debt service requirements for sewer utility purposes, but are not guaranteed.

General Obligation Debt Service Schedule (Continued)

Water Utility Purposes

Year Due	(Water Portion) \$1,560,000 G.O. Corp. Bonds – 06/05/12		(Water Portion) \$2,915,000 G.O. Corp. Bonds – 06/04/14		(Water Portion) \$2,465,000 G.O. Corp. Bonds – 06/03/15		(Water Portion) \$2,010,000 G.O. Corp. Bonds – 06/01/16	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	(12/01)		(12/01)		(12/01)		(12/01)	
2025	\$ 25,000	\$ 1,031	\$ 50,000	\$ 12,248	\$ 225,000	\$ 14,156	\$ 190,000	\$ 7,200
2026	25,000	531	50,000	10,998	25,000	7,406	170,000	3,400
2027			50,000	9,623	25,000	6,656		
2028			50,000	8,123	25,000	5,907		
2029			40,000	6,623	25,000	5,125		
2030			40,000	5,423	25,000	4,312		
2031			43,000	4,223	25,000	3,469		
2032			43,000	2,826	25,000	2,625		
2033			40,800	1,426	25,000	1,750		
2034					25,000	875		
	\$50,000	\$1,562	\$406,800	\$61,513	\$450,000	\$52,281	\$360,000	\$10,600

Year Due	(Water Portion) \$1,300,000 G.O. Ref. Bonds – 11/15/16		(Water Portion) \$1,860,000 G.O. Corp. Bonds – 06/05/17		(Water Portion) \$2,800,000 G.O. Corp. Bonds – 06/04/18		(Water Portion) \$230,000 G.O. Ref. Bonds – 11/08/18	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	(12/01)		(12/01)		(12/01)		(12/01)	
2025	\$ 55,000	\$ 1,100	\$ 165,000	\$ 19,000	\$ 250,000	\$ 40,050	\$ 15,000	\$ 1,350
2026			170,000	15,700	250,000	32,550	15,000	900
2027			175,000	12,300	250,000	25,050	15,000	450
2028			135,000	7,050	250,000	17,550		
2029			25,000	3,000	75,000	10,050		
2030			25,000	2,250	75,000	7,800		
2031			25,000	1,500	75,000	5,550		
2032			25,000	750	65,000	3,300		
2033					45,000	1,350		
	\$55,000	\$1,100	\$745,000	\$61,550	\$1,335,000	\$143,250	\$45,000	\$2,700

General Obligation Debt Service Schedule (Continued)

Water Utility Purposes – Continued

Year Due	(Water Portion) \$3,115,000 G.O. Corp. Bonds – 06/17/19		(Water Portion) \$370,000 G.O. Ref. Bonds – 11/15/19		(Water Portion) \$4,010,000 G.O. Corp. Bonds – 06/25/20		(Water Portion) \$3,670,000 G.O. Corp. Bonds – 06/17/21		(Water Portion) \$4,050,000 G.O. Corp. Bonds – 07/07/22	
	Principal (12/01)	Interest	Principal (11/01)	Interest	Principal (12/01)	Interest	Principal (11/01)	Interest	Principal (12/01)	Interest
2025	\$ 245,000	\$ 52,275	\$ 25,000	\$ 2,700	\$ 280,000	\$ 56,900	\$ 250,000	\$ 55,700	\$ 330,000	\$ 129,237
2026	245,000	44,925	25,000	1,950	280,000	51,300	250,000	50,700	330,000	116,038
2027	245,000	37,575	20,000	1,200	285,000	45,700	245,000	45,700	330,000	102,837
2028	245,000	30,225	20,000	600	290,000	40,000	240,000	40,800	335,000	89,638
2029	165,000	22,875			285,000	34,200	240,000	36,000	335,000	76,237
2030	75,000	17,925			290,000	28,500	240,000	31,200	335,000	62,838
2031	75,000	16,050			115,000	22,700	240,000	26,400	330,000	49,437
2032	75,000	14,175			115,000	20,400	135,000	21,600	255,000	36,238
2033	75,000	12,300			120,000	18,100	135,000	19,575	155,000	26,037
2034	75,000	10,050			125,000	15,700	135,000	17,550	155,000	20,613
2035	75,000	7,800			125,000	13,200	135,000	15,525	155,000	15,187
2036	75,000	5,550			130,000	10,700	135,000	13,500	155,000	9,375
2037	55,000	3,300			130,000	8,100	135,000	10,800	95,000	3,563
2038	55,000	1,650			135,000	5,500	135,000	8,100		
2039					140,000	2,800	135,000	5,400		
2040							135,000	2,700		
	<u>\$1,780,000</u>	<u>\$276,675</u>	<u>\$90,000</u>	<u>\$6,450</u>	<u>\$2,845,000</u>	<u>\$373,800</u>	<u>\$2,920,000</u>	<u>\$401,250</u>	<u>\$3,295,000</u>	<u>\$737,275</u>

General Obligation Debt Service Schedule (Continued)

Water Utility Purposes – Continued

Year Due	(Water Portion) \$2,200,000 G.O. Corp. Bonds – 06/22/23		(Water Purposes) \$4,020,000 G.O. Prom. Notes – 06/18/24		- - - New Issue - - - (Water Purposes) \$3,470,000 G.O. Prom. Notes – 06/18/25		- - - - - Water Utility Purposes - - - - -		
	Principal (12/01)	Interest	Principal (12/01)	Interest	Principal (12/01)	Interest Est. @ 4.4%	Total Principal	Total Interest	Total Debt Service
2025	\$ 210,000	\$ 77,400	\$ 480,000	\$ 277,626			\$ 2,795,000	\$ 747,973	\$ 3,542,973
2026	210,000	69,000	285,000	167,100	\$ 320,000	\$ 240,274	2,650,000	812,772	3,462,772
2027	210,000	60,600	285,000	152,850	260,000	149,706	2,395,000	650,247	3,045,247
2028	210,000	52,200	285,000	138,600	260,000	136,706	2,345,000	567,399	2,912,399
2029	205,000	43,800	285,000	124,350	260,000	123,707	1,940,000	485,967	2,425,967
2030	205,000	35,600	285,000	110,100	260,000	110,706	1,855,000	416,654	2,271,654
2031	205,000	27,400	285,000	95,850	260,000	97,706	1,678,000	350,285	2,028,285
2032	200,000	19,200	280,000	81,600	265,000	84,706	1,483,000	287,420	1,770,420
2033	200,000	11,200	280,000	67,600	265,000	71,457	1,340,800	230,795	1,571,595
2034	20,000	3,200	280,000	53,600	265,000	58,206	1,080,000	179,794	1,259,794
2035	20,000	2,400	110,000	39,600	265,000	44,956	885,000	138,668	1,023,668
2036	20,000	1,600	110,000	35,200	90,000	31,706	715,000	107,631	822,631
2037	20,000	800	110,000	30,800	90,000	28,107	635,000	85,470	720,470
2038			110,000	26,400	90,000	24,506	525,000	66,156	591,156
2039			110,000	22,000	90,000	20,906	475,000	51,106	526,106
2040			110,000	17,600	90,000	17,306	335,000	37,606	372,606
2041			110,000	13,200	85,000	13,707	195,000	26,907	221,907
2042			110,000	8,800	85,000	10,306	195,000	19,106	214,106
2043			110,000	4,400	85,000	6,906	195,000	11,306	206,306
2044					85,000	3,507	85,000	3,507	88,507
	<u>\$1,935,000</u>	<u>\$404,400</u>	<u>\$4,020,000</u>	<u>\$1,467,276</u>	<u>\$3,470,000</u>	<u>\$1,275,087</u>	<u>\$23,801,800</u>	<u>\$5,276,769</u>	<u>\$29,078,569</u>

The City anticipates revenues from the Water Utility to offset debt service requirements for water utility purposes, but are not guaranteed.

General Obligation Debt Service Schedule (Continued)

Year Due	TID No. 4 Purposes		
	\$2,845,000 Taxable G.O. Comm. Dev. Bonds – 06/03/15		
	Principal (12/01)	Interest	Total Debt Service
2025	\$ 285,000	\$ 42,785	\$ 327,785
2026	295,000	34,520	329,520
2027	300,000	25,375	325,375
2028	310,000	15,475	325,475
2029	125,000	4,625	129,625
	<u>\$1,315,000</u>	<u>\$122,780</u>	<u>\$1,437,780</u>

Annually, increment generated by Tax Increment District No. 4 is used to offset the debt service requirement. The increment received in 2025 is \$26,125.

General Obligation Debt Service Schedule (Continued)

Year Due	TID No. 6 Purposes			TID No. 7 Purposes		
	Principal (10/01)	Interest	Total Debt Service	Principal (11/01)	Interest	Total Debt Service
	\$6,225,000 Taxable G.O. Comm. Dev. Bonds – 06/01/2016			\$3,570,000 Taxable G.O. Comm. Dev. Bonds – 11/15/2019		
2025	\$ 460,000	\$ 91,265	\$ 551,265	\$ 225,000	\$ 66,645	\$ 291,645
2026	470,000	80,685	550,685	230,000	62,033	292,033
2027	480,000	69,405	549,405	230,000	57,087	287,087
2028	490,000	57,165	547,165	235,000	51,913	286,913
2029	500,000	43,935	543,935	240,000	46,390	286,390
2030	515,000	29,935	544,935	240,000	40,630	280,630
2031	500,000	15,000	515,000	250,000	34,750	284,750
2032				255,000	28,375	283,375
2033				260,000	21,745	281,745
2034				265,000	14,855	279,855
2035				275,000	7,700	282,700
	<u>\$3,415,000</u>	<u>\$387,390</u>	<u>\$3,802,390</u>	<u>\$2,705,000</u>	<u>\$432,123</u>	<u>\$3,137,123</u>

Annually, increment generated by Tax Increment District No. 6 is used to offset the debt service requirement. The increment received in 2025 for TID No. 6 is \$468,987 and TID No. 6 State Personal Property Aid is \$188,684. TID No. 7 increment for 2025 is \$291,661 and TID No. 7 State Personal Property Aid is \$21,484. TID No. 6 and TID No. 7 debt service is also guaranteed by the developer via special assessments charged by the City.

General Obligation Debt Service Schedule (Continued)

Conference Center Purposes

Year Due	\$4,735,000 Taxable G.O. Conference Center Bonds – 06/28/18		\$23,100,000 Taxable G.O. Conference Center Bonds – 03/04/19		\$3,065,000 Taxable G.O. Ref. Bonds – 06/17/21		- - - Conference Center Purposes - - -		
	Principal (03/01)	Interest	Principal (03/01)	Interest	Principal (03/01)	Interest	Total Principal	Total Interest	Total Debt Service
2025	\$ 460,000	\$ 95,399	\$ 1,015,000	\$ 645,254	\$ 175,000	\$ 51,150	\$ 1,650,000	\$ 791,803	\$ 2,441,803
2026	480,000	80,119	1,050,000	611,697	175,000	49,662	1,705,000	741,478	2,446,478
2027	495,000	63,846	1,085,000	577,004	175,000	47,781	1,755,000	688,631	2,443,631
2028	510,000	46,695	1,120,000	541,172	180,000	45,515	1,810,000	633,382	2,443,382
2029	530,000	28,623	1,155,000	504,204	180,000	42,860	1,865,000	575,687	2,440,687
2030	545,000	9,673	1,195,000	465,419	185,000	39,939	1,925,000	515,031	2,440,031
2031			1,235,000	424,407	185,000	36,794	1,420,000	461,201	1,881,201
2032			1,280,000	381,333	190,000	33,418	1,470,000	414,751	1,884,751
2033			1,325,000	336,065	195,000	29,759	1,520,000	365,824	1,885,824
2034			1,370,000	288,560	200,000	25,807	1,570,000	314,367	1,884,367
2035			1,420,000	238,682	205,000	21,554	1,625,000	260,236	1,885,236
2036			1,475,000	186,204	205,000	17,095	1,680,000	203,299	1,883,299
2037			1,530,000	130,980	210,000	12,478	1,740,000	143,458	1,883,458
2038			1,585,000	73,353	215,000	7,642	1,800,000	80,995	1,880,995
2039			1,190,000	22,015	220,000	2,585	1,410,000	24,600	1,434,600
	<u>\$3,020,000</u>	<u>\$324,355</u>	<u>\$19,030,000</u>	<u>\$5,426,349</u>	<u>\$2,895,000</u>	<u>\$464,039</u>	<u>\$24,945,000</u>	<u>\$6,214,743</u>	<u>\$31,159,743</u>

The City intends on using hotel room tax to support debt service issued for the construction of the Brookfield Conference Center (See "Room Tax Revenues" herein). The City entered into a THPS Agreement effective July 1, 2018 with the Brookfield Convention and Visitors Bureau Inc. to retain the necessary amount of annual hotel room tax collections to be received by November 1, of each calendar year, as necessary for the payment of the principal and interest on the City's debt obligations relative to the conference center in the subsequent calendar year. Room tax revenues were reduced in 2020 due to the pandemic. In addition, the Common Council created TID No. 8 which is expected to generate increment to be applied to the repayment of general obligation debt issued in 2018 for land acquisition. TID No. 8 generated \$546,766 of increment revenue for 2025 and TID No. 8 State Personal Property Aid is \$73,409.

General Obligation Debt Service Schedule (Continued)

Year Due	- - - - Total All General Obligation Debt - - - -			Less: Projected Offsetting Water and Sewer Revenues*	Total Debt Service Requirements
	Total Principal	Total Interest	Total Debt Service		
2025	\$ 9,125,000	\$ 2,691,013	\$ 11,816,013	\$ (4,016,758)	\$ 7,799,255
2026	8,915,000	2,821,930	11,736,930	(3,927,958)	7,808,972
2027	8,195,000	2,374,790	10,569,790	(3,451,644)	7,118,146
2028	7,820,000	2,117,329	9,937,329	(3,310,946)	6,626,383
2029	7,165,000	1,867,882	9,032,882	(2,811,572)	6,221,310
2030	6,890,000	1,635,639	8,525,639	(2,648,858)	5,876,781
2031	6,200,000	1,420,093	7,620,093	(2,398,738)	5,221,355
2032	5,545,000	1,212,708	6,757,708	(2,130,665)	4,627,043
2033	5,505,000	1,025,461	6,530,461	(1,922,012)	4,608,449
2034	4,790,000	839,191	5,629,191	(1,552,813)	4,076,378
2035	4,415,000	675,904	5,090,904	(1,178,168)	3,912,736
2036	3,830,000	528,180	4,358,180	(822,631)	3,535,549
2037	3,690,000	400,428	4,090,428	(720,470)	3,369,958
2038	3,300,000	276,801	3,576,801	(591,156)	2,985,645
2039	2,705,000	176,706	2,881,706	(526,106)	2,355,600
2040	1,000,000	114,606	1,114,606	(372,606)	742,000
2041	580,000	83,007	663,007	(221,907)	441,100
2042	580,000	59,806	639,806	(214,106)	425,700
2043	580,000	36,606	616,606	(206,306)	410,300
2044	325,000	13,407	338,407	(88,507)	249,900
	<u>\$91,155,000</u>	<u>\$20,371,487</u>	<u>\$111,526,487</u>	<u>\$ (33,113,927)</u>	<u>\$78,412,560</u>

*Revenues from the Water and Sewer Utility are projected to partially offset the total debt service, but are not guaranteed.

Defeased General Obligation Debt

On November 6, 2024, the City cash defeased \$3,715,000 of outstanding principal on General Obligation Community Development Bonds dated September 3, 2015 ("2015 Bonds") and related interest, by purchasing U.S. State and Local Government Securities for deposit into an irrevocable trust account. The trust account will provide for the interest and principal due on the 2015 Bonds to their earliest redemption date of November 1, 2025, and, therefore, these payments have been removed from the General Obligation Debt Service Schedules included in this Official Statement.

Revenue Debt Service Schedule - Sewer Utility Purposes

The City has issued a revenue bond to the State of Wisconsin for each of the following Clean Water Fund Loans. These loans are not a general obligations of the City, and are payable from net revenues of the Sewer Utility.

Year Due	\$790,274 Sewerage System Revenue Bonds - 11/12/09		\$632,201 Sewerage System Revenue Bonds – 07/13/11		\$4,250,607 Sewerage System Revenue Bonds – 06/24/20		Total Revenue Debt Service	(1) Less: Projected Offsetting Revenues	Net Sewer Revenue Debt Service
	Principal (5/01)	Interest	Principal (5/01)	Interest	Principal (5/01)	Interest			
2025	\$ 47,674	\$ 6,659	\$ 34,073	\$ 5,744	\$ 200,564	\$ 62,818	\$ 357,532	\$ (26,272)	\$ 331,260
2026	49,062	5,251	34,891	4,917	204,094	59,257	357,472	(26,264)	331,208
2027	50,489	3,803	35,729	4,069	207,686	55,633	357,409	(26,255)	331,154
2028	51,958	2,313	36,586	3,201	211,342	51,946	357,346	(26,246)	331,100
2029	53,470	778	37,464	2,314	215,061	48,194	357,281	(26,237)	331,044
2030			38,363	1,403	218,846	44,375	302,987	(10,952)	292,035
2031			39,284	471	222,698	40,490	302,943	(10,950)	291,993
2032					226,618	36,536	263,154		263,154
2033					230,606	32,512	263,118		263,118
2034					234,665	28,418	263,083		263,083
2035					238,795	24,251	263,046		263,046
2036					242,998	20,011	263,009		263,009
2037					247,274	15,697	262,971		262,971
2038					251,626	11,307	262,933		262,933
2039					256,055	6,839	262,894		262,894
2040					260,561	2,293	262,854		262,854
	<u>\$252,653</u>	<u>\$18,804</u>	<u>\$256,390</u>	<u>\$22,119</u>	<u>\$3,669,489</u>	<u>\$540,577</u>	<u>\$4,760,032</u>	<u>\$(153,176)</u>	<u>\$4,606,856</u>

- (1) The City has entered into loan agreements with the Village of Pewaukee and the Village of Menomonee Falls to pay their proportionate share of debt service for the Clean Water Fund Loans dated November 12, 2009 and July 13, 2011 to the City of Brookfield.

Source: City of Brookfield

Self-Supporting Utility Debt Service Projected Revenues and Expenses

Sewer Utility

Year Due	REVENUES		EXPENSES AND DEBT SERVICE				Revenue Over (Under) Expenses and Debt Service
	Special Assessments	Est. Annual Income From Sewer Rates	(1) Operation Maintenance & Replacement Fund Expenses	(2) Projected MMSD Capital Charges	(3) Sewer Purpose General Obligation Debt Service	(4) Net Sewer System Revenue Bonds Debt Service	
2025	\$ 6,734	\$ 13,812,048	\$ 9,149,134	\$ 2,493,413	\$ 473,785	\$ 331,260	\$ 1,371,190
2026	6,060	14,019,229	9,332,117	2,543,281	465,186	331,208	1,353,497
2027	1,153	14,229,517	9,518,759	2,594,147	406,397	331,154	1,380,213
2028		14,442,960	9,709,134	2,646,030	398,547	331,100	1,358,149
2029		14,659,604	9,903,317	2,698,950	385,605	331,044	1,340,688
2030		14,879,498	10,101,383	2,752,929	377,204	292,035	1,355,947
2031		15,102,691	10,303,411	2,807,988	370,453	291,993	1,328,846
2032		15,329,231	10,509,479	2,864,148	360,245	263,154	1,332,205
2033		15,559,170	10,719,669	2,921,431	350,417	263,118	1,304,535
2034		15,792,557	10,934,062	2,979,859	293,019	263,083	1,322,534
2035		16,029,446	11,152,743	3,039,457	154,500	263,046	1,419,700
2036		16,269,887	11,375,798	3,100,246		263,009	1,530,834
2037		16,513,936	11,603,314	3,162,251		262,971	1,485,400
2038		16,761,645	11,835,380	3,225,496		262,933	1,437,836
2039		17,013,069	12,072,088	3,290,006		262,894	1,388,082
2040		17,268,265	12,313,530	3,355,806		262,854	1,336,076

- (1) In June 2022, the Common Council approved a 7.7% sewer rate increase effective July 1, 2022. Sewer rates are reviewed annually and established to generate sufficient income to pay operating expenses, MMSD charges and debt service. Annual income is increased 1½% per year thereafter.
- (2) Expenses include operation and maintenance expenses and DNR required replacement fund, as applicable. Depreciation is not included in these expense figures. Expenses are calculated at a 2% cumulative increase.
- (3) Projected future MMSD capital charges are based on a settlement offer dated October 7, 1996 which shall be expressed annually as a rate per \$1,000 of equalized valuation in the City of Brookfield and shall be due by April 1 of each year. Projections are increased 2% cumulatively.
- (4) Sewer purpose general obligation debt service includes portions of general obligation bonds issued in 2012, 2014, 2015 and 2016 for sewer utility purposes.
- (5) The \$790,274 Sewerage System Revenue Bonds dated November 12, 2009, \$632,201 Sewerage System Revenue Bonds dated July 13, 2011, and \$4,250,607 Sewerage System Revenue Bonds dated June, 24, 2020 were issued through the State of Wisconsin Clean Water Fund Loan program, at an interest rate of 2.91%, 2.40%, and 1.76% respectively.

Source: City of Brookfield

Self-Supporting Utility Debt Service Projected Revenues and Expenses (Continued)

Water Utility

Year Due	REVENUES				EXPENSES AND DEBT SERVICE		Revenue Over (Under) Expenses & Debt Service
	Public Fire Protection	Existing Special Assessments	Pending Est. Special Assessments	Est. Annual Income From Water Rates (1)	Operation & Maintenance Expenses Excluding Depreciation (2)	Water Purposes General Obligation Debt Service	
2025	\$ 1,102,783	\$ 558,939	\$ 760,000	\$ 7,621,426	\$ 5,102,702	\$ 3,542,973	\$ 1,397,473
2026	1,102,783	503,909	187,150	8,002,497	5,255,783	3,462,772	1,077,784
2027	1,102,783	447,521	185,820	8,402,622	5,413,457	3,045,247	1,680,043
2028	1,102,783	397,052	177,840	8,822,753	5,575,860	2,912,399	2,012,169
2029	1,102,783	332,717	169,860	9,263,891	5,743,136	2,425,967	2,700,148
2030	1,102,783	277,591	161,880	9,727,085	5,915,430	2,271,654	3,082,255
2031	1,102,783	234,948	153,900	10,213,440	6,092,893	2,028,285	3,583,893
2032	1,102,783	200,225	145,920	10,724,112	6,275,680	1,770,420	4,126,940
2033	1,102,783		137,940	11,260,317	6,463,950	1,571,595	4,465,495
2034	1,102,783		129,960	11,823,333	6,657,869	1,259,794	5,138,413
2035	1,102,783		121,980	12,414,500	6,857,605	1,023,668	5,757,990
2036	1,102,783			13,035,225	7,063,333	822,631	6,252,044
2037	1,102,783			13,686,986	7,275,233	720,470	6,794,066
2038	1,102,783			14,371,335	7,493,490	591,156	7,389,472
2039	1,102,783			15,089,902	7,718,295	526,106	7,948,285
2040	1,102,783			15,844,397	7,949,843	372,606	8,624,731
2041	1,102,783			16,636,617	8,188,339	221,907	9,329,154
2042	1,102,783			17,468,448	8,433,989	214,106	9,923,136
2043	1,102,783			18,341,870	8,687,009	206,306	10,551,339
2044	1,102,783			19,258,964	8,947,619	88,507	11,325,622

(1) Calculated at 5% cumulative increase, including new customers and rate adjustments. Existing water rates became effective December 1, 2023 following approval by the Public Service Commission of Wisconsin for an 8% simplified rate increase.

(2) Calculated at 3% cumulative increase.

Source: City of Brookfield

General Obligation Debt Trends for the Last Five Years

All General Obligation Debt

<u>Year of Levy</u>	<u>Debt as of December 31</u>	<u>Assessed Valuation</u>	<u>Debt as a Percentage of Assessed Valuation</u>	<u>Equalized Valuation For Tax Levy (TID IN)</u>	<u>Debt as a Percentage of Equalized Valuation</u>	<u>Population</u>	<u>Direct Debt Per Capita</u>
2024	\$83,080,000	\$9,271,292,700	0.90%	\$9,841,962,300	0.84%	41,055	\$2,023.62
2023	89,775,000	9,341,645,000	0.96	9,943,967,300	0.90	41,121	2,183.19
2022	93,870,000	7,635,332,800	1.23	9,027,968,300	1.04	41,430	2,265.75
2021	97,217,027	7,550,746,600	1.29	8,192,033,600	1.19	40,276	2,413.77
2020	94,259,055	7,491,533,500	1.26	7,713,940,200	1.22	41,464	2,273.27

Excluding Self-Supporting Utility Debt

<u>Year of Levy</u>	<u>Debt as of December 31</u>	<u>Assessed Valuation</u>	<u>Debt as a Percentage of Assessed Valuation</u>	<u>Equalized Valuation For Tax Levy (TID IN)</u>	<u>Debt as a Percentage of Equalized Valuation</u>	<u>Population</u>	<u>Direct Debt Per Capita</u>
2024	\$59,266,725	\$9,271,292,700	0.64%	\$9,841,962,300	0.60%	41,055	\$1,443.59
2023	66,886,725	9,341,645,000	0.72	9,943,967,300	0.67	41,121	1,626.58
2022	69,856,725	7,635,332,800	0.91	9,027,968,300	0.77	41,430	1,686.14
2021	74,148,752	7,550,746,600	0.98	8,192,033,600	0.90	40,276	1,841.02
2020	71,745,780	7,491,533,500	0.96	7,713,940,200	0.93	41,464	1,730.31

Debt Limit

The City has the power to incur indebtedness for City purposes specified by statute in an aggregate amount, not to exceed five percent of the equalized value of taxable property in the City, as last determined by the State of Wisconsin Department of Revenue. See “CONSTITUTIONAL AND STATUTORY CONSIDERATIONS AND LIMITATIONS CONCERNING THE CITY’S POWER TO INCUR INDEBTEDNESS – Debt Limit” herein. The table below reflects direct bonded indebtedness as of the closing of the Notes and is a comparison of the outstanding indebtedness of the City as a percentage of the applicable debt limit.

Equalized Valuation (2024) as certified by Wisconsin Department of Revenue	\$9,841,962,300
Legal Debt Percentage Allowed	<u>5.00%</u>
Legal Debt Limit	\$492,098,115
G.O. Debt Outstanding Including the Notes as of June 18, 2025	\$89,505,000
Less: Remaining 2025 Principal Payments	<u>(7,475,000)</u>
Net General Obligation Debt Outstanding (1)	\$82,030,000
Unused Margin of Indebtedness	\$410,068,115
Percent of Legal Debt Incurred	16.67%
Percent of Legal Debt Available	83.33%

(1) Figures include \$24,108,275 of self-supporting general obligation debt issued for water (\$21,006,800) and sewer (\$3,101,475) utility purposes. Although the City anticipates revenues from the respective utilities, the actual amount is not guaranteed.

Future Financing

Annually, the City issues general obligation debt to finance a portion of the Capital Improvement Program (“CIP”). The 2026 CIP includes an anticipated issuance of approximately \$10 million to \$14 million of general obligation debt for City and water utility purposes.

Borrowing for Operational Purposes

The City has never had to borrow money for operating purposes except from internal funds.

Default Record

The City has never issued any obligations to avoid default; nor has the City ever defaulted in the payment of any of its obligations.

Direct and Overlapping Debt

<u>Governmental Unit</u>	<u>Gross General Obligation Debt as of 12/31/24</u>	<u>2025 Debt Service Trust Funds</u>	<u>2025 New Issues</u>	<u>Approximate Percentage Applicable</u>	<u>Net Debt Applicable To City</u>
City of Brookfield	\$ 83,080,000	\$ 9,125,000	\$ 8,075,000	100.00%	\$ 82,030,000
Elmbrook School District	20,145,000	5,025,000	-0-	82.42	12,461,904
Waukesha School District	16,745,000	5,795,000	-0-	0.90	98,550
Waukesha County Area Tech	25,130,000	9,050,000	2,600,000	11.07	2,067,876
Waukesha County	87,115,000	14,685,000	-0-	11.36	<u>8,228,048</u>
Total Direct and Overlapping Debt					<u>\$104,886,378</u>

Source: Respective municipalities and publicly available disclosure documents available on the Electronic Municipal Market Access website.

Statistical Summary

2024 Equalized Valuation (TID IN)	\$9,841,962,300
City Population (Department of Administration 2024)	41,055
2024 Full Value Per Capita	\$239,726
Direct Debt Including the Notes dated June 18, 2025	\$82,030,000*
Direct Debt Per Capita	\$1,998
Direct Debt as a Percentage of Equalized Value	0.83%
Direct and Overlapping Debt	\$104,886,378
Direct and Overlapping Debt Per Capita	\$2,555
Direct and Overlapping Debt as a Percentage of Equalized Value	1.06%

* This figure includes self-supporting debt issued for water and sewer utility purposes. Historically this debt has been supported by the income and revenues of the individual utilities. Although the City anticipates the revenues from the utilities to continue to support this debt, the actual amount of these revenues is not guaranteed.

Direct Debt	\$82,030,000
Less: Water Utility Debt	(21,006,800)
Less: Sewer Utility Debt	<u>(3,101,475)</u>
Total Tax Supported General Obligation Debt	<u>\$57,921,725</u>

FINANCIAL INFORMATION

Wisconsin Statutes and the Wisconsin Administrative Code require cities, with a population greater than 25,000, to publish, at the close of each fiscal (calendar) year, a complete set of financial statements presented in conformity with generally accepted accounting principles ("GAAP") and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The City retained the services of Baker Tilly US, LLP, Certified Public Accountants (the "Auditor"), to perform the audit of the City's basic financial statements for years ended December 31, 2020 through 2024. Information included in this Official Statement under the heading "General Fund Summary" and "Governmental Fund Summary" has been excerpted from the City's respective Audited Financial Statements for years ended December 31, 2020 through 2024.

Baker Tilly US, LLP, the City's independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein as Exhibit I, any procedures on the financial statements addressed in that report. Baker Tilly US, LLP, has also not performed any procedures relating to this Official Statement.

The City's Financial Statements as of and for the year ended December 31, 2024, including the accompanying independent auditors' report, is included as Exhibit I to this Official Statement. Potential purchasers should read such Financial Statements in their entirety for more complete information concerning the City's financial position. Such Financial Statements have been audited by the Auditor, to the extent and for the period indicated thereon. The City has not requested the Auditor to perform any additional examination, assessment or evaluation with respect to such Financial Statements since the date thereof, nor has the City requested that the Auditor consent to the use of such Financial Statements in this Official Statement. Although the inclusion of the Financial Statements in this Official Statement is not intended to demonstrate the fiscal condition of the City since the date of the audited Financial Statements, in connection with the issuance of the Notes, the City represents that there has been no material adverse change in the financial position or results of operations of the City, nor has the City incurred any material liabilities, which would make such Financial Statements misleading.

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. Certain funds are classified according to generally accepted accounting principles as major funds. Most of the functions of the City are financed through the governmental funds. The City's governmental fund types include the general fund, non-major funds, the debt service fund and capital projects fund. Governmental funds are prepared utilizing an accounting method and budgetary method in conformance with GAAP and are budgeted on a modified accrual basis of accounting.

The General Fund is the operating fund of the City, used to account for all financial resources except those required to be accounted for in another fund and is a major fund. Non-major funds are used to account for activities where monies are restricted or committed for a specific purpose. The Debt Service Fund and the Tax Incremental Districts Debt Service Fund are major funds used to account for the accumulation of resources for and the payment of general obligation debt service, other than that supported by the sewer or water utilities, or the Brookfield Conference Center debt service. Capital projects funds are used to accumulate resources restricted, committed or assigned for the acquisition/construction of capital facilities or capital assets including equipment. The Capital Improvement Capital Project Fund is a major fund. The Parks Development special revenue fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for the development of public park spaces and is also a major fund.

Proprietary fund types are used to account for activities funded primarily through user charges. The city's proprietary fund types include enterprise funds (water and wastewater utility enterprise funds are major funds) and internal service funds used to account for financing services provided by/to City departments.

Budgeting Process

State statute, local ordinance and the City's budget development policy prescribe the process of budget review and adoption for the City of Brookfield. The laws require public input in the budget process, including the publishing of a budget summary in the local media. Public input is also available at the meetings at which budget information is discussed, including boards and commissions, Finance Committee, and the official public hearing before the Common Council.

The annual budget process serves as the City's basis for financial planning and control. Departmental budgets are prepared on an annual basis by department heads and are submitted for examination in August of each year. The initial review of these budgets is conducted by the Mayor and the Finance Department. After review of the department requests, the Mayor submits his/her recommendations to the Finance Committee for its review and approval. Public hearings are held starting in October by the Finance Committee whereby the budget is submitted to the Common Council for final approval. A public hearing on the proposed budget is held prior to approval by the Common Council, which usually occurs on the third Tuesday in November.

Following budget adoption, the budget may be amended only by a 2/3-majority vote of the Common Council. Such a majority is required both for additional appropriations and for changes/transfers between appropriations. Appropriations are defined as expenditure categories such as general government, public safety, contingency, etc. Transfers within appropriations can be made with approval by the Director of Finance, Mayor and/or Finance Committee based on dollar amount. Formal budget changes (i.e., appropriations) are required to be published in the official newspaper within 10 days of approval.

Budget Summary

	Adopted 2025			
	General Fund	% of Total	Governmental Funds	% of Total
REVENUES				
General Property Taxes	\$37,796,000	70.01%	\$43,091,000	66.67%
Other Taxes	1,658,775	3.07	4,259,775	6.59
Intergovernmental Revenues	6,878,108	12.74	7,057,887	10.92
Licenses and Permits	1,594,241	2.96	1,594,241	2.47
Fines and Forfeitures	395,100	0.73	395,100	0.61
Public Charges for Services	2,555,036	4.73	3,126,807	4.84
Commercial Revenues	1,761,916	3.26	3,030,275	4.69
Utility Tax Equivalent/Transfers In	<u>1,350,300</u>	<u>2.50</u>	<u>2,075,300</u>	<u>3.21</u>
Total Revenues	<u>\$53,989,476</u>	<u>100.00%</u>	<u>\$64,630,385</u>	<u>100.00%</u>
EXPENDITURES				
General Government	\$ 6,173,072	10.94%	\$ 6,281,572	9.11%
Protection of Persons and Property	30,291,755	53.70	30,785,391	44.63
Public Works	11,983,545	21.24	12,016,837	17.42
Health (mosquito/deer control)	128,850	0.23	128,850	0.19
Education, Parks and Recreation	6,893,477	12.22	7,468,712	10.83
Conservation and Development	592,629	1.05	1,334,290	1.93
Contingency Fund	350,000	0.62	350,000	0.51
Capital Outlay	0	0	2,861,196	4.15
Debt Service	0	0	6,073,161	8.81
Transfers Out	<u>0</u>	<u>0</u>	<u>1,670,300</u>	<u>2.42</u>
Total Expenditures	<u>\$56,413,328</u>	<u>100.00%</u>	<u>\$68,970,309</u>	<u>100.00%</u>
Revenue Over (Under) Expenses	(\$2,423,852)		(\$4,339,924)	
Fund Equity January 1	\$21,095,571		\$39,591,763(1)	
Fund Equity December 31	\$18,671,719		\$35,232,839(1)	

(1) Governmental Fund Equity figure does not include CIP or TIF funds.

Source: City of Brookfield Director of Finance and Administration

Governmental Fund Summary

Statement of Revenues, Expenditures and Changes in Fund Balances – For Year Ended December 31

	Audited				
	2024	2023	2022	2021	2020
Revenues:					
Taxes	\$50,974,539	\$50,259,705	\$49,283,015	\$48,008,881	\$40,696,450
Intergovernmental revenues	9,087,759	7,342,256	7,039,027	5,094,549	5,463,105
Licenses and permits	1,937,453	1,579,390	1,622,659	1,961,129	1,869,268
Fines, forfeitures and penalties	392,250	403,427	360,347	303,826	293,372
Public charges for services	3,019,268	2,910,609	2,696,707	2,197,117	1,834,934
Special assessment revenue	53,500	2,241	24,877	57,811	39,670
Commercial revenues	<u>5,029,216</u>	<u>4,809,658</u>	<u>900,898</u>	<u>995,561</u>	<u>1,720,820</u>
Total Revenues	<u>70,493,985</u>	<u>67,307,286</u>	<u>61,927,530</u>	<u>58,618,874</u>	<u>51,917,619</u>
Expenditures:					
Operation and maintenance:					
General government	6,044,207	5,602,147	5,459,210	4,999,031	5,257,566
Public safety	29,873,712	28,851,842	26,248,820	24,641,660	24,504,898
Public works	11,716,554	11,360,859	10,739,459	9,787,944	9,752,690
Health and sanitation	179,107	145,928	106,049	122,099	117,626
Library	3,189,570	3,051,359	3,034,305	2,927,433	2,878,105
Park and recreation	3,788,447	3,702,527	3,385,829	3,036,039	2,527,695
Community development	3,482,505	1,310,866	997,705	1,140,447	4,566,448
Capital outlay	8,265,879	4,699,277	4,107,195	8,040,215	10,248,806
Debt service	12,323,186	8,270,903	8,369,274	11,322,282	7,677,471
Debt issuance	<u>62,084</u>	<u>66,857</u>	<u>36,101</u>	<u>132,075</u>	<u>44,151</u>
Total Expenditures	<u>78,925,251</u>	<u>67,062,565</u>	<u>62,483,947</u>	<u>66,149,225</u>	<u>67,575,456</u>
Excess of Revenues Over (Under) Expenditures	<u>(8,431,266)</u>	<u>244,721</u>	<u>(556,417)</u>	<u>(7,530,351)</u>	<u>(15,657,837)</u>
Other Financing Sources (Uses):					
Bonds/notes issued	2,685,000	3,280,000	1,935,000	8,560,000	3,100,000
Premium bonds/notes issued	134,007	169,698	75,608	216,034	142,691
Operating transfers in	4,266,943	4,277,293	4,126,790	3,259,620	3,662,929
Operating transfers out	(3,251,072)	(3,552,898)	(2,875,730)	(1,849,759)	(1,804,329)
Sale of property	<u>126,444</u>	<u>159,260</u>	<u>220,505</u>	<u>63,154</u>	<u>124,247</u>
Total Other Financing Sources (Uses)	<u>3,961,322</u>	<u>4,333,353</u>	<u>3,482,173</u>	<u>10,249,049</u>	<u>5,225,538</u>
Net Change In Fund Balance	<u>(4,469,944)</u>	<u>4,578,074</u>	<u>2,925,756</u>	<u>2,718,698</u>	<u>(10,432,299)</u>
Fund Balances, beginning of year	<u>49,923,066</u>	<u>45,344,992</u>	<u>42,419,237</u>	<u>39,700,539</u>	<u>50,132,838</u>
Fund Balances, end of year	<u>\$45,453,122</u>	<u>\$49,923,066</u>	<u>\$45,344,993</u>	<u>\$42,419,237</u>	<u>\$39,700,539</u>

Source: Information shown for years ended December 31, 2020 through 2024 is excerpted from the respective City Audited Financial Statements.

General Fund Summary

Statement of Revenues, Expenditures and Changes in Fund Balances – For Year Ended December 31

	Audited				
	2024	2023	2022	2021	2020
Revenues:					
Taxes	\$39,037,802	\$38,136,559	\$36,962,072	\$35,743,138	\$32,598,487
Intergovernmental revenues	6,953,564	5,937,233	5,424,441	4,527,559	5,297,888
Licenses and permits	1,937,453	1,579,390	1,622,659	1,961,129	1,869,268
Fines, forfeitures and penalties	392,250	403,427	360,347	303,826	293,372
Public charges for services	2,361,185	2,288,519	2,262,096	1,858,285	1,519,497
Commercial revenues	<u>2,973,540</u>	<u>2,769,806</u>	<u>382,135</u>	<u>157,975</u>	<u>767,507</u>
Total Revenues	<u>53,655,794</u>	<u>51,114,934</u>	<u>47,013,750</u>	<u>44,551,912</u>	<u>42,346,019</u>
Expenditures:					
Current:					
General government	5,981,519	5,602,147	5,459,210	4,999,031	5,257,566
Public safety	29,400,224	28,171,449	25,898,867	24,245,601	24,125,329
Public works	11,638,914	11,305,632	10,668,215	9,728,489	9,695,391
Health and sanitation	179,107	145,928	106,049	122,099	117,626
Library	3,189,570	3,051,359	3,034,305	2,927,433	2,878,105
Park and recreation	3,288,065	3,163,915	2,983,676	2,672,309	2,281,395
Community development	<u>608,323</u>	<u>525,254</u>	<u>466,500</u>	<u>370,830</u>	<u>475,789</u>
Total Expenditures	<u>54,285,722</u>	<u>51,965,684</u>	<u>48,616,822</u>	<u>45,065,792</u>	<u>44,831,201</u>
Excess of Revenues Over (Under) Expenditures	<u>(629,928)</u>	<u>(850,750)</u>	<u>(1,603,072)</u>	<u>(513,880)</u>	<u>(2,485,182)</u>
Other Financing Sources (Uses):					
Operating transfers in	2,258,951	2,157,895	2,576,560	1,485,361	2,432,600
Operating transfers out	(150,000)	(400,000)	0	0	0
Sale of property	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>246</u>
Total Other Financing Sources (Uses)	<u>2,108,951</u>	<u>1,757,895</u>	<u>2,576,560</u>	<u>1,485,361</u>	<u>2,432,846</u>
Net Change in Fund Balances	1,479,023	907,145	973,488	971,481	(52,336)
Fund balances, beginning of year	<u>19,616,548</u>	<u>18,709,403</u>	<u>17,735,915</u>	<u>16,764,434</u>	<u>16,816,770</u>
Fund balances, end of year	<u>\$21,095,571</u>	<u>\$19,616,548</u>	<u>\$18,709,403</u>	<u>\$17,735,915</u>	<u>\$16,764,434</u>
	Fiscal Year				
	2024	2023	2022	2021	2020
General Fund Balances:					
Nonspendable	\$ 52,278	\$ 74,773	\$ 55,392	\$ 42,561	\$ 39,490
Assigned	3,140,108	2,231,247	2,785,167	2,727,255	2,695,806
Unassigned	<u>17,903,185</u>	<u>17,310,528</u>	<u>15,868,844</u>	<u>14,966,099</u>	<u>14,029,138</u>
Total General Fund Balance	<u>\$21,095,571</u>	<u>\$19,616,548</u>	<u>\$18,709,403</u>	<u>\$17,735,915</u>	<u>\$16,764,434</u>

Source: Information shown for years ended December 31, 2020 through 2024 is excerpted from the respective City Audited Financial Statements.

Room Tax Revenues

On April 3, 2018, the Common Council adopted an ordinance increasing the hotel room tax rate from 8% to 10.5%, effective May 1, 2018. The Common Council has the authority, under Wisconsin statutes, to adjust the hotel room tax rate.

Following is a history of the room tax collected in the City of Brookfield at the 8% rate and all room taxes collected:

	<u>Room Taxes @ 8% Rate</u>		<u>Room Taxes @ 8% Rate</u>	<u>All Room Taxes</u>
2013	\$2,461,939	2018	\$2,507,081	\$3,147,083
2014	\$2,461,394	2019	\$2,582,170	\$3,389,098
2015	\$2,510,619	2020*	\$965,784	\$1,267,592
2016	\$2,528,613	2021	\$2,106,452	\$2,764,718
2017	\$2,434,827	2022	\$2,766,056	\$3,630,449
		2023	\$3,167,803	\$4,157,742
		2024	\$3,606,983	\$4,734,166
		2025	\$612,897	\$804,427 Through March 31

*A significant number of retail and hospitality venues were closed in compliance with Wisconsin Governor Tony Evers' "safer at home" executive order which was in effect March 25, 2020 through May 13, 2020.

Source: City of Brookfield Director of Finance and Administration

Summary of Property Assessment, Tax Levy and Tax Collection Procedures

Wisconsin cities, villages and towns are charged with the responsibility of assessing taxable property, collecting taxes, and making distribution to the state, county, school districts and other taxing jurisdictions. Property of manufacturing establishments and utilities is assessed by the State Department of Revenue. All assessments are made as of January 1.

Taxes on real estate and personal property are levied in December of each year by each municipality within the county for each taxing jurisdiction in amounts that, when collected in the ensuing year, are sufficient to cover operating expenses, debt service and other expenditures of the said taxing jurisdictions.

In all taxation districts, except those which have adopted a local option payment plan, real property taxes must either be paid in full by January 31 to the taxation district treasurer, or paid in two equal installments with 50% paid by January 31 and the balance due by July 31. Amounts paid after January 31 are paid to the county treasurer. On or before February 20, all tax rolls are turned over to the county treasurer who then continues to collect all delinquent and postponed taxes. Personal property taxes, special assessments, special charges and special taxes must be paid in full by January 31.

Any taxation district may authorize the payment of real property taxes in three or more installments. The first installment must be paid by January 31 and at least 50% of the real property taxes must be paid by April 30. All real property taxes must be paid by July 31. The taxation district treasurer shall retain the tax roll and make collections through July 31. The tax roll is then transferred to the county treasurer who continues to collect delinquent taxes.

On or before January 15 and February 20, (and in taxation districts whereby payment is made in three or more installments, on February 20 and on the 15th day of each month following a month in which an installment payment is due), the taxation district treasurer settles with other taxing jurisdictions for all collections through the preceding month. On August 20, the county treasurer must settle in full with the underlying taxing jurisdictions for all real estate and special taxes (except special assessments). Any county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Waukesha County does not settle in full with the City for special charges or special assessments, which are reimbursed as collected. The City receives 100% of their real estate taxes.

Collection of delinquent personal property taxes is the duty of the taxation district treasurer. A taxation district may chargeback, to each taxing jurisdiction its proportionate share of those personal property taxes, if the taxes are owed by an entity that has ceased operations, filed for bankruptcy, or are due on property that has been removed from the next assessment roll. The personal property tax has been repealed, starting with the property tax assessments as of January 1, 2024. Beginning in 2025, the personal property tax has been replaced with a payment from the State intended to replace the amount of property taxes imposed on personal property tax assessments as of January 1, 2023.

History of Tax Collections

Levy/ Collection Year	All Purpose Levy*	<u>Uncollected Taxes as of February 15</u>				<u>Uncollected Taxes as of April 15, 2025</u>		
		<u>Real Estate</u>	<u>Special Assessment</u>	<u>Personal Property</u>	<u>Percent Collected</u>	<u>Real Estate and Special Assessment</u>	<u>Personal Property</u>	<u>Percent Collected</u>
2024/25	\$ 124,676,838	\$ 18,145,342	\$ 219,175	-0-	85.27%	\$ 15,693,089	-0-	87.41%
2023/24	126,032,720	17,903,019	99,234	\$ 371,532	85.42	159,499	\$ 37,228	99.84
2022/23	128,029,011	19,557,592	135,207	259,093	84.41	96,106	26,759	99.90
2021/22	133,961,650	20,145,314	120,565	395,291	84.58	21,105	19,394	99.97
2020/21	136,547,768	20,389,818	91,707	335,311	84.75	3,967	11,158	99.99

* Includes special assessments

Source: City of Brookfield / Waukesha County

UNDERWRITING

The Notes will be offered at a public sale on June 3, 2025 at 10:30 A.M. (Central Time). Action on bids received will be taken at a Common Council meeting on June 3, 2025, commencing at 7:45 P.M. (Central Time), whereby the Notes will be awarded to the bidder or combination of bidders offering the lowest true interest cost to the City (the "Underwriter").

Original Issue Discount

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

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

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

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

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

Bond Premium

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

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

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

LEGAL MATTERS

Tax Exemption

Federal tax law contains a number of requirements and restrictions which apply to the Notes, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The City has covenanted to comply with all requirements that must be satisfied in order for the interest on the Notes to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Notes to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Notes.

Subject to the City's compliance with the above-referenced covenants, under present law, in the opinion of Griggs Law Office LLC, Milwaukee, Wisconsin, Bond Counsel, interest on the Notes is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax imposed on individuals; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code).

In rendering its opinion, Bond Counsel will rely upon certifications of the City with respect to certain material facts within the City's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Notes should consult their tax advisors as to applicability of any such collateral consequences.

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

The interest on the Notes is not excluded from income and therefore is not exempt from present Wisconsin income taxes.

Designation as Qualified Tax-Exempt Obligations

The Notes shall be designated as "qualified tax-exempt obligations" for purposes of Section 265 of the Internal Revenue Code of 1986, as amended, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

Approval of Legality of the Notes

Legal matters incident to the authorization, issuance and sale of the Notes, are subject to the approval of Griggs Law Office LLC, Milwaukee, Wisconsin, Bond Counsel. Copies of such opinion will be available at the time of delivery of the Notes.

Absence of Material Litigation

There is no controversy or litigation of any nature now pending or, to the knowledge of the City, threatened to restrain or enjoin the issuance, sale, execution or delivery of the Notes or the levy and collection of taxes to pay the same; or questioning the proceedings or authority pursuant to which the Notes are issued and taxes levied; or questioning or relating to the validity of the Notes, or contesting the corporate existence of the City or the titles of its present officers to their respective offices.

The absence of such litigation will be confirmed at the time of the delivery of the Notes to the purchaser by a certificate of the City Clerk.

MUNICIPAL BANKRUPTCY

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

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

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

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

RATING

The City has applied for a rating on the Notes from Moody's Investors Service ("Moody's"). The City's outstanding long-term general obligation debt is rated "Aaa" by Moody's. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from the rating agency furnishing the same. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Notes.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Notes, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Undertaking described under the heading “Continuing Disclosure” neither the City nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Notes any proposed change in or withdrawal of such rating or to oppose any such revision or withdrawal.

EXHIBITS

- EXHIBIT I. City of Brookfield, Wisconsin Financial Statements and Independent Auditors’ Report for the Year Ended December 31, 2024, which have been excerpted from the City’s Annual Comprehensive Financial Report
- EXHIBIT II. Form of Legal Opinion
- EXHIBIT III. Form of Continuing Disclosure Certificate
- EXHIBIT IV. Official Notice of Sale and Bid Form

MISCELLANEOUS

This Official Statement includes the cover page, reverse thereof, Summary, and the Exhibits hereto.

Bond Counsel has furnished the material under the heading “LEGAL MATTERS - Tax Exemption”, “LEGAL MATTERS - Designation as Qualified Tax-Exempt Obligations”, the information in EXHIBIT II. – Form of Legal Opinion, and EXHIBIT III. – Form of Continuing Disclosure Certificate, but has not participated in the preparation of this Official Statement and will not pass on its accuracy, completeness or specifications. Bond Counsel has not examined or attempted to examine or verify any of the financial or statistical statements or data contained in this Official Statement, and will express no opinion with respect thereto.

All references to material not purporting to be quoted in full are only summaries of certain provisions thereof and do not purport to summarize or describe all the provisions thereof. Reference is hereby made to such instruments, documents and other materials for the complete provisions thereof, copies of which will be furnished upon request to the City. The City has authorized the distribution of this Official Statement.

MUNICIPAL ADVISOR

Wisconsin Public Finance Professionals, LLC, Brookfield, Wisconsin, (“WPFP”) has been retained as Municipal Advisor to the City in connection with the issuance of the Notes. The Municipal Advisor has relied upon the City, and other sources, having access to relevant data to provide accurate information for this Official Statement. To the best of WPFP’s knowledge, the information contained in this Official Statement is true and accurate. WPFP’s compensation is payable entirely by the City. WPFP is registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board as a Municipal Advisor.

ACCURACY AND COMPLETENESS OF OFFICIAL STATEMENT

This Official Statement has been approved for distribution to prospective purchasers and the Underwriter of the Notes by the City. All of the statements and data presented herein have been obtained from reliable sources and are believed to be correct but are not guaranteed by the City.

The City Clerk or other appropriate official will provide to the original purchaser of the Notes at the time of delivery of the Notes, a certificate confirming to the purchaser that, to the best of their knowledge and belief, the Preliminary Official Statement and Final Official Statement, with respect to the Notes, at the time of the sale and delivery of the Notes, was true and correct in all material respects and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated, where necessary to make the statements, in light of the circumstances under which they were made, not misleading.

EXHIBIT I. City of Brookfield, Wisconsin Financial Statements and Independent Auditors' Report for the Year Ended December 31, 2024, which have been excerpted from the City's Annual Comprehensive Financial Report

THE CITY OF BROOKFIELD, WISCONSIN
ANNUAL FINANCIAL STATEMENTS
For The Fiscal Year Ended December 31, 2024

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT.....	2
MANAGEMENT'S DISCUSSION AND ANALYSIS (REQUIRED SUPPLEMENTARY INFORMATION).....	4
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
Statement of Net Position	18
Statement of Activities	19
FUND FINANCIAL STATEMENTS	
Balance Sheet – Governmental Funds	20
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Net Position – Proprietary Funds.....	23
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds ..	25
Statement of Cash Flows – Proprietary Funds.....	26
Statement of Fiduciary Net Position – Fiduciary Funds.....	28
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	29
Notes to Financial Statements.....	30
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund.....	77
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Parks Development Fund.....	78
Schedule of Employer's Proportionate Share of Net Pension Liability (Asset) – Wisconsin Retirement System	79
Schedule of Employer Contributions – Wisconsin Retirement System.....	79
Schedule of Employer's Proportionate Share of Net OPEB Liability – Local Retiree Life Insurance Fund.....	80
Schedule of Employer Contributions – Local Retiree Life Insurance Fund.....	80
Schedule of Changes in Total Health OPEB Liability and Related Ratios – City Retiree Healthcare Plan	81

Independent Auditors' Report

To the Mayor and Common Council of
City of Brookfield

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 Brookfield, Wisconsin (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2024 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 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.

Emphasis of Matter

As discussed in Note I, the City adopted the provisions of GASB Statement No. 100, *Accounting Changes and Error Corrections*, effective January 1, 2024. In addition, as discussed in Note IV, changes in the presentation of funds within the financial statements resulted in adjustments to beginning fund balance. Our opinions are not modified with respect to these matters.

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 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, 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.

Baker Tilly US, LLP

Milwaukee, Wisconsin
May 16, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

This section of the City of Brookfield's annual comprehensive financial report provides the reader with management's narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2024. This discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the City's financial activity, (3) identify changes in the City's financial position, and (4) identify any changes in the City's financial plan (approved budget).

The financial discussion and analysis presented in the section is intended to be used in conjunction with the accompanying financial statements.

Financial Highlights

- ◆ The assets and deferred outflows of the City of Brookfield exceeded its liabilities and deferred inflows by \$287,229,541 (net position) as of December 31, 2024. Of this amount, \$59,766,836 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- ◆ As of December 31, 2024, the City of Brookfield's governmental funds reported combined ending fund balances of \$45,453,122. This balance includes \$17,903,185 which is available for spending at the government's discretion (unassigned fund balance). At the end of the year, the Common Council had designated \$20,936,341 of the total fund balance as committed or assigned for specific purposes and \$6,613,596 as restricted or non-spendable due to constraints from external factors such as grants or regulations defining specific use or allocations of prepaid expenditures.
- ◆ At the end of the current fiscal year, \$17,903,185 of unassigned fund balance is for the general fund, equal to 33 percent of total general fund expenditures.

Overview of the Financial Statements

Management's Discussion and Analysis serves as an introduction to the City of Brookfield's basic financial statements. The basic financial statements include: (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 City's basic financial statements include two government-wide financial statements, the Statement of Net Position and the Statement of Activities. These financial statements are designed to provide the reader with a broad overview of the City of Brookfield's finances. Financial reporting at this level uses a perspective similar to that found in the private sector utilizing full accrual accounting and the elimination or reclassification of internal activities.

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference 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, as a whole, is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of the timing of related cash flows.

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by taxes and intergovernmental revenues from business-type activities that are intended to recover all or a significant portion of their costs from fees and charges. Governmental activities include general government, public safety, health and sanitation, public works, library, parks and recreation, and community development. Business-type activities include the water and sewer utilities.

The government-wide financial statements include not only the funds of the City of Brookfield (primary government), but also a legally separate Community Development Authority (component unit) for which the City of Brookfield is financially accountable. Financial information for this blended component unit is included in the governmental activities of the primary government. See Note I-A, page 32, of the Notes to Financial Statements for more information.

The government-wide financial statements are presented 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 Brookfield, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant (major) funds rather than the City as a whole. Major funds are separately reported while other funds are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report. All of the funds of the City of Brookfield can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the focus of fund financial statements is on the short-term use of spendable resources and balances of spendable resources available at the end of the year. Such information may be useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the focus of governmental funds is narrower than that of government-wide financial statements, comparisons of the information for governmental funds presented in the fund financial statements with similar information for governmental activities presented in the government-wide statements may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

In 2024, the City of Brookfield utilized twenty-two individual governmental funds including the City's Community Development Authority (component unit) which is reported as a special revenue fund. 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 debt service fund, the tax incremental debt service fund, the capital improvement fund, and the parks development fund, all of which are considered to be major funds.

Data from seventeen non-major 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 Brookfield adopts annual budgets for its various funds in accordance with state statutes. Budgetary comparison statements and schedules are included in the required supplementary information for the general fund and any major special revenue funds. There was one major special revenue fund for the year ended December 31, 2024. These statements and schedules demonstrate compliance with the City's adopted and final revised budget.

The basic governmental fund financial statements are presented on pages 20-22 of this report.

Proprietary Funds

Proprietary funds are reported in the fund financial statements and generally report services for which the City charges customers a fee. There are two types of proprietary funds, enterprise funds and internal service funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Services are provided to customers external to the City, i.e. the City's Water and Sewer Utilities.

Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its risk management, self-funded employee health insurance program and fleet services costs. Because these funds predominately benefit governmental rather than business-type functions, they have been included within the governmental activities of the government-wide financial statements.

Proprietary fund statements provide financial information consistent with the focus provided by the government-wide financial statements, but with more detail. The proprietary fund financial statements provide separate information for Water and Sewer Utilities, both of which are major funds. Individual fund information for the internal service funds is provided in the form of combining statements in a later section of this report.

The basic proprietary fund financial statements can be found on pages 23-27 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties other than the City. These funds are not available to fund City programs and therefore are not reflected in the government-wide financial statements. The fiduciary (custodial) fund maintained by the City of Brookfield is the Property Tax Fund which records the tax roll and collections for other taxing governmental agencies. The accounting used for the City's fiduciary (custodial) funds is much like that used for governmental funds.

The basic fiduciary fund financial statements can be found on pages 28-29 of this report.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 32 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information. Other required supplementary information can be found on pages 77-81 of this report.

Government-wide Financial Analysis

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the City as a whole.

The City's net position as of December 31, 2024, was \$287,229,541. The following provides a summary of the City's net position:

CITY OF BROOKFIELD NET POSITION December 31, 2024 and 2023 (amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 108,208	\$ 115,103	\$ 52,593	\$ 53,192	\$ 160,801	\$ 168,295
Capital assets	131,309	127,607	162,168	155,248	293,477	282,855
Total assets	<u>239,517</u>	<u>242,710</u>	<u>214,761</u>	<u>208,440</u>	<u>454,278</u>	<u>451,150</u>
Deferred outflows of resources	<u>33,046</u>	<u>47,642</u>	<u>3,086</u>	<u>4,351</u>	<u>36,132</u>	<u>51,993</u>
Current and other liabilities	13,583	15,995	8,834	9,123	22,417	25,118
Non-current liabilities	<u>74,024</u>	<u>88,544</u>	<u>26,953</u>	<u>27,421</u>	<u>100,977</u>	<u>115,965</u>
Total liabilities	<u>87,607</u>	<u>104,539</u>	<u>35,787</u>	<u>36,544</u>	<u>123,394</u>	<u>141,083</u>
Deferred inflows of resources	<u>72,092</u>	<u>81,342</u>	<u>7,695</u>	<u>8,620</u>	<u>79,787</u>	<u>89,962</u>
Net position:						
Net investment in capital assets	82,291	74,258	134,498	127,997	216,789	201,573*
Restricted	3,145	6,893	7,528	7,130	10,673	14,023
Unrestricted	<u>27,428</u>	<u>23,320</u>	<u>32,339</u>	<u>32,500</u>	<u>59,767</u>	<u>56,502</u>
Total net position	<u>\$ 112,864</u>	<u>\$ 104,471</u>	<u>\$ 174,365</u>	<u>\$ 167,627</u>	<u>\$ 287,229</u>	<u>\$ 272,098</u>

*The net position section includes an adjustment for capital assets owned by the business-type activities but financed by the debt of the governmental activities. Amounts will not cross-foot as a result.

Change in Net Position

The City's combined net position increased by \$15.1 million from fiscal year 2023 to 2024, an increase of 5.6%. With this increase, the net position of the City's governmental activities increased by \$8.4 million, and the City's business-type activities increased \$6.7 million.

The largest portion of the City's net position (75%) reflects its investment in capital assets, less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens and they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

An additional portion of the City's net position (3.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$59.8 million) may be used to meet the government's ongoing obligations to citizens and creditors.

The following is a summary of the change in net position for the City of Brookfield:

CHANGE IN NET POSITION
For the Years Ended December 31, 2024 and 2023
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for services	\$ 7,340	\$ 6,124	\$ 19,815	\$ 20,056	\$ 27,155	\$ 26,180
Operating grants	4,112	4,189	5	91	4,117	4,280
Capital grants/contributions	3,553	48	7,338	3,993	10,891	4,041
General Revenues:						
Property taxes	46,182	46,045	-	-	46,182	46,045
Public service taxes	4,793	4,215	-	-	4,793	4,215
Grants not restricted to specific programs	4,509	2,715	-	-	4,509	2,715
Investments	4,231	3,823	2,297	2,149	6,528	5,972
Gain – sale/disposal of capital assets	70	113	-	-	70	113
Other	143	238	-	-	143	238
Total revenues	<u>74,933</u>	<u>67,510</u>	<u>29,455</u>	<u>26,289</u>	<u>104,388</u>	<u>93,799</u>
Expenses:						
General government	7,463	7,465	-	-	7,463	7,465
Public safety	30,865	31,849	-	-	30,865	31,849
Health and sanitation	179	146	-	-	179	146
Public works	16,616	16,602	-	-	16,616	16,602
Library	3,328	3,462	-	-	3,328	3,462
Parks and recreation	4,491	4,397	-	-	4,491	4,397
Community development	3,486	1,482	-	-	3,486	1,482
Interest on long-term debt	1,307	1,984	-	-	1,307	1,984
Water utility	-	-	6,229	6,507	6,229	6,507
Sewer utility	-	-	15,323	15,799	15,323	15,799
Total expenses	<u>67,735</u>	<u>67,387</u>	<u>21,552</u>	<u>22,306</u>	<u>89,287</u>	<u>89,693</u>
Increase (decrease) in net position before transfers	7,227	123	7,903	3,983	15,130	4,106
Transfers	<u>1,166</u>	<u>1,124</u>	<u>(1,166)</u>	<u>(1,124)</u>	<u>-</u>	<u>-</u>
Change in net position	8,393	1,247	6,637	2,859	15,130	4,106
Net position – beginning	<u>104,471</u>	<u>103,224</u>	<u>167,628</u>	<u>164,769</u>	<u>272,099</u>	<u>267,993</u>
Net position - ending	\$ <u>112,864</u>	\$ <u>104,471</u>	\$ <u>174,365</u>	\$ <u>167,628</u>	\$ <u>287,229</u>	\$ <u>272,099</u>

Governmental Activities

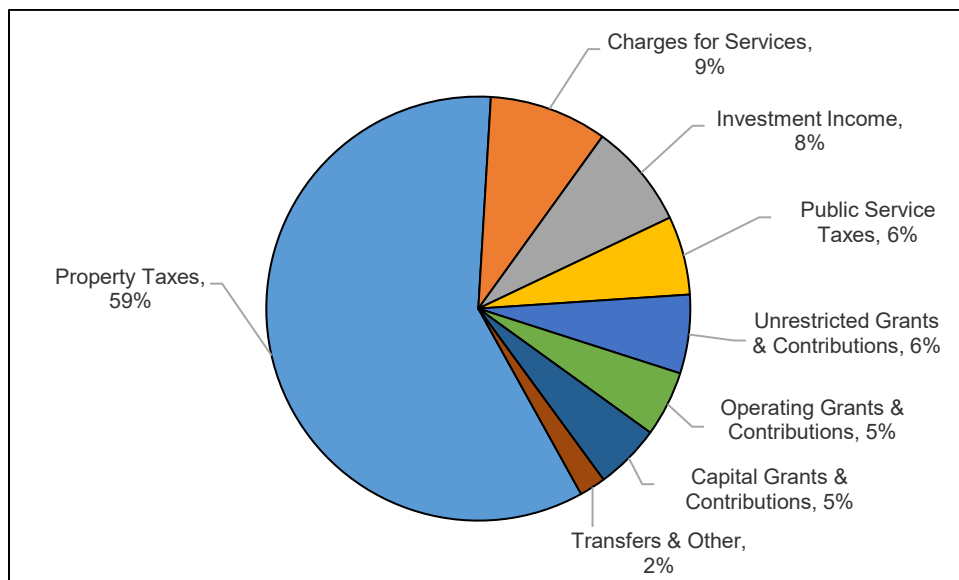
Governmental activities for 2024 increased the City's net position by \$8.39 million. Total revenues exceeded total expenses by \$7.23 million and \$1.16 million was transferred from the business-type activities.

Some of the notable changes in revenues and expenses are described below:

Revenues

- Charges for services: The overall increase of \$1,245,143 from prior year was primarily due to charges in excess of claims and administrative costs in the Health Insurance internal service fund (\$944,978). Building and related permit revenue also increased \$391,184 from the prior year due to increased new and remodeling construction.
- Operating grants: The overall decrease of \$77,076 from prior year was primarily due to a grant received in 2023 for a one-time project (\$106,989).
- Capital grants: The City saw an increase of \$3,505,521 from the prior year due primarily to developer dedications of infrastructure.
- Property tax revenue: This is the City's largest revenue source. Property taxes levied for general purposes increased from 2023 by \$674,817 and property taxes levied for debt service decreased \$537,833.
- Public service taxes: This mainly consists of lodging taxes which increased \$576,424 with the ongoing recovery of business and leisure travel post COVID-19 pandemic.
- Grants not restricted to specific programs: The overall increase in grant revenue was \$1,793,985, of which \$979,405 was from increased state shared revenue due to a new shared revenue program for local municipalities. This revenue source is expected to increase at an inflationary rate going forward. Additionally, the City recognized \$949,945 in additional aid from the federal American Rescue Plan Act program.
- Investments: The increase in revenue from investments of \$554,947 is the result of an increase in the market value of investments and strong market performance in 2024.

Program and General Revenues by Source – Governmental Activities



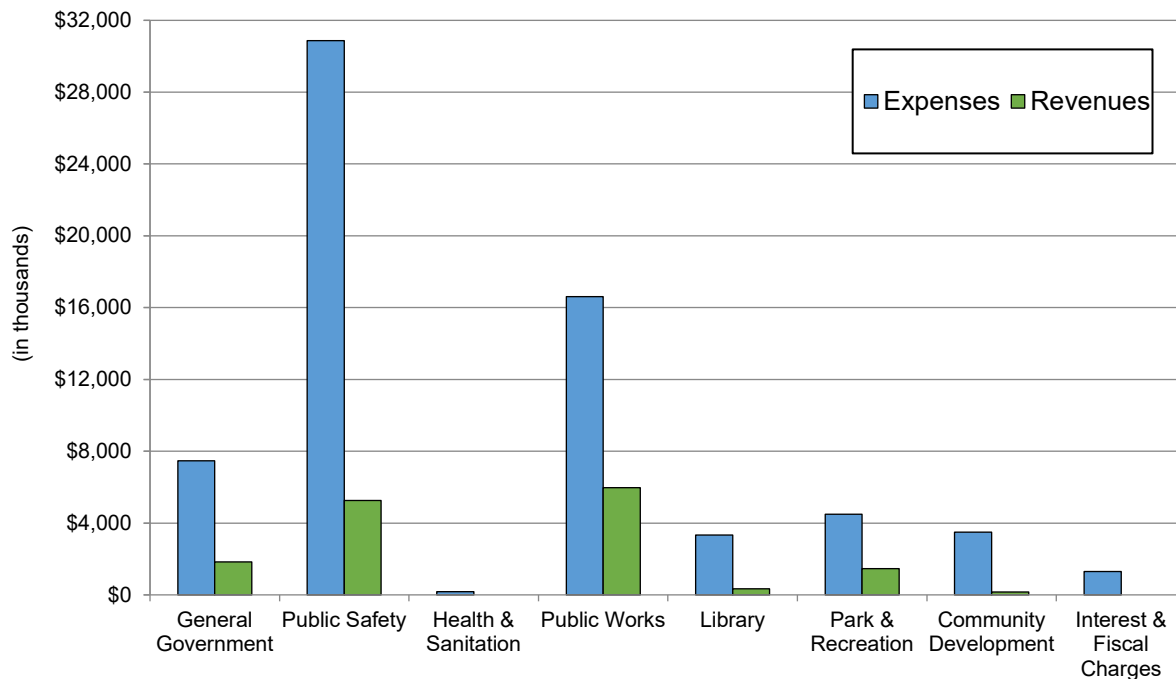
Governmental Activities (continued)

Expenses

Overall expenses increased by \$346,862 (0.5%) for governmental activities which includes the following:

- Public safety expenses decreased by \$984,488 (3.1%). Salaries and benefits increased by \$985,922 (4%) primarily from the police and fire departments which are driven by union contracts and increases in the WRS pension contribution rate. Police contracted services increased \$51,331 from the implementation of social worker services with Waukesha County. The Police Department also incurred unexpected costs to repair a water main break at the Safety Building (\$122,227). The Fire Department also had repair costs to replace a boiler at fire station 3 (\$47,940). These increases were offset by lower expenses for employee pensions due to actuarial adjustments (\$2,480,122).
- Library expenses decreased by \$134,706 (3.9%). Notable increases included salaries and benefits of \$83,048 (3.6%) and the carpet replacement project (\$19,570). These increases were offset by lower expenses for employee pensions due to actuarial adjustments (\$246,881).
- Parks and recreation expenses increased \$93,600 driven by increases in labor costs of \$82,529 (3.4%), fleet maintenance costs (\$53,197) and depreciation expense (\$145,321). These increases were offset by lower expenses for employee pensions due to actuarial adjustments (\$175,972).
- Community development expenses increased by \$2,004,039 which included the closure of TIF District 5 (The Corridor development) and the related payments of excess tax increment to the overlying taxing jurisdictions (\$1,447,776). In addition, payments to the Visitor and Convention Bureau increased due to the increase in lodging taxes collections (\$501,424).
- Interest and fiscal charges decreased by \$677,103 (34.1%) primarily due to increased amortization expenses for debt premiums and lower debt balances resulting in lower interest expense.

Expenses and Program Revenues – Governmental Activities



Business-type Activities

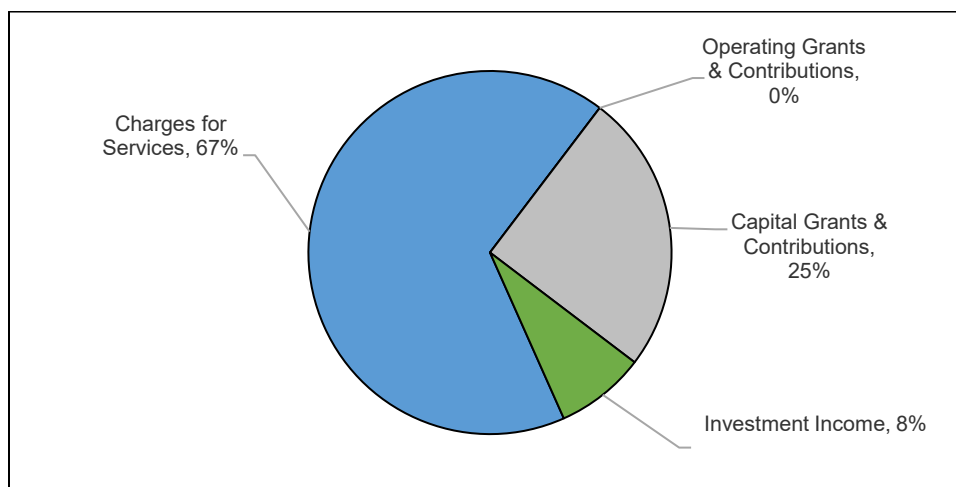
Business-type activities, which include the operations of the water and sewer utilities, provided an increase to the City's net position of \$6,737,300. Program revenues exceeded expenses by \$5,606,199 while net general revenues and transfers (investment income less transfers) totaled \$1,131,101.

Some of the notable changes in revenues and expenses are described below:

Revenues

- Charges for services:
 - Sewer sales to customers increased \$27,480 (0.3%). Charges to other municipalities decreased \$164,046 due to a decrease in the proportionate wastewater flows from the contract communities to the FRWPCC. Industrial surcharges decreased \$56,354 due to lower amounts of pollutant levels detected from contract community and City users.
 - Water metered sales increased \$63,124. The Water Utility added 124 new customers in 2024, and total water consumption decreased by approximately 89.7 million gallons. Cell tower lease revenues also decreased \$171,429 compared to 2023.
- Operating grants: Grants from Milwaukee Metropolitan Sewer District were only \$5,357, related to sewer lateral projects.
- Capital grants/contributions: Sewer capital contributions increased by \$2,286,180 primarily due to the continuation of the project to replace various large pieces of equipment at the treatment plant, including the influent splitter gates, digester mixing systems, and final clarifiers, for which there were approximately \$4.7 million in project expenditures for 2024. This project will continue into 2025.
- Investments: The increase in revenue from investments is primarily the result of the market value of investments in longer term portfolios increasing as yields increased and market performance improved in 2024.

Revenues by Source – Business-type Activities

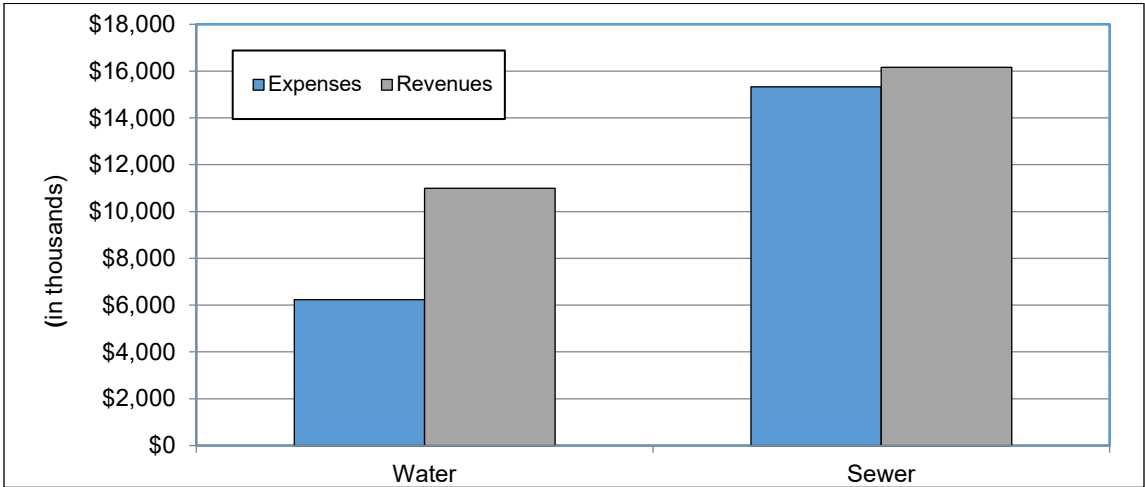


Expenses

- Water Utility operating expenses, excluding depreciation, decreased by \$58,617 (1.6%). A significant reason for the decrease was lower expenses for employee pensions due to actuarial adjustments, which caused a \$204,000 decrease from 2023.
- Sewer Utility operating expenses, excluding depreciation, decreased by \$573,614 (4.6%) from 2023. Collection system expenses decreased by \$398,421 (17.0%), due to less costs necessary to detect and repair sanitary sewer pipes. The MMSD capital charge increased by \$214,120 primarily due to increases in equalized value in the District and budget to actual adjustments for prior planned work in watercourses to which the City is a tributary.

Business-type Activities (continued)

Expenses and Program Revenues – Business-type Activities



Fund Financial Analysis

As noted earlier, the City of Brookfield uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. Fund financial reporting focuses on short-term spendable resources and balances of spendable resources available at year-end.

Governmental Funds

As of December 31, 2024, the City’s governmental funds had a combined ending fund balance of \$45,453,122. Of this balance \$20,936,341 was committed or assigned for specific purposes and \$17,903,185 was unassigned. The committed balance includes \$1,269,497 for specific purposes, \$5,665,247 for employee retirement benefits, \$145,845 for capital improvement projects and \$2,744,617 for parks development. The assigned balance includes \$2,423,852 for subsequent year’s expenditures, \$645,286 for compensated absences, \$1,361,624 for capital project funding, \$70,970 for encumbrances, \$226,185 for parks development and \$6,383,218 for specific purposes.

General Fund

The General Fund is the primary operating fund of the City and supports the majority of the day-to-day services provided by the City. The total fund balance of the General Fund as of December 31, 2024, was \$21,095,571 of which \$52,278 was non-spendable, \$3,140,108 was assigned, and \$17,903,185 was unassigned. The General Fund had an increase in fund balance of \$1,479,023 for 2024, compared to a budgeted decrease in fund balance of \$1,092,120.

General Fund revenues and other financing sources increased by \$2,641,916 (4.9%). Some of the significant changes in General Fund revenues were as follows:

- Property tax revenues increased by \$899,817 (2.5%) from the prior year.
- Room tax revenues totaled \$1,599,178, the same as the prior year driven by state law limits on the amount of room tax the City can retain for general government purposes; any amounts collected over the State cap are forwarded to Visit Brookfield as the City’s tourism promotion agency.
- Intergovernmental revenues increased by \$1,016,332 (17.1%). State shared revenue increased due to a new revenue sharing program with local municipalities (\$979,405) along with an increase in state transportation aid for local streets (\$113,425). These increases were offset by a reduction in Local Road Improvement Program (LRIP) (\$123,035) which is received every other year.
- Revenues from licenses and permits increased by \$358,063 (22.7%), due to higher revenues from building permits (\$234,953), electrical permits (\$76,574) and plumbing permits (\$49,175).
- Public charges for services increased \$72,666 (3.2%) compared to 2023. This increase is driven by increases in engineering fees (\$40,835) and ambulance service fees (\$28,457).
- Investment revenue totaled \$2,787,615, an increase of \$297,837 from 2023. (See discussion regarding investment revenue on page 9.)

General Fund (continued)

General Fund expenditures increased by \$2,320,038 (4.4%). The changes in department expenditures in the fund statements may vary from the government-wide changes noted on page 9 due to the inclusion and/or exclusion of certain expenses in the government-wide statements. Some of the significant changes in General Fund expenditures and financing uses were as follows:

- Expenditures for the Police Department increased by \$925,360 (6.6%) as a result of higher salary and benefit costs (\$696,080) driven by union contract and increases in the WRS pension contribution rate. Other cost increases included contracted services from the implementation of social worker services (\$51,331) computer software (\$56,631) which includes increases for Microsoft Office and forensic software, as well as capital outlay expenditures for water main repairs at the Public Safety building (\$122,227).
- Fire Department expenditures increased by \$363,350 (3.1%) due to higher salary and benefits costs driven by union contract and increases in the WRS pension contribution rate (\$304,916), and capital outlay for a boiler replacement at Fire Station 3 (\$47,940).
- Elections expenditures increased by \$68,434 (115.5%) as 2024 had four elections vs. two elections in 2023.
- Assessor costs increased by \$88,362 (11.1%) driven by wages and benefits (\$97,350) which included the addition of a Deputy Assessor position to assist with the transition for an upcoming retirement.
- Finance expenditures increased by \$55,110 (5.1%) which was primarily due to higher salary and benefits costs (\$50,818) and software costs (\$14,344) which included the purchase of new tax collection software.
- City Attorney expenditures increased \$78,971 (13.0%) driven by wages and benefits (\$36,260) and outside legal services related to property tax assessment litigation (\$38,371).
- Public Works expenditures in total increased by \$436,731 (3.8%). Significant cost increases included pavement maintenance project costs (\$293,372), Highway division materials and supplies costs (\$103,011), fleet maintenance (\$95,574), salary and benefit costs (\$64,952), recycling costs (\$48,382) and capital outlays for carpeting and a vertical tank (\$36,135). These increases were offset by cost decreases in grounds and maintenance (\$105,100) and waste removal (\$38,757).
- Parks, Recreation and Forestry expenditures increased by \$115,464 (3.6%), driven by wages and benefits (\$82,529), fleet maintenance costs (\$53,197) with cost reductions in park renovation costs (\$16,688).

Debt Service Fund

The Debt Service fund balance as of December 31, 2024, totaled \$832,912, reflecting a decrease of \$111,419 from 2023 (for general City debt other than utilities, TID-related, or conference center debt). Debt issuance expenditures incurred for 2024 borrowings repaid by the Debt Service Fund totaled \$48,684. The issuance expenditures were offset by premiums totaling \$134,007 received from the sale of the City's annual capital improvement debt issue. Principal and interest payments on general obligation debt decreased by \$71,911 from 2023.

Tax Incremental Debt Service Fund

The Tax Incremental Debt Service fund balance as of December 31, 2024, totaled \$1,402,368, a decrease of \$3,731,832 from 2023 primarily resulting from the closure of TIF 5 (Corridor) and related debt defeasance for the district (\$3,715,000). Expenditures included the related payment of excess tax increment from TIF 5 to the overlying taxing jurisdictions (\$1,447,776).

Capital Improvement Fund

The Capital Improvement fund balance decreased \$1,621,917 from 2023 primarily due to projects that had been funded and delayed in prior years being completed in 2024. Capital improvement project expenditures for 2024 totaled \$6,337,316. Major expenditures for the year included: \$1,077,828 on the Wirth Park Tot Lot and \$1,440,413 on other park and Greenway Trail improvements, \$2,242,417 on roads, \$1,173,752 on bike paths, \$207,951 for stormwater improvements and \$138,814 for repairs to the City Hall parking lot.

Parks Development Fund

Parks Development Fund revenues of \$790,604 consisted of cell tower lease revenue and interest that supports the park trail system (\$606,258) and investment income (\$184,346). Transfers out related to Greenway Trail improvements, pathway rehabilitation and funding for park maintenance staff for trails.

Proprietary Funds

See page 11 for information related to the City's Sewer and Water Utilities.

General Fund Budgetary Highlights

The difference between the original adopted budget and final amended budget for 2024 resulted from the following transfers between the contingency appropriation and other operating accounts:

- \$100,215 from contingency for departmental budgets for the effect of implementing provisions of the 2024 salary ordinance relative to non-represented staff and changes in employee benefit elections reflecting higher estimated salary and benefit expenditures.
- \$93,000 from contingency to the Police department for funding emergency water lateral repairs and related costs at the public safety building.
- \$50,000 from contingency to City Attorney for outside legal costs related to labor relations and tax assessment litigation.
- \$50,000 from contingency for replacement fire and emergency alarm equipment in City Hall.
- \$35,000 transfer from contingency to Mosquito/Deer control contracted services for additional mosquito treatment costs.
- \$2,250 from contingency to fund a graduate intern to assist the Community Development department.

In addition, the final amended budget included supplemental appropriations to fund a \$150,000 transfer to the City's fleet fund to support ongoing operations, a \$200,000 increase for pavement maintenance, and \$250,000 increase to police salaries and overtime.

Capital Assets

The City's investment in capital assets for its governmental and business-type activities on December 31, 2024, was \$293,476,848 (net of depreciation), an increase of \$10,621,630 from 2023. This investment in capital assets includes land, buildings and improvements, equipment and furnishings, and infrastructure.

Major changes in capital assets of governmental activities included the following:

- \$2,235,040 for construction of Lisbon Road.
- \$1,077,828 for construction of the Wirth Park Tot Lot.
- \$581,350 for pickleball courts at Mary Knoll Park
- \$623,535 for pickleball courts at Krueger Park.
- \$620,377 for bike paths along Lisbon Road.
- \$469,039 for bike path replacements.
- \$527,719 for Greenway Trail enhancements.
- \$420,738 for library materials.
- \$615,805 for the purchase of eight police squad vehicles.
- \$519,759 for highway equipment, including patrol truck, wheel loader and two pickup trucks.
- \$310,530 for technology equipment including new city-wide phone system.
- \$297,154 for repairs to the City Hall and Mitchell Park parking lots.

Major changes in capital assets of business type activities included the following:

- \$1,908,695 for water main extensions in the Glenoaks, Cheviot Hills, Greenbrier, Hidden Woods and Maple Ridge subdivisions.
- \$1,294,926 for replacing approximately 8,410 feet of aging water main.
- \$289,093 to purchase vehicles for the water utility.
- \$4,670,990 for replacing digester mixers, final clarifiers, and gas handling at the FRWPCC.
- \$363,746 for various equipment improvements and replacements at the treatment plant including multiple pumps.

City of Brookfield Capital Assets
(Net of Accumulated Depreciation)
(In Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Land	\$ 25,920	\$ 25,920	\$ 379	\$ 379	\$ 26,299	\$ 26,299
Buildings & improvements	38,250	39,060	8,905	9,576	47,155	48,636
Equipment & furnishings	9,836	8,741	13,022	14,169	22,858	22,910
Intangible	522	568	-	-	522	568
Infrastructure	52,662	50,490	131,457	128,065	184,119	178,555
Construction in progress	4,118	2,828	8,405	3,059	12,523	5,887
Total capital assets	<u>\$ 131,308</u>	<u>\$ 127,607</u>	<u>\$ 162,168</u>	<u>\$ 155,248</u>	<u>\$ 293,476</u>	<u>\$ 282,855</u>

Additional information on the City's capital assets can be found in Note IV-E, pages 52-53, of this report.

Long-term Debt

At the end of the current fiscal year, the City had a total debt outstanding of \$87,258,532. This amount includes \$83,080,000 in general obligation debt backed by the full faith, credit and resources of the City; and \$4,178,532 in debt secured by specific revenue sources.

City of Brookfield's Outstanding Debt
(In Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
General obligation bonds and notes	\$ 59,267	\$ 66,887	\$ 23,813	\$ 22,888	\$ 83,080	\$ 89,775
Revenue bonds	-	-	4,179	4,455	4,179	4,455
Total outstanding debt	<u>\$ 59,267</u>	<u>\$ 66,887</u>	<u>\$ 27,992</u>	<u>\$ 27,343</u>	<u>\$ 87,259</u>	<u>\$ 94,230</u>

State statutes limit the amount of general obligation debt a government entity may issue to 5 percent of its total equalized value. The current debt limit for the City of Brookfield is \$492,098,115. As of December 31, 2024, the City had \$83,080,000 in outstanding general obligation debt or 16.9% of its legal limit.

The City of Brookfield's total debt decreased by \$6,971,696 (7.4%) during the current fiscal year due primarily to payments made on general obligation debt and the defeasance of the 2015 bonds for TIF 5 (The Corridor). The City issued \$6,705,000 in new debt and made principal payments totaling \$13,676,696 in 2024. See Note IV-F, pages 54-58, for more detailed information on the City's long-term debt.

Economic Factors and Next Year's Budget and Rates

The City of Brookfield is located in Waukesha County, approximately ten miles from downtown Milwaukee, in the southeast corner of Wisconsin. The City over the past fifteen years has experienced moderating growth in terms of residential and commercial development as the community approaches full development. Commercial facilities within the City includes ten office parks and office complexes, five industrial parks, eleven hotels with over 1,800 guest rooms and numerous shopping centers including the only enclosed mall in Waukesha County.

Other key economic factors are as follows:

- The City's equalized property valuation has increased from \$6.3 billion to \$9.8 billion over the past ten years. Brookfield's equalized property value is the seventh highest in the state. The estimated median equalized value of a single-family home in 2025 was \$460,000.
- Unemployment remains comparatively low in Brookfield, averaging only 3.3% over the past five years. The annualized unemployment rate in 2024 was 2.7% for the City compared to 3.0% statewide, reflecting improved employment from the economic recovery following the COVID-19 pandemic.
- The City maintains an Aaa bond rating from Moody's Investors Service, based in part on the relatively strong economic climate of the City.

Economic Factors and Next Year's Budget and Rates (continued)

The City adopts operating budgets for its governmental funds (General, Special Revenue, Debt Service, and Capital Projects) and enterprise funds (Water and Sewer Utilities). The 2025 fiscal year combined operating budget includes \$88.3 million in projected revenues and \$94.1 million in projected expenditures and transfers. The projected overall decrease in fund equity is due primarily to the use of general fund balance due to state limits on the tax levy being tied to new construction, along with the cessation of the federal SAFER grant that provided funding for nine firefighter/paramedic positions and the end of American Rescue Plan Act (ARPA) funding availability. While general fund balance is projected to decline, it will still be solidly within the City's financial policy regarding fund balance. Other factors driving expenditures exceeding revenues in other funds include the use of accumulated balances to fund technology and vehicle/equipment purchases from the respective revolving replacement funds, along with monies to fund Greenway Trail projects.

Funding for the operating budget of the City is provided by many sources, including property taxes, room taxes, grants and aids from the State and County, user fees, permits and licenses, fines, and other miscellaneous revenues. Several revenue sources are more sensitive to economic factors, in particular building permits, room taxes and investment earnings. The 2025 budget was developed to examine alternatives to address the projected shortfall in the tax levy, including alternative funding sources (for example a wheel tax or special assessments to fund paving maintenance costs), combinations of expense reduction measures, and a referendum to seek voter approval for increased taxing authority. Comparatively strong new construction values experienced in recent years provided property tax levy flexibility; however, construction in future years is not expected to continue at the same levels as the City is largely built out. As a result, financial modeling results reflect a growing gap in estimated allowable property tax levy versus what would be needed to fund services after 2025, even after inclusion of additional state shared revenues and the recovery of lodging tax and investment revenues garnered in 2024.

Requests for Financial Information

This financial report is designed to provide users with a general overview of the City of Brookfield's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, contact the Finance Department, City of Brookfield, 2000 North Calhoun Road, Brookfield, Wisconsin, 53005 (finance@ci.brookfield.wi.us).

BASIC FINANCIAL STATEMENTS

CITY OF BROOKFIELD
STATEMENT OF NET POSITION
December 31, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 29,676,895	6,626,772	36,303,667
Temporary investments	24,463,386	21,738,977	46,202,363
Accounts receivable	1,096,602	4,414,751	5,511,353
Property tax receivable	44,424,541	-	44,424,541
Special charges - tax roll	179,855	1,160,010	1,339,865
Special assessments receivable	-	3,580,673	3,580,673
Delinquent personal property taxes receivable	49,497	-	49,497
Accrued interest receivable	35,912	18,041	53,953
Lease receivable	5,655,776	5,446,745	11,102,521
Inventories	219,269	242,166	461,435
Prepaid items	66,836	4,969	71,805
Internal balances	1,165,871	(1,165,871)	-
Due from other governments	-	1,877,282	1,877,282
Deposit in WMIC/CVMIC	1,174,445	-	1,174,445
Restricted assets:			
Cash and cash equivalents	-	3,695,409	3,695,409
Temporary investments	-	4,952,526	4,952,526
Capital assets:			
Land, land improvements, construction in progress	30,038,096	8,784,185	38,822,281
Other capital assets net of depreciation	101,270,509	153,384,058	254,654,567
Total assets	239,517,490	214,760,693	454,278,183
Deferred Outflows of Resources			
Pension related amounts	30,043,550	2,739,442	32,782,992
OPEB related amounts	3,002,573	347,085	3,349,658
Total deferred outflows of resources	33,046,123	3,086,527	36,132,650
Liabilities			
Accounts payable	3,907,503	5,012,223	8,919,726
Due to other taxing units	8,284	-	8,284
Accrued compensation	1,373,372	103,221	1,476,593
Special deposits	2,460,299	-	2,460,299
Accrued interest payable	450,957	77,582	528,539
Payable from restricted assets:			
Accounts payable	-	95,822	95,822
Accrued interest	-	13,015	13,015
Unearned revenue	282,963	25,480	308,443
Accrued health claim liability - due within one year	500,000	-	500,000
Accrued claims liability - due in more than one year	167,000	-	167,000
OPEB liabilities - due in more than one year	12,294,296	1,398,968	13,693,264
Compensated absences:			
Due within one year	1,110,155	49,798	1,159,953
Due in more than one year	1,860,945	66,167	1,927,112
Revenue bonds payable:			
Due within one year	-	282,312	282,312
Due in more than one year	-	3,896,220	3,896,220
Net pension liability - due in more than one year	3,386,192	264,407	3,650,599
General obligation bonds and notes payable:			
Due within one year	5,950,000	3,175,000	9,125,000
Due in more than one year	53,854,753	21,327,360	75,182,113
Total liabilities	87,606,718	35,787,575	123,394,293
Deferred Inflows of Resources			
Property taxes levied for future periods	44,424,541	-	44,424,541
Lease related amounts	5,803,760	5,544,119	11,347,879
Pension related amounts	17,894,743	1,681,243	19,575,986
OPEB related amounts	3,969,406	469,187	4,438,593
Total deferred inflows of resources	72,092,450	7,694,549	79,786,999
Net Position			
Net investment in capital assets	82,290,701	134,498,111	216,788,812
Restricted for:			
Equipment replacement	-	7,143,782	7,143,782
Debt service	1,784,322	201,031	1,985,353
Other purposes	1,361,233	183,525	1,544,758
Unrestricted	27,428,189	32,338,647	59,766,836
Total net position	\$ 112,864,445	174,365,096	287,229,541

CITY OF BROOKFIELD
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2024

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals
Primary government:							
Governmental activities:							
General government	\$ 7,463,289	\$ 1,836,383	\$ 6,250	\$ -	\$ (5,620,656)	\$ -	\$ (5,620,656)
Public safety	30,864,568	3,686,215	1,565,562	-	(25,612,791)	-	(25,612,791)
Health and sanitation	179,107	-	-	-	(179,107)	-	(179,107)
Public works	16,615,712	182,510	2,239,469	3,553,431	(10,640,301)	-	(10,640,301)
Library	3,327,759	45,348	300,228	-	(2,982,183)	-	(2,982,183)
Parks and recreation	4,490,922	1,457,815	-	-	(3,033,107)	-	(3,033,107)
Community development	3,486,049	161,334	-	-	(3,324,715)	-	(3,324,715)
Interest and fiscal charges	1,307,290	-	-	-	(1,307,290)	-	(1,307,290)
Total governmental activities	<u>67,734,696</u>	<u>7,369,606</u>	<u>4,111,509</u>	<u>3,553,431</u>	<u>(52,700,150)</u>	<u>-</u>	<u>(52,700,150)</u>
Business-type activities:							
Water Utility	6,228,645	7,687,609	-	3,302,740	-	4,761,704	4,761,704
Sewer Utility	15,323,164	12,126,912	5,357	4,035,390	-	844,495	844,495
Total business-type activities	<u>21,551,809</u>	<u>19,814,521</u>	<u>5,357</u>	<u>7,338,130</u>	<u>-</u>	<u>5,606,199</u>	<u>5,606,199</u>
Total primary government	<u>\$ 89,286,505</u>	<u>\$ 27,184,127</u>	<u>\$ 4,116,866</u>	<u>\$ 10,891,561</u>	<u>(52,700,150)</u>	<u>5,606,199</u>	<u>(47,093,951)</u>
General revenues:							
Taxes:							
Property taxes levied for general purposes					38,854,998	-	38,854,998
Property taxes levied for debt service					7,326,749	-	7,326,749
Public service taxes					4,792,792	-	4,792,792
Grants and contributions not restricted to specific programs					4,509,202	-	4,509,202
Investments					4,230,783	2,296,972	6,527,755
Gain on sale of capital assets					70,416	-	70,416
Miscellaneous					142,752	-	142,752
Transfers					1,165,871	(1,165,871)	-
Total general revenues and transfers					<u>61,093,563</u>	<u>1,131,101</u>	<u>62,224,664</u>
Change in net position					8,393,413	6,737,300	15,130,713
Net position - beginning of year					<u>104,471,032</u>	<u>167,627,796</u>	<u>272,098,828</u>
Net position - end of year					<u>\$ 112,864,445</u>	<u>\$ 174,365,096</u>	<u>\$ 287,229,541</u>

CITY OF BROOKFIELD
BALANCE SHEET
Governmental Funds
December 31, 2024

	General	Debt Service	Tax Incremental Debt Service	Capital Improvement	Parks Development	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 9,304,179	832,912	2,849,544	5,039,975	2,735,029	5,894,991	26,656,630
Temporary investments	14,498,753	-	-	-	1,371,758	8,592,875	24,463,386
Accounts receivable	496,353	-	-	10,000	80,000	140,358	726,711
Taxes receivable	37,796,001	3,895,000	1,333,540	-	-	1,400,000	44,424,541
Special charges-tax roll	162,730	-	-	-	-	17,125	179,855
Delinquent personal property taxes receivable	49,497	-	-	-	-	-	49,497
Accrued interest receivable	23,042	-	-	-	3,307	9,563	35,912
Lease receivable	-	-	-	-	5,655,776	-	5,655,776
Due from other funds	1,165,871	-	-	-	-	-	1,165,871
Prepaid items	52,278	-	-	-	-	13,283	65,561
Total assets	\$ 63,548,704	4,727,912	4,183,084	5,049,975	9,845,870	16,068,195	103,423,740
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities:							
Accounts payable	\$ 772,775	-	1,447,176	580,984	-	830,714	3,631,649
Due to other taxing units	8,284	-	-	-	-	-	8,284
Accrued compensation	1,357,670	-	-	-	-	1,451	1,359,121
Special deposits	2,460,299	-	-	-	-	-	2,460,299
Unearned revenue	58,103	-	-	10,000	104,495	110,365	282,963
Total liabilities	4,657,131	-	1,447,176	590,984	104,495	942,530	7,742,316
Deferred Inflows of Resources:							
Lease related amounts	-	-	-	-	5,803,760	-	5,803,760
Property taxes levied for future periods	37,796,001	3,895,000	1,333,540	-	-	1,400,000	44,424,541
Total deferred inflows of resources	37,796,001	3,895,000	1,333,540	-	5,803,760	1,400,000	50,228,301
Fund Balances:							
Nonspendable	\$ 52,278	-	-	-	-	13,283	65,561
Restricted	-	832,912	1,402,368	2,951,522	966,813	394,420	6,548,035
Committed	-	-	-	145,845	2,744,617	6,934,744	9,825,206
Assigned	3,140,108	-	-	1,361,624	226,185	6,383,218	11,111,135
Unassigned	17,903,185	-	-	-	-	-	17,903,185
Total fund balances	21,095,571	832,912	1,402,368	4,458,991	3,937,615	13,725,665	45,453,122
Total liabilities, deferred inflows of resources and fund balances	\$ 63,548,704	4,727,912	4,183,084	5,049,975	9,845,870	16,068,195	103,423,740

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 II.A	131,240,555
Internal service funds are used by management to charge costs of risk management, health insurance, and fleet services to individual funds.	
The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. See note II.A	3,896,090
The net pension liability does not relate to current financial resources and is not reported in the governmental funds.	(3,386,192)
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	30,043,550
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(17,894,743)
The OPEB liabilities do not relate to current financial resources and are not reported in the governmental funds.	(12,294,296)
Deferred outflows of resources related to OPEB do not relate to current financial resources and are not reported in the governmental funds.	3,002,573
Deferred inflows of resources related to OPEB do not relate to current financial resources and are not reported in the governmental funds.	(3,969,406)
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	(63,226,808)

Net position of governmental activities **\$ 112,864,445**

CITY OF BROOKFIELD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Funds
For the Year Ended December 31, 2024

	General	Debt Service	Tax Incremental Debt Service	Capital Improvement	Prior Year Non-Major Parks Development	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 39,037,802	4,095,000	3,231,749	-	-	4,609,988	50,974,539
Intergovernmental revenues	6,953,564	-	163,436	-	-	1,970,759	9,087,759
Licenses and permits	1,937,453	-	-	-	-	-	1,937,453
Fines, forfeitures and penalties	392,250	-	-	-	-	-	392,250
Public charges for services	2,361,185	-	-	139,900	-	518,183	3,019,268
Special assessment revenue	-	-	-	-	-	53,500	53,500
Commercial revenues	2,973,540	33,173	306,927	359,499	790,604	565,473	5,029,216
Total revenues	53,655,794	4,128,173	3,702,112	499,399	790,604	7,717,903	70,493,985
Expenditures							
Operation and maintenance:							
General government	5,981,519	-	-	-	-	62,688	6,044,207
Public safety	29,400,224	-	-	-	-	473,488	29,873,712
Public works	11,638,914	-	-	-	-	77,640	11,716,554
Health and sanitation	179,107	-	-	-	-	-	179,107
Library	3,189,570	-	-	-	-	-	3,189,570
Parks and recreation	3,288,065	-	-	-	-	500,382	3,788,447
Community development	608,323	-	1,447,776	-	-	1,426,406	3,482,505
Capital outlay	-	-	-	6,337,316	-	1,928,563	8,265,879
Debt service:							
Principal	-	3,355,000	5,800,000	-	-	1,150,000	10,305,000
Interest	-	823,915	464,496	-	-	729,775	2,018,186
Debt issuance	-	48,684	13,400	-	-	-	62,084
Total expenditures	54,285,722	4,227,599	7,725,672	6,337,316	-	6,348,942	78,925,251
Excess of revenues over (under) expenditures	(629,928)	(99,426)	(4,023,560)	(5,837,917)	790,604	1,368,961	(8,431,266)
Other financing sources (uses)							
Bonds/notes issued	-	-	-	2,685,000	-	-	2,685,000
Premium on debt issued	-	134,007	-	-	-	-	134,007
Transfers in	2,258,951	150,000	309,360	1,531,000	-	17,632	4,266,943
Transfers out	(150,000)	(296,000)	(17,632)	-	(1,048,200)	(1,739,240)	(3,251,072)
Sale of property	-	-	-	-	-	126,444	126,444
Total other financing sources (uses)	2,108,951	(11,993)	291,728	4,216,000	(1,048,200)	(1,595,164)	3,961,322
Net change in fund balances	1,479,023	(111,419)	(3,731,832)	(1,621,917)	(257,596)	(226,203)	(4,469,944)
Fund balances-beginning of year as previously reported	19,616,548	944,331	5,134,200	6,080,908	-	18,147,079	49,923,066
Accounting change - from non-major to major fund See note IV-I	-	-	-	-	4,195,211	(4,195,211)	-
Fund balances-beginning of year as adjusted	19,616,548	944,331	5,134,200	6,080,908	4,195,211	13,951,868	49,923,066
Fund balances-end of year	\$ 21,095,571	832,912	1,402,368	4,458,991	3,937,615	13,725,665	45,453,122

CITY OF BROOKFIELD
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, 2024

Net change in fund balances - total governmental funds	\$ (4,469,944)
Amounts reported for governmental activities in the statement of activities are different because:	
Bond/note proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond/note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which repayments exceeded bond/note proceeds, net of amortization of bond premium and deferred charge on refunding. See note II.B	8,371,810
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful life and reported as depreciation. This is the amount by which capital outlay exceeds depreciation for the current period. Capital outlay is reported as an expenditure in the fund financial statements. See note II.B	3,689,796
In the statement of activities, the net gain(loss) on the sale/disposal of capital assets is reported, whereas in the governmental funds, only the proceeds from the sale of capital assets is recorded as a financial resource. Thus, the change in net position differs from the change in fund balance by the net book value of the assets sold or disposed of.	(56,027)
Internal service funds are used by management to charge the cost of various insurance coverages to individual funds. The change in net position of these internal service funds is reported with governmental activities. See note II.B	1,046,785
Premium on bond/notes issued provides a current financial resource to governmental funds, but increases long-term liabilities in the statement of net position.	(134,007)
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. See Note II.B.	(2,620)
Some revenues reported in the statement of activities do not represent current financial resources and, therefore are not reported as revenues in governmental funds.	(52,380)
Change in net position of governmental activities	<u><u>\$ 8,393,413</u></u>

CITY OF BROOKFIELD
STATEMENT OF NET POSITION
Proprietary Funds
December 31, 2024

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Total	
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 2,743,905	3,882,867	6,626,772	3,020,265
Temporary investments	4,283,797	17,455,180	21,738,977	-
Accounts receivable	1,644,941	2,769,810	4,414,751	369,891
Special charges-tax roll	729,078	430,932	1,160,010	-
Accrued interest receivable	-	18,041	18,041	-
Lease receivable	265,331	-	265,331	-
Prepaid items	4,780	189	4,969	1,275
Inventories	204,678	37,488	242,166	219,269
Due from other governments	-	1,877,282	1,877,282	-
Restricted assets:				
Cash and cash equivalents	95,822	227,061	322,883	-
Total current assets	<u>9,972,332</u>	<u>26,698,850</u>	<u>36,671,182</u>	<u>3,610,700</u>
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	1,098,840	2,273,686	3,372,526	-
Temporary investments	-	4,952,526	4,952,526	-
Special assessments receivable	3,563,426	17,247	3,580,673	-
Leases receivable	5,181,414	-	5,181,414	-
Deposit with WMIC and CVMIC	-	-	-	1,174,445
Capital assets:				
Land, land improvements, construction in progress	976,671	7,807,514	8,784,185	-
Other capital assets net of depreciation	<u>82,313,823</u>	<u>71,070,235</u>	<u>153,384,058</u>	<u>68,050</u>
Total noncurrent assets	<u>93,134,174</u>	<u>86,121,208</u>	<u>179,255,382</u>	<u>1,242,495</u>
Total assets	<u>103,106,506</u>	<u>112,820,058</u>	<u>215,926,564</u>	<u>4,853,195</u>
<u>Deferred Outflows of Resources</u>				
OPEB related amounts	122,449	224,636	347,085	-
Pension related amounts	<u>1,059,112</u>	<u>1,680,330</u>	<u>2,739,442</u>	<u>-</u>
Total deferred outflows of resources	<u>1,181,561</u>	<u>1,904,966</u>	<u>3,086,527</u>	<u>-</u>

CITY OF BROOKFIELD
STATEMENT OF NET POSITION
Proprietary Funds
December 31, 2024

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Total	
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	256,707	4,755,516	5,012,223	275,854
Due to other funds	1,165,871	-	1,165,871	-
Accrued compensation	40,409	62,812	103,221	14,251
Accrued interest payable	69,767	7,815	77,582	-
Accrued health claim liability	-	-	-	500,000
Compensated Absences	16,513	33,285	49,798	-
Unearned revenue	25,480	-	25,480	-
Revenue bonds payable	-	68,266	68,266	-
General obligation bonds and notes payable	2,795,000	380,000	3,175,000	-
Payable from restricted assets -				
Accounts payable	95,822	-	95,822	-
Accrued interest payable	-	13,015	13,015	-
Revenue bonds payable	-	214,046	214,046	-
Total current liabilities	4,465,569	5,534,755	10,000,324	790,105
Noncurrent liabilities:				
Accrued claims liability	-	-	-	167,000
OPEB liabilities	508,149	890,819	1,398,968	-
Net pension liability	101,115	163,292	264,407	-
Compensated Absences	49,872	16,295	66,167	-
Revenue bonds payable	-	3,896,220	3,896,220	-
General obligation bonds and notes payable	18,223,221	3,104,139	21,327,360	-
Total Noncurrent Liabilities	18,882,357	8,070,765	26,953,122	167,000
Total liabilities	23,347,926	13,605,520	36,953,446	957,105
<u>Deferred Inflows of Resources</u>				
Lease related amounts	5,544,119	-	5,544,119	-
OPEB related amounts	172,049	297,138	469,187	-
Pension related amounts	643,912	1,037,331	1,681,243	-
Total deferred inflows of resources	6,360,080	1,334,469	7,694,549	-
<u>Net Position</u>				
Net investment in capital assets	63,283,033	71,215,078	134,498,111	68,050
Restricted for:				
Equipment replacement	-	7,143,782	7,143,782	-
Debt service	-	201,031	201,031	-
Other purposes	88,080	95,445	183,525	-
Unrestricted	11,208,948	21,129,699	32,338,647	3,828,040
Total net position	\$ 74,580,061	99,785,035	174,365,096	3,896,090

CITY OF BROOKFIELD
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
Proprietary Funds
For the Year Ended December 31, 2024

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Total	
<u>Operating revenues</u>				
Charges for services	\$ 7,687,609	12,126,912	19,814,521	10,545,459
Total operating revenues	<u>7,687,609</u>	<u>12,126,912</u>	<u>19,814,521</u>	<u>10,545,459</u>
<u>Operating expenses</u>				
Operation and maintenance	3,535,089	11,522,761	15,057,850	9,663,395
Depreciation	2,398,689	3,528,413	5,927,102	3,582
Taxes	97,961	175,812	273,773	-
Total operating expenses	<u>6,031,739</u>	<u>15,226,986</u>	<u>21,258,725</u>	<u>9,666,977</u>
Operating income (loss)	<u>1,655,870</u>	<u>(3,100,074)</u>	<u>(1,444,204)</u>	<u>878,482</u>
<u>Non-operating revenues (expenses)</u>				
Investment income	790,367	1,506,605	2,296,972	18,303
Interest expense	(196,906)	(96,178)	(293,084)	-
Grants	-	5,357	5,357	-
Total non-operating revenues (expenses)	<u>593,461</u>	<u>1,415,784</u>	<u>2,009,245</u>	<u>18,303</u>
Income (loss) before contributions and transfers	<u>2,249,331</u>	<u>(1,684,290)</u>	<u>565,041</u>	<u>896,785</u>
<u>Contributions and transfers</u>				
Capital contributions:				
Developers/Assessments	3,302,740	1,196,999	4,499,739	-
Other communities	-	2,838,391	2,838,391	-
Transfers in	-	-	-	150,000
Transfers out	<u>(1,144,002)</u>	<u>(21,869)</u>	<u>(1,165,871)</u>	<u>-</u>
Change in net position	4,408,069	2,329,231	6,737,300	1,046,785
Net position - beginning of year	<u>70,171,992</u>	<u>97,455,804</u>	<u>167,627,796</u>	<u>2,849,305</u>
Net position - end of year	<u>\$ 74,580,061</u>	<u>99,785,035</u>	<u>174,365,096</u>	<u>3,896,090</u>

CITY OF BROOKFIELD
STATEMENT OF CASH FLOWS
Proprietary Funds
For The Year Ended December 31, 2024

	Business Type Activities- Enterprise Funds			Governmental Activities- Internal Service Funds
	Water Utility	Sewer Utility	Total	
<u>Cash flow from operating activities</u>				
Receipts from customers	\$ 6,363,035	9,988,949	16,351,984	-
Receipts from municipality	1,102,783	-	1,102,783	9,752,216
Received from employees and retirees	-	-	-	1,123,929
Received from other governments	-	1,979,047	1,979,047	-
Payments to suppliers and claims	(2,323,528)	(9,376,018)	(11,699,546)	(10,646,040)
Payment to employees	(1,337,499)	(2,403,217)	(3,740,716)	-
Net cash flows from operating activities	<u>3,804,791</u>	<u>188,761</u>	<u>3,993,552</u>	<u>230,105</u>
<u>Cash flow from non-capital financing activities</u>				
Transfer in (out)	(1,102,527)	(21,869)	(1,124,396)	150,000
Grants	-	5,357	5,357	-
Net cash flows from non-capital related financing activities	<u>(1,102,527)</u>	<u>(16,512)</u>	<u>(1,119,039)</u>	<u>150,000</u>
<u>Cash flows from capital and related financing activities</u>				
Acquisition and construction of capital assets	(4,982,709)	(5,633,361)	(10,616,070)	(71,632)
Special assessments received	1,666,278	24,360	1,690,638	-
Contributions from other governments	-	2,838,392	2,838,392	-
Debt issued	4,020,000	-	4,020,000	-
Debt retired	(2,635,000)	(736,696)	(3,371,696)	-
Interest paid	(572,157)	(184,882)	(757,039)	-
Premium on debt issued	257,639	-	257,639	-
Debt issuance expense	(72,890)	-	(72,890)	-
Net cash flows from capital and related financing activities	<u>(2,318,839)</u>	<u>(3,692,187)</u>	<u>(6,011,026)</u>	<u>(71,632)</u>
<u>Cash flow from investing activities</u>				
Purchase of investments	(209,498)	(2,055,689)	(2,265,187)	-
Investments sold and matured	-	2,942,285	2,942,285	-
Interest/dividends received	798,858	1,513,827	2,312,685	123,555
Net cash flows from investing activities	<u>589,360</u>	<u>2,400,423</u>	<u>2,989,783</u>	<u>123,555</u>
Net change in cash and cash equivalents	972,785	(1,119,515)	(146,730)	432,028
Cash and cash equivalents - beginning of year	<u>2,965,782</u>	<u>7,503,129</u>	<u>10,468,911</u>	<u>2,588,237</u>
Cash and cash equivalents - end of year	<u>\$ 3,938,567</u>	<u>6,383,614</u>	<u>10,322,181</u>	<u>3,020,265</u>

CITY OF BROOKFIELD
STATEMENT OF CASH FLOWS
Proprietary Funds
For The Year Ended December 31, 2024

	Business Type Activities- Enterprise Funds			Governmental Activities- Internal Service Funds
	Water Utility	Sewer Utility	Total	
<u>Reconciliation of operating income/(loss) to net cash provided by operating activities:</u>				
Operating income (loss)	\$ 1,655,870	(3,100,074)	(1,444,204)	878,482
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Noncash items included in operating income:				
Depreciation expense	2,398,689	3,528,413	5,927,102	3,582
Changes in assets and liabilities and deferred outflows/ inflows of resources:				
Accounts receivable	120,843	(34,397)	86,446	236,748
Taxes receivable	(40,047)	(39,659)	(79,706)	-
Due from other governments	-	(84,859)	(84,859)	-
Prepays	200	326	526	119,238
Inventory	(6,173)	(16,589)	(22,762)	13,307
Accounts payable	(2,617)	(44,934)	(47,551)	(487,235)
Accrued liabilities	31,422	32,350	63,772	(534,017)
Unearned revenue	(302,584)	-	(302,584)	-
OPEB related liabilities and deferrals	6,692	63,240	69,932	-
Pension related assets and deferrals	(57,504)	(115,056)	(172,560)	-
Net cash flows from operating activities	\$ 3,804,791	188,761	3,993,552	230,105
<u>Reconciliation of cash and cash equivalents to statement of net position</u>				
Cash and cash equivalents - unrestricted	\$ 2,743,905	3,882,867	6,626,772	3,020,265
Cash and cash equivalents - restricted	1,194,662	2,500,747	3,695,409	-
Cash and cash equivalents	\$ 3,938,567	6,383,614	10,322,181	3,020,265
<u>Non-cash investing, capital and financing activities</u>				
Cost of utility plant installed and/or financed by developers	\$ 1,382,864	1,196,999	2,579,863	-
Assessment of benefits to property owners for improvements	\$ 1,919,875	-	1,919,875	-

CITY OF BROOKFIELD
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2024

	Custodial Funds
<u>Assets</u>	
Cash and cash equivalents	\$ 57,624,656
Taxes receivable	21,379,187
Total assets	79,003,843
<u>Liabilities</u>	
Accounts payable	85,548
Due to other taxing units	78,918,295
Total liabilities	79,003,843
<u>Net Position</u>	
Total net position	\$ -

CITY OF BROOKFIELD
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended December 31, 2024

	<u>Custodial Funds</u>
<u>Additions</u>	
Property tax collections for other governments	\$ 55,714,658
Total additions	<u>55,714,658</u>
<u>Deductions</u>	
Payments of property taxes to other governments	<u>55,714,658</u>
Total deductions	<u>55,714,658</u>
Change in fiduciary net position	<u>-</u>
Net position - beginning of year	<u>-</u>
Net position - end of year	<u><u>\$ -</u></u>

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS December 31, 2024

INDEX – NOTES TO FINANCIAL STATEMENTS

NOTE	Page
I. Summary of Significant Accounting Policies	
A. Reporting Entity	32
B. Government-Wide and Fund Financial Statements	33
C. Measurement Focus, Basis of Accounting and Financial Statement Presentation	35
D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity	
1. Deposits and Investments	36
2. Receivables	38
3. Inventories and Prepaids	38
4. Restricted Assets	38
5. Capital Assets	39
6. Deferred Outflows of Resources	39
7. Compensated Absences	39
8. Long-Term Obligations	40
9. Leases	40
10. Deferred Inflows of Resources	40
11. Equity Classifications	40
12. Pension	41
13. Post Employment Benefits Other Than Pensions (OPEB)	42
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	43
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	43
III. Stewardship, Compliance, and Accountability	
A. Budgetary Information	45
B. Excess Expenditures Over Appropriations	45
C. Limitations on the City's Tax Levy	46
IV. Detailed Notes on All Funds	
A. Deposits and Investments	47
B. Interfund Transfers, Receivables, and Payables	50
C. Receivables	50
D. Restricted Assets	51
E. Capital Assets	52
F. Long-Term Obligations	54
G. Lease Disclosures	58
H. Net Position/Fund Balances	59
I. Accounting Changes	61
V. Other Information	
A. Employees' Retirement System	62
B. Other Post-Employment Benefits	66
C. Risk Management	73

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS December 31, 2024

INDEX – NOTES TO FINANCIAL STATEMENTS

NOTE	<u>Page</u>
D. Health Insurance Program	74
E. Inter-Municipal Agreements	75
F. Tax Incremental Financing (TIF) Incentives	75
G. Public-Private Partnership	76
H. Contingencies and Commitments	76
I. Effect of New Accounting Standards on Current-Period Financial Statements	76

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Brookfield, Wisconsin 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 the funds of the City of Brookfield. 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 primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization; (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government; or (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Component units are reported using one of three methods, discrete presentation, blended, or fiduciary. Generally, component units should be discreetly presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

Blended Component Unit – Community Development Authority:

The Community Development Authority (CDA) was created in 2001 by the City to serve as a financing vehicle for certain community development projects. The CDA is a legally separate organization governed by a board that is appointed by the mayor and city council of the City of Brookfield. Although it is legally separate from the City, the CDA is reported as if it were a part of the primary government, because its sole purpose is to oversee and participate, if necessary, in financing community development projects for the benefit of the City and its citizens. Furthermore, the CDA is included as a blended component unit as the CDA has no ability to issue debt or otherwise carry out its activities without the participation and agreement of the City or appropriation of funds by the city council; the CDA exclusively benefits the City government; and management of the City has operational responsibility for the CDA. The operations of the CDA are included in the governmental activities of the government-wide financial statements as a separate special revenue fund. Separate financial statements are not published for the CDA, which follows the same accounting policies as the City of Brookfield.

In June 2022, the GASB issued Statement No. 100, Accounting Changes and Error Corrections. This Statement establishes accounting and financial reporting requirements for (a) accounting

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY (CONT.)

changes and (b) the correction of an error in previously issued financial statements (error correction). This standard was implemented January 1, 2024.

In June 2022, the GASB issued Statement No. 101, Compensated Absences. This statement requires that liabilities for compensated absences be recognized in financial statements prepared using the economic resources measurement focus for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This standard was implemented effective January 1, 2024. The impact of implementation was not material.

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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Fund Financial Statements

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

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

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Fund Financial Statements (cont.)

- 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. Management has designated the Debt Service Fund, Tax Incremental Debt Service Fund and Capital Improvement Capital Projects Fund as major.

The City reports the following major funds:

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.
- Debt Service Fund – accounts 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 tax incremental district (TID), conference center, or enterprise fund debt.
- Tax Incremental Debt Service Fund – accounts for and report financial resources being accumulated to pay debt service on obligations issued to fund project costs in the City's various tax incremental financing districts.
- Capital Improvement Capital Projects Fund – accounts for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including acquisition or construction of capital facilities and other capital assets, including the Brookfield Conference Center.
- Parks Development Special Revenue Fund – accounts for and report financial resources that are restricted, committed, or assigned to expenditures for the development of public park spaces.

Major Enterprise Funds

- Water Utility – accounts for operations of the City's water distribution system.
- Sewer Utility – accounts for operations of the City's wastewater treatment plant.

The City reports the following non-major funds:

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) as follows:

Employee Retirement Fund	Police Grant Fund
Wetlands Preservation Fund	Bike Path Fund
Economic Development Fund	Recreation Program Fund
Special Assessments Fund	Cable TV Fund
Sister Cities Fund	Community Development Authority
American Rescue Plan Act (ARPA)	
- Debt Service Funds – one non-major fund used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of long-term principal, interest, and related costs for conference center debt issued for construction of the Brookfield Conference Center being repaid primarily with allocation of hotel room taxes.

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Fund Financial Statements (cont.)

- Capital Projects Funds – used to account for and report financial resources that are restricted, committed or assigned to expenditure of funds for capital outlays, including the acquisition or construction of capital facilities and other capital assets, as follows:

Forestation Fund

Stormwater Management Fund

Vehicle/Equipment Replacement Fund

Computer Outlay Fund

Tax Incremental Districts Fund

Internal Service Funds

- Risk Management Fund – used to account for the accumulation and allocation of premium and claims costs associated with the City's general liability insurance, excess liability insurance, property/casualty insurance, auto physical damage insurance, worker's compensation insurance, and employment practices insurance.
- Health Insurance Fund – used to account for the accumulation and allocation of costs related to the City's self-funded employee health insurance program.
- Fleet Services Fund – used to account for the accumulation and allocation of costs related to the fueling and maintenance of City vehicles and equipment.

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. The Property Tax Fund accounts for the collection of property taxes for other taxing governmental agencies and the distributions made to these agencies.

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 interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer 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

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Fund Financial Statements (cont.)

expenditures, which are recorded as a fund liability when expected to be paid with expendable 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 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) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues.

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 and Sewer Utilities are charges to customers for sales and services. Operating expenses for proprietary funds include the costs 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 all 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.

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

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

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Deposits and Investments (cont.)

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

The City's investment policy further limits the investment of the City funds as follows:

- Investments in U.S. Government or agency securities are limited to a maximum maturity of 10 years from the date of investment.
- Derivative type investments such as collateralized mortgage obligations, strips, floaters, etc., are not permitted.

Per the provisions of the City's investment policy, the City attempts to manage its investment risks as follows:

- 1. Custodial credit risk – all securities will be held by a third-party custodian.
- 2. Credit risk – purchases of securities in the lower end of allowed rating categories within the statutory provisions will be limited.
- 3. Concentration of credit risk – diversification among issuers and types of investments to avoid over-concentration in specific issuers or sectors is a stated goal of the policy.
- 4. Interest rate risk – City policy is to not directly invest in securities with maturities of greater than 5 years unless matched to a specific cash flow and disclosed to the Finance Committee.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note IV-A. 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. On December 31, 2024, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 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 – 2024 tax roll:

Lien date and levy date	December 2024
Tax bills mailed	December 2024
Payment in full, or	January 31, 2025
- First installment due	January 31, 2025
- Second installment due to Waukesha County	July 31, 2025
Tax Settlement with other governmental units:	
- First settlement	January 15, 2025
- Second settlement	February 20, 2025
- Final settlement	August 20, 2025
Tax deed by County – 2024	
Delinquent real estate taxes	October 2027

Delinquent real estate taxes as of July 31 are paid in full by Waukesha County, which assumes the collection thereof. No provision for uncollectible customer accounts receivable has been made for the City or the Water and Sewer 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.”

3. Inventories and Prepaids

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 for operation and maintenance work. They are not for resale. They are valued at cost on a first-in first-out (FIFO) method and charged to operation and maintenance expenses when used. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the consumption method.

4. 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. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

5. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of more than \$5,000 for general capital assets and \$10,000 for infrastructure assets, and an estimated useful life of one or more years. All capital assets are valued at historical cost, or estimated historical costs if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor and overhead. 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/amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	15 to 40 Years
Improvements other than buildings	15 to 30 Years
Equipment and furnishings	3 to 30 Years
Infrastructure	20 to 100 Years
Intangible asset – right to use	20 Years

Fund Financial Statements

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

6. Deferred Outflows of Resources

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

Deferred outflows of resources related to pension arise from the projection of investment earnings on pension assets. The difference between projected and actual experience on investment earnings on pension plan funds as well as changes in actuarial assumptions of the plan participants is amortized as a component of pension expense. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

7. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts.

Accumulated unpaid vacation and sick pay is accrued and charged to operations in the government-wide financial statements when incurred. Sick pay is charged to the fund financial statements when paid. Employees are paid 50%-85% (depending on type of employee and when sick pay was earned) up to a maximum of 120 days of accumulated unused sick pay at retirement.

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

7. Compensated Absences (cont.)

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities on December 31, 2024, are determined on the basis of current salary rates and include salary related payments.

8. Long-Term Obligations

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

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debt obligations is reported as other financing sources and payments of principal and interest are reported as expenditures. Premiums received on debt issuances are reported as other financing sources. 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 deferred and amortized over the life of the issue using the effective interest method. The balance at year end for premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position.

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 has a policy to recognize leases over \$100,000 as a lease receivable.

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 of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less any unspent debt proceeds.
- 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, then unrestricted resources as they are needed.

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

11. Equity Classifications (cont.)

Fund Statements

Governmental fund balances are displayed as follows:

- a. Non-spendable – Includes fund balance amounts that cannot be spent either because they are not in spendable form (inventories) or because legal or contractual requirements mandate funds be maintained intact (contractual obligations).
- 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 at the highest level of decision-making authority. The Common Council through a formal action (resolution) commits fund balance amounts for the City. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which is subject to the constraints may be determined in a 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 are not considered restricted or committed. Fund balance is assigned through formal action (resolution) by the Common Council for specific purposes. Assignments may take place after the end of the reporting period. The Common Council has not authorized any other official to assign amounts to a specific purpose.
- 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 other governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

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 adopted, via a resolution passed by the Common Council, a formal financial policy regarding the fund balance in the general fund. The policy calls for a minimum unassigned general fund balance equivalent to two months of the ensuing year's budgeted general fund expenditures, or approximately \$9,402,200 as of December 31, 2024. The City is in compliance with its policy.

Proprietary fund net position is classified the same as in the government-wide statements. Fiduciary fund net position is classified as restricted for individuals, organizations, and other governments on the statement of fiduciary net position.

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

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

12. Pension (cont.)

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

13. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources, and OPEB expense, the City's single-employer defined benefit retiree healthcare plan (OPEB-Health) recognizes benefit payments when due and payable in accordance with the benefit terms.

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

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

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

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

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 a 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 that capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements. The details of this difference are as follows:

Land	\$	25,920,246
Construction in progress		4,117,850
Buildings and improvements		75,163,226
Equipment and furnishings		31,394,469
Intangible asset – right to use		908,500
Infrastructure		273,489,410
Accumulated depreciation/amortization		(279,753,146)
Combined adjustment for capital assets	\$	<u>131,240,555</u>

Another element of that reconciliation explains that internal service funds are used by management to charge costs of various insurance costs and fleet service costs to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position. The details of this difference are as follows:

Net position – risk management fund	\$	2,095,585
Net position – health insurance fund		1,472,500
Net position – fleet services fund		328,005
Combined adjustment for internal service funds	\$	<u>3,896,090</u>

Another element of that reconciliation explains that 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 and claim settlements are not accrued in governmental funds but rather are recognized as an expenditure when due. All liabilities – both current and long-term – are reported in the statement of net position. The details of this difference are as follows:

Bonds and notes payable	\$	59,266,725
Deferred premium from sale of bonds/notes		538,026
Compensated absences		2,971,100
Accrued interest payable		450,957
Combined adjustment for liabilities	\$	<u>63,226,808</u>

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.

One element of that reconciliation states that “the issuance of long-term debt (e.g., bonds/notes) 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 funds report the effect of premiums, discounts, and similar items when the debt is first issued, whereas these amounts are amortized in the statement of activities. The detail of this difference are as follows:

Bonds and notes issued	\$	(2,685,000)
Principal payments		10,305,000
Amortization of bond premiums		751,810
Combined adjustment for long-term debt	\$	<u>8,371,810</u>

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

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

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 explains that “Governmental funds report capital outlay as expenditures.” However, in the statement of activities the cost of those assets is allocated over their useful life and reported as depreciation.” The details of this difference are as follows:

Capital assets acquired	\$	12,546,571
Depreciation/amortization expense		<u>(8,856,775)</u>
Combined adjustment for capital assets	\$	<u>3,689,796</u>

Another element of that reconciliation states that “The change in net position of these internal service funds is reported with governmental funds.” The details of this difference are as follows:

Change in net position – risk management fund	\$	28,648
Change in net position – health insurance fund		944,978
Change in net position – fleet services fund		<u>73,159</u>
Combined adjustment for internal service funds	\$	<u>1,046,785</u>

Another element of that reconciliation states that “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.” The details of this difference are as follows:

Accrued interest	\$	21,167
Compensated absences		519,147
Net pension asset/(liability)		8,433,649
Deferred outflows related to pensions		<u>(14,319,432)</u>
Deferred inflows related to pensions		6,874,942
Total/Net OPEB liabilities		<u>(406,602)</u>
Deferred outflows related to OPEB		<u>(276,861)</u>
Deferred inflows related to OPEB		189,664
Combined adjustment for expenditures	\$	<u>(2,620)</u>

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE III – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

The City adopts annual budgets for its General Fund; Special Revenue Funds; Debt Service Funds (with the exception of the TID Debt Service Fund); and Capital Projects Funds other than the Capital Improvement and Tax Incremental Districts funds. These budgets are adopted in accordance with State Statutes. Comparisons of budget to actual are presented as required supplementary information for the General Fund and major Special Revenue Funds. The actual results of operations presented in the Statement of Revenues, Expenditures and Changes in Fund Balances for governmental funds are presented in accordance with generally accepted accounting principles (GAAP). These differ in certain respects from those practices used in the preparation of the 2024 budget.

Supplemental appropriations were approved by the Common Council during 2024 for the following funds:

- General Fund – increase of \$150,000 to transfer funds to the Fleet Services Fund to support fund balance; additional pavement maintenance expenditures (\$200,000); and to cover police salary and overtime costs (\$250,000).
- Employee Retirement Fund – increase of \$23,710 to fund employee retirement costs.
- Parks Development Fund – increases in transfers out of \$393,000 to fund Wirth Park and Greenway trail improvements.
- Vehicle/Equipment Replacement Fund – increase of \$1,069,589 to fund highway patrol trucks, police vehicles, parks trucks and equipping the fire command vehicle mainly due to delays in receiving equipment ordered in prior years.
- Computer Replacement Fund – increase of \$412,871 to fund technology purchases originally included in the 2023 budget that were not completed until 2024.
- ARPA Fund – increase of \$355,910 to allocate additional portions of the City's American Rescue Plan Act funds.

Unencumbered appropriations lapse at year-end. General Fund encumbrances that do not lapse are recorded as expenditures against the current year's budget (on a budgetary basis).

The budgets are prepared by fund, function, activity, and object. Appropriations are made at the object level. The legal level of budgetary control, that is, the level at which management cannot overspend funds without a budget amendment approved by the City's Common Council, is at the function level for the General Fund and at the individual fund level for Special Revenue Funds, the Debt Service Fund and Capital Projects Funds.

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

General fund, health and sanitation expenditures exceeded appropriations by \$107 due to deer and mosquito control activities.

Police Grant Fund – expenditures exceeded appropriations by \$7,093 due to the purchase of a drone. This excess was covered by fund balance.

Economic Development Fund expenditures exceeded appropriations by \$490,039 due to increased payments to the Convention and Visitors Bureau as a result of room taxes collections in excess of the maximum the City may retain under state law for non-tourism purposes.

Sister City Fund expenditures exceeded appropriations by \$11,179 due to unbudgeted costs for the German Holiday market. This excess was covered by donations, product sales during the German Holiday market in December and fund balance.

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE III – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

B. EXCESS EXPENDITURES OVER APPROPRIATIONS (CONT.)

Forestation Fund expenditures exceeded appropriations by \$1,900 due mainly to unanticipated expenditures to remove City-owned trees that presented a potential risk to private property owners. This excess was covered by fund balance.

Debt Service Fund expenditures exceeded appropriations by \$48,684 primarily due to issuance costs related to the 2024 general obligation notes. This excess was covered by premium received on the debt issuance and fund balance.

C. LIMITATIONS ON THE CITY'S TAX LEVY

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

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE IV – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

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

	Carrying Value	Bank Balance	Associated Risks
Demand deposits	\$ 22,817,701	\$ 22,609,952	Custodial Credit
Certificates of deposits	3,506,077	3,506,077	Custodial Credit
Petty cash	2,105	-	N/A
Total cash	<u>26,325,883</u>	<u>\$ 26,116,029</u>	
Wisconsin Local Government Investment Pool	65,700,355		Credit
Money market mutual funds	12,108,717		Credit
U.S. Government agency securities	24,148,626		Credit, Interest rate, Custodial credit Concentration of credit
U.S. Treasuries securities	9,422,599		Interest rate, Custodial credit
Corporate bonds	6,536,561		Credit, Interest rate, Custodial credit
Municipal securities	4,535,880		Credit, Interest rate, Custodial credit
Total investments	<u>122,452,738</u>		
Total cash and investments	<u>\$ 148,778,621</u>		
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 82,506,030		
Restricted cash and investments	8,647,935		
Per statement of fiduciary net position			
Cash and investments	57,624,656		
Total cash and investments	<u>\$ 148,778,621</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 non-interest bearing). In addition, if deposits are held in an institution outside 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 (not applicable for the City's deposits).

The City's bank accounts are also insured by the State of Wisconsin Deposit Guarantee Fund in the amount of \$1,000,000. However, due to the nature of this Fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered for custodial credit risk determination.

All financial institutions acting as a depository for the City are required to pledge collateral to secure all City funds over and above amounts guaranteed by the FDIC and the State Deposit Guarantee Fund. Any securities serving as collateral are specifically pledged to the City and placed in a custodial account at a Federal Reserve Bank, a trust department of a commercial bank, or through another financial institution. The type of collateral used must be satisfactory to the City. The custodian may not be owned or controlled by the depository institution or its holding company unless it is a separately operated trust institution. Collateral for City deposits is maintained at a level representing the assumed highest daily balance maintained by the City in amounts up to \$40 million to cover balances during property tax collection periods.

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE IV – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS (CONT.)

Custodial Credit Risk – Deposits: For deposits, custodial credit risk is the risk that in the event of a financial institution's failure, the City's deposits may not be returned to the City.

As of December 31, 2024, \$1,429,983 of the City's bank balances of \$26,116,029 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized certificates of deposit/money market accounts	\$ <u>1,429,983</u>
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Custodial Credit Risk – Investments: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of December 31, 2024, the City does not have any investments exposed to custodial credit risk.

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

As indicated in Note I.D.1, Wisconsin statutes require municipalities to invest in securities which at the time of purchase have a rating that is the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's Investor's Service, or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating. As of December 31, 2024, the City had investments in the following rating categories. Corporate bonds held were rated Aaa (21%), Aa2 (27%), Aa3 (25%) or A1 (9%), A2 (4%), or N/R (14%) by Moody's Investors Service or in similar categories by Standard & Poor's or Fitch Ratings. The City investments in U.S. Government agency securities issued by the Federal Farm Credit Bank, Federal National Mortgage Association, Federal Home Loan Marketing Corporation, Government National Mortgage Association, and Small Business Administration were rated Aaa (100%) by Moody's Investors Service or considered "Agency" obligations of the U.S. Government. The City's investments in municipal securities were rated Aaa (15%), Aa1 (22%), Aa2 (28%), AA3 (7%), A1 (3%) or N/R (25%) by Moody's Investors Service or in similar category by Standard & Poor's. As of December 31, 2024, the City also had investments in two U.S. government money market mutual funds that were rated AAA and/or Aaa by Standard & Poor's, Moody's Investors Service, or Fitch Ratings. The City also had investments in the State of Wisconsin Local Government Investment Pool, which is not rated.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. On December 31, 2024, the investment portfolio had concentrations of investments greater than 5% of the total portfolio as follows:

Issuer	Investment Type	Percentage of Portfolio
Federal Home Loan Mortgage Corp.	U.S. Government agency securities and mortgage-backed securities	8.78%

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE IV – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS (CONT.)

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

As of December 31, 2024, the City's investments were comprised of four portfolios, one managed internally and three managed via external investment advisors, as follows:

Investment Type	Fair Value	Modified Duration (years)
Internally managed portfolio:		
Municipal notes	\$ 3,937,163	1.21
U.S. Government agency securities	1,026,882	.91
Externally managed portfolios:		
Corporate bonds	6,536,561	2.33
Municipal bonds	598,717	.61
U.S. Treasuries securities	9,422,599	2.51
U.S. Government agency securities	<u>23,121,744</u>	2.64
Total Investments at fair value	\$ <u>44,643,666</u>	

To reduce the risk of loss due to interest rate changes, the City's investment policy requires investing in securities with varying maturities. To the extent possible, the City attempts to match the maturity of investments with anticipated cash flow requirements.

Fair Value: 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 (for the City, bonds valued by a pricing service used by the investment custodian); Level 3 inputs are significant unobservable inputs. The valuation method for recurring fair value measurements of investments is the market approach. The City's investments are categorized as follows as of December 31, 2024:

Investment Type	Level 1	Level 2	Level 3	Total
Money market mutual funds	\$ 12,108,717	-	-	12,108,717
U.S. Government agency securities	-	24,148,626	-	24,148,626
U.S. Treasuries securities	-	9,422,599	-	9,422,599
Corporate bonds	-	6,536,561	-	6,536,561
Municipal securities	-	4,535,880	-	4,535,880
Total	\$ <u>12,108,717</u>	<u>44,643,666</u>	<u>-</u>	<u>56,752,383</u>

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE IV – DETAILED NOTES ON ALL FUNDS

B. INTERFUND TRANSFERS, RECEIVABLES AND PAYABLES

The following is a schedule of interfund transfers:

Transfer In	Transfer Out	Purpose	Amount
General Fund	Water Utility	Tax equivalent payment	\$ 1,144,002
General Fund	Sewer Utility	Tax equivalent payment	21,869
General Fund	Parks Development	Fund staff costs for trail and park maintenance	145,200
General Fund	Non-Major Special Revenue	American Rescue Plan Act funds	947,880
Internal Service Fund	General Fund	Fleet fund support	150,000
Debt Service Fund	Non-Major Special Revenue	Special assessments for debt payments	150,000
Capital Improvement Fund	Parks Development	Development of park space	903,000
Capital Improvement Fund	Non-Major Special Revenue	American Rescue Plan Act funds	628,000
TIF Debt Service	Debt Service Fund	Debt service payment support	296,000
TIF Debt Service	Non-Major Capital Projects	TIF close out	13,360
Non-Major Capital Projects	TIF Debt Service	TIF project costs	17,632
Subtotal – Fund Financial Statements			4,416,943
Less: Fund eliminations			(3,251,072)
Total transfers – Government-wide Statement of Activities			<u>\$ 1,165,871</u>

The following is a schedule of interfund receivables and payables:

Due To	Due From	Purpose	Amount
General	Water Utility	Utility tax equivalent	\$ 1,165,871
Total internal balances – Statement of Net Position			<u>\$ 1,165,871</u>

C. RECEIVABLES

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 receivable 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 and unearned revenue* reported in the governmental funds were as follows:

	Unavailable	Unearned	Total
Property taxes receivable	\$ -	44,424,541	44,424,541
Lease receivable	-	5,803,760	5,803,760
Subsequent period prepayments	-	282,963	282,963
Total unearned/unavailable for governmental funds	<u>\$ -</u>	<u>50,511,264</u>	<u>50,511,264</u>

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE IV – DETAILED NOTES ON ALL FUNDS

D. RESTRICTED ASSETS

Mandatory segregations of assets are presented on the statement of net position for proprietary funds as restricted assets. Such segregations are required by bond agreements and other external parties. Descriptions of the City's restricted assets are as follows:

Water Utility:

Construction Fund – consists of unspent bond/note proceeds required to be used in future water projects.

Radium Removal Contingencies – required by the State Department of Health Services to provide satisfactory financial assurances in the event of abandonment, default, or inability of the contractor to properly remove spent media containing radium from removal site.

Sewer Utility:

Equipment Replacement Fund – required by the State Environmental Improvement Fund (EIF) to cover the replacement of mechanical equipment necessary for the wastewater treatment system.

Debt Service Fund – required by the EIF for future principal and interest payments.

Surplus Fund – required by the EIF to cover any deficiency in any of the other funds.

Restricted assets of the Proprietary Funds on December 31, 2024, are detailed below:

	Restricted Assets	Payable From Restricted Assets	Net Position
Enterprise Funds:			
Water Utility:			
Construction Fund	\$ 1,106,582	95,822	N/A
Radium Removal Contingencies	88,080	-	88,080
Total Water Utility	1,194,662	95,822	88,080
Sewer Utility:			
Equipment Replacement Fund	7,143,782	-	7,143,782
Debt Service Fund	214,046	13,015	201,031
Surplus Fund	95,445	-	95,445
Total Sewer Utility	7,453,273	13,015	7,440,258
Total restricted assets	\$ 8,647,935	108,837	7,528,338

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE IV – DETAILED NOTES ON ALL FUNDS

E. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 2,827,881	6,298,808	5,008,839	\$ 4,117,850
Land	25,920,246	-	-	25,920,246
Total capital assets not being depreciated	28,748,127	6,298,808	5,008,839	30,038,096
Capital assets being depreciated:				
Buildings and improvements	73,930,308	1,232,918	-	75,163,226
Equipment and furnishings	29,075,467	3,717,681	1,327,047	31,466,101
Intangible asset - right to use	908,500	-	-	908,500
Infrastructure	267,179,578	6,377,632	67,800	273,489,410
Total capital assets being depreciated	371,093,853	11,328,231	1,394,847	381,027,237
Less accumulated depreciation/amortization for:				
Buildings and improvements	34,870,817	2,042,455	-	36,913,272
Equipment and furnishings	20,334,246	2,567,001	1,271,073	21,630,174
Intangible asset - right to use	340,688	45,425	-	386,113
Infrastructure	216,689,441	4,205,475	67,747	220,827,169
Total accumulated depreciation/amortization	272,235,192	8,860,357	1,338,820	279,756,728
Net capital assets being depreciated	98,858,661	2,467,874	56,027	101,270,509
Total net capital assets	\$ 127,606,788	8,766,683	5,064,866	\$ 131,308,605

Depreciation/amortization was charged to functions/programs of the primary government as follows:

General Government	\$ 1,282,430
Public Safety	1,283,218
Public Works	4,947,304
Library	632,424
Parks and Recreation	714,981
Total depreciation/amortization expense - governmental activities	\$ 8,860,357

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS December 31, 2024

NOTE IV – DETAILED NOTES ON ALL FUNDS

E. CAPITAL ASSETS (CONT.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business Type Activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 3,059,261	10,246,538	4,900,751	\$ 8,405,048
Land	379,137	-	-	379,137
Total capital assets not being depreciated	3,438,398	10,246,538	4,900,751	8,784,185
Capital assets being depreciated:				
Buildings and improvements	25,405,789	-	-	25,405,789
Equipment and furnishings	67,408,112	995,636	266,622	68,137,126
Infrastructure	197,094,593	6,505,492	452,630	203,147,455
Total capital assets being depreciated	289,908,494	7,501,129	719,252	296,690,370
Less accumulated depreciation for:				
Buildings and improvements	15,829,540	670,760	-	16,500,300
Equipment and furnishings	53,239,301	2,142,160	266,622	55,114,839
Infrastructure	69,029,621	3,114,182	452,630	71,691,173
Total accumulated depreciation	138,098,462	5,927,102	719,252	143,306,312
Net capital assets being depreciated	151,810,032	1,573,926	-	153,384,058
Total net capital assets	\$ 155,248,430	11,820,564	4,900,751	\$ 162,168,243

Depreciation was charged to functions/programs of the primary government as follows:

Water Utility	\$ 2,398,689
Sewer Utility	3,528,413
Total depreciation expense – business type activities	\$ 5,927,102

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS December 31, 2024

NOTE IV – DETAILED NOTES ON ALL FUNDS

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds and notes payable:					
General obligation debt	\$ 66,886,725	2,685,000	10,305,000	59,266,725	5,950,000
Unamortized premium on debt	1,155,831	134,007	751,810	538,028	-
Total bonds/notes payable	68,042,556	2,819,007	11,056,810	59,804,753	5,950,000
Other liabilities –					
Compensated Absences	2,451,953	519,147*	-	2,971,100	1,110,155
Total other liabilities	2,451,953	519,147	-	2,971,100	1,110,155
Governmental activities –					
Long-term liabilities	\$ 70,494,509	3,338,154	11,056,810	62,775,855	7,060,155
Business Type Activities:					
Bonds and notes payable:					
General obligation debt	\$ 22,888,275	4,020,000	3,095,000	23,813,275	3,175,000
Direct debt – revenue bonds	4,455,228	-	276,696	4,178,532	282,312
Unamortized premium on debt	985,163	257,639	553,717	689,085	-
Total bonds/notes payable	28,328,666	4,277,639	3,925,413	28,680,892	3,457,312
Other liabilities –					
Compensated Absences	101,409	14,556*	-	115,965	49,798
Total other liabilities	101,409	14,556	-	115,965	49,798
Business type activities –					
Long-term liabilities	\$ 28,430,075	4,292,195	3,925,413	28,796,857	3,507,110

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

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE IV – DETAILED NOTES ON ALL FUNDS

F. LONG-TERM OBLIGATIONS (CONT.)

General Obligation Debt

1. The full faith credit and resources of the City have been irrevocably pledged to collateralize all of the general obligation bonds and notes payable as outstanding below:

Type	Date of Issue	Interest Rate (%)	Principal Payable	Interest Payable	Original Amount	Balance Dec 31, 2024
Bonds:	2010	2.00-3.37	12/01/11-25	6/01 & 12/01	\$ 5,060,000	\$ 200,000
	2011	2.00-3.35	12/01/12-25	6/01 & 12/01	4,225,000	175,000
	2012	2.00-3.38	12/01/13-29	6/01 & 12/01	4,770,000	880,000
	2014	2.00-3.50	12/01/15-33	6/01 & 12/01	8,435,000	2,225,000
	2015	1.25-3.70	12/01/18-29	6/01 & 12/01	2,845,000	1,315,000
	2015	2.00-3.50	12/01/16-34	6/01 & 12/01	5,565,000	2,200,000
	2016	1.00-3.00	12/01/17-35	6/01 & 12/01	8,300,000	3,375,000
	2016	1.05-3.00	10/01/18-31	4/01 & 10/01	6,225,000	3,415,000
	2017	2.00-3.00	12/01/18-33	6/01 & 12/01	4,560,000	2,285,000
	2018	3.00-3.00	12/01/19-33	6/01 & 12/01	5,130,000	2,675,000
	2018	3.00-3.55	03/01/21-30	3/01 & 09/01	4,735,000	3,020,000
	2019	2.50-3.00	12/01/20-38	6/01 & 12/01	7,680,000	4,910,000
	2019	2.00-2.80	11/01/21-35	5/01 & 11/01	3,570,000	2,705,000
	2019	3.25-4.00	03/01/20-39	3/01 & 09/01	23,100,000	19,030,000
	2020	1.00-2.00	12/01/20-39	6/01 & 12/01	7,110,000	5,170,000
	2021	1.50-2.00	12/01/22-40	6/01 & 12/01	9,165,000	7,535,000
	2022	3.00-4.00	12/01/23-37	6/01 & 12/01	5,985,000	4,980,000
	2023	3.00-4.00	12/01/23-37	6/01 & 12/01	5,480,000	4,955,000
Refunding Bonds:	2016	2.00-3.00	12/01/17-25	6/01 & 12/01	4,325,000	160,000
	2018	2.00-2.90	12/01/19-27	6/01 & 12/01	5,230,000	1,530,000
	2019	2.50-3.00	11/01/20-28	5/01 & 11/01	1,925,000	740,000
	2021	0.40-2.35	03/01/24-39	3/01 & 09/01	3,065,000	2,895,000
Notes:	2024	4.00-5.00	12/01/25-43	6/01 & 12/01	6,705,000	6,705,000
						83,080,000
Less amounts related to Business-Type Activities						(23,813,275)
Bonds/notes payable related to Governmental Activities						\$ 59,266,725

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS December 31, 2024

NOTE IV – DETAILED NOTES ON ALL FUNDS

F. LONG-TERM OBLIGATIONS (CONT.)

General Obligation Debt (cont.)

2. Annual principal and interest payments to maturity on general obligation bonds and notes payable are as follows:

Year	Governmental Activities General Obligation Debt		Business-Type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2025	\$ 5,950,000	\$ 1,849,253	\$ 3,175,000	\$ 841,759
2026	5,330,000	1,620,633	2,710,000	657,683
2027	5,260,000	1,466,696	2,465,000	576,940
2028	4,935,000	1,310,433	2,415,000	499,240
2029	4,690,000	1,160,859	2,005,000	422,865
2030-2034	18,836,725	3,860,030	7,708,275	1,207,033
2035-2039	13,400,000	1,221,638	2,760,000	303,350
2040-2043	865,000	63,700	575,000	46,700
	<u>\$ 59,266,725</u>	<u>\$ 12,553,242</u>	<u>\$ 23,813,275</u>	<u>\$ 4,555,570</u>

3. Margin on indebtedness:

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, 2024, was \$492,098,115. Total general obligation debt outstanding at year end was \$83,080,000. The City's margin of indebtedness was \$409,018,115.

4. Interest payments on all of the City's general obligation long-term debt for 2024 amounted to \$2,685,483. Interest on the City's governmental activity long-term debt totaled \$2,009,341 while interest on business type activity long-term debt was \$676,142.

5. 2024 debt issues:

On June 18, 2024, the City issued \$6,705,000 in general obligation promissory notes with interest rates ranging from 4.00% to 5.00%. These notes were issued to fund the following capital projects: streets, water utility, bike path, park, storm sewer and City Hall parking lot improvements.

6. 2024 debt defeasance:

On November 6, 2024, the City used \$3,723,845 of existing monies to advance refund \$3,715,000 of the general obligation community development bonds dated September 3, 2015, with coupon rates of 2.50% to 3.00%, originally issued in support of TIF 5 (the Corridor development). The funds were used to purchase US government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, the refunded portion of the bonds is considered defeased and the liability for those bonds has been removed from the statement of net position. The 2015 bonds are not currently callable until November 1, 2025; therefore, the amount deposited into the escrow account will be applied to pay the principal and interest on the future maturities until callable. The advance refunding was arranged due to collection of sufficient tax increments from TIF 5 to retire the debt and close the TIF district. Substitution of essentially risk-free monetary assets with monetary assets that are not essentially risk-free is prohibited by the escrow agreement.

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE IV – DETAILED NOTES ON ALL FUNDS

F. LONG-TERM OBLIGATIONS (CONT.)

Revenue Bonds

1. Direct debt – Revenue Bonds — Enterprise Fund:

In 2009, the City authorized the issuance of \$809,425 of Sewerage System Revenue Bonds through the Clean Water Fund Loan Program. The proceeds of these bonds were used to finance various sanitary sewer rehabilitation projects. As of December 31, 2024, \$790,274 of these bonds had been issued. The City will not make any future draws on this loan.

In 2011, the City authorized the issuance of \$649,223 of Sewerage System Revenue Bonds through the Clean Water Fund Loan Program. The proceeds of these bonds were used to finance various sanitary sewer rehabilitation projects. As of December 31, 2024, \$632,201 of these bonds had been issued. The City will not make any future draws on this loan.

In 2020, the City authorized the issuance of \$4,474,506 of Sewerage System Revenue Bonds through the Clean Water Fund Loan Program. The proceeds of these bonds were used to finance various sanitary sewer rehabilitation projects. As of December 31, 2024, \$4,250,607 of these bonds had been issued. The City will not make any future draws on this loan.

These bonds are considered special obligations of the City payable solely from net revenues of the Sewer Utility and do not constitute debt which the full faith and credit or taxing powers of the City are pledged. In accordance with the resolutions that authorized the issuance of the debt issues, the City covenanted with the bondholders to, among other things, operate and maintain the Utility in a sound and economical manner, including the making and collecting of reasonable and sufficient rates lawfully established for services rendered by the Utility. In addition, in accordance with the resolutions, separate funds were established to account for the allocation of the Utility's gross revenues as follows:

a. Sewerage System Operation and Maintenance Fund:

The amount of income and revenues set aside equal to the estimated current expenses for two months for the reasonable and proper maintenance of the system.

b. Sewerage System Debt Service Fund:

Monthly amount equal to one-sixth (1/6) of the next installment of interest coming due and an amount equal to one-twelfth (1/12) of the principal on the bonds coming due during the next succeeding year.

2. Details of direct borrowed revenue bonds outstanding on December 31, 2024, are as follows:

<u>Type – Direct</u>	<u>Date of Issue</u>	<u>Interest Rate (%)</u>	<u>Principal Payable</u>	<u>Interest Payable</u>	<u>Original Amount</u>	<u>Balance Dec 31, 2024</u>
Revenue Bonds:						
Sewer	2009	2.910	5/01/10-29	5/01 & 11/01	\$ 790,274	\$ 252,654
Sewer	2011	2.400	5/01/12-31	5/01 & 11/01	632,201	256,390
Sewer	2020	1.760	5/01/22-40	5/01 & 11/01	4,250,607	3,669,488
						\$ 4,178,532

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE IV – DETAILED NOTES ON ALL FUNDS

F. LONG-TERM OBLIGATIONS (CONT.)

Revenue Bonds (cont.)

Annual principal and interest payments to maturity on direct borrowed revenue bonds are as follows:

Year	Principal	Interest	Total	Balance Outstanding December 31
2024				4,178,532
2025	\$ 282,312	75,221	357,533	3,896,220
2026	288,047	69,425	357,472	3,608,173
2027	293,904	63,505	357,409	3,314,269
2028	299,886	57,460	357,346	3,014,383
2029	305,996	51,284	357,280	2,708,387
2030-2034	1,211,079	184,205	1,395,284	1,497,308
2035-2039	1,236,747	78,106	1,314,853	260,561
2040	260,561	2,293	262,854	-
	<u>\$ 4,178,532</u>	<u>581,499</u>	<u>4,760,031</u>	

3. Annual principal and interest payments on the Sewerage System Revenue Bonds are expected to require 15.99% of net revenues. Principal and interest payments for 2024 and net revenues were \$357,593 and \$1,940,301, respectively.

The City's outstanding notes from direct borrowings related to business type activities of \$4,178,532 contain the following provisions in the event of a default: 1) Wisconsin Department of Administration can deduct amounts due from any state payments due to the City or add the amounts due as a special charge to the property taxes apportioned; 2) may declare the principal amount immediately due and payable and may increase the interest rate on the unpaid loan balance to the market interest rate in effect of the date the loan was executed; 3) may appoint a receiver for the Program's benefit; 4) may bill the users of the system directly and 5) may enforce any right or obligation under the financing agreement including the right to seek specific performance or mandamus.

G. LEASE DISCLOSURES

Lessor-Lease Receivables

<u>Lease Receivables Description</u>	<u>Date of Inception</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Receivable Balance Dec 31, 2024</u>
Governmental Activities:				
Cellular antennas	1996- 2024	2025-2049	2.4%, 2.52%	\$5,655,776
Business-Type Activities:				
Cellular antennas	1996-2024	2025-2049	2.4%, 2.52%	\$5,446,745

The governmental activities of the City recognized \$428,251 in lease revenue and \$178,007 in lease interest revenue during the year. The business-type activities of the City recognized \$315,364 in lease revenue and \$140,165 in lease interest revenue during the year.

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE IV – DETAILED NOTES ON ALL FUNDS

H. NET POSITION/FUND BALANCES

Governmental Activities Net Position

Governmental activities net position reported on the government-wide statement of net position on December 31, 2024, includes the following:

Net Investment in capital assets:	
Land	\$ 25,920,246
Construction in progress	4,117,850
Other capital assets, net of accumulated depreciation	101,270,509
Less: long-term debt outstanding	(59,266,725)
Less: unamortized debt premium	(538,028)
Plus: unspent capital-related debt proceeds	3,637,982
Plus: non-capital long-term debt	7,148,867
Total net investment in capital assets	<u>82,290,701</u>
Restricted for:	
Debt service	1,784,322
Parks development	966,813
Bike paths	1,520
Wetlands preservation	134,035
Cable TV	4,895
Street improvements	150,000
Sister Cities	24,457
Police Grants	79,513
Total restricted	<u>3,145,555</u>
Unrestricted	<u>27,428,189</u>
Total governmental activities net position	<u>\$ 112,864,445</u>

Business-Type Activities Net Position

Business-type activities net investment in capital assets reported on the government-wide statement of net position on December 31, 2024, includes the following:

Net Investment in capital assets:	
Land	\$ 379,137
Construction in progress	8,405,048
Other capital assets, net of accumulated depreciation	153,384,058
Less: related long-term debt outstanding	(27,991,807)
Less: unamortized debt premium	(689,085)
Plus: unspent capital-related debt proceeds	1,106,582
Less: capital accounts payable	(95,822)
Total net investment in capital assets	<u>\$ 134,498,111</u>

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE IV – DETAILED NOTES ON ALL FUNDS

H. NET POSITION/FUND BALANCES (CONT.)

Governmental Fund Balances

Governmental fund balances reported on the fund financial statements on December 31, 2024, includes the following:

Non-spendable:

Major Fund:

General Fund – prepaid expenditures	\$ 52,278
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Non-Major Fund:

Special Revenue Fund:	
Recreation programs – prepaid expenditures	13,283
Total non-spendable	\$ 65,561

Restricted

Major Funds:

Debt Service Fund – debt service	\$ 832,912
Tax Incremental Debt Service	1,402,368
Capital Improvement Capital Projects Fund	2,951,522
Parks Development Fund	966,813
Total restricted – Major Funds	6,153,615

Non-Major Funds:

Special Revenue Funds:	
Cable TV	4,895
Sister Cities	24,457
Special Assessments – street improvements	150,000
Police grants	79,513
Wetlands preservation	134,035
Bike paths	1,520
Total restricted – Non-Major Funds	394,420
Total restricted	\$ 6,548,035

Committed:

Major Funds:

Capital Improvement Capital Projects Fund	\$ 145,845
Parks Development Fund	2,744,617
Total committed – Major Funds	2,890,462

Non-Major Funds:

Special Revenue Funds:	
Employee retirement benefits	5,665,247
Economic development	390,231
Recreation programs	470,564
Community Development Authority	408,702
Total committed – Non-Major Funds	6,934,744
Total committed	\$ 9,825,206

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS December 31, 2024

NOTE IV – DETAILED NOTES ON ALL FUNDS

H. NET POSITION/FUND BALANCES (CONT.)

Governmental Fund Balances (cont.)

Assigned:

Major Funds:

General Fund:

Subsequent years expenditures	\$ 2,423,852
Compensated absences	645,286
Encumbrances	70,970
Total assigned – General Fund	<u>3,104,108</u>

Capital Improvement Capital Projects Fund –

Subsequent year expenditures	1,361,624
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Parks Development Fund	<u>226,185</u>
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Total assigned – Major Funds	<u>4,727,917</u>
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Non-Major Funds:

Special Revenue Funds:

Special assessments	240,834
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Conference Center Debt Service Fund – debt service	2,201,796
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Capital Projects Funds:

Stormwater management	68,019
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Forestation	161,943
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Vehicle replacement	3,108,704
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Computer outlay	601,922
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Total assigned – Non-Major Funds	<u>6,383,218</u>
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Total assigned	<u>\$ 11,111,135</u>
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Unassigned:

General Fund	<u>\$ 17,903,185</u>
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I. ACCOUNTING CHANGES

Changes to or within the financial reporting entity

The Parks Development fund, previously reported as a nonmajor fund, is reported as a major fund for 2024. The change to or within the financial reporting entity resulted in adjustments to beginning fund balances as follows:

	December 31, 2023 as previously reported	Change to or within the financial reporting entity	December 31, 2023 as adjusted
Non-major governmental funds	\$ 18,147,079	\$ (4,195,211)	\$ 13,951,868
Major Fund:			
Parks Development	-	4,195,211	4,195,211
Fund balances as adjusted	<u>\$ 18,147,079</u>	<u>\$ -</u>	<u>\$ 18,147,079</u>

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

General Information About the Pension Plan

Plan Description. All eligible City of Brookfield employees participate in the WRS, a cost-sharing, multiple-employer, defined benefit public employee retirement system. 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). All employees expected to work over 600 hours a year, initially employed by a participating WRS employer prior to July 1, 2011 (1,200 hours for employees hired on or after July 1, 2011) and expected to be employed for at least one year from the employee's date of hire are eligible to participate in the WRS. Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

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

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

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

Vested participants may retire at or after age 55 (50 for protective occupations) and receive 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 System also provides death and disability benefits for employees.

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

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS December 31, 2024

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM (CONT.)

General Information About the Pension Plan (cont.)

Year	Core Fund	Variable Fund
	Adjustment %	Adjustment %
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0
2023	1.6	(21.0)

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, Executives and Elected Officials. Starting with January 1, 2016, the Executives and Elected Officials category was merged into the General Employee category. Required employee contributions for Protective employees are the same as the rate for 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. Contribution rates for the plan year reported as of December 31, 2024, were:

	<u>Employee</u>	<u>Employer</u>
General	6.80%	6.80%
Protective with Social Security	6.80%	13.20%
Protective without Social Security	6.80%	18.10%

During the reporting period, the WRS recognized \$3,380,278 in contributions from the City.

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

On December 31, 2024, the City reported a liability of \$3,650,599 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension asset was determined by actuarial valuation as of December 31, 2022, rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. On December 31, 2023, the City's proportion was 0.24553301%, which was an increase of 0.00312603% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2023, the City recognized pension expense of \$2,224,889.

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM (CONT.)

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

On December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	\$ 14,719,180	19,495,643
Changes in assumptions	1,591,191	-
Net difference between projected and actual earnings on pension plan investment	12,721,746	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	61,501	80,343
Employer contributions subsequent to the measurement date	3,689,374	-
Total	\$ 32,782,992	19,575,986

Deferred outflows related to pension resulting from WRS Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2025. \$3,689,374 is reported for the City. Other amounts reported as deferred outflows of resources and deferred inflows 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)
2025	\$ 1,945,510
2026	2,031,131
2027	7,984,845
2028	(2,443,854)
2029	-
Thereafter	-

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM (CONT.)

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, 2022
Measurement date of net pension liability (asset)	December 31, 2023
Experience Study	January 1, 2018 – December 31, 2020, Published November 19, 2021
Actuarial cost method	Entry age normal
Asset valuation method	Fair value
Long-term expected rate of return	6.8%
Discount rate	6.8%
Salary Increases	
Wage Inflation	3.0%
Merit Salary Increases	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, 2023, is based upon a roll-forward of the liability calculated from the December 31, 2022, actuarial valuation.

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

Core Fund Asset Class	Asset Allocation % ¹	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return % ²
Public Equity	40	7.3	4.5
Public Fixed Income	27	5.8	3.0
Inflation Sensitive	19	4.4	1.7
Real Estate	8	5.8	3.0
Private Equity/Debt	15	9.6	6.7
Leverage ³	(12)	3.7	1.0
Total Core Fund ³	100	7.4	4.6
Variable Fund Asset			
U.S. Equities	70	6.8	4.0
International Equities	30	7.6	4.8
Total Variable Fund	100	7.3	4.5

¹ Asset allocations are managed within established ranges; target percentages may differ from actual monthly allocations.

² New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.7%

³ The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used subject to an allowable range of up to 20%.

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE V – OTHER INFORMATION

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 of 6.8 percent and a municipal bond rate of 3.77 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, 2023. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of the WRS, the 6.8 percent expected rate of return implies that a dividend of approximately 1.7 percent will always be paid. For the purpose 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 6.80 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 (5.80 percent) or 1-percentage point higher (7.80 percent) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
City's proportionate share of the net pension liability (asset)	\$ 35,284,807	3,650,599	(18,485,194)

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>.

On December 31, 2024, the City reported a payable to the pension plan of \$562,090 which represents contractually required contributions outstanding as of the end of the year.

B. OTHER POST-EMPLOYMENT BENEFITS

CITY RETIREE HEALTHCARE PLAN

GENERAL INFORMATION ABOUT THE OPEB – HEALTH PLAN

Plan description. The City administers a single-employer defined benefit retiree healthcare plan. The plan provides medical insurance benefits to eligible retirees and their spouses through the City's self-insured group medical insurance plan, which covers both active and retired members. Benefit provisions are established through collective bargaining agreements and other City agreements. The eligibility requirements and the amount of the benefit vary based on retiree's position, years of service and age at retirement. If eligible, the retiree may receive medical insurance benefits until they are Medicare eligible. The City does not issue a separate financial report for the retiree healthcare plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE V – OTHER INFORMATION

B. OTHER POST-EMPLOYMENT BENEFITS (CONT.)

CITY RETIREE HEALTHCARE PLAN (CONT.)

GENERAL INFORMATION ABOUT THE OPEB – HEALTH PLAN (CONT.)

Employees covered by benefit terms. Membership of the plan consisted of 54 retirees receiving benefits and 326 active plan members on January 1, 2023, the date of the latest actuarial valuation.

Benefits provided. Contribution requirements are established through collective bargaining agreements and other City agreements and may be amended only through negotiations between the City and the union, or for non-union employees pursuant to employment policies adopted by the Common Council. Eligibility requirements are as follows:

	Eligibility	
	Age	Service
Firefighters Association	50	15 years
Police Officers Association	50	15 years
Non-represented – non-police and fire command staff	Normal Retirement Age	15 years
Non-represented – police and fire command staff	50	15 years

For eligible Firefighters Association employees, the City contributes up to \$650 per month towards the cost of the monthly medical premium funding rate established for the self-insured plan, with the balance contributed by the retiree. The monthly contribution rate will decrease \$50/month each year until 2035 after which time the contribution will cease. Firefighters Association employees hired after January 1, 2012, are not eligible for the City contribution. For the Police Association employees, the City contributes up to \$500 per month towards the cost of the monthly medical premium funding rate established for the self-insured plan, with the balance contributed by the retiree. Police Association employees hired after January 1, 2013, are not eligible for the City contribution. For Police and Fire command staff hired prior to January 1, 2013, and 2012, respectively, the City contributes \$500 per month towards the medical premium cost. Police and fire command staff hired after January 1, 2013, and 2012 (respectively), certain Firefighters Association employees as noted above, and all other eligible retirees contribute the full cost of the medical premium.

TOTAL OPEB LIABILITY

The City's total OPEB – Health liability of \$11,139,059 was measured as of December 31, 2024, and was determined by an actuarial valuation as of January 1, 2023, projected to December 31, 2024.

Actuarial assumptions and other inputs. The total OPEB – Health liability in the January 1, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0 percent
Salary increases	3.0 percent, average, including inflation
	8.03 percent for 2024, 10.5 percent for 2025, 7.25 percent for 2026 then decreasing in 0.25 percent increments per year to an ultimate rate of 4.25 percent for 2038 and later years
Healthcare cost trend rates	

The discount rate was based on Fidelity's 20-Year Municipal GO AA Index as of the measurement date.

Mortality rates were based on the 2020 WRS Experience Mortality Table.

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS December 31, 2024

NOTE V – OTHER INFORMATION

B. OTHER POST-EMPLOYMENT BENEFITS (CONT.)

CITY RETIREE HEALTHCARE PLAN (CONT.)

CHANGES IN THE TOTAL OPEB LIABILITY

	Total OPEB Liability
Balance at 12/31/2023	\$ 11,116,785
Changes for the year:	
Service cost	482,594
Interest	416,563
Changes in benefit terms	-
Benefit payments	(240,514)
Differences between expected and actual experience	(378,010)
Changes in assumptions or other inputs	(258,359)
Net changes	22,274
Balance at 12/31/2024	\$ 11,139,059

Changes of assumptions and other inputs reflect a change in the discount rate from 3.77 percent in 2023 to 4.08 percent in 2024.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB – Health liability of the City as well as what the City's total OPEB – Health liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.08 percent) or 1-percentage-point higher (4.08 percent) than the current discount rate:

	1% Decrease (3.08%)	Discount Rate (4.08%)	1% Increase (5.08%)
Total OPEB – Health liability	\$ 11,997,125	\$ 11,139,059	\$ 10,352,185

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB – Health liability of the City, as well as what the City's total OPEB – Health liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.03 percent decreasing to 3.25 percent) or 1-percentage-point higher (9.03 percent decreasing to 5.25 percent) than the current healthcare cost trend rates:

	1% Decrease (7.03% decreasing to 3.25%)	Healthcare Cost Trend Rates (8.03% decreasing to 4.25%)	1% Increase (9.03% decreasing to 5.25%)
Total OPEB – Health liability	\$ 10,213,810	\$ 11,139,059	\$ 12,227,097

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS December 31, 2024

NOTE V – OTHER INFORMATION

B. OTHER POST-EMPLOYMENT BENEFITS (CONT.)

CITY RETIREE HEALTHCARE PLAN (CONT.)

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

For the year ended December 31, 2024, the City recognized OPEB expense of \$639,004. On December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,139,537	\$ 1,536,564
Changes of assumptions or other inputs	1,257,455	1,622,953
Total	<u>\$ 2,396,992</u>	<u>\$ 3,159,517</u>

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

Year Ended December 31,	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2025	\$ (260,153)
2026	(260,153)
2027	(223,427)
2028	3,246
2029	(2,431)
Thereafter	(19,607)

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF)

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

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

Benefits provided. The LRLIF plan provides fully paid-up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Contributions. The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE V – OTHER INFORMATION

B. OTHER POST-EMPLOYMENT BENEFITS (CONT.)

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (CONT.)

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

Contribution rates for the plan year reported as of December 31, 2024, are:

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

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

Life Insurance Member Contribution Rates for the Plan Year

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

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

During the reporting period, LRLIF recognized \$11,313 in contributions from the employer.

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

On December 31, 2024, the City reported a liability of \$2,554,205 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2023, rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. On December 31, 2023, the City's proportion was 0.55518300%, which was a decrease of 0.0100700% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the City recognized OPEB expense of \$181,601.

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS December 31, 2024

NOTE V – OTHER INFORMATION

B. OTHER POST-EMPLOYMENT BENEFITS (CONT.)

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (CONT.)

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (cont.)

On December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	\$	-	226,054
Changes in assumptions		798,978	1,005,791
Net difference between projected and investment earnings on plan investment		34,507	-
Changes in proportion and differences between employer contributions and proportionate share of contributions		47,628	47,231
Employer contributions subsequent to measurement date		71,553	-
Total	\$	952,666	1,279,076

\$71,553 reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2025	\$ (22,189)
2026	16,410
2027	(87,407)
2028	(166,160)
2029	(161,720)
Thereafter	23,103

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS December 31, 2024

NOTE V – OTHER INFORMATION

B. OTHER POST-EMPLOYMENT BENEFITS (CONT.)

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (CONT.)

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (cont.)

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

Actuarial Valuation Date:	January 1, 2023
Measurement Date of Net OPEB Liability:	December 31, 2023
Experience Study:	January 1, 2018 – December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	3.26%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.32%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.10% – 5.6%
Mortality:	2020 WRS Experience Mortality Table

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

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

State OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2023

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Intermediate Credit Bonds	Bloomberg US Interim Credit	40.00%	2.32%
US Mortgages	Bloomberg US MBS	60.00%	2.52%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE V – OTHER INFORMATION

B. OTHER POST-EMPLOYMENT BENEFITS (CONT.)

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (CONT.)

Single discount rate. A single discount rate of 3.32 percent was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.76 percent for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 3.72 percent as of December 31, 2022, to 3.26 percent as of December 31, 2023. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Sensitivity of the City's proportionate share of the net OPEB liability to changes in the discount rate.

The following presents the City's proportionate share of the net OPEB liability calculated using the discount rate of 3.32 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.32 percent) or 1-percentage-point higher (4.32 percent) than the current rate:

	1% Decrease to Discount Rate (2.32%)	Current Discount Rate (3.32%)	1% Increase to Discount Rate (4.32%)
City's Proportionate Share of the net OPEB Liability – LRLIF	\$3,431,930	\$2,554,205	\$1,884,216

SUMMARY OF OTHER POST-EMPLOYMENT BENEFITS INFORMATION – ALL OPEB PLANS

- OPEB liability – \$13,693,264 (the General fund has typically been used to liquidate OPEB liabilities)
- Deferred outflows of resources – \$3,349,658
- Deferred inflows of resources – \$4,438,593
- OPEB expense – \$820,605

C. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, natural disasters, and worker's compensation. The City purchases general, auto liability/physical damage and workers compensation insurance from the Cities and Villages Mutual Insurance Company. The City purchases commercial insurance for all other risks. There have been no significant reductions in insurance 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 \$1,174,445 for participation in the Wisconsin Municipal Insurance Commission (WMIC). The WMIC is an intergovernmental cooperative commission formed to facilitate the formation of the 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

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE V – OTHER INFORMATION

C. RISK MANAGEMENT (CONT.)

villages of the WMIC. CVMIC was formed to provide liability insurance to Wisconsin municipalities as of January 1, 1988.

CVMIC provides the City with \$10,000,000 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.

On December 31, 2024, the Risk Management Fund, an Internal Service Fund, had a net position of \$2,095,585 available for future claims related to prior years. This balance includes \$907,363 in cash and \$1,355,304 in non-cash assets and \$82 of payables.

The City has recorded an unpaid claims liability for claims that have occurred but are not settled and for claims incurred but 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.

Changes in the Fund's unpaid claims liability amount in fiscal 2023 and 2024 were:

<u>Fiscal Year</u>	<u>Balance January 1,</u>	<u>Claims and Changes In Estimates</u>	<u>Claim Payments</u>	<u>Balance December 31,</u>
2023	\$ 167,000	98,682	98,682	167,000
2024	\$ 167,000	40,034	40,034	167,000

Of the recorded claims liability of \$167,000, the City estimates approximately \$40,000 to be due and payable within one year based upon three years of historical trend data.

The City's percentage participation in WMIC and CVMIC on December 31, 2024, was 1.986%. 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 for WMIC and CVMIC can be obtained directly from CVMIC's offices.

D. HEALTH INSURANCE PROGRAM

Beginning in 2003, the City made a policy decision to self-fund the health insurance program offered to City employees. The plan provides coverage up to a maximum of \$150,000 per contract and approximately \$7,000,000 for the aggregate of contracts. The City purchases commercial insurance for claims in excess of the self-funded retention on both an individual contract and aggregate basis.

Costs of the program are accounted for in the Health Insurance Fund, an internal service fund. Services provided under the health insurance program are billed to the funds benefiting from the service.

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE V – OTHER INFORMATION

D. HEALTH INSURANCE PROGRAM (CONT.)

Health insurance revenues are derived from four sources:

- City contribution for active employees
- Active employee contributions
- City contribution for retired employees (per applicable union contract or other agreement)
- Retired employee contributions

For the fiscal year ending December 31, 2024, the Health Insurance Fund had net operating income of \$944,978 and reported net position of \$1,472,500.

The City has recorded an unpaid claims liability for claims that have occurred but are not settled and for claims incurred but not recorded (IBNR). This liability is based upon an actuarial estimate provided by the third part administrator. All unpaid claims as of December 31, 2024, are expected to be resolved in the subsequent year.

Changes in the Fund's unpaid claims liability amount in fiscal 2023 and 2024 were:

<u>Fiscal Year</u>	<u>Balance January 1,</u>	<u>Claims and Changes In Estimates</u>	<u>Claim Payments</u>	<u>Balance December 31,</u>
2023	\$ 770,000	6,268,109	6,003,109	1,035,000
2024	1,035,000	5,121,486	5,656,486	500,000

E. INTER-MUNICIPAL AGREEMENTS

The City operates and is principal owner of a wastewater treatment facility known as the Fox River Water Pollution Control Center (FRWPCC) which has been designated as an area wide regional treatment facility by the Southeastern Wisconsin Regional Planning Commission and the Wisconsin Department of Natural Resources.

During 1996, the City entered into inter-municipal agreements with six municipal entities for sanitary sewerage treatment services and for the upgrade and expansion of the FRWPCC. The activities of the FRWPCC are accounted for in the City's Sewer Utility enterprise fund. The participants and their percentage of ownership interests of the treatment capacity in the FRWPCC are as follows:

City of Brookfield	48.38%
Town of Brookfield Sanitary District #4	12.83
Village of Menomonee Falls	1.65
Village of Pewaukee	14.49
Pewaukee Lake Sanitary District	5.17
City of Pewaukee Sanitary District #3	17.48
	<u>100.00%</u>

F. TAX INCREMENTAL FINANCING (TIF) INCENTIVES

The City, through its Tax Incremental Financing districts (TIDs), has entered into tax abatement agreements with developers in the form of tax incremental financing incentive payments to stimulate economic development. The abatements are authorized through the TID project plans and related development agreements. The City has agreed to use accumulated tax increment or has issued certain debt (see Note IV-F) where a portion of the proceeds have been used to provide incentives for construction of private development after meeting the criteria established in the development agreements. The repayment of the debt issued to pay such incentives will be repaid through the tax increments generated within the TIDs which otherwise would be available for governmental purposes when the developers pay property taxes as they become due. The developer commitment

CITY OF BROOKFIELD

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE V – OTHER INFORMATION

F. TAX INCREMENTAL FINANCING (TIF) INCENTIVES (CONT.)

includes construction of private infrastructure to serve the development and the new buildings in these developments. There were no incentive payments for the year ended December 31, 2024.

G. PUBLIC-PRIVATE PARTNERSHIP

The City has a management agreement with North Central Management, Inc. (“Operator”) to exclusively operate and manage the Brookfield Conference Center which was constructed and funded by the City. The agreement has an initial term of 10 years with an option to extend the agreement for three successive terms of 5 years each. The agreement provides that the Operator make an annual payment to the City to deposit into a Furniture, Fixture, Equipment and Capital Reserve (FFE&C Reserve) for future capital replacement costs if gross operating profit equals or exceeds \$100,000. In 2024, the Operator made payment to the City under this agreement of \$139,890 which was deposited into the FFE&C Reserve which is accounted for in the Capital Improvements Capital Projects Fund.

H. CONTINGENCIES AND COMMITMENTS

1. 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 the claim has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.
2. The City participates in a number of State and Federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Audits of these programs for or including the year ended December 31, 2024, have not been conducted. Accordingly, the City’s compliance with applicable grant requirements may be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.
3. There are several pending lawsuits in which the City is involved. In the opinion of City management, these lawsuits, and any other proceedings known to exist on December 31, 2024, are not likely to have a material adverse impact on the City’s financial position.
4. Contractual commitments and estimated costs to complete construction projects in progress on December 31, 2024, were as follows: Capital Improvements Capital Projects Fund (\$145,845), Water Utility (\$135,651) and Sewer Utility (\$996,840).

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

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

- Statement No. 102, Certain Risk Disclosures
- Statement No. 103, Financial Reporting Model Improvements
- Statement No. 104, Disclosure of Certain Capital Assets

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BROOKFIELD
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
General Fund
For the Year Ended December 31, 2024

	Budget Amounts		Actual Amounts	Budget to GAAP	Actual Amounts
	Original Budget	Final Budget	(Budgetary Basis)	Differences	GAAP Basis
Resources (inflows):					
Taxes	\$ 39,037,115	39,037,115	39,037,802	-	39,037,802
Intergovernmental revenues	6,925,344	6,925,344	6,953,564	-	6,953,564
Licenses and permits	1,567,950	1,567,950	1,937,453	-	1,937,453
Fines, forfeitures and penalties	395,160	395,160	392,250	-	392,250
Public charges for services	2,386,940	2,386,940	2,361,185	-	2,361,185
Commercial revenues	1,801,448	1,801,448	2,973,540	-	2,973,540
Amounts available for appropriation	52,113,957	52,113,957	53,655,794	-	53,655,794
Charges to appropriations (outflows):					
Current					
General government	6,119,487	6,301,807	5,986,700	(5,181) (2)	5,981,519
Public safety	29,109,738	29,461,811	29,409,733	(9,509) (2)	29,400,224
Public works	11,836,621	12,029,576	11,645,000	(6,086) (2)	11,638,914
Health and sanitation	144,000	179,000	179,107	-	179,107
Library	3,303,091	3,288,989	3,170,170	19,400 (2)	3,189,570
Parks and recreation	3,354,130	3,377,011	3,292,054	(3,989) (2)	3,288,065
Community Development	591,150	600,488	581,323	27,000 (2)	608,323
Contingency	350,000	19,535	-	-	-
Total charges to appropriations	54,808,217	55,258,217	54,264,087	21,635	54,285,722
Excess of revenues over (under) expenditures	(2,694,260)	(3,144,260)	(608,293)	(21,635)	(629,928)
Other financing sources (uses)					
Transfers in	2,109,260	2,202,140	2,258,951	-	2,258,951
Transfer out	-	(150,000)	(150,000)	-	(150,000)
Total other financing sources (uses)	2,109,260	2,052,140	2,108,951	-	2,108,951
Net change in fund balances	(585,000)	(1,092,120)	1,500,658	(21,635)	1,479,023
Fund balances, beginning of year	19,616,548	19,616,548	19,616,548	-	19,616,548
Fund balances, end of year	\$ 19,031,548	18,524,428	21,117,206	(21,635)	21,095,571

Notes to Schedule:

- (1) This schedule presents the actual results of operations on a basis consistent with the City's budgeted revenues and expenditures along with a reconciliation to a GAAP basis. The budgetary data presented includes the original approved budget of the General Fund and subsequent revisions authorized by the City's Common Council, the final approved budget.
- (2) Encumbrances for goods and services ordered but not received, and designated as non-lapsing, are reported in the year the orders are placed for budgetary purposes, but reported in the year the goods or services are received for GAAP purposes.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BROOKFIELD SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL Parks Development Fund For the Year Ended December 31, 2024

	<u>Budget Amounts</u>		<u>Actual Amounts</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>(Budgetary Basis)</u>
Resources (inflows):			
Commercial revenues:			
Leases	613,985	613,985	606,258
Investments	90,990	90,990	184,346
Amounts available for appropriation	<u>704,975</u>	<u>704,975</u>	<u>790,604</u>
Charges to appropriations (outflows):			
Community development	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Excess of revenues over (under) expenditures	664,975	664,975	790,604
<u>Other financing sources (uses)</u>			
Transfers in	40,000	40,000	-
Transfer out	<u>(825,200)</u>	<u>(1,218,200)</u>	<u>(1,048,200)</u>
Total other financing sources (uses)	<u>(785,200)</u>	<u>(1,178,200)</u>	<u>(1,048,200)</u>
Net change in fund balances	(120,225)	(513,225)	(257,597)
<u>Fund balances, beginning of year</u>	<u>4,195,211</u>	<u>4,195,211</u>	<u>4,195,211</u>
<u>Fund balances, end of year</u>	<u><u>4,074,986</u></u>	<u><u>3,681,986</u></u>	<u><u>3,937,615</u></u>

Notes to Schedule:

- (1) This schedule presents the actual results of operations on a basis consistent with the City's budgeted revenues and expenditures. There are no differences in budgetary to GAAP basis data. The budgetary data presented includes the original approved budget of the Parks Development Fund and subsequent revisions authorized by the City's Common Council, the final approved budget.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BROOKFIELD SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) Wisconsin Retirement System December 31, 2024

WRS Fiscal Year End	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
2014	0.20885230%	\$ (5,129,984)	\$ 22,116,948	23.19%	102.74%
2015	0.20879225%	3,392,835	22,812,642	14.87%	98.20%
2016	0.21187469%	1,746,353	23,483,685	7.44%	99.12%
2017	0.21872642%	(6,494,246)	24,119,677	26.93%	102.93%
2018	0.22509607%	8,008,212	24,945,031	32.10%	96.45%
2019	0.23044184%	(7,430,496)	25,943,567	28.64%	102.96%
2020	0.23717589%	(14,807,219)	27,642,864	53.57%	105.26%
2021	0.23856100%	(19,228,455)	27,003,172	71.21%	106.02%
2022	0.24240698%	12,842,003	28,218,355	45.51%	95.72%
2023	0.24553301%	3,650,599	30,184,064	12.09%	98.85%

CITY OF BROOKFIELD SCHEDULE OF EMPLOYER CONTRIBUTIONS Wisconsin Retirement System For the year ending December 31, 2024

City Fiscal Year End	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 2,132,132	\$ (2,132,132)	\$ 22,812,642	9.35%
2016	2,098,686	(2,098,686)	23,483,685	8.94%
2017	2,397,980	(2,397,980)	24,119,677	9.94%
2018	2,480,735	(2,480,735)	24,945,032	9.94%
2019	2,520,488	(2,520,488)	25,943,567	9.72%
2020	2,838,301	(2,838,301)	27,642,864	10.27%
2021	2,760,023	(2,760,023)	27,003,172	10.22%
2022	2,891,768	(2,891,768)	28,217,174	10.25%
2023	3,386,609	(3,386,609)	30,184,706	11.22%
2024	3,689,374	(3,689,374)	31,221,603	11.82%

Notes to schedule:

- The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.
- Changes of benefit terms*. There were no changes of benefit terms for any participating employer in the 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 study conducted in 2018 covering January 1, 2015 through December 31, 2017 the ETF Board adopted the 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.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BROOKFIELD SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET OPEB LIABILITY Local Retiree Life Insurance Fund December 31, 2024

Plan Fiscal Year End	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	0.55106200%	\$ 1,657,914	\$ 23,173,733	7.15%	44.81%
2018	0.54189900%	1,398,282	23,162,000	6.04%	48.69%
2019	0.54775600%	2,332,452	24,236,000	9.62%	37.58%
2020	0.54860700%	3,017,735	25,309,000	11.92%	31.36%
2021	0.56133700%	3,317,709	26,554,000	12.49%	29.57%
2022	0.56525300%	2,153,516	26,555,000	8.11%	38.81%
2023	0.55518300%	2,554,205	27,408,000	9.32%	33.90%

CITY OF BROOKFIELD SCHEDULE OF EMPLOYER CONTRIBUTIONS Local Retiree Life Insurance Fund For the year ending December 31, 2024

City Fiscal Year End	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 65,232	\$ (65,232)	\$ 24,434,595	0.27%
2019	67,825	(67,825)	25,519,566	0.27%
2020	69,052	(69,052)	27,243,283	0.25%
2021	69,911	(69,911)	26,615,285	0.26%
2022	70,283	(70,283)	27,857,305	0.25%
2023	70,357	(70,357)	29,880,910	0.24%
2024	71,553	(71,553)	30,930,388	0.23%

Notes to Schedule:

- The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.
- The City is required to present the last ten fiscal years data; however, the 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 the Local Retiree Life Insurance Fund.
- Changes of assumptions.** In addition to the rate changes detailed in the footnotes, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

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

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BROOKFIELD SCHEDULE OF CHANGES IN TOTAL HEALTH OPEB LIABILITY AND RELATED RATIOS City Retiree Healthcare Plan December 31, 2024

	2024	2023	2022	2021	2020
<u>Total OPEB Liability</u>					
Service cost	\$ 482,594	\$ 426,492	\$ 518,699	\$ 567,291	\$ 369,985
Interest	416,563	392,737	188,360	211,755	237,714
Changes of benefit terms	-	-	181,027	-	-
Differences between expected and actual experience	(378,010)	509,344	(210,212)	1,302,913	(38,517)
Changes of assumptions	(258,359)	1,095,791	(1,503,923)	(549,362)	463,215
Benefit payments	(240,514)	(376,106)	(375,368)	(589,648)	(367,291)
Net Change in Total OPEB Liability	22,274	2,048,258	(1,201,417)	942,949	665,106
Total OPEB Liability - Beginning	11,116,785	9,068,527	10,269,944	9,326,995	8,661,889
Total OPEB Liability - Ending	<u>\$ 11,139,059</u>	<u>\$ 11,116,785</u>	<u>\$ 9,068,527</u>	<u>\$ 10,269,944</u>	<u>\$ 9,326,995</u>
Covered-employee payroll	\$ 28,324,867	\$ 27,499,871	\$ 26,076,389	\$ 25,316,882	\$ 24,826,230
Total OPEB liability as a percentage of covered-employee payroll	39.33%	40.42%	34.78%	40.57%	37.57%
	2019	2018			
<u>Total OPEB Liability</u>					
Service cost	\$ 353,913	\$ 497,075			
Interest	286,592	343,685			
Changes of benefit terms	80,874	-			
Differences between expected and actual experience	(2,971,002)	(77,104)			
Changes of assumptions	562,317	(305,170)			
Benefit payments	(144,162)	(277,886)			
Net Change in Total OPEB Liability	(1,831,468)	180,600			
Total OPEB Liability - Beginning	10,493,357	10,312,757			
Total OPEB Liability - Ending	<u>\$ 8,661,889</u>	<u>\$ 10,493,357</u>			
Covered-employee payroll	\$ 24,103,136	\$ 23,030,380			
Total OPEB liability as a percentage of covered-employee payroll	35.94%	45.56%			

Notes to Schedule:

1. The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.
2. The City is required to present the last ten fiscal years data; however, the standards allow the City to present as many years as are available until ten fiscal years are presented.
3. *Changes of assumptions*. Updates to the healthcare trend rates increased liabilities; changes to pension-related assumptions increased liabilities; an increase in discount rate increased liabilities for 2024.
4. No assets are accumulated in a trust that meets the criteria in GASB Statement no. 75, paragraph 4, to pay for related benefits.

EXHIBIT II. Form of Legal Opinion

ATTORNEYS AT LAW

Telephone (414) 375-2630
Fax (414) 375-2631LEGAL OPINION

We have served as bond counsel with regard to:

\$8,075,000
CITY OF BROOKFIELD
WAUKESHA COUNTY, WISCONSIN
GENERAL OBLIGATION PROMISSORY NOTES
DATED JUNE 18, 2025

We hereby certify that we have examined a transcript of proceedings of the Common Council of the City of Brookfield relative to the authorization, issuance and sale of the aforesaid Notes. We have also examined the law and such other documents furnished to us as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the transcript of proceedings and other certifications furnished to us without undertaking to verify the same by independent investigation.

The Notes are numbered 1 and upward; are in the denomination of \$5,000 or any integral multiple thereof; bear interest at the rates set forth below; and mature serially on December 1 of each year, in the years and principal amounts as follows:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2026	\$875,000	—.%
2027	470,000	—.
2028	470,000	—.
2029	470,000	—.
2030	470,000	—.
2031	475,000	—.
2032	480,000	—.
2033	480,000	—.
2034	480,000	—.
2035	480,000	—.
2036	325,000	—.
2037	325,000	—.
2038	325,000	—.
2039	325,000	—.
2040	325,000	—.
2041	325,000	—.
2042	325,000	—.
2043	325,000	—.
2044	325,000	—.

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

At the option of the City, the Notes maturing on December 1, 2036 and thereafter are subject to redemption prior to maturity on December 1, 2035 or on any date thereafter. Said Notes are redeemable as a whole or in part, by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

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

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Notes (except to the extent, if any, stated in the Official Statement), and we express no opinion relating thereto (excepting only the matters set forth as our opinion in the Official Statement).

Based on our examinations, we are of the opinion, as of the date hereof and under existing law, as follows:

1. The Notes are valid and binding general obligations of the City.
2. All taxable property in the territory of the City is subject to ad valorem taxation without limitation as to rate or amount to pay the Notes. The City is required by law to include in its annual tax levy the principal and interest coming due on the Notes except to the extent the necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Notes.
3. The interest on the Notes is excludable from gross income for federal income tax purposes. The interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The opinion set forth in the first sentence of this paragraph is subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Notes in gross income for federal income tax purposes to be retroactive to the date of issuance of the Notes. We express no opinion regarding other federal tax consequences arising with respect to the Notes.

It is to be understood that the rights of the holders of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that enforcement of the Notes may also be subject to the exercise of judicial discretion in appropriate cases.

GRIGGS LAW OFFICE LLC

EXHIBIT III. Form of Continuing Disclosure Certificate

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of Brookfield, Waukesha County, Wisconsin (the “Issuer”) in connection with the issuance of \$8,075,000 General Obligation Promissory Notes dated June 18, 2025 (the “Securities”). The Securities are being issued pursuant to a Resolution, dated June 3, 2025 (the “Resolution”). The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders and beneficial owners of the Securities and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

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

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

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

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“National Repository” shall mean the Municipal Securities Rulemaking Board electronically through the Electronic Municipal Market Access system, available at www.emma.msrb.org, or such other website as may be determined from time to time by the Securities and Exchange Commission.

“Obligated Person” shall mean any person, including an issuer of municipal securities, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Securities.

“Participating Underwriter” shall mean any of the original underwriters of the Securities required to comply with the Rule in connection with the offering of the Securities.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time including any official interpretations thereof.

Section 3. Provision of Annual Reports.

(a) The Issuer shall, not later than December 31 of each year, commencing December 31, 2026, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report.

(b) Documents provided to the National Repository shall be accompanied by identifying information as prescribed by the National Repository.

(c) The Issuer shall determine each year prior to providing the Annual Report the electronic address of the National Repository.

(d) If the Issuer is unable or fails to provide to the National Repository an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the National Repository in the format prescribed by the National Repository.

Section 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following:

(a) The Issuer's audited financial statements. The financial statements will be prepared in accordance with Generally Accepted Accounting Principles.

(b) Updates of the following sections of the final official statement:

- (1) General Obligation Debt Service Schedule
- (2) Self-Supporting Utility Debt Service Projected Revenues and Expenses
- (3) Direct and Overlapping Debt
- (4) Debt Trends for Last Five Years
- (5) Debt Limit
- (6) Budget Summary
- (7) Governmental Fund Summary/General Fund Summary
- (8) Tax Rates
- (9) Property Valuations and Tax Levies
- (10) History of Tax Collections
- (11) Employees and Labor Relations

(12) Largest Taxpayers

Any or all of the items listed above may be incorporated by reference from documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the National Repository or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. (Currently located at 1300 I Street NW, Suite 1000, Washington, DC 20005 (202) 838-1500.) The Issuer shall clearly identify each document so incorporated by reference.

Section 5. Reporting of Significant Events.

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

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities or other material events affecting the tax status of the Securities;
- (7) Modification to rights of holders of the Securities, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Securities, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Obligated Person;
- (13) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary

course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

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

(c) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall as soon as possible determine under applicable legal standards if such event would constitute material information, within the meaning of the Rule, for holders or beneficial owners of the Securities, provided, that any event under subsection (a) (1), (3), (4), (5), (8) (tender offers only), (9), (11), (12) or (16) will always be deemed to be material.

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

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

Section 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule.

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

Section 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder or beneficial owner of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. The sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance

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

Date: June __, 2025

CITY OF BROOKFIELD
WAUKESHA COUNTY, WISCONSIN

Julie Aquavia,
Deputy City Clerk

(SEAL)

EXHIBIT IV. Official Notice of Sale and Bid Form

OFFICIAL NOTICE OF SALE
CITY OF BROOKFIELD
WAUKESHA COUNTY, WISCONSIN

\$8,075,000 GENERAL OBLIGATION PROMISSORY NOTES ("NOTES")
(BANK QUALIFIED)

Date and Time BIDS will be received in the office of the City's Municipal Advisor, Wisconsin Public Finance Professionals, LLC, ("WPFP"), 155 South Executive Drive, Suite 211, Brookfield, Wisconsin 53005 until

10:30 A.M. (Central Time) on Tuesday, June 3, 2025

The bids should be directed to the Deputy City Clerk and plainly marked "Bid for Notes". Bids may be delivered to WPFP, at the address set forth above; telephoned to WPFP at 414-434-9644; faxed to WPFP at 414-226-2014; emailed to cawirth@wipublicfinance.com; or submitted electronically via PARITY. Bids must be submitted via one of these methods described herein and received prior to the time established for bid opening. The time as maintained by PARITY shall constitute the official time. Neither the City nor WPFP shall be responsible for any failure to receive a facsimile or email submission. A meeting of the Common Council will be held on said date for the purpose of taking action on such bids as may be received. Unless all bids are rejected, the award will be made to the bidder offering the lowest true interest cost ("TIC") to the City.

Terms The Notes will be dated June 18, 2025, issued as fully-registered notes in denominations of \$5,000 each, or any integral multiple thereof, and will mature as follows:

<u>December 1</u>	<u>Principal Amount*</u>	<u>December 1</u>	<u>Principal Amount*</u>
2026	\$875,000	2036	\$325,000
2027	470,000	2037	325,000
2028	470,000	2038	325,000
2029	470,000	2039	325,000
2030	470,000	2040	325,000
2031	475,000	2041	325,000
2032	480,000	2042	325,000
2033	480,000	2043	325,000
2034	480,000	2044	325,000
2035	480,000		

*The City reserves the right, after bids are opened and prior to award, to increase or decrease the amount of any individual maturity of the Notes in increments of \$5,000 on the day of sale. In the event of any such modification, the aggregate purchase price proposed will be adjusted to maintain the same gross spread relating to underwriter compensation per \$1,000.

Interest is payable commencing on June 1, 2026 and semi-annually thereafter on June 1 and December 1 of each year calculated based on 360-day year of twelve 30-day months.

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

Undertaking to Provide Continuing Disclosure In order to assist bidders in complying with S.E.C. Rule 15c2-12(b)(5), the City will undertake, pursuant to the Note Resolution and a Continuing Disclosure Certificate, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Final Official Statement. See the section entitled "Continuing Disclosure" in the Preliminary Official Statement for a description of the City's compliance with any undertaking previously entered into by it pursuant to the Rule.

Registration The Notes will be issued as fully-registered notes without coupons and, when issued, will be registered only in the name of Cede & Co. as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Notes. A single note certificate for each maturity will be issued to DTC and immobilized in its custody. Individual purchases may be made in book-entry form only pursuant to the rules and procedures established between DTC and its participants, in the principal amount of \$5,000 and integral multiples thereof. Individual purchasers will not receive certificates evidencing their ownership of the Notes purchased. The successful bidder shall be required to deposit the note certificates with DTC as a condition to delivery of the Notes. The City will make payments of principal and interest on the Notes on the dates set forth above, to DTC or its nominee as registered owner of the Notes in same-day funds. Transfer of said payments to participants of DTC will be the responsibility of DTC; transfer of said payments to Beneficial Owners by DTC participants will be the responsibility of such participants and other nominees of Beneficial Owners all as required by DTC rules and procedures. No assurance can be given by the City that DTC, its participants and other nominees of Beneficial Owners will make prompt transfer of the payments as required by DTC rules and procedures. The City assumes no liability for failures of DTC, its participants or other nominees to promptly transfer said payments to Beneficial Owners of the Notes.

In the event that the securities depository relationship with DTC for the Notes is terminated and the Common Council does not appoint a successor depository, the Common Council will prepare, authenticate and deliver, at its expense, fully-registered certificate Notes in the denomination of \$5,000 or any integral multiple thereof in the aggregate principal amount of Notes of the same interest rate or rates then outstanding to the Beneficial Owners of the Notes.

Security and Purpose The Notes are general obligations of the City. The full faith, credit and taxing powers are pledged to the payment of the principal and interest on the Notes as the same becomes due. Under current law, taxes may be levied without limitation as to rate or amount. Proceeds of the Notes will be used for the purpose of paying the costs of street, water utility, bike path and park improvements.

Tax Exemption In the opinion of Griggs Law Office LLC, Milwaukee, Wisconsin, Bond Counsel, interest on the Notes is excludable from gross income for federal income tax purposes; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). Interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

"Qualified Tax-Exempt" Status The Notes shall be designated "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The City Clerk or other officer of the City charged with the responsibility for issuing the Notes shall provide an appropriate certificate of the City as of the date of delivery and payment for the Notes confirming the "qualified" status.

Rating The City has applied for a rating on the Notes from Moody's Investors Service. Outstanding general obligations are rated "Aaa" by Moody's.

Bidding Specifications Bids will be received on an interest rate basis in integral multiples of One-Twentieth (1/20) or One-Eighth (1/8) of One Percent (1%). Any number of rates may be bid but the difference between the highest and lowest rate bid shall not exceed Two and One-Half Percent (2½%). All Notes of the same maturity shall bear the same interest rate. No bid for less than \$8,075,000 nor more than \$8,398,000 plus accrued interest to the date of delivery will be considered. The Notes shall be awarded to a responsible bidder whose proposal results in the lowest true interest cost to the City (the "successful bidder").

City expenses incurred in connection with the offering and delivery of the Notes, including fees of Bond Counsel, Rating Agency, Municipal Advisor and the printing and distribution of Official Statements, shall be the obligation of the successful bidder. The total of these fees is \$62,050.

The successful bidder shall be responsible for paying expenses for printing and assignment of CUSIP numbers.

The City reserves the right, after bids are opened and prior to award, to increase or decrease the amount of any individual maturity of the Notes in increments of \$5,000. In the event of any such modification, the aggregate purchase price proposed will be adjusted to maintain the same gross spread relating to underwriter compensation per \$1,000.

Any prospective bidder that intends to submit an electronic bid must submit its electronic bid through the facilities of PARITY. An electronic bid made through the facilities of PARITY shall be deemed an irrevocable offer to purchase the Notes on the terms provided in the Official Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the City. The City shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, PARITY, the use of such facilities being the sole risk of the prospective bidder.

If any provisions of the Official Notice of Sale shall conflict with information provided by PARITY as the approved provider of electronic bidding services, this Official Notice of Sale shall control. Further information about PARITY, including any fee charged, may be obtained from i-Deal, 440 West 33rd Street, New York, New York 10001; 212-849-5021.

For purposes of both the written sealed bid process and the electronic bidding process, the time as maintained by PARITY shall constitute the official time. For information purposes only, bidders are requested to state in their electronic bids the true interest cost to the City, as described herein. All electronic bids shall be deemed to incorporate the provisions of this Official Notice of Sale and the Bid Form.

Good Faith Deposit A good faith deposit in the amount of ONE HUNDRED SIXTY-ONE THOUSAND FIVE HUNDRED DOLLARS (\$161,500), the ("Deposit") must be submitted in the following way:

Successful bidder shall submit a wire transfer to the City no later than 2 p.m. (Central Time) on the sale date. The City reserves the right to award the Notes to a successful bidder whose wire transfer is initiated, but not received by such time, provided that the federal wire reference number has been received by such time. In the event the Deposit is not received as provided herein, 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, and may be invested, by the City, pending delivery of the Notes, and will be applied to the purchase price of the Notes. No interest on the Deposit will accrue to the successful bidder. If the successful bidder fails to take up and pay for the Notes when tendered, the Deposit will be retained by the City as liquidated damages.

Delivery/Legality/CUSIP The Notes shall be delivered in typewritten form, one note per maturity, to the Depository Trust Company, securities depository of the Notes for the establishment of book-entry accounts at the direction of the successful bidder, which is expected to occur on or about June 18, 2025. Payment at the time of delivery must be made in federal or other immediately available funds. In the event delivery is not made within forty-five (45) days after the date of the sale of the Notes, the successful bidder may, prior to tender of the Notes, at its option, be relieved of its obligation under the contract to purchase the Notes and its Good Faith Deposit shall be returned, but no interest shall be allowed thereon.

The successful bidder will be furnished the unqualified approving legal opinion of Griggs Law Office LLC of Milwaukee, Wisconsin, Bond Counsel. A transcript of the proceedings relative to the issuance of the Notes (including a No-litigation Certificate and a Continuing Disclosure Certificate) shall be furnished to the successful bidder. CUSIP numbers will appear on the typewritten Notes. **The successful bidder will be responsible for the cost of obtaining CUSIP numbers.** Neither the failure to print such numbers on any Notes or any error with respect thereto will constitute cause for failure or refusal by the original purchaser to accept delivery of the Notes.

Paying Agent The City will act as Paying Agent for the Notes. The Director of Finance and Administration/Treasurer is the contact person for paying agent matters.

Establishment of Issue Price

(a) The winning bidder shall assist the City in establishing the issue price of the Notes and shall execute and deliver to the City at Closing an Underwriter's Certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Notes, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and Bond Counsel. All actions to be taken by the City under this Official Notice of Sale to establish the issue price of the Notes may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

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

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

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

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

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

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

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

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

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

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

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

(A) (i) to report the prices at which it sells to the public the unsold Notes of each maturity allotted to, whether or not the closing date has occurred, until either all Notes of that maturity allocated to it have been sold or it is notified by the winning bidder that the 10% test has been satisfied as to the Notes of that maturity provided that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the winning bidder; and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder and as set forth in the related pricing wires,

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

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

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Notes to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Notes of each maturity allotted to it, whether or not the closing date has occurred, until either all Notes of that maturity allocated to it have been sold or it is notified by the winning bidder or such underwriter that the 10% test has been satisfied as to the Notes of that maturity, provided that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the winning bidder or such underwriter, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

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

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

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the public and (B) any person that

agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Notes to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the public),

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

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

Official Statement Upon the sale of the Notes, the City will publish a Final Official Statement in substantially the same form as the Preliminary Official Statement prepared within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. Promptly after the sale date, but in no event later than seven business days after such date, the City will provide the successful bidder (i.e., the sole underwriter or the senior managing underwriter of the syndicate to which the Notes are awarded) an electronic copy of the Final Official Statement in PDF format.

The City shall designate the successful bidder as its agent for purposes of distributing copies of the Final Official Statement to each participating underwriter, if any. Each underwriter executing and delivering an Official Bid Form with respect to the Notes agrees thereby that if its bid is accepted by the City (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all participating underwriters of the Notes, if any, for purposes of assuring the receipt by each such participating underwriter of the Final Official Statement.

The successful bidder agrees to supply to the City all necessary pricing information and any participating underwriter identification necessary to complete the Final Official Statement within 24 hours after the award of Notes.

Irregularities The Common Council reserves the right to reject any and all bids and to waive any and all irregularities.

Information Copies of the Preliminary Official Statement and additional information may be obtained by addressing inquiries to the City’s Municipal Advisor: Wisconsin Public Finance Professionals, LLC, 155 South Executive Drive, Suite 211, Brookfield, Wisconsin 53005; Attention: Carol A. Wirth, President, 414-434-9644, FAX 414-226-2014, email cawirth@wipublicfinance.com, or the undersigned.

**Robert W. Scott, Director of Finance and
Administration/Treasurer
Brookfield City Hall
2000 North Calhoun Road
Brookfield, Wisconsin 53005
Phone (262) 782-9650
scott@ci.brookfield.wi.us**

Exhibit A

Form of Issue Price Certificate

\$8,075,000
CITY OF BROOKFIELD
WAUKESHA COUNTY, WISCONSIN
GENERAL OBLIGATION PROMISSORY NOTES
DATED JUNE 18, 2025
ISSUE PRICE CERTIFICATE

The undersigned, on behalf of _____, _____, _____ (the “Underwriter”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Notes”).

1. *Reasonably Expected Initial Offering Price.*

(a) As of the Sale Date, the reasonably expected initial offering price of the Notes to the Public by the Underwriter is the price listed in Schedule A (the “Expected Offering Price”). The Expected Offering Price is the price for the Notes used by the Underwriter in formulating its bid to purchase the Notes. Attached as Schedule B is a true and correct copy of the bid provided by the Underwriter to purchase the Notes.

(b) The Underwriter was not given the opportunity to review other bids prior to submitting its bid.¹

(c) The bid submitted by the Underwriter constituted a firm offer to purchase the Notes.

2. *Defined Terms.*

(a) *Issuer* means the City of Brookfield, Waukesha County, Wisconsin.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the Notes. The Sale Date of the Notes is June 3, 2025.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate

¹ Treas. Reg. §1.148-1(f)(3)(i)(B) requires that all bidders have an equal opportunity to bid to purchase Notes. If the bidding process affords an equal opportunity for bidders to review other bids prior to submitting their bids, then this representation should be modified to describe the bidding process.

in the initial sale of the Notes to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Certificate With Respect to Arbitrage and Other Tax Matters and with respect to compliance with the federal income tax rules affecting the Notes, and by Griggs Law Office LLC in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Notes.

[NAME OF UNDERWRITER]

By: _____

_____ (Name)

_____ (Title)

Dated: June 18, 2025

SCHEDULE A
EXPECTED OFFERING PRICES
(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID
(Attached)

BID FORM

City of Brookfield, Waukesha County, WI
Attn: Robert W. Scott, Director of Finance and
Administration/Treasurer
c/o Wisconsin Public Finance Professionals, LLC, Municipal Advisor
155 South Executive Drive, Suite 211
Brookfield, WI 53005
(414) 434-9644 – Office (414) 226-2014 – Fax
Email: cawirth@wipublicfinance.com

June 3, 2025

Re: \$8,075,000 General Obligation Promissory Notes ("Notes")
Dated June 18, 2025
(Bank Qualified)

For all or none of the above Notes, in accordance with the Official Notice of Sale, we will pay you \$_____ (no less than \$8,075,000 nor more than \$8,398,000) plus accrued interest to date of delivery, for Notes bearing interest rates and maturing on December 1, in the stated years as follows:

<u>Maturity</u>	<u>Principal*</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Principal*</u>	<u>Interest Rate</u>
12/01/26	\$875,000	_____	12/01/36	\$325,000	_____
12/01/27	470,000	_____	12/01/37	325,000	_____
12/01/28	470,000	_____	12/01/38	325,000	_____
12/01/29	470,000	_____	12/01/39	325,000	_____
12/01/30	470,000	_____	12/01/40	325,000	_____
12/01/31	475,000	_____	12/01/41	325,000	_____
12/01/32	480,000	_____	12/01/42	325,000	_____
12/01/33	480,000	_____	12/01/43	325,000	_____
12/01/34	480,000	_____	12/01/44	325,000	_____
12/01/35	480,000	_____			

***The City reserves the right, after bids are opened and prior to award, to increase or decrease the amount of any individual maturity of the Notes in increments of \$5,000 on the day of sale. In the event of any such modification, the aggregate purchase price proposed will be adjusted to maintain the same gross spread relating to underwriter compensation per \$1,000.**

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

This bid is a firm offer for the purchase of the Notes identified in the Official Notice of Sale, on the terms as set forth in this bid form and the Official Notice of Sale, and is not subject to any conditions, except as permitted by the Official Notice of Sale. **By submitting this bid, we confirm that we have an established industry reputation for underwriting new issuances of municipal bonds.** *(If the bidder cannot confirm an established industry reputation for underwriting new issuances of municipal Notes, the preceding sentence should be crossed out.)*

If the competitive sale requirements are not met, to determine the issue price of the Notes, we elect to use the:

(select one) **10% test** _____ / **hold-the offering-price rule** _____

City expenses incurred in connection with the offering and delivery of the Notes, including fees of Bond Counsel, Rating Agency, Municipal Advisor, and the printing and distribution of Official Statements, shall be the obligation of the successful bidder. The total of these fees is \$62,050. The successful bidder will be responsible for the cost of obtaining CUSIP numbers.

Per the Official Notice of Sale, the winning bidder must submit a wire transfer to the City in the amount of \$161,500 no later than 2 p.m. (Central Time) on the sale date.

The Notes are to be accompanied by the unqualified approving legal opinion of Griggs Law Office, LLC, Milwaukee, Wisconsin, Bond Counsel, and a certificate evidencing that no litigation is pending against the City, which will affect the validity or security of these Notes.

Respectively submitted,

Underwriter (Account Manager)

By _____

We, the duly authorized officials of the City of Brookfield, do hereby accept and award the Notes pursuant to the foregoing offer, in legal meeting this 3rd day of June, 2025 at _____ p.m. central time.

Mayor

Deputy City Clerk

NOT A PART OF BID			
Our calculation of total net interest cost using the above rates are:			
<u>Gross Interest Cost</u>	<u>Less: Premium</u>	<u>Net Interest Cost</u>	<u>True Interest Rate</u>
\$ _____	(\$ _____)	\$ _____	_____ %

Account Members: