



CITY OF MILWAUKEE, WISCONSIN
\$46,475,000 GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2026 N5

Issuer	City of Milwaukee, Wisconsin (the "City"), is issuing the above-referenced notes (the "Obligations" or "N5 Notes").
Yields	See inside front cover.
Interest Rates	See inside front cover.
Dated	Date of Issuance.
Interest Payment Date	Each June 1 and December 1, commencing June 1, 2027.
Principal Payment Date ..	See inside front cover.
Denomination	\$5,000 or multiples thereof.
Purpose	The Obligations are being issued pursuant to Section 67.12(12) of the Wisconsin Statutes to finance various public improvement projects of the City.
Security	The Obligations are general obligations of the City, payable out of receipts from an irrevocable <i>ad valorem</i> tax levied on all taxable property within the City. See "SECURITY" herein.
Issuance and Payment	The Obligations will be issued in book-entry-only form, fully registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York, New York ("DTC"), the securities depository for the Obligations.
Redemption	The Obligations maturing on and after December 1, 2035 are subject to optional redemption on any date on and after December 1, 2034. See "THE OBLIGATIONS – Redemption Provisions" herein.
Tax Status	In the opinion of Foley & Lardner LLP and MWH Law Group LLP, Co-Bond Counsel, as more fully described herein, under existing law and assuming continuing compliance by the City with certain tax covenants, interest on the Obligations is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals under the Code; however, interest on the Obligations is included in the "adjusted financial statement income" of certain corporations on which the federal alternative minimum tax is imposed under the Code. See "TAX MATTERS" herein. Interest on the Obligations is not exempt from current State of Wisconsin income or franchise taxes.
Legal Opinions	The Obligations are being issued subject to the legal opinions of Foley & Lardner LLP and MWH Law Group LLP, Co-Bond Counsel to the City. See APPENDIX B herein.
Bond Insurance	The scheduled payment of principal of and interest on the Obligations when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Obligations by ASSURED GUARANTY INC. See APPENDIX F herein.
Delivery Date	The City expects that the Obligations will be available for delivery to DTC on or about October 6, 2026.

**ASSURED
GUARANTY**

THIS COVER CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THE OBLIGATIONS. INVESTORS MUST READ THIS ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

For Further Information Contact:

Bill Christianson, Comptroller and Secretary to Public Debt Commission
 City Hall, Room 404, 200 East Wells Street - Milwaukee, WI 53202 - Phone (414) 286-3321
www.MilwaukeeBonds.com

MATURITY SCHEDULES

\$46,475,000 GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2026 N5

Maturing (December 1)	Amount	Interest Rate	Yield	CUSIP ⁽¹⁾ Base 602366
2027	\$4,420,000	5.00%	3.020%	5E2
2028	3,915,000	5.00	3.200	5F9
2029	3,965,000	5.00	3.300	5G7
2030	3,990,000	5.00	3.470	5H5
2031	4,040,000	5.00	3.600	5J1
2032	3,310,000	5.00	3.710	5K8
2033	3,330,000	5.00	3.830	5L6
2034	2,895,000	5.00	4.000	5M4
2035	2,915,000	5.00	4.120	5N2
2036	2,940,000	5.00	4.250	5P7
2037	2,145,000	5.00	4.410	5Q5
2038	2,170,000	5.00	4.550	5R3
2039	2,200,000	5.00	4.680	5S1
2040	2,230,000	5.00	4.770	5T9
2041	2,010,000	5.00	4.850	5U6

(1) The above-referenced CUSIP numbers have been assigned by an independent company not affiliated with the City and are included solely for the convenience of the holders of the Obligations. The City is not responsible for the selection or use of such CUSIP numbers, and no representation is made as to their correctness on the Obligations, or as indicated above. The CUSIP number for a specific maturity is subject to change after the issuance of the Obligations.

This Official Statement (as defined below) is being distributed in connection with the sale of the Obligations 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 by the City to give any information or to make any representation other than as contained in this Official Statement in connection with the sale of these securities and, if given or made, such other information or representations must not be relied upon. 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 these securities by a person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. The information and expressions of opinion 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 hereof.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission (“**Rule 15c2-12**”), this document, as it may be supplemented or amended by the City, from time to time (collectively, the “**Official Statement**”), may be treated as a final Official Statement with respect to the Obligations described herein that is deemed final by the City as of the date hereof (or of any such supplement or amendment).

Unless otherwise indicated, the City is the source of the information contained in this Official Statement. Certain information in this Official Statement has been obtained by the City or on its behalf from The Depository Trust Company and other non-City sources that the City believes to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information. Nothing contained in this Official Statement is a promise of or representation by PFM Financial Advisors LLC (the “**Municipal Advisor**”). The Municipal Advisor has provided the following sentence for inclusion in this Official Statement: The Municipal Advisor has reviewed, and the Underwriter (as hereinafter defined) will review, the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor and the Underwriter do not guarantee the accuracy or completeness of such information. The information and opinions expressed in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale made under this Official Statement shall, under any circumstances, create any implication that there has been no change in the financial condition or operations of the City or other information in this Official Statement, since the date of this Official Statement.

This Official Statement contains statements that are “forward-looking statements” as that term is defined in Section 27A of the Securities Act of 1933, as amended (the “**33 Act**”), and Section 21E of the Securities Exchange Act of 1934, as amended. When used in this Official Statement, the words “estimate,” “intend,” “project” or “projection,” “expect” and similar expressions are intended to identify forward-looking statements. Forward-looking statements are subject to risks and uncertainties, some of which are discussed herein, that could cause actual results to differ materially from those contemplated in such forward-looking statements. Investors and prospective investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this Official Statement.

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 Obligations will not be registered under the 33 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 shall have passed upon the accuracy or adequacy of this Official Statement.

IN CONNECTION WITH THE OFFERING OF THE OBLIGATIONS, THE UNDERWRITER MAY OR MAY NOT OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE OBLIGATIONS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT NOTICE. THE PRICES AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF THE OBLIGATIONS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER AFTER THE OBLIGATIONS ARE RELEASED FOR SALE AND THE OBLIGATIONS MAY BE OFFERED AND SOLD AT PRICES OTHER THAN THE INITIAL OFFERING PRICES, INCLUDING SALES TO DEALERS WHO MAY SELL THE OBLIGATIONS INTO INVESTMENT ACCOUNTS.

Assured Guaranty Inc. (“**AG**”) makes no representation regarding the Obligations or the advisability of investing in the Obligations. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented in **Appendix F – Bond Insurance and Specimen Municipal Bond Insurance Policy herein.**

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CITY OF MILWAUKEE, WISCONSIN

MAYOR
CAVALIER JOHNSON

COMMON COUNCIL
PRESIDENT - JOSÉ G. PÉREZ

ALDERPERSONS

ANDREA M. PRATT

MARK CHAMBERS, JR.

ALEX BROWER

ROBERT BAUMAN

LAMONT WESTMORELAND

MILELE A. COGGS

DIANDRE JACKSON

JOCASTA ZAMARRIPA

LARRESA TAYLOR

SHARLEN P. MOORE

PETER BURGELIS

SCOTT SPIKER

MARINA DIMITRIJEVIC

RUSSELL W. STAMPER, II

COMPTROLLER
BILL CHRISTIANSON

CITY TREASURER
SPENCER COGGS

CITY ATTORNEY
EVAN GOYKE

CITY CLERK
JIM OWCZARSKI

PROFESSIONAL SERVICES

CO-BOND COUNSEL

Foley & Lardner LLP
Milwaukee, Wisconsin

MWH Law Group LLP
Milwaukee, Wisconsin

MUNICIPAL ADVISOR

PFM Financial Advisors LLC

SUMMARY OF THE OFFERING

Selected information is presented on this page for the convenience of the reader. To make an informed investment decision regarding the Obligations, a prospective investor should read the entire Official Statement, including the Appendices.

Issuer:	City of Milwaukee, Wisconsin (the “City”).
Issue:	\$46,475,000 General Obligation Promissory Notes, Series 2026 N5 (the “Obligations” or “N5 Notes”).
Dated Date:	Date of Issuance.
Principal Due Dates:	December 1 of the years 2027 through 2041.
Interest Payment Dates:	Each June 1 and December 1, commencing June 1, 2027. Interest is calculated on the basis of 30-day months and a 360-day year.
Denominations:	\$5,000 or multiples thereof.
Purpose:	The Obligations are being issued to finance various public improvement projects of the City. See “PLAN OF FINANCE” herein.
Security:	Principal of and interest on the Obligations will be payable out of receipts from an irrevocable <i>ad valorem</i> tax levied on all taxable property within the City.
Authority for Issuance:	The Common Council of the City has authorized the issuance and sale of the Obligations in accordance with Section 67.12(12) of the Wisconsin Statutes. See “INTRODUCTION – Authorization” herein.
Form of Issuance:	The Obligations will be issued in book-entry-only form, fully registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as security depository for the Obligations. See “THE OBLIGATIONS – Book-Entry-Only Form” herein.
Tax Status of Interest:	In the opinion of Foley & Lardner LLP and MWH Law Group LLP, Co-Bond Counsel, as more fully described herein, under existing law and assuming continuing compliance by the City with certain tax covenants, interest on the Obligations is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals under the Code; however, interest on the Obligations is included in the “adjusted financial statement income” of certain corporations on which the federal alternative minimum tax is imposed under the Code. See “TAX MATTERS” herein. Interest on the Obligations is not exempt from current State of Wisconsin income or franchise taxes.
Redemption:	The Obligations maturing on and after December 1, 2035 are subject to optional redemption on any date on and after December 1, 2034. See “THE OBLIGATIONS – Redemption Provisions” herein.
Record Dates:	May 15 and November 15 (whether or not a business day).
Delivery:	Delivery of the Obligations will occur on or about October 6, 2026 at the expense of the City, through the facilities of DTC.
Reoffering:	The public reoffering yields of the Obligations will be set forth on the inside front cover of the Official Statement.

Ratings:	Moody's: "A3" S&P: "A-" AG Insured Ratings: Moody's "A1"; S&P "AA" See "THE OBLIGATIONS – Ratings" herein.
Bond Insurance:	Concurrently with the issuance of the Obligations, Assured Guaranty Inc. ("AG") will issue its Municipal Bond Insurance Policy (the " Policy ") for the Obligations. See "APPENDIX F" herein.

INTRODUCTION

General

This Official Statement provides information about the \$46,475,000 General Obligation Promissory Notes, Series 2026 N5 (the "**Obligations**" or "**N5 Notes**"), which are being issued by the City of Milwaukee, Wisconsin (the "**City**").

This introduction is a brief description of certain matters set forth in this Official Statement and is qualified by reference to the entire Official Statement, including the Appendices hereto. Reference should be made to the material under the caption "**THE OBLIGATIONS**" for a description of the Obligations and to **APPENDIX D** for a description of the book-entry system applicable thereto.

Authorization

The City is authorized pursuant to Section 67.12(12) of the Wisconsin Statutes to finance various public purpose improvement projects of the City through the issuance of general obligation promissory notes, and to pay the associated financing costs. The issuance and sale of the Obligations has been authorized and approved pursuant to (i) a resolution adopted by the Common Council of the City on January 20, 2026 authorizing the issuance of general obligation promissory notes in one or more series, and (ii) a resolution adopted by the City's Public Debt Commission on September 15, 2026 approving the specific terms of the Obligations and awarding their sale (collectively, the "**Resolutions**").

Statutory Borrowing Limit

Wisconsin Statutes limit direct general obligation debt the City may issue. In particular, Section 67.03 of the Wisconsin Statutes limits direct general obligation borrowing by the City to an amount equivalent to five percent of the equalized valuation of taxable property within the City. Not included in such limitation is referendum approved-bonding for school capital purposes, which is authorized by Section 119.49 of the Wisconsin Statutes in an additional amount equivalent to two percent of the equalized value of taxable property within the City.

The issuance of the Obligations does not cause the statutory borrowing limit described above to be exceeded.

The City

The City is located on the western shore of Lake Michigan in the southeast corner of the State of Wisconsin (the "**State**"). The City is the State's largest city with a population of approximately 577,922* and is the principal trade, service and financial center of southeastern Wisconsin. Milwaukee is the main cultural and economic center of the combined population of 1.6 million* for the Milwaukee-Racine-Waukesha metropolitan area.

The City was incorporated as a city on January 31, 1846, pursuant to the laws of the Territory of Wisconsin. Wisconsin gained statehood in 1848. The City, operating under a Home Rule Charter since 1874, has a council-mayor form of government.

For additional information about the City, see **APPENDICES A and E**.

* U.S. Census Bureau 2020 decennial census.

Additional Financing Plans

The City has lines of credit in place with each of U.S. Bank National Association and The Huntington National Bank, under which the City may draw funds (collectively, the “**Lines of Credit**”). As of September 1, 2026, \$50,000,000 is available to be drawn under the Lines of Credit (on an aggregate basis) with no advances currently outstanding. Draws on the Lines of Credit are primarily made to provide interim financing for expenditures and for short-term cash flow needs. The Lines of Credit expire on December 17, 2026.

The City intends to renew the Lines of Credit in December, 2026 on or prior to their expiration date.

THE OBLIGATIONS

General

The Obligations are dated their date of issuance, expected to be October 6, 2026, and bear interest from that date at the rates, and mature each December 1 in the amounts and years, set forth on the inside front cover of this Official Statement. Interest on the Obligations will be payable on each June 1 and December 1, commencing June 1, 2027, and will be calculated on the basis of 30-day months and a 360-day year.

Redemption Provisions

Optional Redemption

The Obligations maturing on and after December 1, 2035 are subject to optional redemption prior to maturity on any date on and after December 1, 2034 at a price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date.

Selection of Obligations to be Redeemed

If less than all outstanding Obligations are called for redemption, such Obligations shall be called in such order of maturity as shall be determined by the City.

If less than all of the Obligations of the same maturity are called for redemption, the particular Obligations to be redeemed shall be selected by lot. The record date for receiving payment of the redemption price shall be the 15th calendar day (whether or not a business day) prior to the redemption date.

Notice of Redemption

Notice of redemption shall be sent by first class mail, postage prepaid, or in the manner required by The Depository Trust Company, New York, New York (“**DTC**”), no earlier than 60 days and no later than 20 days prior to the redemption date, to the persons in whose name such Obligations are registered as of the date of the notice. Any defect in the notice shall not invalidate the notice. A notice of optional redemption may be revoked by sending notice to DTC at least 15 days before the proposed optional redemption date. So long as the Obligations are in book-entry form, DTC, as the registered owner, will receive any redemption notices. The City is not responsible for DTC’s notification of redemption to DTC Participants and Beneficial Owners.

Effect of Redemption

Interest on any Obligation called for redemption will cease to accrue on the redemption date so long as the Obligation is paid or money is provided for its payment.

Registration and Payment of Obligations

So long as the Obligations are in book-entry-only form, payment of the principal of, and interest on, the Obligations on each payment date will be made by wire transfer to DTC or its nominee by the City Comptroller as Paying Agent.

Ratings

The Obligations have been rated: “A3” by Moody’s Investors Service and “A-” by S&P Global Ratings.

Based upon the Policy to be issued by AG on the date of issuance and delivery of the Obligations, Moody’s Investors Service and S&P Global Ratings are each expected to assign insured ratings of “A1” and “AA”, respectively, on the Obligations.

Any explanation of what a rating means may only be obtained from the rating organization giving the rating. A securities rating is not a recommendation to buy, sell, or hold securities and may be subject to revision or withdrawal at any time. A rating organization may lower or withdraw its rating if in its judgment circumstances so warrant. Any downgrade or withdrawal of a rating may adversely affect the market price of the Obligations. The City may elect not to continue requesting ratings on the Obligations from any particular rating organization or may elect to request ratings on the Obligations from a different rating organization.

Book-Entry-Only Form

The Obligations are being initially issued in book-entry-only form. Purchasers of the Obligations (“**Beneficial Owners**”) will not receive note certificates but instead will have their ownership in the Obligations recorded in the book-entry system. Note certificates are to be issued and registered in the name of a nominee of DTC, which acts as securities depository for the Obligations. Ownership of the Obligations by the purchasers is shown in the records of brokers and other organizations participating in the DTC book-entry system (“**DTC Participants**”). All transfers of ownership in the Obligations must be made, directly or indirectly, through DTC Participants. A description of DTC and its procedures is attached as **APPENDIX D**.

SECURITY

General

The Obligations will be general obligations of the City, and payment thereof will be secured by a pledge of the full faith and credit of the City. Pursuant to Sections 67.05(10) and 67.12(12)(ee) of the Wisconsin Statutes, the City is obligated to levy a direct annual tax sufficient in amount to pay, and for the express purpose of paying, the interest on the Obligations as it falls due, and also to pay and discharge the principal thereof at maturity. The City is, and shall be, without power to repeal such levy or obstruct the collection of such tax until all such payments have been made or provided for.

Under Section 67.035 of the Wisconsin Statutes, all taxes levied for paying principal of and interest on valid notes or bonds are declared to be without limitation. Under Section 65.06(18) of the Wisconsin Statutes, the omission from the budget of the payment of interest on or the principal of any bonded debt of the City when due shall not prevent the placing of the same on the tax roll for the levy and the collection of the tax and the payment of the money therefor.

Under Chapter 15-08 of the Milwaukee City Charter it is the duty of the Common Council to levy sufficient tax to pay principal and interest on debt of the City at the same time the general city tax is levied. If the Common Council refuses or neglects to do so, then the commissioners of the public debt are empowered to do the same.

Bond Insurance Policy

Concurrently with the issuance of the Obligations, AG will issue its Bond Insurance Policy (the “**Policy**”) for the Obligations. Certain information regarding AG and the Policy, including the form of Bond Insurance Policy, is included in **APPENDIX F**.

The information herein concerning AG and the Bond Insurance Policy has been obtained from AG, and the City and the Underwriter take no responsibility for the accuracy thereof.

PLAN OF FINANCE

The Obligations are being issued to finance various public improvements of the City as follows:

Estimated Purposes (collectively, the “Project”):

Streets	\$16,573,838
Tax Incremental Districts	10,478,159
Public Buildings	5,302,003
Harbor	4,029,000
Bridges	3,100,000
Library	2,180,000
Police	2,025,000
Fire	1,225,000
Blight Elimination	926,000
Parking	636,000
Total	<u><u>\$46,475,000</u></u>

Estimated Sources and Uses:

Sources of Funds	
Principal Amount of Obligations	\$46,475,000.00
Original Issue Premium	\$2,194,286.80
Total Sources of Funds.....	<u><u>\$48,669,286.80</u></u>
Uses of Funds	
Deposit to Borrowed Money Fund for the Project	\$46,475,000.00
Deposit to Debt Service Fund Account	\$1,591,298.59
Underwriter Discount*	\$602,988.21
Total Uses of Funds	<u><u>\$48,669,286.80</u></u>

*Includes bond insurance premium.

PRO FORMA FISCAL YEAR DEBT SERVICE REQUIREMENTS

The following indicates the annual requirements of principal and interest on the general obligation debt of the City, assuming the issuance of the Obligations.

	Total Fixed Rate G.O. Debt Service as of 09/01/26		Obligations		Total Requirements After Issuance
	Principal ⁽¹⁾⁽⁴⁾	Interest	Principal	Interest	
2026	\$ 19,575,000	\$21,608,577			\$ 41,183,577
2027	163,790,000	45,517,292	\$4,420,000	\$2,678,767	216,406,059
2028	180,825,000 ⁽²⁾	37,501,366	3,915,000	2,102,750	224,344,116
2029	107,100,000	30,865,988	3,965,000	1,907,000	143,837,988
2030	217,895,000 ⁽³⁾	25,173,249	3,990,000	1,708,750	248,766,999
2031	89,330,000	19,867,473	4,040,000	1,509,250	114,746,723
2032	78,695,000	16,081,809	3,310,000	1,307,250	99,394,059
2033	71,805,000	12,746,549	3,330,000	1,141,750	89,023,299
2034	58,675,000	9,869,481	2,895,000	975,250	72,414,731
2035	49,455,000	7,403,884	2,915,000	830,500	60,604,384
2036	38,025,000	5,262,443	2,940,000	684,750	46,912,193
2037	28,230,000	3,600,545	2,145,000	537,750	34,513,295
2038	22,355,000	2,381,258	2,170,000	430,500	27,336,758
2039	16,305,000	1,461,264	2,200,000	322,000	20,288,264
2040	11,560,000	751,308	2,230,000	212,000	14,753,308
2041	5,260,000	227,146	2,010,000	100,500	7,597,646
2042	995,000	21,050			1,016,050
	<u>\$1,159,875,000⁽⁴⁾</u>	<u>\$240,340,682</u>	<u>\$46,475,000</u>	<u>\$16,448,767</u>	<u>\$1,463,139,449</u>

(1) Assumes Sinking Fund Deposits in year due.

(2) Includes \$62 million for Series 2023 T1 that were issued to permit prepayment of certain municipal expenses. This amount will be repaid from the amount normally budgeted for said expenses.

(3) Includes \$119 million for Series 2020 R9 that were issued for Annual Cash Flow purposes. The amount is intended to be repaid from a State Shared Revenue Payment anticipated to be received in November, 2029.

(4) Excludes \$32,850,000 on deposit in sinking fund accounts.

TAX MATTERS

Federal Income Taxes

Opinions of Co-Bond Counsel

In the opinions of Co-Bond Counsel, as more fully described below, under existing law and assuming continuing compliance by the City with certain tax covenants, interest on the Obligations is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals under the Code; however, interest on the Obligations is included in determining the “adjusted financial statement income” of certain corporations on which the federal alternative minimum tax is imposed under the Code.

The foregoing opinions of Co-Bond Counsel are subject to the condition that the City complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Obligations in order for interest on the Obligations to be excludable from gross income for federal income tax purposes. The City has covenanted in the Resolutions and the Tax Certificate of the City delivered on the date of delivery of the Obligations (the “**Tax Certificate**”) to comply with those requirements to the extent it may lawfully do so.

The scope of the foregoing opinions of Co-Bond Counsel is limited to matters addressed above and no opinion is expressed by Co-Bond Counsel regarding other federal income tax consequences related to the ownership or disposition of, or the amount accrual or receipt of interest on, the Obligations. In rendering such opinions, Co-Bond Counsel further assumes and relies upon (i) without undertaking to verify the same by independent investigation, the accuracy of the representations, statements of intention and reasonable expectation, and certifications of fact of the City with respect to matters affecting the excludability of interest on the Obligations from gross income for federal income tax purposes under the Code; and (ii) continuing compliance by the City with the applicable requirements of the Code as to such tax matters and the procedures agreements and covenants set forth in the Resolutions and the Tax Certificate that must be met subsequent to the issuance of the Obligations in order that interest on the Obligations be and remain excludable from gross income for federal income tax purposes.

Co-Bond Counsel has not been engaged or retained to monitor post-issuance compliance. Failure of the City to comply with such requirements may cause the interest on the Obligations to not be excludable from gross income for federal income tax purposes retroactively to the date of issuance of the Obligations irrespective of the date on which such noncompliance occurs or is ascertained.

Co-Bond Counsel's opinions described herein are based upon current facts and circumstances, and upon existing law and interpretations thereof, as of the date such opinions are delivered and Co-Bond Counsel assumes no affirmative obligation to update, revise or supplement such opinions to reflect any action thereafter taken or not taken or if such facts or circumstances, or laws or interpretations thereof, change after the date of such opinions, including, without limitation, changes that adversely affect the excludability of interest on the Obligations, even if such actions, inactions or changes come to Co-Bond Counsel's attention. Further, such opinions are limited solely to the matters stated therein, and no opinion is to be implied or is intended beyond the opinions expressly stated therein. Moreover, the opinions of Co-Bond Counsel are only opinions and not a warranty or guaranty of the matters discussed or of a particular result, and are not binding on the Internal Revenue Service (the "IRS") or the courts.

Prospective purchasers of the Obligations should also be aware that ownership of the Obligations may result in adverse tax consequences under the laws of various states and local jurisdictions. Other than as described below, Co-Bond Counsel expresses no opinion regarding any state or local tax consequences of acquiring, carrying, owning or disposing of the Obligations. Prospective purchasers of the Obligations should consult their tax advisors as to any state and local tax consequences to them of owning the Obligations.

The opinions of Co-Bond Counsel will be in substantially the form attached hereto as Appendix B.

Original Issue Premium

Obligations purchased, whether at original issuance or otherwise, for an amount greater than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("**Premium Notes**") will be treated as having amortizable note premium. No deduction is allowable for the amortizable note premium in the case of notes, like the Premium Notes, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest treated as received, and a Beneficial Owner's basis in a Premium Note, will be reduced by the amount of amortizable note premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Notes should consult their own tax advisors with respect to the proper treatment of amortizable note premium in their particular circumstances.

Miscellaneous

Tax legislation or administrative actions by tax authorities and court decisions, at either the federal, state or local level, may adversely affect the tax-exempt status of interest on the Obligations under federal, state or local law or otherwise prevent the beneficial owners of the Obligations from realizing the full current benefit of the tax status of such interest. In addition, such legislation (whether currently proposed, proposed in the future or enacted), administrative actions or court decisions could affect the market price or marketability of the Obligations.

It is not possible to predict whether any tax legislation or administrative actions by tax authorities or court decisions having an impact on the federal, state or local income tax treatment of the Obligations may or may not occur and Co-Bond Counsel expresses no view with respect thereto. Prospective purchasers of the Obligations are

encouraged to consult their own tax advisors regarding any tax legislation or administrative actions by taxing authorities or court decisions having an impact on the federal, state or local income tax treatment of the Obligations.

No private letter ruling has been or will be sought by the City from the IRS with respect to the Obligations or the property financed or refinanced with proceeds of the Obligations. The IRS has an active tax-exempt bond enforcement program. No assurances can be given as to whether or not the Service will open an audit of the Obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes or as to whether the IRS would agree with the opinions of Co-Bond Counsel, as described herein. If the IRS opens an audit of the Obligations, under current IRS procedures, the IRS will treat the City as the taxpayer, and parties other than the City, including the owners of the Obligations, may have no right to participate. Moreover, because obtaining judicial review in connection with an IRS examination of tax-exempt obligations is difficult, obtaining independent review of IRS positions with which the City may disagree may not be practicable. Any action of the IRS, including selection of the Obligations for examination, the course or result of such an examination, or an examination of obligations presenting similar tax issues may affect the marketability of the Obligations and may cause the City to incur significant expense.

The proceedings authorizing the Obligations do not provide for an increase in interest rates or a redemption of the Obligations in the event interest on the Obligations becomes taxable.

The federal income tax consequences from the purchase, ownership and redemption, sale or other disposition of Obligations which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Purchasers of the Obligations at other than their original issuance at the respective prices indicated on the inside cover of this Official Statement should consult their own tax advisors regarding other tax considerations.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE OBLIGATIONS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE OWNERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE OWNERS SHOULD CONSULT WITH THEIR TAX ADVISORS FOR INFORMATION IN THAT REGARD.

State Tax Considerations

General

In addition to the federal income tax considerations described above, potential investors should consider the state income tax consequences of the acquisition, ownership, and disposition of the Obligations. State income tax law may differ substantially from the corresponding federal law, and the foregoing is not intended to describe any aspect of the income tax laws of any state. Therefore, potential investors should consult their own tax advisors with respect to the various state tax consequences of an investment in the Obligations.

State of Wisconsin Income and Franchise Taxes

Interest on the Obligations is not exempt from current State of Wisconsin income or franchise taxes.

LITIGATION

To the knowledge of the City no litigation, administrative action or proceeding is pending or threatened, restraining or enjoining, or seeking to restrain or enjoin, the validity, issuance and delivery of the Obligations.

The City is a party to numerous legal proceedings. Although none of these legal proceedings relate directly to the Obligations or the security therefor, some involve claims against the City for substantial amounts. While the ultimate disposition of these pending legal proceedings cannot be determined at this time, the City does not expect that the pending legal proceedings will have a material adverse effect on the Obligations or the security for the Obligations.

For additional information regarding current litigation of which the City is a party, see **APPENDIX A**.

CONTINUING DISCLOSURE

The City has made an undertaking to enable brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Obligations to comply with Rule 15c2-12(b)(5) adopted by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “**Undertaking**”). In the Undertaking, the City has agreed, for the benefit of the Beneficial Owners of the Obligations, to provide to the municipal securities rulemaking board (“**MSRB**”), through the Electronic Municipal Market Access system administered by the MSRB (“**EMMA**”), an annual report presenting certain financial information and operating data about the City. The City has also agreed to provide notices of the occurrence of certain events specified in the Undertaking. The form of the Undertaking is attached as **APPENDIX C**.

If the City fails to comply with the Undertaking, bondholders’ sole remedy is to obtain specific performance of the obligations under the Undertaking. The Undertaking requires certain defaults be reported, which, in accordance with the Rule, must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Obligations in the secondary market. Consequently, such a failure may adversely affect the liquidity of the Obligations and their market price.

Because the rating agencies and bond insurers are not contractually obligated to notify the City of rating changes, there is a risk that the City will not be able to satisfy the requirement that it post notices of rating changes on EMMA pursuant to the Undertaking.

In the last five years, the City has not failed to comply in any material respect with the Undertaking or any similar past undertakings.

MUNICIPAL ADVISOR

PFM Financial Advisors LLC has been retained as Municipal Advisor to the City in connection with the issuance of the Obligations.

UNDERWRITING

The Obligations were purchased at competitive bidding conducted on September 15, 2026.

The award of the Obligations was made to Raymond James & Associates, Inc., its co-managers and associates (collectively, the “**Underwriter**”), at a purchase price of \$48,066,298.59.

The initial public reoffering yields of the Obligations are set forth on the inside front cover of the Official Statement.

CLOSING DOCUMENTS AND CERTIFICATES

Simultaneously with the delivery of and payment for the Obligations by the Underwriter, the City will furnish to the Underwriter usual and customary documents, including a closing certificate of the City that includes representations as to due authorization, no default, litigation and the anti-fraud provisions, among others, in form satisfactory to Co-Bond Counsel.

ADDITIONAL INFORMATION

Periodically, the City Comptroller's office updates its website with information regarding prospective financings and financial information. Requests for additional information and inquiries may also be directed to:

Bill Christianson, City Comptroller
City of Milwaukee, Public Debt Commission
City Hall, Room 404
200 East Wells Street
Milwaukee, Wisconsin 53202
(414) 286-3321
PDC@Milwaukee.gov

/s/ BILL CHRISTIANSON

Bill Christianson
City Comptroller
City of Milwaukee, Wisconsin

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APPENDIX A

CITY OF MILWAUKEE, WISCONSIN

This APPENDIX A highlights significant aspects of the operations of the City of Milwaukee, Wisconsin (the “City” or “Milwaukee”) and this offering, but does not contain all of the information an investor should consider before making its investment decision. This APPENDIX A should be read in conjunction with the City’s Annual Comprehensive Financial Report, including the letter of transmittal, management’s discussion and analysis, and accompanying financial statements and disclosures, which is attached as APPENDIX E to this Official Statement. Unless otherwise indicated, capitalized terms used in this APPENDIX A are defined in the Official Statement. Certain documents may be expressly incorporated into this APPENDIX A by reference; however, any websites listed in this APPENDIX A are provided for informational purposes only and are not incorporated by reference into this APPENDIX A.

The City was incorporated on January 31, 1846, pursuant to the laws of the territory of Wisconsin. Milwaukee is nationally recognized for its manufacturing, arts, recreation, museums, academic institutions, revitalized lakefront and rivers, beautiful neighborhoods and well-maintained housing. It is the economic hub of the southeast region and entire State of Wisconsin (“State”).

The City consists of 96.9 square miles and is situated in the southeast corner of the State with Lake Michigan at its east boundary. It is located approximately 75 miles east of the State capital, Madison, Wisconsin. It is the 31st largest city in the United States*. The 2020 U.S. Census counted 577,922 residents, and the Wisconsin Department of Administration estimated the City’s population at 579,703 for 2025, as shown in the table under the heading “Population Data” below. Milwaukee is the largest city, by population, and the only city of the first class within the State. Milwaukee is the main cultural and economic center of the Milwaukee-Waukesha, Wisconsin Metropolitan Statistical Area, which is comprised of Milwaukee, Ozaukee, Washington, and Waukesha Counties, Wisconsin (the “**Milwaukee-Waukesha MSA**”). The Milwaukee-Waukesha MSA has a population of 1.6 million*.

GOVERNMENT

The City, in operation under a home rule City Charter since 1874, provides for a council-mayor form of government. The Mayor, Comptroller, Treasurer, City Attorney, and 15 Common Council members are elected officials of the City. Local elections are nonpartisan. Officials are elected to four-year terms. The most recent City general election for these positions was held in April 2024. The Mayor is the Chief Executive Officer and maintains a cabinet form of government controlling major City departments by appointing department heads subject to confirmation by the Common Council.

The Mayor is responsible for the preparation of the City’s annual expenditure budget, subject to review and adoption by the Common Council. The Common Council is responsible for the management and control of the finances and property of the City and has the full power and authority to establish, enforce, and modify all regulations for the government. The Comptroller, as the chief financial officer for the City, is responsible for establishing its accounting policies and procedures, revenue estimating and monitoring, examination and investigation of all matters related to the finances of the City, issuance of debt, and financial reporting. The City Treasurer is responsible for the receipt, disbursement, and investment of all monies accruing to the City, including the collection of property taxes. The City Attorney is responsible for all legal matters of the City, including furnishing legal opinions, drafting all legal documents and defending the City in any legal actions.

* U.S. Census Bureau 2020 decennial census.

The City's Public Debt Commission supervises the sale and issuance of municipal debt and administers the public debt amortization fund. It is composed of three members, appointed by the Mayor and confirmed by the Common Council to three-year terms. A member continues to serve after the completion of his or her term until reappointed or until a successor has been appointed. Current commissioners include Bernard Allen (Retired Employees' Retirement System Executive Director), David Misky (Assistant Executive Director of the Redevelopment Authority of the City) and Mary Reavey (Retired City Assessment Commissioner).

ADMINISTRATIVE OFFICERS

Mayor. Mayor Cavalier Johnson took office as Acting Mayor of the City in late 2021. Before taking on his role as Acting Mayor, Mayor Johnson served as Common Council President while representing the City's 2nd Aldermanic District. In April of 2022, Mayor Johnson was elected as the forty-fifth chief executive officer of the City. He is the first African American mayor elected in the City, and the fourth elected mayor in the past sixty-two years. Mayor Johnson serves as the United States co-chair of the Great Lakes Saint Lawrence Cities Initiative and is an active member of the U.S. Conference of Mayors. After graduating from Bay View High School, Mayor Johnson earned a bachelor's degree from the University of Wisconsin-Madison and returned home to work for the Milwaukee Area Workforce Investment Board, now Employ Milwaukee. Before his election as Alderman, he served as a staff assistant in the Mayor's Office. Mayor Johnson previously served on the boards of the Milwaukee YMCA, ACLU-Wisconsin and Milwaukee Community Brainstorming Conference.

Comptroller. In April of 2024, Bill Christianson was elected as Comptroller for the City. Prior to becoming the Comptroller, he served as the Deputy Comptroller beginning in 2022. His career with the City began in the Budget & Management Division in 2010, where he served for 12 years. He holds a Master's Degree in Public Administration from the University of Wisconsin-Milwaukee. He earned his Certified Public Finance Officer (CPFO) designation in 2023.

City Attorney. In April of 2024, Evan Goyke was elected as City Attorney. Prior to becoming the City Attorney, he served six terms in the Wisconsin State Assembly, representing diverse neighborhoods on the City's north and west sides. He is a 2009 graduate of Marquette University Law School and previously worked as an assistant state public defender and adjunct professor of law at Marquette.

City Treasurer. In April of 2012, Spencer Cogg was elected as Treasurer for the City, becoming the first African American to serve in that position. Prior to becoming the Treasurer, he served in the Wisconsin State Assembly from 1983 until 2003, and in the Wisconsin State Senate from 2003 until 2013. Before his political career, he worked as a City health officer, postal worker, and industrial printer. He holds degrees from Milwaukee Area Technical College and the University of Wisconsin-Milwaukee.

MUNICIPAL SERVICES

The City is charged with primary responsibility for public safety (via its police, fire and health departments); public works (including refuse removal and a City-owned water utility); various cultural and recreational services, including a library system; and general municipal administration. City government also participates in housing and neighborhood programs through separate housing and redevelopment authorities.

In addition, the Milwaukee Public Schools ("MPS") is effectively treated by Wisconsin Statutes as a City department. It was established in 1846 and operates under Chapter 119 of the Wisconsin Statutes. MPS provides elementary, secondary, vocational, and special education services for grades K3 through 12. MPS is authorized by law to adopt its own budget, and the City is required to levy and collect property taxes to support that budget. All funds for MPS flow through the City Treasurer who, as the custodian of such funds by Wisconsin Statute, disburses them at the direction of the Superintendent/Auditing Officer of MPS. The City Comptroller, City Treasurer, and City Attorney perform their respective functions for MPS. MPS is governed by a nine-member board of school

directors, and maintains a senior administrative leadership team, led by its Superintendent, Dr. Brenda Cassellius, appointed on March 15, 2025 to replace the interim superintendent. MPS failed to timely submit to the Department of Public Instruction (“DPI”) the financial data necessary to receive the entire state aid for the 2023-24 school year (“FY24”) and the 2024-25 school year (“FY25”), which resulted in DPI withholding a portion of the state aid both years. MPS submitted its audited financial statements for FY24 to DPI on September 12, 2025 and submitted its audited financial statements for FY25 to DPI on January 15, 2026. As of February 2026, MPS has received all its state aid withholdings for FY24 and FY25 and no further state aid is being withheld by DPI. MPS’s audited financial statements for the 2025-26 school year (“FY26”) are due to DPI on December 15, 2026.

Other major local governmental units and their related government services are Milwaukee County (parks, airport/mass transit/highways, social services, and court system); Milwaukee Metropolitan Sewerage District (wastewater treatment); and the Milwaukee Area Technical College (higher education).

ECONOMIC DEVELOPMENT

The City encourages economic development to increase employment opportunities for its citizens and grow its tax base. The City uses four key development approaches: (1) direct financial assistance to small businesses to help owners take advantage of opportunities to increase sales and employment; (2) use of tax incremental financing to provide public infrastructure improvements or other assistance to encourage private investments to increase the tax base, employment, affordable housing, or availability of commercial services in underserved areas; (3) partnerships with organizations to improve the business environment, either in a particular geographic area or a particular industry segment; and (4) management of projects to redevelop underutilized or vacant properties for eventual sale to private owners.

The City takes an active role in guiding economic development to serve the community in a number of ways: The City manages programs intended to assist in local business retention efforts, provides permit assistance to new businesses, and seeks out appropriate sites for these businesses. As of December 31, 2025, the City managed 30 active Business Improvement Districts, 10 Neighborhood Improvement Districts, 77 Tax Incremental Districts and various development projects promoting urban renewal throughout the City. The City collaborates with surrounding governmental jurisdictions to promote economic development. The long-term benefit of these efforts is to create economic growth and expand the tax base in the City.

Recent Developments. The City’s emphasis on development has resulted in several value-added projects in recent years, including:

- Construction of a \$70 million indoor music venue in the Deer District directly south of the Fiserv Forum (described below) began in June 2024. The venue is named Landmark Credit Union Live, has capacity for 4,500 spectators in a ballroom-style setting, and opened in February, 2026.
- The Trade hotel, a new nine-story 207 room hotel, opened in May 2023 on the north side of Fiserv Forum. Construction of a new seven-story 156 room hotel, branded as an AC Hotel by Marriott, began in August 2026. The hotel will be located south of the Fiserv Forum adjacent to the new indoor music venue
- 333 Water is a new high-rise apartment building in the City’s Third Ward neighborhood. The 342-foot, 31-story high-rise broke ground in 2022, became the State’s sixth tallest residential building, and includes 333 units, approximately 10,000 square feet of restaurant and retail space, and an adjoining 7-story parking structure. The first 9 floors were available for residents in June 2024 and the remaining floors were available in phases through August 2024.
- Komatsu Mining constructed a \$285 million headquarters and manufacturing facility in the City’s Harbor District. The Komatsu facility was placed in service in the summer of 2022. An extension of the Milwaukee Riverwalk is currently in the design phase for this harbor front location south of downtown.

- The City and private sector interests have joined in a formal partnership to chart a course for development and recreational opportunities in the area around the Milwaukee harbor — the neighborhood that includes the Port of Milwaukee, the University of Wisconsin-Milwaukee’s School of Freshwater Science, and the headquarters of Rockwell Automation and Komatsu Mining. Expansions to the riverwalk and a new plaza serve to showcase the successful coexistence of commerce, community space, and ecological restoration.
- The Nature & Culture Museum of Wisconsin broke ground on a brand new 200,000 square foot building inspired by Wisconsin geological formations. This will offer a modern museum experience, while also exhibiting the collections of the Milwaukee Public Museum. The project is expected to finish exterior construction in 2026 and to be open to the public in early 2027.
- A conversion of the underused 100 East Wisconsin building from office space to 373 apartments, including 75 “workforce housing” units, by early 2028 is underway. The plan would use property tax revenue generated by the apartments to pay for part of the construction costs. The redevelopment is expected to cost approximately \$165 million.

Tourism. Tourism is also a major contributor to the local economy. Milwaukee’s arts, entertainment, professional sports, restaurants, parks, conventions, and businesses attract millions of visitors a year. There are 20 major annual festivals hosted in Milwaukee. Summerfest is promoted as the world’s largest music festival and attracts hundreds of thousands of attendees across three summer weekends. Milwaukee’s festivals include Mexican Fiesta, Polish Fest, Festa Italiana, German Fest, Incredible India Festival, Black Arts Fest MKE, PrideFest Milwaukee, the Puerto Rican Festival of Wisconsin, and Irish Fest, the world’s largest Irish music festival.

Education. The City’s educational institutions include Alverno College, Marquette University, the Medical College of Wisconsin, Milwaukee Area Technical College, Milwaukee Institute of Art & Design, Milwaukee School of Engineering, Mount Mary University, University of Wisconsin-Milwaukee, and Wisconsin Lutheran College.

Entertainment and Culture. The arts set the Milwaukee-Waukesha MSA apart from other urban areas its size since more than 150 arts and cultural organizations are located there. The City’s venues include the Milwaukee Art Museum, Discovery World, Milwaukee Public Museum, Marcus Center for the Performing Arts, the new Bradley Symphony Center, Harley-Davidson Museum and more. The City is seeking a new partner to redevelop the Marcus Center for the Performing Arts parking structure, which is owned by the City. Milwaukee’s Department of City Development formally issued a request for proposals for development of this parking structure in November 2025.

Professional Sports. The Milwaukee Bucks professional basketball team based in the City has driven development in the downtown area, beginning with the construction of the Fiserv Forum — a multi-purpose arena that has the capacity for approximately 17,500 individuals. The Fiserv Forum opened in August 2018 after a \$524 million investment. The venue hosts up to 100 events a year, including the Milwaukee Bucks, major concerts, Marquette men’s basketball and other sports, and entertainment events. Adjacent to the Fiserv Forum, a \$36.4 million “Deer District” was constructed to function as an indoor/outdoor social space, anchoring the retail, living, hotel and restaurant space surrounding the Fiserv Forum. In addition, in December 2024 the Milwaukee Brewers professional baseball team’s lease agreement at American Family Field was extended through 2050 after the Southeast Wisconsin Professional Baseball Park District voted to approve the new agreement. The agreement ensures that the Brewers will remain in Milwaukee for the next 24 years.

Industry and Employment

The largest industry sectors by payroll employment within the Milwaukee-Waukesha MSA include education and health services, trade, transportation and utilities, professional and business services, and manufacturing, as set forth in the table below.

Milwaukee-Waukesha MSA Non-Farm Employment by Sector* **(June 2026**)**

	<u>Employment</u>
Mining and Logging	600
Construction	41,200
Manufacturing	109,800
Trade, Transportation & Utilities	141,400
Information	10,200
Financial activities	48,600
Professional & Business Services	120,300
Education & Health Services	181,200
Leisure & Hospitality	87,200
Other Services	43,000
Government	<u>80,100</u>
Total	863,600

**Includes Milwaukee-Waukesha MSA. Numbers do not include farm employment.*

***Preliminary*

Source: Bureau of Labor Statistics, Milwaukee Area Economic Summary updated July 29, 2026.

Several industries stand out for the high number of firms located in the Milwaukee-Waukesha MSA and the concentration of talent, including the following:

- Milwaukee is the center of a cluster of energy, power and control companies. This cluster, known as the Smart Energy Hub, includes energy efficiency, renewable energy, distributed generation, control technologies, and energy storage companies and university research. The Mid-West Energy Research Consortium, headquartered in Milwaukee, focuses on the growth and economic competitiveness of the energy, power & controls industry cluster across the Midwest.
- There are more than 240 food and beverage manufacturing companies in the Milwaukee-Waukesha MSA, with a majority in the food ingredients and seasonings/dressings industries.
- The Milwaukee-Waukesha MSA's water industry is a \$10.5 billion market, supporting 20,000 jobs and accounting for 4% of the total world water business. More than 120 water-related companies locate operations here, including five of the 11 largest water firms in the world. Many are headquartered here or nearby, including water industry giants Badger Meter, A.O. Smith, Caleffi Hydronic Solutions, Zurn Elkay Water Solutions, and Kohler, along with a number of smaller, emerging firms.
- The Milwaukee-Waukesha MSA is a national leader in precision manufacturing and the production of sophisticated industrial controls and medical imaging equipment. It is also the nation's leading producer of mining machinery, hoists, monorails, speed changers, drives and gears. Nearly thirteen percent of the area's workforce is employed in manufacturing. The area is especially noted for engine and equipment manufacturing, automation and advanced manufacturing, and medical technology. Locally based manufacturers on the Fortune 1000 list include A.O. Smith, Harley-Davidson, Quad/Graphics, Regal Rexnord, Rockwell Automation, and Generac Holdings. The area's Next Generation Manufacturing Council serves as an epicenter for manufacturers to come together to address issues common to the cluster industries.

- Approximately six percent of the area’s workforce is employed in the financial services sector. The area’s finance and insurance cluster generates \$8.9 billion in gross regional product and employs more than 45,000 workers.
- Northwestern Mutual, the largest direct provider of individual life insurance in the United States, employs more than 7,550 at its locations in the Milwaukee-Waukesha MSA. Northwestern Mutual changed the City’s skyline with the construction of a 32-story office tower and a 33-story upscale apartment tower, which opened in 2017. The office tower, at one million square feet, is the largest office structure in the State. Locally headquartered Mortgage Guaranty Insurance Corp. (MGIC) is the nation’s leading provider of private mortgage insurance.
- The area ranks as having among the highest employment specializations in two of four bioscience categories: medical devices & equipment and chemicals & agricultural feedstock. The Milwaukee-Waukesha MSA is home to several internationally recognized medical technology and biotech firms. GE Healthcare Technologies, a global leader in medical imaging and information technologies, patient monitoring systems and healthcare services, has multiple facilities in the area. The Medical College of Wisconsin in Milwaukee ranks as one of the top 100 academic research institutions in the United States. The Milwaukee County Research Park’s Technology Innovation Center, one of the largest high-tech incubators in the country, is specifically designed to provide laboratory and office space, networking opportunities and other critical services for biotech and information technology start-ups.
- There are more than 2,000 high-tech firms in the Milwaukee-Waukesha MSA, employing more than 80,000 people. Major area financial industry providers include Fiserv (a Fortune 500 company, which recently moved its headquarters to downtown Milwaukee), FIS, and Thomson Reuters BETA Systems.
- The Milwaukee-Waukesha MSA is home to several commercial brands, including TIKI torches, Carmex lip balm, Allen-Edmonds’ shoes, and Koss headphones, among others.

Population Data

The table below presents Wisconsin Department of Administration population estimates for 2020 through 2025 and the U.S. Census Bureau’s 2020 decennial census count. The 2020 census count is shown for reference and is not a current population estimate.

City Population Data

<u>Year</u>	<u>Wisconsin Department of Administration Estimate</u>	<u>U.S. Census Bureau 2020 Decennial Census Count</u>
2025	579,703	-
2024	577,385	-
2023	575,722	-
2022	577,309	-
2021	587,976	-
2020	587,072	577,922

Employment

Annual unemployment rates for the City of Milwaukee, the Milwaukee-Waukesha MSA, the State and the United States for each of the calendar years ended December 31, 2021 through 2025 are set forth below. The monthly unemployment rate for the City as of July 2026 was 4.9%.

Annual Unemployment Rates

<u>Year</u>	<u>City of Milwaukee</u>	<u>Milwaukee-Waukesha MSA</u>	<u>State of Wisconsin</u>	<u>United States</u>
2025	4.5%	3.5%	3.2%	4.3%
2024	4.2	3.2	3.0	4.0
2023	3.9	3.0	2.8	3.6
2022	4.0	3.0	2.8	3.7
2021	6.3	4.4	3.8	5.4

Sources: State of Wisconsin Department of Workforce Development (City of Milwaukee data); U.S. Department of Labor, Bureau of Labor Statistics (Milwaukee Metropolitan Area, State of Wisconsin and United States data). Not seasonally adjusted.

Employers

The Milwaukee-Waukesha MSA is home to eleven 2026 Fortune 1,000 companies and of those eleven, six are also 2026 Fortune 500 companies as set forth in the table below.

Fortune 500 and 1,000 Companies Headquartered in the Milwaukee-Waukesha MSA (2026)

	<u>Fortune Rank</u>
Northwestern Mutual Life Insurance Co.	109
Fiserv, Inc.	208
Manpower Group	232
Kohl's	261
WEC Energy Group	451
Rockwell Automation	461
Regal Rexnord	578
Harley-Davidson, Inc.	649
Generac Holdings	742
A.O. Smith Corp	801
Quad/Graphics, Inc.	998

Source: <https://us500.com/fortune-1000-companies?state=Wisconsin>

The non-governmental companies employing the greatest number of workers in Milwaukee Area as of July 2026 are set forth below.

Ten Largest Employers in the Milwaukee Area

<u>Company</u>	<u>Business Description</u>	<u>Approximate Employment</u>
Advocate Health.	Health Care System	34,000
Froedtert ThedaCare Health	Health Care System	16,071
Ascension Wisconsin	Health Care System	10,350
GE HealthCare	Health Care Technology	7,000
Roundy's Supermarkets, Inc.	Retail supermarket chain	6,900
Medical College of Wisconsin	Private Medical School	6,854
Northwestern Mutual	Insurance, Investment Products	6,482
Children's Wisconsin	Health Care System	5,447
Kohl's Corp.	National Retail	4,900
Milwaukee Tool	Retail power tools	4,600

Note: Reflects full time equivalent employees of businesses and industrial firms, does not include government employers.

Source: Milwaukee Business Journal July 3-9, 2026, Vol. 43, No. 45.

Transportation

Public Transportation. Public transportation in the City is mainly provided by the Milwaukee County Transit System (“**MCTS**”), which contains 49 routes and 3,742 bus stops located in Milwaukee County.

East-West Bus Rapid Transit System. The County has constructed an East-West Bus Rapid Transit System (the “**BRT**”), which is a nine-mile, regional, modern transit service connecting the major employment, education and recreation destinations through downtown Milwaukee, Milwaukee’s Near West Side, Marquette University, Wauwatosa and the Milwaukee Regional Medical Center (the “**BRT Corridor**”). The BRT offers faster and more frequent service to riders through the use of battery-electric buses, dedicated lanes, raised platforms at optimized stop locations, traffic signal prioritization, off-board fare collections and other features. MCTS expects the BRT to average 9,500 weekday riders by 2035 and increase overall transit ridership in the BRT Corridor by 17%. Along the route are nine colleges and universities; eight high schools; 47,000 residents; 120,000 jobs; over 100 businesses; seven medical facilities; and 25 hotels. The BRT System commenced operations in early June 2023. The County was awarded a \$21 million federal grant for similar north-south BRT improvements, which are expected to be implemented in 2028. Milwaukee is also home to The Hop, also known as the Milwaukee Streetcar. The Streetcar’s initial line connects the Milwaukee Intermodal Station and Downtown to the Lower East Side and Historic Third Ward neighborhoods.

Milwaukee Intermodal Station. The Milwaukee Intermodal Station serves more than 1.3 million passengers per year, who use the facility to make connections to Amtrak’s Hiawatha, Borealis, and Empire Builder lines, as well as to Greyhound and other local and regional bus services. The Amtrak Hiawatha connects Milwaukee to Chicago, with seven stops daily.

Port of Milwaukee. Of vital importance to both the local and state economies, the Port of Milwaukee is an international seaport providing transportation and distribution services to commercial businesses in the area. The protected harbor permits year-round use of the port with access to the eastern seaboard via the St. Lawrence Seaway and to the Gulf of Mexico through the Mississippi River. The Port of Milwaukee processed 2.2 million metric tons of cargo in 2024. The port is served by the Union Pacific and Canadian Pacific Kansas City railways, and has convenient access to the interstate highway system. Principal inbound commodities include cement, machinery, steel, salt, and limestone. Outbound commodities include bottom ash, cement, bio-diesel, ethanol, butane, wheat, corn and soybeans. The Port is also home to U.S. Coast Guard and U.S. Naval Reserve stations. A new \$40 million agricultural export facility on Jones Island was completed by the Port and the Delong Company in the summer of 2023. In 2025 construction began on the City’s third cruise ship dock, which will have capacity to serve the Great

Lakes’ largest cruise ships. The Board of Harbor Commissioners, which governs the Port of Milwaukee, also facilitates public access including cultural and recreational activities for the public by leasing property to the Milwaukee Art Museum, Milwaukee World Festival, Discovery World, cruise ships, and the Lake Express high-speed ferry.

Milwaukee Mitchell International Airport. Milwaukee Mitchell International Airport, also known by its airport code of MKE, is owned and operated by Milwaukee County. The largest and busiest airport in Wisconsin, MKE is a modern air transportation center of 2,386 acres located six miles south of the City of Milwaukee’s central business district. Ten airlines provide approximately 250 arriving and departing flights daily. More than 35 cities are served nonstop from MKE, and more than 200 destinations are available worldwide with one connection from Milwaukee. More than 5.8 million passengers used MKE in 2025. MKE has earned a Best Airport – North America award for 2021, 2022, and 2023 from Airports Council International for providing an outstanding customer experience.

Government

The City has approximately 6,226 full-time employees as of January 15, 2026. Of that number, 2,326 employees are part of three public safety unions: the Milwaukee Police Association, the Milwaukee Police Supervisors’ Organization and the Milwaukee Professional Fire Fighters’ Association (collectively, the “**Unions**”). The City’s contract with the Milwaukee Police Association expires on December 31, 2026. The City’s contract with the Milwaukee Police Supervisors’ Organization will expire on December 31, 2027. The City’s contract with the Milwaukee Professional Fire Fighters’ Association expires on December 31, 2026. The City is currently negotiating successor agreements for the contracts expiring on December 31, 2026.

Construction and Housing

Building Permits

The following table indicates building permit activity between 2021 and 2025:

Value of Permits

<u>Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
2025	\$41,023,774	\$ 359,867,740	\$ 400,891,514
2024	62,211,013	650,561,563	712,772,576
2023	42,546,638	446,696,805	489,243,433
2022	37,236,932	612,060,189	649,297,121
2021	36,551,501	444,988,354	481,539,855

Permits Issued

<u>Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
2025	1,797	933	2,730
2024	1,859	1,065	2,924
2023	1,693	1,020	2,713
2022	1,687	1,011	2,698
2021	1,793	1,013	2,806

Sources: Development Center, Department of City Development.

DEBT STRUCTURE

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the City and for MPS. The City's general obligation bonds are secured by its full faith and taxing power (to the extent not statutorily limited). General obligation bonds that finance governmental activities are retired by future property tax levies and other resources accumulated in the Debt Service Funds (defined below).

The City also issues general obligation promissory notes to purchase a portion of its delinquent taxes and finances certain water system and sewerage system projects through the issuance of revenue bonds. City-issued water system revenue bonds were defeased on June 1, 2026 and sewerage system first-lien revenue bonds were outstanding in an amount of \$112.8 million as of September 1, 2026.

Certain of the City's general obligation bonds are characterized as self-sustaining, which are described under "Self-Sustaining and Overlapping Debt" below. These bonds include Water Works, Sewer Maintenance, Transportation, and Port of Milwaukee Proprietary Funds, the repayment of which is funded by revenues from those operations or, if the revenues are not sufficient, by future tax levies.

The City maintains ratings on its general obligation bonds and notes of "A3" from Moody's Investors Service, "A-" from S&P Global Ratings, and "A+" from Fitch Ratings. Not every rating agency named in the previous sentence has been asked to rate every series of the City's general obligations.

Outstanding Bonds

The City's *pro forma* general obligation debt outstanding including the N5 Notes totaled \$1,206,350,000 as of September 1, 2026. The following table summarizes of the purposes of the City's *pro forma* general obligation debt outstanding as of that date.

<u>General Obligation Purpose</u>	<u>Principal Amount</u>
Streets	\$ 317,587,386
Tax Increment Districts	165,279,500
Public Buildings	143,862,650
Cash Flow Notes	119,000,000
Finance Real & Personal Property Tax Receivables	107,153,740
Municipal Expenses	83,786,024
Police	59,255,337
Bridges	53,445,390
Schools	37,300,000
Sanitation	22,974,804
Blight Elimination/Urban Renewal	22,288,075
Fire	21,685,005
Library	21,379,013
Parking	17,295,674
Harbor	9,968,721
Playground/Recreational Facilities	4,088,681
Total Outstanding GO Debt	\$ 1,206,350,000

Self-Sustaining and Overlapping Debt

The City issues self-sustaining debt that is payable from certain non-tax revenue streams in addition to its general obligation debt payable from City-wide property tax revenues. This includes general obligation debt payable under its TID program, Parking Program, Water and Sewer Programs, as well as debt issued for delinquent tax purposes and other municipal debt. The City's *pro forma* self-sustaining general obligation debt totaled \$465,167,418, or 38.6%, of the total *pro forma* general obligation debt outstanding as of September 1, 2026 (which includes the N5 Notes).

The City is also obligated for debt other than governmental obligations issued by other governmental units. The governmental unit, debt outstanding, percentage applicable and the City's share of debt as of September 1, 2026 are set forth below.

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable</u>	<u>Share of Debt</u>
Milwaukee Area Technical College*	\$ 82,210,000	39.11%	\$ 32,155,829
County of Milwaukee	405,435,000	45.66%	182,123,277
Milwaukee Metropolitan Sewerage District*	<u>1,019,991,522</u>	49.93%	<u>509,299,661</u>
Total Overlapping Debt	\$1,507,636,522		\$726,578,767

* Reflects 2025 Equalized Values; 2026 Equalized Values not available as of the date of this Official Statement.

Applicable Debt Limit

Section 67.03 of the Wisconsin Statutes limits direct general obligation borrowing by the City to an amount equivalent to five percent of the equalized valuation of taxable property within the City. Section 119.49 of the Wisconsin Statutes further authorizes referendum approved bonding for school capital purposes in an additional amount equivalent to two percent of the equalized taxable property within the City.

The following table reflects the *pro forma* status of the statutory limitations as of September 1, 2026, using the *pro forma* general obligation debt amount described above, which includes the N5 Notes.

Statutory Debt Limit Calculation

Equalized Value of Taxable Property in the City	\$ 51,870,666,000
Legal Debt Limitation for City Borrowing	
5% of Equalized Value.....	\$ 2,593,533,300
<i>Pro forma</i> General Obligation Debt Outstanding subject to 5% limit as of 09/01/2026	\$1,159,875,000
Plus N5 Notes	46,475,000
Net <i>pro forma</i> General Obligation Debt Outstanding subject to the 5% limit as of 09/01/2026...	\$1,206,350,000
Total Debt Margin for City Borrowing (in Dollars).....	\$1,387,183,300
As a percentage of the legal debt limitation	53.5%
Legal Debt Limitation for School Purpose Borrowing	
2% of Equalized Value.....	\$1,037,413,320
General Obligation Debt Outstanding subject to 2% limit as of 09/01/2026	\$ 0
Net General Obligation Debt Outstanding subject to the 2% limit as of 09/01/2026.....	\$ 0
Total Debt Margin for School Purpose Borrowing (in Dollars).....	\$1,037,413,320
As a percentage	100.0%

General Obligation Bonds – MPS

Under the Wisconsin Statutes, the City is required, if requested by the Board of MPS and approved by referendum, to issue general obligation bonds under MPS' 2% debt limit to finance purchases of school sites and to construct or remodel school buildings (with an exception from the referendum requirement for certain pension obligations).

As of September 1, 2026, \$37,300,000 of debt for school purposes was issued under the City's 5% debt limit and no debt was outstanding incurred under MPS' 2% debt limit.

Under the Wisconsin Statutes, the City has title to MPS' land and buildings. However, the City does not control the use of the assets or receive proceeds upon distribution. The City does not include MPS assets on its financial statements.

Safe Drinking Water and Clean Water Loans

The City participates in the State of Wisconsin Safe Drinking Water Loan Program and Clean Water Fund Program. Under these programs, subsidized loans are available for certain projects; are secured by revenues of the related utility; and are repayable over a period of 20 years. As of September 1, 2026, the outstanding balance of Safe Drinking Water loans was \$101.7 million and the outstanding balance of Clean Water Fund loans was \$127.4 million. The City intends to maximize its borrowings under the programs to fund its capital expenses for sewer and water services.

Tax Increment Districts Financings

The City has financed public improvements and provided grants to the Redevelopment Authority of the City of Milwaukee ("RACM") for redevelopment purposes within tax increment districts (each, a "TID") through the issuance of its general obligation bonds. As of September 1, 2026, \$154.8 million of general obligation debt for TID purposes was outstanding. Under current law, tax increments received by the City have been calculated based upon the assessed valuation and the applicable tax levy in the TID. The applicable tax levy includes the public school tax levy rate for MPS.

RACM has approximately \$157 million of debt payable from tax increment revenues, subject to appropriation by the Common Council. The debt is owed to developers of projects within the TID, with no recourse to the City in the event that tax increment revenues are insufficient to repay the obligations. Pursuant to Section 66.1105 of the Wisconsin Statutes, the allowable life of TIDs generally varies from 20 to 27 years, depending upon the date of creation and nature of the TID.

Conduit Bonds

To encourage economic development within the City and surrounding areas, the City issues bonds as a conduit issuer and loans proceeds thereof to non-governmental entities (the "Conduit Bonds"). The Conduit Bonds issued by the City are not a debt of the City. The City is not obligated to levy any tax or make any appropriation for the payment of the Conduit Bonds.

The City's conduit bond programs include the following:

Industrial Revenue Bonding Program. The City maintains an Industrial Revenue Bonding Program. The primary goals of this program are to create additional tax base and additional jobs. Eligible projects include industrial land, buildings, and machinery and equipment used in the manufacturing process and pollution abatement equipment of new or expanding industries. Since 1973, the City has closed over 125 issues amounting to over \$265 million.

Redevelopment Authority of the City of Milwaukee. RACM is a public body corporate and politic formed in 1958 by action of the Common Council of the City pursuant to Section 66.1333 of the Wisconsin Statutes. RACM's purpose is to carry out blight elimination, slum clearance, and urban renewal programs and projects. RACM is typically the issuer of Conduit Bonds under Section 66.1333, with proceeds made available to third parties who agree to enter into qualified projects. However, RACM also issues revenue bonds to finance certain City functions, including MPS and Port of Milwaukee.

As of September 1, 2026, RACM bonds outstanding for MPS expenditures (“**RACM-MPS Bonds**”) totaled \$227.4 million. The RACM-MPS Bonds are comprised of seven issues secured by leases or loan agreements with the Milwaukee Board of School Directors (“**MBSD**”). RACM-MPS Bonds do not constitute general obligations of the City or MBSD, and do not constitute or give rise to a charge against their respective taxing powers. The loan agreements with MBSD include a pledge of certain State aid payable to MBSD.

As of September 1, 2026, RACM had one bond issue outstanding for the Port of Milwaukee in a principal amount of \$3.7 million, secured by payments under a lease between the City and RACM. Rental payments under the lease are derived from net revenues of the Port of Milwaukee.

Housing Authority. The Housing Authority of the City of Milwaukee (“**HACM**”) is a public body corporate and politic formed in 1944 by action of the Common Council of the City pursuant to Section 66.1201 of the Wisconsin Statutes. HACM’s purpose is to provide public housing and services for residents of the City. HACM is governed by a board of commissioners appointed by the Mayor.

HACM issues revenue bonds and notes, which are typically secured by a lien on the revenues of its low-income housing program. HACM has also issued debt for stand-alone projects. The City does not guaranty HACM bonds and notes, which are limited obligations of HACM and not general obligations of the City.

From 2019 to 2022, HACM improperly transferred approximately \$2.8 million in federal funding from its Housing Choice Voucher program (the “**HCV** program”), which pays subsidies for residents to live in private housing, to cover administrative and overhead costs of its traditional public housing operations. HACM has been reversing those transfers. HACM entered into a Recovery Agreement with the U.S. Department of Housing and Urban Development (“**HUD**”) on January 31, 2025. As of 2022, HUD had separately designated HACM’s HCV program as troubled and HACM’s public housing program as troubled. HACM has reported actions including staff reductions, a hiring freeze, delayed payment of bills, reduced spending, restructuring of an overdue pension payment, identification of uncovered development costs, and a payment plan for an overdue payment-in-lieu-of-taxes obligation to the City. HACM has continued to pay City invoices and continues to work with HUD to address the requirements outlined in its Recovery Agreement. The agency is actively implementing corrective actions and operational improvements in coordination with HUD and has engaged additional technical assistance to support those efforts. HACM continues to provide HUD with updates on its progress and is working toward satisfying the remaining requirements of the agreement.

As of September 1, 2026, HACM had \$10.15 million of mortgage revenue bonds outstanding.

HUD’s oversight of HACM includes the Recovery Agreement and separate performance designations for the HCV and public housing programs. HACM operates independently from the City (including, but not limited to, determining its own budget, issuing revenue bonds and establishing and revising rents or charges without the City’s consent), and the City is therefore limited in its ability to address HACM’s operations or financial condition. The City does have the ability to address certain identified inspection-related concerns. To that end, the City passed an ordinance to allow the Department of Neighborhood Services to inspect HACM properties and issue code violations, which began on January 1, 2024.

Debt Funds

The City maintains two separate debt service funds, the General Obligation Debt Service Fund and the Public Debt Amortization Fund (“**PDAF**”).

The General Obligation Debt Service Fund accounts for resources accumulated and payments made for principal and interest on the City’s outstanding general obligation debt. The 2025 fund balance of the General Obligation Debt Service Fund decreased by \$0.6 million to \$49 million compared to the 2024 balance of \$49.6 million.

The PDAF is governed by Section 67.101 of the Wisconsin Statutes, which provides that accumulated funds can be used for the retirement of public debt, among other things. The Public Debt Commission oversees the use of the PDAF. The primary sources of revenue for the fund are one-third of earnings on City investments and earnings on the fund’s investments. The PDAF withdrawal for 2025 to use for the 2026 budget was \$6 million. The PDAF withdrawal for 2026 to use for the 2027 budget was also \$6 million.

The PDAF unsegregated balance for the period from 2023 to 2025 is below.

<u>Year</u> <u>(December 31)</u>	<u>PDAF Balance</u>
2025	\$ 62,098,292
2024	58,829,277
2023	54,162,908

FINANCIAL POSITION

The information below represents a summary of certain portions of the City’s Annual Comprehensive Financial Report for the fiscal year ended December 31, 2025, and other available information. The information below is not intended to be inclusive, but rather to highlight specific information relating to the City’s financial position. It should be read in conjunction with the information presented in the City’s Annual Comprehensive Financial Report, including the letter of transmittal, management’s discussion and analysis, and the accompanying financial statements and disclosures, which are included as APPENDIX E to the Official Statement.

The City’s financial operations are categorized by governmental activities, which consist of basic services such as police, fire, and public works that are supported by taxes and general revenue (“**government activities**”); business-type activities, which are self-supporting operations, include its Sewer Maintenance and Parking funds, the Milwaukee Water Works, and the Port of Milwaukee (“**business-type activities**”). This section focuses on the City’s governmental and business-type activities, which are typically broken out in the information provided below. Unless otherwise noted, RACM and the Neighborhood Improvement Development Corporation, Inc. (a nonprofit corporation organized by the City), are not discussed below.

Revenue

Revenue for the City’s governmental activities is generated from five categories: (i) Property, sales & other taxes, (ii) State aids, (iii) Charges for services, (iv) Grants and contributions, and (v) Miscellaneous. Revenue amounts for the years ended 2024 and 2025, by category, are set forth below.

Governmental Activities Revenues (Thousands of Dollars)

<u>Category</u>	<u>2025</u>		<u>2024</u>	
	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>
Property, sales & other taxes	\$ 614,414	47%	\$ 598,655	40%
State aids	305,434	24	295,592	20
Charges for services	156,044	12	170,861	11
Grants and contributions	113,103	9	329,091	22
Miscellaneous	<u>101,787</u>	<u>8</u>	<u>109,073</u>	<u>7</u>
Total	\$1,290,782	100%	\$1,503,272	100%

Property Tax

The City levies property taxes for general City operations and collects the City's share of tax levies of certain other governmental units that are certified to the City. The Common Council levies taxes. The City collects taxes and offers citizens two types of payment options. The first option is a lump sum payment due on or before January 31. The second option is a ten-month, interest free property tax installment payment plan.

The table below sets forth the property tax levies for Common Council controlled purposes.

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
City (Controlled by the Common Council): General City Purpose	\$ 85,038,772	\$ 88,461,529	\$ 96,730,870	\$ 142,311,410	\$ 147,307,020
Provision for Employee Retirement	129,314,718	118,230,671	70,408,886	69,189,392	76,831,576
Capital Improvement Program	315,000	965,000	38,879,000	3,665,000	905,000
City Debt (including MPS debt)	85,434,549	98,545,626	106,677,819	103,984,705	106,777,275
Common Council Contingent Fund	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
Total	\$ 305,103,039	\$ 311,202,826	\$ 317,696,575	\$ 324,150,507	\$ 336,820,871

City Property Values

The City Assessor has the statutory duty to determine the full market value of all locally assessable, nonexempt property in the City to ensure that property taxes are levied uniformly and equitably. The City Assessor assesses all property at full market value as of January 1 and publishes an annual assessment roll that describes the property, lists the owners' names and addresses, and sets forth the assessed valuations that are used in computing property tax statements for City taxpayers.

The "equalized value," also called the "full value assessment" or the "aggregate full value," attempts to equalize the various local assessment policies so that a basis for uniformity of property values throughout the State is established. Under Section 70.57 of the Wisconsin Statutes, the State Department of Revenue is required to determine the equalized value of all taxable property in each county and taxation district. Based on several economic factors, including past sales studies, the State Department of Revenue calculates a percentage which, when applied to the assessed value, produces a value which most closely approximates the full market value of each county and taxation district. The State Department of Revenue shall notify each county and taxation district of its equalized value on September 15; with school districts being notified on October 15. All municipalities must assess taxable property at a minimum of 90% of State equalized values at least once every five years.

2022-2026 Equalized Value by Class of Property

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Residential	\$ 22,242,016,900	\$ 24,991,737,900	\$ 26,760,706,800	\$ 28,967,812,600	\$ 30,789,783,300
Commercial	15,698,245,500	16,936,832,300	18,674,279,300	17,991,936,200	19,862,631,500
Manufacturing	<u>861,103,500</u>	<u>1,098,507,600</u>	<u>1,099,380,500</u>	<u>1,139,469,100</u>	<u>1,218,251,200</u>
Total Real Estate	38,801,365,900	43,027,077,800	46,534,366,600	48,099,217,900	51,870,666,000
Personal Property	<u>646,873,100</u>	<u>746,760,700</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Taxable Assessed Valuation	\$ 39,448,239,000	\$ 43,773,838,500	\$ 46,534,366,600	\$ 48,099,217,900	\$ 51,870,666,000

Top Ten Property Taxpayers by EAV

The top 10 property taxpayers in 2026, based on the 2025 Equalized Assessed Valuation (“EAV”), are shown in the following table.

<u>Taxpayer</u>	<u>2025 EAV</u>
Northwestern Mutual	\$633,735,000
Berrada Properties	598,279,900
Mandel Group	445,535,600
New Land Investments	314,693,400
Weidner Investment Services	301,994,800
Katz Properties	264,247,100
U.S. Bancorp	235,056,600
Hines Interests Limited Partnership	208,879,700
Irgens Partners	199,928,100
Metropolitan Associates	189,794,800

Source: City Assessor’s Office January 2026.

Delinquent Property Taxes, Special Assessments and Charges

On December 31, 2025, delinquent property taxes included delinquent sewer and water charges and special assessments by year levied, tax deeded property, and allowance for uncollectible taxes. These delinquent property taxes are reported as part of taxes receivable in the General Fund and Special Revenue Fund - Delinquent Tax and consist of the following:

	<u>City Levy</u>	<u>Purchased Taxes Receivables (Thousands of Dollars)</u>	<u>Total</u>
2020 and Prior	\$ 7,871	\$ 369	\$ 8,240
2021	2,000	145	2,145
2022	3,640	157	3,797
2023	7,868	236	8,104
2024	<u>25,892</u>	<u>0</u>	<u>25,892</u>
Total delinquent property taxes receivable	\$ 47,271	\$ 907	\$48,178
Property taxes receivable on foreclosed property			40,774
Less: Allowance for uncollectable taxes.....			<u>(34,618)</u>
Net delinquent property taxes receivable, including tax deeded property.....			<u>\$54,334</u>

The City issues general obligation notes to provide funds for purchases of delinquent taxes. The City issued \$ 21 million in general obligation notes to finance delinquent tax borrowing in the spring of 2025.

State Aid

Primary Sources are described below.

- Shared Revenue Program (general, unrestricted aid that can be used for any activity approved by the local governing body). The shared revenue program consists of County and Municipal Aid and Utility Aid Programs (“CMA”); Supplemental CMA; and the Expenditure Restraint Incentive Program (“ERIP”).

CMA base payments remain the same for 2024 as they were in 2023. Supplemental CMA was created by 2023 Wisconsin Act 12 (“**2023 Act 12**”), enacted into law on June 20, 2023. In 2025 the City received \$22.2 million in Supplement CMA. Payments in 2026 and beyond for both CMA and Supplemental CMA will be adjusted based on State sales tax revenues which are expected to increase over time. Payments will be based on the proportion of the total payment a county or municipality received from the State CMA/supplemental CMA in 2025 multiplied by the total amount for the year in the CMA/supplemental CMA account, which is based on State sales tax revenues. For 2026, the Wisconsin Department of Revenue (“**DOR**”) estimates it will distribute a total of \$35.8 million, a 3.4% increase, to local governments for the CMA and Supplemental CMA programs.

ERIP provides targeted general aid to municipalities if a municipality qualifies based on its property tax rate (which must be at least five mills) and satisfaction of budgetary constraints (the municipal general fund budget for the year before the payment has not increased over the prior year’s budget by more than the inflation factor plus a valuation factor). Payments under the ERP have been calculated based on a set formula, and the aggregate amount provided by the State to all qualifying municipalities has been unchanged since 2003.

As a result of 2023 Act 12, starting in 2024 every county and municipality is required to submit a new maintenance of effort report to DOR to certify they have maintained the level of law enforcement, fire, and emergency medical services equivalent to the prior year. There are penalties in the form of shared revenue deductions for counties and municipalities not satisfying the maintenance of effort requirements each year. DOR has provided training and instructions to municipalities related to maintenance of effort reporting requirements. The City has filed all required certifications on a timely basis to date.

- **Transportation Aid (General Transportation)** – Long-term, financial assistance to local governments for their transportation-related costs, including the construction and maintenance of roads under their jurisdiction. General Transportation Aid payments are made from the State's segregated transportation fund, which includes revenues from motor fuel tax, vehicle registration fees, and other transportation-related taxes and fees. Aid is distributed under a formula that considers the number of miles, types of roads in a municipality and local costs of maintaining the roads. Each municipal government's initial entitlement equals the greater of its share of costs aid or mileage aid amounts. This revenue is utilized by municipalities for transportation related expenditures.

Grant and Aid Projects

Grant and aid projects include federal and State grants whose proceeds are legally restricted to expenditures for a specific purpose. This has included federal American Rescue Plan Act of 2021 (“**ARPA**”) funds, State funding for transportation and public works, among others.

CARES Act and ARPA

In 2020, the City was allocated approximately \$103 million of grant assistance under the Coronavirus Aid, Relief, and Economic Security Act (“**CARES Act**”). The City used the CARES Act funds to reimburse itself for eligible costs incurred beginning March 1, 2020 and ending December 31, 2021 that were related to necessary expenditures incurred due to the public health emergency declared with respect to the COVID-19 pandemic, primarily in the areas of public safety and public health.

In 2021, the City was awarded a direct payment under ARPA totaling \$394.2 million. The first half of ARPA funds was received in 2021, with the second half received on June 6, 2022. To date, approximately \$342

million of ARPA funds has been allocated to offset lost revenues. The deadline to obligate (through expenditure or contract) the allocated funds was December 31, 2024, and the deadline to fully expend the funds is December 31, 2026. As of September 1, 2026, the City has approximately \$8.3 million remaining to be spent. ARPA funds are therefore a temporary, nonrecurring resource and will not be available for new eligible expenditures after that deadline.

Charges for Services

Charges for services are revenues received for services delivered by City departments. Wisconsin Statutes specify the types of services for which user fees can be assessed and prohibit the establishment of fee amounts that exceed the cost of service (*e.g.*, snow and ice fees only can be used to support the cost of snow and ice removal, as opposed to general government expenditures). Major charges for services include solid waste, snow and ice, street lighting, and sewer maintenance.

Other

- **Miscellaneous Revenues:** Miscellaneous revenues include the transfer from the transportation fund, interest on investments, funds from the sale of surplus property, real estate property sales, several spending offset accounts, and other revenues not included in any other category. In 2025, these revenues were budgeted at \$38.2 million. In 2026, these revenues are budgeted to total \$32.1 million.
- **Fines and Forfeitures:** In 2025, revenue from fines and forfeitures were budgeted at \$2.5 million. In 2026 these revenues are budgeted to total \$2.0 million. Fines and forfeitures include payments received from individuals as penalties for violating municipal laws. The revenue in this account reflects collections made by the Municipal Court.
- **Licenses and Permits:** In 2025, revenue from licenses and permits were budgeted at \$19.9 million. In 2026, these revenues are budgeted to total \$20.8 million. This revenue includes charges administered by various departments for legal permission to engage in a business, occupation, or other regulated activity.
- **Fringe Benefit Offset:** The fringe benefit costs associated with reimbursable, grant, enterprise fund, and capital activity are gross budgeted in the General Fund. These other funds make a payroll payment to the General Fund to offset the cost of their General Fund budgeted fringe benefits, which was budgeted to total \$59.2 million in 2024. This offset is budgeted to total \$25 million in 2025 and 2026. The decrease primarily reflects a reduction of federal grants received after historic highs in the last few years.
- **Tax Stabilization Fund:** The tax stabilization fund accumulates unexpended appropriations and revenue surpluses. It assists in stabilizing the City's tax rate and protects citizens from tax rate fluctuations that can result from variations in non-property tax revenues. The balance of the fund as of December 31, 2025 was \$157.3 million.

The total amount that can be withdrawn from the tax stabilization fund in any one year is an amount that prevents an increase of more than 3% in the City's property tax rate and is anticipated to be available as of April 15 of the year covered by the budget. Such amount must be included in the adopted budget, which requires a majority affirmative vote of the Common Council. Fund withdrawals not needed to stabilize the tax rate can be made for up to 50% of the available balance, but require a three-fourths affirmative vote of the Common Council prior to budget adoption. The 2025 and 2026 Budget included a \$32.3 million withdrawal from the tax stabilization fund. The 2025 withdrawal was not made, as higher than expected revenues and lower than expected expenses made the transfer unnecessary. As of the date of this Appendix A, the 2027 Proposed Budget has not been submitted.

Revenue from the City’s business-type activities for 2025, by category, are set forth below.

Business-Type Program Revenues
(Millions of Dollars)

	<u>Amount</u>	<u>Percentage of Total</u>	
		<u>Revenue</u>	<u>Expense</u>
Water.....	\$ 125	40%	42%
Sewer.....	88	29	30
Transportation.....	12	4	14
Port.....	19	6	6
MMSD sewer user charges.	<u>66</u>	<u>21</u>	<u>22</u>
Total.....	\$ 310	100%	114%

Establishment of a City Sales and Use Tax

2023 Act 12 authorizes a first-class city to impose a sales and use tax at a rate not exceeding 2% of the sales price of tangible personal property, goods and services sold or used in the City, subject to authorizing City legislation. On July 11, 2023, the Common Council adopted an ordinance establishing a 2% sales and use tax on sales and use transactions in the City. The ordinance provides that the revenues are to be used in accordance with 2023 Act 12, including for public safety services and payments to the City’s retirement system. The tax became effective January 1, 2024.

Under current Wisconsin law, 0.75% of the taxes collected under the municipal sales and use tax is credited to a State appropriation account to cover costs of administering, enforcing and collecting the tax. The remaining tax revenues are distributed to the City, subject to refunds, audit adjustments and other statutory adjustments.

2023 Act 12 also restricts the use of the City’s municipal sales and use tax revenues. In general, no more than 90% of baseline tax revenues may be used for required retirement-system contributions and related employer costs, 10% must be used to maintain law enforcement, fire protection and emergency medical services at specified levels, and excess revenues must be used for statutory public-safety staffing and related requirements. Beginning in 2026, the City must report prior-year expenditures from these revenues to the Joint Committee on Finance, and noncompliance with applicable requirements may reduce certain shared-revenue payments.

The 2026 Budget includes an estimated \$206 million of net revenue from the sales and use tax, after the State’s administrative retention. Of that amount, approximately \$157 million will be used for payments to the City’s retirement system.

Expenses

Expenses for the City’s governmental activities are either governmental or business-type activities. The two major business-type, or proprietary, activities for the City are water services and sewer maintenance. General government includes most City departments, such as: the Mayor, Common Council, Administration, Employee Relations, Municipal Court, City Attorney, Comptroller, and Treasurer. Public Safety includes Fire, Police, and Neighborhood Services.

Governmental Activities

The table below presents the gross and net costs (total costs less the revenues generated by the activities) of each of the City's largest programs. The "Net Cost of Services" column shows the remaining costs, by function that are funded by non-program revenues such as City taxes and State aids.

Governmental Activities - Cost of Services (Thousands of Dollars)

	<u>Total Cost of Services</u>				<u>Net Cost of Services</u>	
	<u>2025</u>	<u>% of Total</u>	<u>2024</u>	<u>% of Total</u>	<u>2025</u>	<u>2024</u>
General government.....	\$ 447,019	33%	\$ 226,806	17%	\$ 415,387	\$ 133,770
Public safety.....	445,143	32	579,773	46	391,134	428,785
Public works.....	286,472	21	276,030	21	164,223	129,344
Health.....	38,113	3	44,672	3	15,264	18,319
Culture and recreation.....	32,038	2	41,848	3	25,679	19,325
Conservation and development.....	89,046	6	96,174	7	56,997	35,808
Interest on long-term debt.....	<u>35,169</u>	<u>3</u>	<u>33,043</u>	<u>3</u>	<u>35,169</u>	<u>33,043</u>
Total Governmental Activities.....	\$ 1,373,000	100%	\$ 1,298,346	100%	\$ 1,103,853	\$ 798,394

Long-Term Liabilities

As of December 31, 2025, the City's unaudited long-term liabilities were \$4.55 billion, including \$216 million of short-term amortization, as set forth in more detail below. The pension and OPEB amounts in the table are accounting liabilities and are not equivalent to current-year cash contributions, annual budget appropriations or debt service obligations.

Total Long-term Liabilities (Millions of Dollars)

	<u>2025</u>	<u>2024</u>
Outstanding debt.....	\$ 1,670	\$ 1,655
OPEB.....	960	1,107
Pension.....	1,740	1,653
Compensated absences.....	56	54
Claims and judgments ⁽¹⁾	<u>128</u>	<u>81</u>
Total.....	\$ 4,554	\$ 4,550

⁽¹⁾ Includes \$59.6 million in general liability claims, \$10.3 million in workers' compensation claims, \$57.2 million in environmental impairment/pollution remediation obligations, and \$0.5 million in unemployment benefits

Major Governmental Funds

The City maintains several major governmental funds including the General Fund, which is used to account for substantially all the City's financial resources, as well as a General Obligation Debt Service Fund, the PDAF, the economic development fund, grant and aid projects fund and capital projects fund. See "Debt Funds" above for a description of the PDAF and the General Obligation Debt Service Fund. The General Fund is described below.

General Fund

The General Fund is the City's primary operating fund and the largest funding source for day-to-day services. General Fund revenues increased by approximately \$75.0 million, from \$882.9 million in 2024 to \$957.9 million in 2025, as shown in the table below. The increase was driven in significant part by implementation of the sales and use tax authorized under 2023 Act 12. General Fund expenditures and other financing uses also increased, from \$807.5 million in 2024 to \$1,011.2 million in 2025, resulting in a net decrease in fund balance of approximately \$1.3 million.

The City continues to face structural budget pressures, including compensation and public safety costs, pension and OPEB obligations, debt service and the expiration of temporary federal assistance (including ARPA funds, which must be fully expended by December 31, 2026). The City may need to use recurring revenue growth, expenditure controls, reserves and other nonrecurring resources to address these pressures.

The table below presents a summary of revenues and expenditures of the General Fund compared to the prior year.

General Fund Summary of Revenues, Expenditures and Other Financing Sources and Uses (Thousands of Dollars)

<u>Revenues and Other Financing Sources</u>				
<u>Revenues:</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>% Change</u>
Property taxes	\$ 216,502	\$ 172,140	\$ 211,692	25.8%
Sales Taxes	209,194	200,621	-	4.3
Other taxes	2,886	2,995	4,273	-3.6
Licenses and permits	18,280	20,206	19,596	-9.5
Intergovernmental	305,434	295,592	273,846	3.3
Charges for services	174,828	165,380	163,847	5.7
Fines and forfeits	2,108	1,944	2,429	8.4
Contributions received	2,612	1,973	3,140	32.4
Other	<u>26,090</u>	<u>22,042</u>	<u>29,807</u>	<u>18.4</u>
Total Revenues	\$ 957,934	\$ 882,893	\$ 708,630	8.5
Excess of Revenues over Expenditures	(50,609)	81,078	(11,261)	-162.4
Other Financing Sources Debt proceeds	13,200	3,976	76,884	232.0
Transfers in	<u>38,774</u>	<u>25,689</u>	<u>32,520</u>	<u>50.9</u>
Total Revenues and Other Financing Sources	\$ 1,009,908	\$ 912,558	\$ 818,034	10.7

Expenditures and Other Financing Uses

<u>Expenditures</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>% Change</u>
General government	\$ 420,665	\$ 332,954	\$ 288,456	26.3%
Public safety	401,879	313,247	265,662	28.6
Public works	132,631	120,190	112,155	10.4
Health	14,690	13,629	13,350	7.8
Culture and recreation	25,786	14,408	20,601	79.0
Conservation and development	6,653	3,411	4,783	95.0
Capital Outlay	<u>6,239</u>	<u>3,976</u>	<u>14,884</u>	<u>56.9</u>
Other Total Expenditures	\$ 1,008,543	\$ 801,815	\$ 719,891	25.8
<u>Other Financing Uses</u>				
Transfers out	<u>2,682</u>	<u>5,694</u>	<u>63,234</u>	<u>-52.9</u>
Total Expenditures and Other Financing Uses	<u>\$ 1,011,225</u>	<u>\$ 807,509</u>	<u>\$ 783,125</u>	<u>25.2</u>
Net Change in Fund Balance	\$ (1,317)	\$ 105,049	\$ 34,909	-101.3%

Proprietary Funds

The City also maintains certain proprietary funds, including Water Works and Sewer Maintenance, among others.

Capital Assets

The City's capital assets include land, buildings, infrastructure, improvements other than buildings, machinery and equipment, furniture and furnishings, non-utility property, and construction in progress. A schedule comparing the assets by type for 2024 and 2025 for both governmental and business-type activities is shown in the table below. The two largest business-type activities are the Sewer Maintenance Fund and the Water Works Fund.

Net Capital Assets
(Thousands of Dollars)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u> <u>Primary Government</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Capital assets not being depreciated:						
Land	\$ 166,343	\$ 166,370	\$ 19,058	\$ 19,434	\$ 185,401	\$ 185,804
Construction in progress	157,981	140,612	66,160	36,497	224,141	177,109
Intangible right of ways	1,342	1,342	-	-	1,342	1,342
Capital assets being depreciated						
Buildings	445,028	434,919	146,145	142,486	591,173	577,405
Infrastructure	2,008,404	1,971,761	1,583,209	1,520,698	3,591,613	3,492,459
Improvements other than buildings	12,586	11,769	21,278	21,162	33,864	32,931
Machinery and equipment	307,050	291,583	348,733	337,294	655,783	628,877
Intangible software	16,289	14,722	-	-	16,289	14,722
Nonutility property	-	-	4,166	3,791	4,166	3,791
Accumulated depreciation	<u>(1,671,186)</u>	<u>(1,631,460)</u>	<u>(734,910)</u>	<u>(700,109)</u>	<u>(2,406,096)</u>	<u>(2,331,569)</u>
Total capital assets being depreciated and amortized, net	<u>\$ 1,443,837</u>	<u>\$ 1,401,618</u>	<u>\$ 1,453,839</u>	<u>\$ 1,381,253</u>	<u>\$ 2,897,676</u>	<u>\$ 2,782,871</u>
Right of use assets*	18,593	19,315	-	-	18,593	19,315
Total*	<u>\$ 1,462,430</u>	<u>\$ 1,420,933</u>	<u>\$ 1,453,839</u>	<u>\$ 1,381,253</u>	<u>\$ 2,916,269</u>	<u>\$ 2,802,186</u>
Net investment in capital assets	\$ 919,667	\$ 963,782	\$ 1,026,396	\$ 949,599	\$ 1,946,063	\$ 1,913,381

* Amounts were adjusted to reflect the implementation of GASB 96, net of amortization

Major Capital Projects

The City maintains an annual plan for capital projects that includes a listing of large-scale projects each year. Major projects implemented in or planned for 2026 include improving the useful life of 85 miles of streets and funding for 5,000 lead water service line replacements. The City has a Capital Improvements Committee to provide a continuing analysis and public focus on the City's investment and management of its public facilities and networks.

The City also maintains a Capital Improvement Plan ("CIP"), which outlines planned capital improvement projects and programs for five-year periods. Some school purpose improvements are financed by the City for MPS, but are not included in the CIP. Future amounts are for planning purposes and are likely to be reduced. The table below sets forth the CIP for 2026-2031.

2026-2031 Capital Improvement Plan (Thousands of Dollars)

	2026	2027	2028	2029	2030	2031	Total
Special Capital	35,415	35,415	35,415	35,415	35,415	35,415	212,490
Transportation	168,965	176,520	160,579	204,107	205,630	220,074	1,135,874
Redevelopment and Blight Elimination	8,525	7,550	9,650	5,850	7,450	7,450	46,475
Public Safety	18,370	11,000	12,500	10,500	11,800	11,800	75,970
Miscellaneous	14,034	10,300	4,770	4,870	4,450	3,700	42,124
Total General City	295,309	290,785	272,914	310,742	314,745	328,439	1,812,933
Levy supported GO Borrowing	120,099	116,000	100,000	100,000	100,000	100,000	636,099
Grants	58,600	52,990	50,619	93,147	96,800	110,844	462,999
Cash Levy	905	2,585	2,585	2,585	2,585	2,585	13,830
Special Assessment	3,165	2,270	2,470	2,270	2,620	2,270	15,065
Cash Revenues	87,540	91,940	92,240	87,740	87,740	87,740	534,940
Total Revenues for General City	295,309	290,785	272,914	310,742	314,745	328,439	1,812,933
Tax Incremental Districts							
GO Debt repaid by TID	25,000	25,000	25,000	25,000	25,000	25,000	150,000
Increment							
Developer Financed	25,000	25,000	25,000	25,000	25,000	25,000	150,000
Total for Tax	50,000	50,000	50,000	50,000	50,000	50,000	300,000
Incremental Districts							
Water (funded by revenue bonds)	49,290	40,380	41,280	42,190	39,610	34,880	247,630
Sewer (funded by revenue bonds)	24,658	31,360	26,500	27,500	27,500	27,500	165,018

Investment Practices

The City maintains a pooled cash and investment account that is available for use by all funds, except the Debt Service Fund, the Water Works Proprietary Fund and component entities that maintain separate cash and investments. Cash temporarily idle during the year and under the control of the City Treasurer was invested in demand deposits, certificates of deposit, and repurchase agreements (all of which are permissible under State

Statutes). The average interest earnings rate for City funds on short-term investments was 4.40% in 2025. The City uses the State of Wisconsin Local Government Investment Pool to provide flexibility for short-term investments while maintaining high standards of safety and liquidity. The investable balance generates interest earnings for the City, which is used to offset the property tax levy. The City’s long-term pooled cash investment program is in accordance with Section 66.0603 of the Wisconsin Statutes, and earned an annualized net investment rate of return in 2025 of 2.35% on about \$3.21 million in investments.

Employees’ Retirement System

The Employees’ Retirement System (“**ERS**”) of the City manages the City’s retirement funds. The ERS was created by an act of the State Legislature in 1937 to provide retirement-related benefits for members and their beneficiaries.

The Annuity and Pension Board (“**Board**”) governs the ERS, and serves as trustee of the City’s retirement funds. The ERS’ executive director is responsible for daily operations and also serves as secretary for the Board. The Board consists of three representatives appointed by the President of the Common Council, three representatives elected by the active members of the ERS, one member elected by retired members of the ERS, and the City Comptroller, who serves as an *ex officio* voting member.

Membership in the ERS is comprised of active, inactive and benefit recipients (mainly retired employees) of the City. The main benefit of the plan, which is a defined benefit plan, is a retirement allowance for eligible employees. On January 1, 2026, the measurement date, the membership of the plan was as follows:

Plan members currently receiving benefits	13,953
Inactive plan members entitled to, but not yet receiving benefits	5,945
Current employees:	
Vested	6,762
Non-Vested	<u>1,534</u>
Total	28,194

2023 Act 12 included, as a prerequisite to implementation of the City sales and use tax, a requirement that the City close ERS enrollment to employees hired after December 31, 2023, who must now be enrolled in the Wisconsin Retirement System (“**WRS**”). In September 2023, the City passed a charter amendment closing the ERS to new hires after December 31, 2023 in favor of enrollment in the WRS.

2023 Act 12 also mandated certain funding policy requirements for the ERS, including limiting the actuarial discount rate to no more than that of the WRS for its active employees, which is currently 6.8%. In June 2026, ERS’ actuary presented the January 1, 2026 actuarial valuation to the Board. The valuation was based on the actuarial assumptions and methods adopted by the Board, taking into account the requirements of 2023 Act 12, investment results, actual experience of the ERS, and actuarial assumptions consistent with accepted actuarial principles.

The actuarial valuation showed the actuarial value of assets was \$6.3 billion as of January 1, 2026. The actuarial liability was \$8.2 billion, the unfunded actuarial liability was \$1.9 billion, and the present value of future normal costs was \$916 million. The ERS’s funded ratio, which is the ratio of actuarial assets to actuarial liability, increased from 76.0% in 2025 to 76.5% in 2026.

Required Contributions and Net Pension Liability
(\$ amounts in thousands)

Year Ended <u>Dec. 31</u>	Required <u>Contribution</u>	Percentage of Required Contribution <u>Contributed</u>	Net Pension <u>Liability</u>
2025	\$182,650	100.0%	\$1,737,279
2024*	190,015	100.0	1,653,364
2023**	130,274	100.0	1,350,597
2022	75,721	101.9	380,776
2021	76,660	97.1	927,864

* Assumptions and methods were updated based on the requirements of 2023 Act 12.

** CMERS restated figure for 2023, see footnote 15 in City's 2024 Annual Comprehensive Financial Report.

Source: City's 2025 and prior years' Annual Comprehensive Financial Reports.

Schedule of Funding Progress

Valuation As of Jan 1	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2026	\$ 6,302,321	\$8,236,636	\$1,934,315	76.5%	\$590,642	327.5%
2025	6,112,957	8,042,693	1,929,736	76.0	604,908	319.0
2024	6,008,486	7,829,371	1,820,885	76.7	603,306	301.8
2023*	5,847,404	7,631,007	1,783,603	76.6	599,284	297.6
2023	5,847,404	7,067,109	1,219,705	82.7	599,284	203.5
2022	5,734,986	6,875,927	1,140,941	83.4	579,351	196.9

* Assumptions and methods were updated based on the requirements of 2023 Act 12. This increased the actuarial accrued liability by \$563.9 million.

Source: Summary of Principal Results of the Actuarial Valuation Report as of January 1, 2026.

The required employer contribution is determined actuarially, based on the annual cost of accrual of benefits and amortization of the unfunded actuarial liability offset by employee contributions. The recommended employer contribution for 2025 was \$242.8 million for all ERS employers (including the City and other participating employers) and was due to ERS by January 31, 2026. This contribution represents 41.1% of employees' pensionable compensation.

The Board is responsible for the investment of the ERS assets. The responsibilities of the Board relating to the investment management of the ERS's assets include: establishing reasonable investment objectives and policy guidelines; using reasonable care, skill and caution in selecting investment professionals; and evaluating performance results of investment managers and other investment professionals on a systematic and regularly scheduled basis. Net of fees, return on the ERS for 2025 was 12.88%, which outperformed the investment policy for the long-term expected return assumption for 2025.

The January 1, 2026 actuarial valuation report for determining actuarially determined employer contributions for plan year 2027 can be found at:

<https://www.cmers.com/CMERS/Reports/Actuary/2026-CMERS-Valuation-Document---Final-20260608.pdf>

Other Post-Employment Benefits

The City provides other post-employment benefits (“**OPEB**”) to its retirees for health and life insurance. A single-employer, defined-benefit healthcare plan and a life insurance plan are sponsored by the City and administered by ERS. The City provides medical insurance benefits for substantially all retirees. Retiree coverage begins at age 55 with at least 15 years of service for General City employees, at any age with at least 25 years of service for Police employees, and at age 49 with at least 22 years of service for Fire employees. In addition, the City allows employees to continue life insurance coverage under the Group Life Insurance Plan offered to active employees.

The required contribution for medical and life insurance for retirees is based upon pay-as-you-go financing. Medical benefits provided through the basic health care plan are self-insured. For 2025, the City paid approximately \$35.8 million and \$3.5 million, respectively, towards medical and life insurance for retirees.

The actuarial cost of health benefits and life insurance for retirees exceeds the average amount paid by retirees, therefore, the additional cost is paid by the City and is the basis for the OPEB obligation. The City funds OPEB on a pay-as-you-go basis and has not established an irrevocable trust to pre-fund the obligation. The total OPEB liability was \$959.9 million as of December 31, 2025, all of which was unfunded.

Annual Cost and Net OPEB Liability (*\$ amounts in thousands*)

Year Ended Dec. 31	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2025	\$ (150,652)	(26.1)%	\$ 959,937
2024	796	4,921.7	1,107,151
2023	9,442	407.4	1,114,845
2022	54,960	71.6	1,228,831
2021	134,199	30.8	1,680,554

Source: City's 2025 and prior years' Annual Comprehensive Financial Reports.

Schedule of Funding Progress, Total OPEB Liability (*\$ amounts in thousands*)

Valuation As of 12/31	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2025	\$0	\$ 959,937	\$ 959,937	0.0%	\$ 326,642	294%
2024	0	1,107,151	1,107,151	0.0	322,220	344
2023	0	1,114,845	1,114,845	0.0	311,463	358
2022	0	1,228,831	1,228,831	0.0	358,672	343
2021	0	1,680,554	1,680,554	0.0	346,833	485

Source: City's 2025 and prior years' Annual Comprehensive Financial Reports.

The pension and OPEB tables above present different measures. Required contribution and annual cost amounts reflect current-period actuarial or accounting measures, while the net pension liability and net OPEB obligation are year-end accounting liabilities; the funding-progress schedules present actuarial values as of the stated valuation dates. These amounts should not be interpreted as cash contributions, debt-service requirements or immediate payment obligations of the City.

Budget

The City's budget must be adopted by the 14th of November of each year. In preparation thereof, each department and agency prepares its own detailed estimate of needs for the ensuing fiscal year that is filed with the Mayor in each May, at which time the Comptroller submits a statement of anticipated non-property-tax revenues in accordance with City Charter provisions. Under the City Charter, changes to these non-property tax revenue estimates can be made only by the Comptroller. The Mayor holds hearings on departmental spending requests during July and August at the times and places the Mayor or Common Council by ordinance directs. The Mayor submits a proposed budget to the Common Council on or before September 28th of each year. This budget includes the Comptroller's anticipated non-property tax revenues. Subsequent to receipt of the budget by the Common Council, its Committee on Finance and Personnel reviews the Mayor's proposed expenditure budget. The Mayor and Common Council hold a public hearing on the entire budget no later than the 30th day of October. The Common Council subsequently adopts a property tax levy, but cannot change the Comptroller's anticipated revenues budget.

The City's 2026 Budget was adopted by the Common Council on November 7, 2025 and finalized on November 25, 2025. The adopted 2026 Budget is available at <https://city.milwaukee.gov/doa/budget/Milwaukee-Budgets>. As of the date of this Appendix A, the 2027 Budget had not been adopted. Preliminary planning materials or, when available, the proposed 2027 Budget are expected to be available through this link by late September 2026.

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Budgetary Comparison Schedule – General Fund
For the Years Ending December 31, 2021 Through 2025
(NON-GAAP BUDGETARY BASIS)

(Thousands of Dollars)

The following schedule is presented on a non-GAAP budgetary basis and therefore is not directly comparable to the governmental-activities or GAAP-basis General Fund amounts shown above

<u>Revenues:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Property Taxes	\$ 216,995	\$ 219,354	\$ 211,692	\$ 172,140	\$ 216,502
Sales Taxes	-	-	-	200,621	209,194
Other Taxes	4,286	3,183	4,273	2,995	4,415
Licenses and Permits	17,197	19,801	19,596	20,206	18,280
Intergovernmental	275,702	273,305	273,846	295,592	305,434
Charges for Services	131,251	148,879	145,712	144,987	156,044
Fines and Forfeitures	2,578	3,162	2,429	1,944	2,108
Other	<u>14,648</u>	<u>15,168</u>	<u>29,807</u>	<u>22,042</u>	<u>29,145</u>
Total General Fund Revenues	\$ 662,657	\$ 682,852	\$ 687,355	\$ 860,527	\$ 941,122
Tax Stabilization Fund Withdrawals	6,500	4,000	-	-	-
Other Financing Sources and Equity					
Transfers (Net)	<u>37,880</u>	<u>28,994</u>	<u>45,851</u>	<u>22,633</u>	<u>63,597</u>
Total General Fund Revenues Tax					
Stabilization Fund Withdrawals and Other					
Financing Sources	<u>\$ 707,037</u>	<u>\$ 715,846</u>	<u>\$ 733,206</u>	<u>\$ 883,160</u>	<u>\$1,004,719</u>
<u>Expenditures:</u>					
General Government	\$ 257,271	\$ 279,635	\$ 269,621	\$ 311,458	\$ 420,160
Public Safety	312,277	284,772	264,107	312,262	400,908
Public Works	107,321	95,861	111,931	119,846	132,408
Health	12,623	7,335	13,308	13,437	14,676
Culture and Recreation	18,359	18,961	19,666	13,724	25,005
Conservation and Development	4,673	4,185	4,780	3,408	6,640
Capital Outlay			<u>14,884</u>	<u>3,976</u>	<u>6,239</u>
Total Expenditures	\$ 712,524	\$ 690,749	\$ 698,297	\$ 778,111	\$1,006,036
Sources Over (Under) Expenditures	(5,487)	25,097	34,909	105,049	(1,317)
Fund Balance - January 1 (excludes reserved for use during the year)	181,892	176,405	201,502	236,411	341,460
Fund Balance - December 31	<u>\$ 176,405</u>	<u>\$ 201,502</u>	<u>\$ 236,411</u>	<u>\$ 341,460</u>	<u>\$ 340,143</u>
<u>Fund Balance Components:</u>					
Nonspendable	\$ 23,377	\$ 31,509	\$ 27,342	\$ 68,277	\$ 68,210
Restricted	-	-	-	-	-
Committed	122,337	123,261	123,247	122,952	124,666
Assigned	21,610	26,588	26,123	83,601	67,715
Unassigned	<u>9,081</u>	<u>20,144</u>	<u>59,699</u>	<u>66,630</u>	<u>79,552</u>
<u>Total Fund Balance</u>	<u>\$ 176,405</u>	<u>\$ 201,502</u>	<u>\$ 236,411</u>	<u>\$ 341,460</u>	<u>\$ 340,143</u>
Tax Stabilization Fund (free fund balance)					
Reserved for Next Year's Budget	\$ 4,000	-	-	\$ 32,300	\$ 32,300
Reserved for Subsequent Years' Budget	\$ 14,696	\$ 29,385	\$64,600	\$ 109,808	\$ 124,982

OTHER

Litigation

In addition to routine litigation incidental to performance of the City's governmental functions and litigation arising in the ordinary course relating to contract and tort claims and alleged violations of law, certain special litigation matters are currently being litigated and/or appealed. These proceedings involve: (i) environmental-related actions and proceedings in which it has been or may be alleged that the City is liable for damages, including but not limited to property damage and bodily injury, or that the City should pay fines or penalties or the costs of response or remediation, because of the alleged generation, transport, or disposal of toxic or otherwise hazardous substances by the City, or the alleged disposal of such substances on or to City-owned property; (ii) contract disputes and other commercial litigation; (iii) union arbitrations and other employment-related litigation; (iv) potential and certified class action suits; (v) civil rights litigation; and (vi) property tax challenges. The ultimate outcome and fiscal impact, if any, on the General Fund are not currently predictable. The City reported \$128 million of claims and judgments as of December 31, 2025, an increase from \$81 million as of December 31, 2024, including \$59.6 million in general liability claims, \$10.3 million in workers' compensation claims, \$57.2 million in environmental impairment/pollution remediation obligations, and \$0.5 million in unemployment benefits, as described in footnote (1) to the long-term liabilities table. The largest single new item is the recognition of \$34.5 million in environmental impairment/pollution remediation obligations related to PCB cleanup of sewers. Any shared responsibility of these costs is not recognized as of the date of this Appendix A.

Cybersecurity

The City has implemented security measures to protect data and limit financial exposure, including securing cyber security insurance to assist with the reduction of potential risk of financial and operational damage resulting from network attacks. The City maintains an Information Technology Management Division ("ITMD") to support actively monitored technology infrastructure to provide confidentiality, integrity and accessibility of the City's data and information systems. ITMD's responsibilities include managing technology projects and ensuring that the systems, applications, networks, end user devices, and communications systems, are continuously available and operating effectively.

The City initiated a Cybersecurity Program in 2019 with the addition of a Security and Compliance Analyst position, and introduced information security policies and standards along with security awareness training in accordance with City goals, business objectives, risk tolerances, and regulatory compliance requirements. The program is designed to increase organizational awareness of informational security threats and employee responsibilities. The City also employs a Chief Information Officer (CIO) who works with departments to develop a strategic plan for the development and implementation of information technology.

Risk Management

The City is self-insured for workers' compensation and health and dental insurance. With certain exceptions, it is the policy of the City not to purchase commercial insurance against motor vehicle or general liability risks. Instead, the City has found it is more economical to manage its risk internally, setting aside funds as needed for estimated current claim settlements and judgments through annual and supplemental appropriations as needed. The City does purchase and maintain bonds for certain elected officials and officers, an Error and Omissions policy for Milwaukee Health Department employees performing work for outside entities, a Crime insurance policy, and a substantial Fiduciary Liability insurance program for the Deferred Compensation program. The City has property insurance coverage in the amount of \$1 billion with Travelers. The City also maintains an Environmental Owner Controlled Insurance Program policy, a Wharfinger policy including Protection and Indemnity coverage, and a Cyber policy.

Under Wisconsin law, the City's tort liability is limited to \$50,000 in non-automobile cases and \$250,000 in automobile cases. The City follows a policy of requiring contractors, vendors, licenses, and permit holders to indemnify the City and provide proof of insurance, including naming the City as an additional insured as the City deems appropriate.

City Environmental Considerations

The City strives to make Milwaukee a world class eco-city. Through its Environmental Collaboration Office ("ECO"), the City develops practical solutions to protect and restore the City's natural ecosystems while improving people's lives and long-term prosperity. ECO collaborates with community groups, supports statewide and national partnerships on sustainability, and implements the Milwaukee Climate and Equity Plan. The City is reducing local greenhouse gas emissions that contribute to global warming, while also helping the City adapt to the climate change that is already happening. Milwaukee is a national leader in green infrastructure and an integrated approach between government, business, and academia to protect the City's water and build Milwaukee's national profile as a "Water-Centric City." Complete information on the City's environmental policies is available at city.milwaukee.gov/eco. In 2026, the City of Milwaukee was certified LEED (Leadership in Energy and Environmental Design) Gold by the US Green Building Council under the LEED for Cities program.

ECO operates several core programs to serve Milwaukee residents, government, and businesses:

- Better Climate Challenge for greenhouse gas reduction in municipal operations, including municipal buildings and fleet.
- Property Assessed Clean Energy ("PACE") financing for commercial buildings.
- The Commercial building energy benchmarking policy.
- Milwaukee Shines solar program and Me² home energy efficiency retrofit programs.
- Water Centric City initiative to showcase Milwaukee's leadership on managing water resources in a sustainable and resilient way, including coordination of green infrastructure.
- MKE EV supports the transition to hybrid and electric vehicles ("EV") in the municipal fleet, as well as the development of a public EV charging network using a federal grant.
- ECO Neighborhoods Initiative to collaborates with community-based organizations for neighborhood-level climate action.
- The "Green Jobs Accelerator" to connect Milwaukee residents with training opportunities and employers to prepare our workforce for green jobs in forestry, energy efficiency, renewable energy and other trades necessary to build clean energy infrastructure.

Since 2023, ECO has applied for and received over \$42 million in federal grants under the Infrastructure Investment and Jobs Act and the Inflation Reduction Act to implement the Climate and Equity Plan. Any grant delays, cancellations or other changes in federal funding could affect project timing, scope or the need for local replacement funding. However, the Executive Orders have impacted some of this funding, with a \$1 million environmental justice grant cancelled, and a \$3.4 million housing grant was announced but ultimately not awarded due to changes in federal policy. Other grants remain under contract, but the federal government has effectively stopped negotiations and about all or a portion of the awarded funds, making future planning difficult. Other projects, like a \$12 million USDA forestry grant is being executed without issue.

The City's PACE financing program has financed 21 energy-efficiency and renewable-energy projects since inception totaling over \$40 million, without using local tax dollars.

As of 2025, the City sources 34% of its electrical power needs from renewable energy. The City is purchasing renewable energy from a large-scale solar project that was completed in Caledonia, Wisconsin in 2025. Energy from that project and a 2021 solar project on the College Avenue landfill is now powering 60 municipal buildings with 100% renewable electricity. An expansion of solar at the College Avenue landfill is expected to be completed in September 2026, bringing the total municipal buildings powered by renewable energy to 80. ECO now has a public dashboard to show progress towards our community and municipal climate goals available at city.milwaukee.gov/RenewableOps.

ECO is also delivering results from the community. In 2025, ECO's housing programs, including Me², supported energy efficiency projects in 176 Milwaukee homes using ARPA funds. ECO also secured a \$2 million HUD Healthy Homes Production grant that will support indoor air-quality or other health-related home improvements to 123 homes in 2025-2027. ECO supported a solar-group program that facilitated the installation of solar energy systems in 20 homes in 2024, with 18 completed in 2025. ECO is implementing the City's commercial building benchmarking policy, which had its first reporting deadline on September 30, 2025. For that program, ECO has a website and support provider and has been conducting training sessions with commercial building managers and owners. ECO is managing the City's \$15 million EV charging grant, with the first 13 sites now planned for construction in 2027 after federal contracting delays. With ECO coordination, City departments have 17 EV charging ports for municipal vehicle use in operation at the end of 2025. The ECO Neighborhood Initiative is supporting eco-education in four target neighborhoods, distributing Healthy Homes guides, supporting energy efficiency projects in houses of worship, and efforts to reduce plastic litter in the community. ECO is also supported the Southeastern Wisconsin Regional Planning Commission in the development of the regional Climate Plan and is a leading member of the Wisconsin Local Government Climate Coalition ("WLGCC"). WLGCC supports coordinated action on climate change, and helped get approval of a more modern energy code for new commercial buildings for the State of Wisconsin in 2025.

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APPENDIX B

EXPECTED FORM OF LEGAL OPINIONS

_____, 2026

City of Milwaukee
200 East Wells Street
Milwaukee, Wisconsin 53202

Subject: \$46,475,000
City of Milwaukee, Wisconsin
General Obligation Promissory Notes, Series 2026 N5

We have acted as co-bond counsel to the City of Milwaukee, Wisconsin (the “**Issuer**”) in connection with the issuance of its \$46,475,000 General Obligation Promissory Notes, Series 2026 N5, dated _____, 2026 (the “**Obligations**”).

We examined the law, a certified copy of the proceedings relating to the issuance of the Obligations, and certifications of public officials and others. As to questions of fact material to our opinion, we relied upon the certified proceedings and certifications without independently undertaking to verify them.

Based upon this examination, it is our opinion that, under existing law:

1. The Obligations are valid and binding general obligations of the Issuer.
2. All taxable property in the Issuer’s territory is subject to *ad valorem* taxation without any limit as to rate or amount to pay the principal and interest coming due on the Obligations. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Obligations except to the extent that the Issuer has deposited other funds, or there is otherwise surplus money, in the account within the debt service fund created for the Obligations under Wisconsin law.
3. Interest on the Obligations is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “**Code**”) and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals under the Code; however, interest on the Obligations is included in determining the “adjusted financial statement income” of certain corporations on which the federal alternative minimum tax is imposed under the Code. The foregoing opinions are subject to the condition that the Issuer complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Obligations in order for interest on the Obligations to be excludable from gross income for federal income tax purposes. The Issuer has covenanted in the Resolution authorizing the issuance of the Obligations and in the Tax Certificate of the Issuer delivered on the date hereof to comply with those requirements to the extent it may lawfully do so. We express no opinion about other federal tax law consequences relating to the Obligations.

The rights of the owners of the Obligations and the enforceability of the Obligations may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors’ rights and by equitable principles (which may be applied in either a legal or an equitable proceeding).

We express no opinion as to the truth or completeness of any official statement or other disclosure document used in connection with the offer and sale of the Obligations.

Our opinion is given as of the date of this letter. We assume no duty to update our opinion to reflect any facts or circumstances that later come to our attention or any subsequent changes in law. In acting as co-bond counsel, we have established an attorney-client relationship only with the Issuer.

Very truly yours,

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

MASTER CONTINUING DISCLOSURE CERTIFICATE

This Master Continuing Disclosure Certificate (the “Certificate”) dated as of February 1, 2019 is executed and delivered in connection with the issuance, from time to time, of municipal securities of the City of Milwaukee, Wisconsin (the “City”) and pursuant to Resolution 181110 duly adopted by the Common Council of the City on December 18, 2018 (the “Resolution”). Capitalized terms used in this Certificate shall have the respective meanings specified above or in Article I hereof. Pursuant to the Resolution, the City agrees as follows:

ARTICLE I - Definitions

Section 1.1. Definitions. The following capitalized terms used in this Certificate shall have the following respective meanings:

(1) “Annual Financial Information” means, collectively, (i) the financial information and operating data as described in an Addendum Describing Annual Report; and (ii) information regarding amendments to this Certificate required pursuant to Sections 4.2(c) and (d) of this Certificate.

The descriptions contained in clause (i) above of financial information and operating data constituting Annual Financial Information are of general categories of financial information and operating data. Where such descriptions include information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a new Addendum Describing Annual Report shall be executed describing the information to be provided.

(2) “Audited Financial Statements” means the annual financial statements, if any, of the City, audited by such auditor as shall then be required or permitted by State law or the Resolution. Audited Financial Statements shall be prepared in accordance with GAAP for governmental units as prescribed by GASB; provided, however, that the City may from time to time, if required by federal or State legal requirements, modify the basis upon which its financial statements are prepared. Notice of any such modification, other than modifications prescribed by GASB, shall be provided to the Repository, and shall include a reference to the specific federal or State law or regulation describing such accounting basis.

(3) “Counsel” means a nationally recognized bond counsel or counsel expert in federal securities laws, acceptable to the City.

(4) “Event” means such events as described in Addendum Describing Enumerated Events.

(5) “Event Notice” means notice of an Enumerated Event.

(6) “GAAP” means generally accepted accounting principles for governmental units as prescribed by GASB.

(7) “GASB” means the Governmental Accounting Standards Board.

(8) “MSRB” means the Municipal Securities Rulemaking Board established pursuant to the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

(9) “Offered Obligations” means an issue of municipal securities of the City in connection with which the City has executed and delivered a Supplemental Certificate.

(10) “Official Statement” means the “final official statement” as defined in paragraph (f)(3) of the Rule.

(11) “Repository” means the SID and repository(ies), as designated from time to time by the SEC to receive continuing disclosure filings. The SID, repository(ies), and filing information are set forth in the Addendum Describing Repository and SID as may be revised from time to time.

(12) “Rule” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as in effect on the date of this Certificate, including any amendments and official interpretations thereof issued either before or after the effective date of this Certificate which are applicable to this Certificate.

(13) “SEC” means the United States Securities and Exchange Commission.

(14) “Security Holders” means the holders from time to time of Offered Obligations.

(15) “SID” means, at any time, a then-existing state information depository, if any, as operated or designated as such by or on behalf of the State for the purposes referred to in the Rule. As of the date of this Certificate, there is no SID.

(16) “State” means the State of Wisconsin.

(17) “Unaudited Financial Statements” means the same as Audited Financial Statements, except the same shall not have been audited.

(18) “Underwriters” means the underwriter(s) purchasing an issue of Offered Obligations.

ARTICLE II - The Undertaking

Section 2.1. Purpose. This Certificate shall apply to Offered Obligations, and shall constitute a written undertaking for the benefit of the Security Holders, and is being executed and delivered solely to assist the Underwriters in complying with paragraph (b)(5) of the Rule.

Section 2.2. Annual Financial Information. (a) The City shall provide Annual Financial Information for the City with respect to each fiscal year of the City, by no later than nine months after the end of the respective fiscal year, to the Repository.

(b) The City shall provide, in a timely manner, not in excess of ten (10) business days after the occurrence of the event, notice of any failure of the City to provide the Annual Financial Information by the date specified in subsection (a) above to the Repository.

Section 2.3. Audited Financial Statements. If not provided as part of Annual Financial Information by the dates required by Section 2.2(a) hereof, the City shall provide Unaudited Financial Statements by the dates required, and will also provide Audited Financial Statements, when and if available, to the Repository.

Section 2.4. Notices of Enumerated Events. (a) If an Enumerated Event occurs, the City shall provide, in a timely manner (as may be further defined in the Addendum Describing Enumerated Events), an Enumerated Event Notice to the Repository.

(b) Upon any legal defeasance of an Offered Obligation, the City shall provide notice of such defeasance to the Repository, which notice shall state whether the Offered Obligations to be defeased have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 2.5. Additional Disclosure Obligations. The City acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and SEC Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the City, and that under some circumstances compliance with this Certificate, without additional disclosures or other action, may not fully discharge all duties and obligations of the City under such laws.

Section 2.6. Additional Information. Nothing in this Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or including any other information in any Annual Financial Information or Enumerated Event

Notice, in addition to that which is required by this Certificate. If the City chooses to include any information in any Annual Financial Information or Enumerated Event Notice in addition to that which is specifically required by this Certificate, the City shall have no obligation under this Certificate to update such information or include it in any future Annual Financial Information or Enumerated Event Notice.

ARTICLE III - Operating Rules

Section 3.1. Reference to Other Documents. It shall be sufficient for purposes of Section 2.2 hereof if the City provides Annual Financial Information by specific reference to documents (i) either (1) provided to the Repository existing at the time of such reference, or (2) filed with the SEC, or (ii) if such a document is an Official Statement, available from the MSRB.

Section 3.2. Submission of Information. Annual Financial Information may be provided in one document or multiple documents, and at one time or in part from time to time.

Section 3.3. Enumerated Event Notices. Each Enumerated Event Notice shall be so captioned and shall prominently state the title, date and CUSIP numbers of the Offered Obligations.

Section 3.4. Transmission of Information and Notices. Transmission of information and notices shall be as prescribed by the SEC and the Repository. The transmission requirements are described in the Addendum Describing Repository.

ARTICLE IV - Termination, Amendment and Enforcement

Section 4.1. Termination. (a) The City's obligations under this Certificate with respect to an Offered Obligation shall terminate upon legal defeasance, prior redemption or payment in full of the Offered Obligation.

(b) This Certificate or any provision hereof, shall be null and void in the event that the City (1) delivers to the City an opinion of Counsel, addressed to the City, to the effect that those portions of the Rule which require the provisions of this Certificate or any of such provisions, do not or no longer apply to the Offered Obligations, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion, and (2) delivers copies of such opinion to the Repository.

Section 4.2. Amendment. (a) This Certificate may be amended, by written certificate of the Comptroller, without the consent of the Security Holders if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the City or the type of business conducted thereby; (2) this Certificate as so amended would have complied with the requirements of the Rule as of the date of this Certificate, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; (3) the City shall have received an opinion of Counsel addressed to the City, to the same effect as set forth in clause (2) above and further to the effect that the amendment does not materially impair the interests of the Security Holders; and (4) the City delivers copies of such opinion and amendment to the Repository.

(b) In addition to subsection (a) above, this Certificate may be amended and any provision of this Certificate may be waived, without the consent of the Security Holders, if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date hereof which is applicable to this Certificate; (2) the City shall have received an opinion of Counsel to the effect that performance by the City under this Certificate as so amended or giving effect to such waiver, as the case may be, will not result in a violation of the Rule; and (3) the City shall have delivered copies of such opinion and amendment to the Repository.

(c) To the extent any amendment to this Certificate results in a change in the types of financial information or operating data provided pursuant to this Certificate, the first Annual Financial Information provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change.

(d) If an amendment is made to the accounting principles to be followed in preparing financial statements, other than changes prescribed by GASB, the Annual Financial Information for the year in which the change

is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. Notice of any such amendment shall be provided by the City to the Repository.

Section 4.3. Benefit; Third-Party Beneficiaries; Enforcement. (a) The provisions of this Certificate shall constitute a contract with and inure solely to the benefit of the Security Holders. Beneficial owners of Offered Obligations shall be third-party beneficiaries of this Certificate.

(b) Except as provided in this subparagraph (b), the provisions of this Certificate shall create no rights in any person or entity. The obligations of the City to comply with the provisions of this Certificate shall be enforceable by the Security Holders, including beneficial owners of Offered Obligations. The Security Holders' rights to enforce the provisions of this Certificate shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the City's obligations under this Certificate and the Resolution. In consideration of the third-party beneficiary status of beneficial owners of Offered Obligations pursuant to subsection (a) of this Section, beneficial owners shall be deemed to be Security Holders for purposes of this subsection (b).

(c) Any failure by the City to perform in accordance with this Certificate shall not constitute a default under the Resolution and any rights and remedies provided by the Resolution upon the occurrence of a default shall not apply to any such failure.

(d) This Certificate shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Certificate shall be instituted in a court of competent jurisdiction in the State; provided, however, that to the extent this Certificate addresses matters of federal securities laws, including the Rule, this Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

IN WITNESS WHEREOF, I have hereunto executed this Certificate this 1st day of February, 2019.

CITY OF MILWAUKEE, WISCONSIN

By: _____
Comptroller

ADDENDUM DESCRIBING ENUMERATED EVENTS

This Addendum Describing Listed Events (the “Addendum”) is delivered by the City of Milwaukee, Wisconsin (the “City”) pursuant to the Master Continuing Disclosure Certificate (the “Certificate”), executed and delivered by the Issuer and dated February 1, 2019. This Addendum describes specific events required to be reported by Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (the “Rule”). Capitalized terms that are not defined in this Addendum have the meanings set forth in the Certificate. “Obligor” shall mean the entity specified in the Addendum Describing Annual Report.

Enumerated Event: Any of the following events with respect to the Offered Obligations, whether relating to the City or otherwise:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) 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-exempt status of the Offered Obligations, or other events affecting the tax-exempt status of the Offered Obligations;
- (vii) modifications to rights of Security Holders, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Offered Obligations, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Obligor. Note: The event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Obligor 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 Obligor, 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 or reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligor.
- (xiii) the consummation of a merger, consolidation, or acquisition involving the Obligor or the sale of substantially all of the assets of the Obligor, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) 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
- (xvi) 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.

As used in clauses (xv) and (xvi), the term 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.

For purposes of reporting the above enumerated events, “timely manner” shall mean not in excess of ten (10) business days after the occurrence of the event.

IN WITNESS WHEREOF, this Addendum is executed this 1st day of February, 2019.

CITY OF MILWAUKEE, WISCONSIN

By: _____
Comptroller

ADDENDUM DESCRIBING REPOSITORY AND SID

This Addendum Describing Repository (the “Addendum”) is delivered by the City of Milwaukee, Wisconsin (the “Issuer”) pursuant to the Master Continuing Disclosure Certificate, executed and delivered by the Issuer and dated February 1, 2019. This Addendum describes the filing information as specified by the Securities and Exchange Commission.

Repositories

In December, 2008, the Securities and Exchange Commission modified Exchange Act Rule 15c2-12 to require that Continuing Disclosure shall be made. Pursuant to that modification, continuing disclosure filings will be provided to the Municipal Securities Rulemaking Board for disclosure on the EMMA system.

Information submitted to the MSRB for disclosure on the EMMA shall be in an electronic format as prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

SID (State Information Depository)

None.

IN WITNESS WHEREOF, this Addendum is executed this 1st day of February, 2019.

CITY OF MILWAUKEE, WISCONSIN

By: _____
Comptroller

**ADDENDUM DESCRIBING ANNUAL REPORT
FOR GENERAL OBLIGATION DEBT**

This Addendum Describing Annual Report for General Obligation Debt (the “Addendum”) is delivered by the City of Milwaukee, Wisconsin (the “City”) pursuant to the Master Continuing Disclosure Certificate (the “Certificate”), executed and delivered by the Issuer and dated February 1, 2019. This Addendum describes the content of Annual Financial Information prepared with respect to general obligation debt of the Issuer. Capitalized terms that are not defined in this Addendum have the meanings set forth in the Certificate.

Obligor: The City of Milwaukee, Wisconsin

Information and operating data included in the Annual Financial Information for Issuer:

1. Audited Financial Statements, if available, or Unaudited Financial Statements of the Issuer.
2. Operating data for the reporting year of the type included in the City’s Comprehensive Annual Financial Report (“CAFR”) for the year ending December 31, 2017, Required Supplementary Information Exhibit E-1, and Statistical Section Tables 5, 6, 7, and 8. If the CAFR does not contain the information, then the City agrees to provide such operating data, to the extent such information is prepared by the City. No separate filing is required if the operating data is included in the document filed pursuant to paragraph 1.

IN WITNESS WHEREOF, this Addendum is executed this 1st day of February, 2019.

CITY OF MILWAUKEE, WISCONSIN

By: _____
Comptroller

SUPPLEMENTAL CERTIFICATE

This Supplemental Certificate is executed and delivered by the City of Milwaukee, Wisconsin (the "Issuer") to supplement the Master Continuing Disclosure Certificate (the "Certificate"), executed and delivered by the Issuer and dated February 1, 2019. Pursuant to the provisions of the Certificate, the Issuer hereby determines that the Certificate and the Addendum Describing Annual Report, as described below, shall apply to the following issue of obligations:

Name of Obligations:

\$46,475,000 General Obligation Promissory Notes, Series 2026 N5

Addendum Describing Annual Report:

ADDENDUM DESCRIBING ANNUAL REPORT
FOR GENERAL OBLIGATION DEBT

Date of Issue:

_____, 2026

No Previous Non-Compliance. The Issuer represents that for the period beginning 5 years prior to the date hereof, it has not failed to comply in any material respect with any previous undertaking in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule.

IN WITNESS WHEREOF, this Supplemental Certificate is executed this ____ day of ____, 2026.

CITY OF MILWAUKEE, WISCONSIN

By: _____
Comptroller

APPENDIX D

BOOK-ENTRY-ONLY SYSTEM

The information in this section concerning The Depository Trust Company (“DTC”) and DTC’s book-entry-only system has been obtained from DTC, and the City and the Underwriter take no responsibility for the accuracy thereof.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Obligations. The Obligations 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 maturity of the Obligations, each in the aggregate principal amount of such maturity, 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. DTC holds and provides asset servicing for over 3.5 million issues of U. S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a S&P Global rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Obligations on DTC’s records. The ownership interest of each actual purchaser of each Obligation (“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 Obligations 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 Obligations, except in the event that use of the book-entry system for the Obligations is discontinued.

To facilitate subsequent transfers, all Obligations 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 Obligations 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 Obligations; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Obligations 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 Obligations may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Obligations, such as redemptions, tenders, defaults, and proposed amendments to documents. For example, Beneficial Owners of Obligations may wish to ascertain that the nominee holding the Obligations 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 Obligations within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Obligations 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 Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Obligations will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect 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 Participants and not of DTC or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City, 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 Obligations at any time by giving reasonable notice to the City. 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-only 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 sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

NEITHER THE CITY NOR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT; (2) THE PAYMENT BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE OBLIGATIONS; (3) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO HOLDERS OF THE OBLIGATIONS; OR (4) ANY CONSENT GIVEN BY DTC OR OTHER ACTION TAKEN BY DTC AS THE HOLDER OF THE OBLIGATIONS.

APPENDIX E

ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY OF MILWAUKEE, WISCONSIN FOR THE YEAR ENDED DECEMBER 31, 2025

The independent auditor has not been engaged to perform, and has not performed since the date of its report (which is included herein), any procedures on the financial statements addressed in the report nor on this Official Statement, nor has the independent auditor been asked to give consent to the inclusion of its report in this **APPENDIX E**.

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Annual Comprehensive Financial Report

City of Milwaukee, Wisconsin

for the Year Ended December 31, 2025

Office of the Comptroller

**Bill Christianson
Comptroller**

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CITY OF MILWAUKEE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
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INTRODUCTORY SECTION

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Bill Christianson, CPFO
Comptroller

Charles Roedel, CPA, CIA
Deputy Comptroller

Toni Biscobing
Special Deputy Comptroller

Richard Bare, CPA
Special Deputy Comptroller

July 28, 2026

Honorable Cavalier Johnson, Mayor
Members of the Common Council
and the Citizens of the City of Milwaukee

Dear Mayor, Council Members, and Citizens:

I am pleased to present the Annual Comprehensive Financial Report of the City of Milwaukee (the "City") for the fiscal year ended December 31, 2025. This report is prepared to satisfy the City Charter requirement for the Office of the Comptroller to prepare an annual statement of revenues and expenditures and the Common Council's request for an independent examination of financial activity of the City of Milwaukee. The report was prepared by the Office of the Comptroller in conformity with accounting principles generally accepted in the United States of America ("GAAP") as set forth by the Governmental Accounting Standards Board ("GASB") and other authoritative accounting standard setting bodies. This report presents the financial position of the City of Milwaukee and its component units separately. The Annual Comprehensive Financial Report reflects the actual financial activity of the past year rather than proposed activity for a future year, as presented in the City's annual budget.

This Annual Comprehensive Financial Report consists of management's representation concerning the finances of the City of Milwaukee. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Milwaukee and the component units are responsible for establishing and maintaining an internal control structure designed to ensure that the assets entrusted are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits require estimates and judgments by management. As management, we assert that, to the best of our knowledge and belief, this Annual Comprehensive Financial Report is complete and reliable in all material respects.

An independent firm of licensed certified public accountants, Baker Tilly US, LLP, has audited the City of Milwaukee's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Milwaukee for the fiscal year ended December 31, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Milwaukee's financial statements for the fiscal year ended December 31, 2025, are fairly presented in conformity with GAAP.

The GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* requires that management provide a narrative introduction, overview, and analysis to accompany the Basic Financial Statements in the form of a Management's Discussion & Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A immediately follows the report of the independent auditors.

The Annual Comprehensive Financial Report is presented in three sections. The **Introductory Section** includes a list of principal officials, an organizational chart, and this letter of transmittal, which highlights significant aspects of the City and particular financial issues. The **Financial Section** includes the independent auditors' report, the MD&A, the basic financial statements (government-wide statements and fund statements), notes to the financial statements, required supplementary information, combining financial statements and other financial schedules. The **Statistical Section** includes exhibits and tables of unaudited data depicting the financial history of the City, as well as demographic and other miscellaneous statistics, generally presented on a multi-year basis.

THE REPORTING ENTITY AND ITS SERVICES

The City of Milwaukee was incorporated as a city on January 31, 1846, pursuant to the laws of the territory of Wisconsin. The City, in operation under a Home Rule Charter since 1874, provides for a council-mayor form of government. The Mayor, Comptroller, Treasurer, City Attorney, and 15 Common Council members are elected officials of the City. Local elections are nonpartisan. Officials are elected to identical four-year terms. The most recent City of Milwaukee general election for these positions was held in April 2024. The Mayor is the Chief Executive Officer and maintains a cabinet form of government controlling major City departments by appointing department heads subject to confirmation by the Common Council. The Mayor is responsible for the preparation of an annual City expenditure budget, subject to review and adoption by the Common Council. The Common Council is responsible for the management and control of the finances and property of the City and has the full power and authority to establish, enforce, and modify all regulations for the government. The Comptroller, as the Chief Financial Officer for the City, is responsible for establishing City accounting policies and procedures, revenue estimating and monitoring, examination and investigation of all matters related to the finances of the City, issuance of debt, and financial reporting. The City Treasurer is responsible for the receipt, disbursement, and investment of all monies accruing to the City, including the collection of property taxes. The City Attorney is responsible for all legal matters of the corporation, including furnishing legal opinions, drafting all legal documents and defending the City in any legal actions.

The City of Milwaukee provides a full range of municipal services, including police and fire protection, sanitation, health, culture and recreation, public works, conservation and development and administrative support services. Also included in this report are the proprietary operations of the Metropolitan Sewerage District User Charge, Port, Sewer Maintenance, Transportation, and Water Works. These activities are under the direct oversight responsibility of the Mayor and Common Council and constitute the primary governmental functions of the City of Milwaukee. In addition, entities for which the City has financial accountability or for which the nature and significance of their relationship with the City would cause these financial statements to be misleading or incomplete, known as component units, are a part of the reporting entity. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and results of operations from those of the primary government. The following organizations are reported as discretely presented component units for fiscal year 2025: Redevelopment Authority of the City of Milwaukee and the Neighborhood Improvement Development Corporation.

The City maintains budgetary controls, the objective of which is to ensure compliance with legal provisions of the annual budget adopted by the Common Council of the City of Milwaukee. Activities of the general, certain special revenue and proprietary fund types (exclusive of the component units) are included in the City's annual budget. Annually, the Mayor submits his proposed Executive Budget to the Common Council. The City Charter requires this submittal on or before September 28th. The Common Council must complete its review and adopt the budget on or before November 14th. The component units' respective Boards approve their separate budgets. Once adopted, a department's total appropriation cannot be amended without Common Council approval. Budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the object class level (i.e., salaries, operating expenditures, equipment) for each department. The budgetary control for capital and certain special revenue funds is set over the life of the project rather than the current fiscal year. The General Obligation Debt Service Fund uses a non-appropriated budget. The City of Milwaukee maintains an encumbrance accounting system as an additional method of accomplishing budgetary control. Budget-to-actual comparisons for the general fund, are provided in the Required Supplemental Information section of this report.

LOCAL ECONOMY

Geographically, Milwaukee consists of 96.9 square miles and is situated in the southeast corner of the state with Lake Michigan at its east boundary. It is located approximately 75 miles east of the state capital, Madison, WI. It is the 31st largest city in the United States with a 2025 Wisconsin Department of Administration estimated population of 579,703. Milwaukee is the largest city, by population, and the only city of the First Class within the State of Wisconsin. Milwaukee is the main cultural and economic center of the Milwaukee-Waukesha, Wisconsin Metropolitan Statistical Area, which is comprised of Milwaukee, Ozaukee, Washington, and Waukesha Counties, Wisconsin and has a combined population of 1.6 million.

The City's economic structure reveals a diversified economy with strong service and manufacturing sectors. The area is not dominated by any large employers. Less than two percent of employers in the manufacturing sector have employment levels greater than 500 employees. Less than one percent of the employers in finance and insurance, health care, or professional services have more than 500 employees.

Milwaukee is the economic hub of the southeast region and entire State of Wisconsin. It is a premier center for advanced manufacturing, fresh water research and development, clean and green technology, health care, biomedical technology and financial services. These core industries spur innovation, business formation and growth, a strong and growing entrepreneurial climate, and provide a boost to Milwaukee's national and global competitiveness. Milwaukee's transportation system is a gateway for tourism, conventions, commerce, business growth and economic development.

Once known almost exclusively as a manufacturing and brewing powerhouse, Milwaukee's economy has changed with the national shift to a service-based economy. Many new lofts and apartments have been completed or are under construction in neighborhoods on and near the lakefront and riverbanks. In the past few decades, the Milwaukee Riverwalk has been continually expanded in downtown Milwaukee and now reaches into adjacent neighborhoods. Other major new additions to the City include the "Baird Center" convention center, American Family Field (home of the MLB's Milwaukee Brewers), the Fiserv Forum (home of the NBA's Milwaukee Bucks), the Calatrava (an internationally renowned addition to the Milwaukee Art Museum), Pier Wisconsin science museum & aquarium, the Bradley Symphony Center, Associated Bank Theater Center renovation, and Landmark Credit Union Live concert venue.

Milwaukee plays an important role in international and domestic trade. Of vital importance to the local, state and regional economies, Port Milwaukee is an international seaport providing transportation and distribution services to commercial businesses in the area. With access to the Gulf of Mexico through the Inland River System and the eastern seaboard via the Great Lakes St. Lawrence Seaway, Port Milwaukee serves as a transportation and logistics hub, supporting commerce throughout the surrounding region. Port Milwaukee processed 2.32 million metric tons of cargo in 2025. Principal inbound commodities included cement, machinery, steel, salt, and limestone. Outbound commodities included bottom ash, cement, bio-diesel, ethanol, butane, wheat, corn and soybeans. Commodities are transported via vessel, truck, and rail. The port is served by the Union Pacific and Canadian Pacific Kansas City railways, along with convenient access to the interstate highway system. Port Milwaukee is home to more than 20 tenants operating various businesses connected to the movement of commercial cargoes. In 2025, the phase 2 expansion of The DeLong Co.'s agricultural maritime export facility was begun, which will increase export capacity of soybeans and soybean meal. Tenants also include government agencies like the U.S. Coast Guard and U.S. Naval Reserve, who serve as partners in harbor security operations. Commercial tenants include terminal operators, stevedores, trucking companies, and liquid bulk companies.

Economic development promotes the growth of employment opportunities for the residents of Milwaukee and supports private investment to grow the City's tax base. Four key development approaches are utilized: 1) direct financial assistance to small businesses that helps owners take advantage of opportunities to increase sales and employment; 2) use of tax incremental financing to provide public infrastructure improvements or other assistance to encourage private investments that will increase the tax base, employment, affordable housing, or availability of commercial services in underserved areas; 3) partnerships with organizations that improve the business environment, either in a particular geographic area or a particular industry segment; and 4) management of projects to redevelop underutilized or vacant properties for eventual sale to private owners.

The City takes an active role in guiding economic development to serve the community in a number of ways: The City manages programs intended to assist in local business retention efforts, provides permit assistance to new businesses, and seeks out appropriate sites for these businesses. As of December 31, 2025 the City managed 52 active Business Improvement Districts, 10 Neighborhood Improvement Districts, 65 Tax Incremental Districts and various development projects promoting urban renewal throughout the City. The City of Milwaukee collaborates with surrounding governmental jurisdictions to promote economic development. The long-term benefit of these efforts is to create economic growth and expand the tax base in the City. Future tax abatement payments related to these programs total \$163 million as depicted in Note 14.

The City of Milwaukee continues to provide new and enhanced transportation options. The Streetcar's new Lakefront Line has a nearly 2-mile route that fully opened to the public in April 2024. The new line connects the existing Streetcar line to Milwaukee's lakefront, which increases accessibility to Henry Maier Festival Park, Milwaukee Art Museum, Discovery World, and Veterans Park. Additionally, the City of Milwaukee has added to its bike infrastructure and now has over 165 miles of bike lanes, including 20 miles of protected bike lanes, buffered bike lanes, and bike boulevards. There were 9.1 miles of protected bikeways added in 2025, with another 9.6 miles planned in 2026.

As part of the City of Milwaukee's commitment to safer streets, 36 traffic calming projects were completed in 2025. This work includes raised crosswalks near schools, concrete curb extensions, bus bulbs, speed humps, and traffic circles made possible with a combination of direct City funding and Tax Incremental District financing alongside state, federal, and American Rescue Plan Act grants. The pace of work is accelerating with plans to construct 60 traffic calming projects in 2026.

Downtown has had a building boom over the last decade. In 2020, BMO Harris Bank completed a new 25-story office tower in the heart of downtown. Northwestern Mutual changed the City's skyline with the construction of a 32-story office tower and commons in 2017 and then completed a 33-story upscale apartment tower in 2018. The office tower and commons, at one million square feet, is the largest office structure in the State of Wisconsin. Northwestern Mutual is currently undertaking a \$500 million renovation to its North Office Building adjacent to the recently constructed office tower. This building is on-track for completion by early 2027 and is expected to bring an estimated 2,000 additional employees downtown by 2030. Other significant corporate relocations into downtown include Regal Rexnord moving their headquarters to downtown Milwaukee in 2023 and Milwaukee Tool's expansion to host 1,210 corporate employees by 2026. Fiserv formally opened their global headquarters in downtown Milwaukee in March 2024. The Fortune 500 Company has called Wisconsin home for over 40 years, and the new state of the art campus reaffirms their commitment to the City of Milwaukee.

The 2021 NBA champion Milwaukee Bucks franchise has driven development with their new arena, the Fiserv Forum, and the Deer District, an entertainment destination adjacent to the arena featuring an outdoor plaza and many food and beverage establishments. The Deer District continued expansion with the construction of The Trade, a new 207 room hotel just steps away from the Fiserv Forum. The Trade opened its doors in May 2023 and the operator is currently proposing an additional 156 room AC Hotel by Marriott within a block of the Fiserv Forum. Additionally, FPC Live broke ground on a 4,500-person concert venue in May 2024. The venue known as Landmark Credit Union Live, was recently completed in February 2026 and is located on Vel R. Philips Avenue flanking the Fiserv Forum.

Two all new high-rises, known as the Couture and 333 Water finished construction in 2024. The Couture is a 44-story skyscraper that features 312 apartments as well as restaurants, retailers, 1,100 new parking spaces, and the final stop of the Lakefront Line of the City of Milwaukee's Streetcar. The \$188 million mixed-use development created an estimated 2,000 jobs during construction which, similar to other downtown projects, emphasized the hiring of City residents. 333 Water is a 31-story mixed-use tower situated in the city's Third Ward and provides 333 new apartments for the downtown region. Milwaukee is on cusp of crowning a new tallest residential building in the state of Wisconsin, as the redevelopment of the 100 East Wisconsin building moves to begin work after the 2026 Memorial Day weekend. The Fieldhouse Flats is another downtown development approved in 2025 and beginning to rise in 2026, which combines an affordable housing component, public ice-skating rink, and an athletic facility for Milwaukee Area Technical College (MATC).

ThriveOn King Drive is a \$105 million mixed-use development that opened in June 2024 in the Bronzeville neighborhood. This former 400,000 square foot department store holds an early childhood education space, 90 residential units, and a first-floor community space. Additionally, this space will host headquarters offices for major Milwaukee institutions such as the Medical College of Wisconsin and the Greater Milwaukee Foundation.

The Wisconsin Center District completed expansion and renovation of the state's largest convention center in May 2024. This phase brought the total exhibition hall space of the Baird Center to 300,000 contiguous square feet, as well as 24 new meeting rooms and a ballroom with seating for 2,000. In 2024, the Baird Center hosted the Republican National Convention displaying its capabilities and acting as a catalyst for future convention bookings. The Baird Center is projected to stimulate at least \$12.6 billion in total spending in the state over 30 years.

Vel R. Philips Plaza is a 30,000 square foot public plaza opened in June 2024 on Wisconsin Avenue across from the Baird Center. It features a garden, public art installations, flexible space for events, and opening in February 2026, a new eatery from a local restaurateur. The plaza was designed to accommodate a future expansion of the Streetcar and includes a new bus rapid transit station. The final public art installation by Karyn Olivier will be completed in fall of 2026.

In late 2025, an \$197 million affordable housing development, The Corliss, recently opened in the area between the Kinnickinnic River and Bay View neighborhood in the City of Milwaukee. This development has replaced a former factory complex with 576 apartments that are affordable to a range of incomes, while also incorporating modern amenities and reclaimed materials to highlight the site's history.

The Nature & Culture Museum of Wisconsin broke ground in 2024 on a brand new 200,000 square foot building inspired by Wisconsin geological formations found at Mill Bluff State Park. The project is expected to finish exterior construction by Spring 2026 and be open to the public in mid-2027. This will offer a modern museum experience, while also exhibiting the collections of the Milwaukee Public Museum, and will be in a new downtown location separate from the current building, moving to 6th Street across from the Deer District. The current location will remain open to the public during construction, and the new museum is expected to bring in 5.5 million visitors within the first decade.

The MLK Library Apartments project has redeveloped the site of a former library on the corner of Locust Street and Martin Luther King, Jr. Drive and the adjacent historic Garfield Theatre. Completed in October 2025, this newly built development includes a 17,000 square foot library with modern technology and green features such as geothermal heating, solar panels, and a green roof. Above the library stand three stories of apartments, offering 93 units spread across 3 buildings, including eight live/work units. The theater has its exterior façade restored along with its trademark marquee. In an effort to bring more affordable housing options to the current neighborhood's population, 20% of the units are prioritized for people that already live in the area. In addition, units are set aside for those in need of supportive housing as well as veterans.

The City continues to progress in strengthening its neighborhoods. In 2024, City resources contributed to the creation of 382 new affordable housing units, improvements to 91 existing housing units through the Home Rehab and Strong Homes Loan Programs, and provided \$1.9 million to support 312 individuals achieve homeownership through the Homebuyer Assistance and Down Payment Assistance Programs. Development and rezonings approved by the City Plan Commission during the past 12 months are anticipated to bring a further 700 new homes to the City, including approximately 300 affordable housing units, and add an estimated \$100 million to the tax base.

The City's Commercial Corridor team provided 89 revitalization grants to business and commercial property throughout the City in 2025. This funding leveraged additional investments by business and property owners to invest in their properties or commercial spaces. These investments helped launch 30 new businesses, improve or expand 49 businesses, and improve 10 business sites.

Tourism is also a major contributor to the local economy. Milwaukee's arts, entertainment, professional sports, restaurants, parks, conventions, and businesses attract millions of visitors a year. There are 20 major annual festivals hosted in Milwaukee. Summerfest is promoted as the world's largest music festival and attracts hundreds of thousands of attendees across three summer weekends. Milwaukee's ethnic festivals include Mexican Fiesta, Polish Fest, Festa Italiana, Incredible India Festival, Black Arts Fest MKE, the Puerto Rican Festival of Wisconsin, North America's largest German Fest, and Irish Fest, the world's largest Irish music festival. Milwaukee also hosts other large events such as Milwaukee's annual PrideFest with ~46,000 event-goers in 2025, as well as Harley-Davidson homecoming celebrations during milestone anniversaries, most recently with ~82,000 in attendance.

Great Lakes cruising continues to strengthen Port Milwaukee's tourism business. With 23 vessel visits representing 45 trips, there were 11,255 cruise passengers who visited Milwaukee in 2025; the port has positioned itself as a premier turnaround for cruise tourism. Future support for Great Lakes cruising includes plans for a new Seawaymax cruise dock. Construction of the new dock broke ground in September 2025 and will be located at the southern tip of the harbor near the Bay View neighborhood. The new South Shore Cruise Dock will be built to accommodate the largest international cruise vessels built to operate on the Great Lakes.

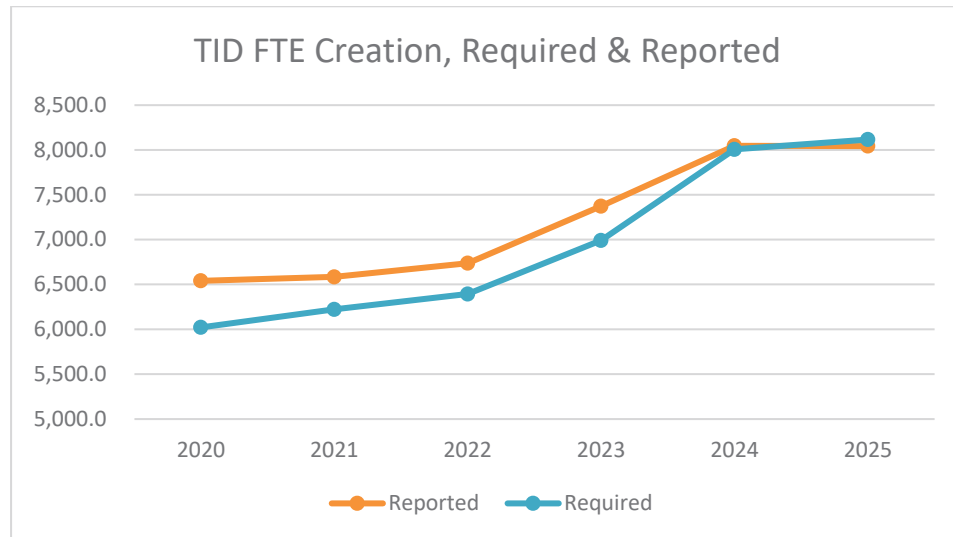
The educational opportunities in Milwaukee offer a wide variety of choices within the City. The City's educational institutions include Alverno College, Marquette University, the Medical College of Wisconsin, Milwaukee Area Technical College, Milwaukee Institute of Art & Design, Milwaukee School of Engineering, Mount Mary University, University of Wisconsin-Milwaukee, and Wisconsin Lutheran College.

TAX INCREMENTAL DISTRICTS (TIDs)

Wisconsin State Statute Section 66.1105 gives the City the authority to create Tax Incremental Financing (TIF) districts. TIF is an economic development tool used by the City to leverage private development investment. The TIF process allows a municipality to pay for public improvements and other eligible costs within a designated area. These designated areas or TIDs, use future taxes collected on the districts increased property value to repay the cost of loans, or grants to developers on projects. TIDs allow for projects to attract businesses, build affordable housing, and preserve historic structures, which are aligned to the City of Milwaukee's 'Growing Prosperity Economic Development Action Agenda', 'Collective Affordable Housing Strategic Plan', 'Anti-Displacement Plan', Area Plans, and 'Connec+ing MKE: Downtown Plan'. They are monitored and enforced by the Department of City Development (DCD). In 2025, the DCD has drafted an update of Milwaukee's Comprehensive plan known as Housing Element, which is the result of a citywide planning initiative to support Milwaukee's evolving housing needs.

Tax abatements are accounted for in the annual calculation of the property tax mill rate and are approved in the annual budget. In the past 5 years, the City of Milwaukee has approved 29 infrastructure TIDs totaling \$148 million and 22 developer-financed TIDs totaling nearly \$106 million. The return on the City's investment in TIDs is demonstrated by the growth in the assessed value of the TID after investment versus the base value of the TID. The Financial Statements and Supplementary Schedules TIDs report for 2024 is located here: ['Tax Incremental Districts 2024 Report'](#). Detailed documents related to the TIDs and their associated adoption dates are located here: [City of Milwaukee - Legistar](#)

The chart below demonstrates additional non-financial benefits with full-time equivalent (FTE) employees required versus reported for TIDs from 2020 through 2025.



ECONOMIC OUTLOOK

For the year 2025, the City's unemployment rate averaged approximately 4.5% (see Table 13 in Statistical Section); compared to the State of Wisconsin average of 3.2% (from Wisconsin Department of Revenue) and the United States average of 4.3% (from U.S. Department of Labor, Bureau of Labor Statistics).

Retaining the City's high "investment grade" bond ratings is of prime importance and serves to maintain low borrowing costs. The low costs of borrowing, both for capital and cash flow purposes, produces direct benefits to the taxpayer. The City continues to maintain investment grade ratings of A+ from Fitch Ratings, Inc., A3 from Moody's, and A- from S&P Global Ratings. By definition, the bond ratings are a measure of the quality and safety of a bond based on the issuers' financial condition. Rating services perform evaluations on each debt issue to indicate the likelihood that a debt issuer will be able to meet scheduled interest and principal repayments. Typically, AAA is the highest (best) rating with D being the lowest (worst). The A+/A- rating indicates the City's bonds are considered high credit quality investment grade issues. As the ratings indicate, the City has the capacity to meet its financial commitments on outstanding obligations. The rating agencies indicate that the ratings reflect a combination of strong liquidity, rapid debt repayment, manageable capital needs, and a diverse tax base. The City also assists in keeping the overall debt burden affordable by controlling the level of annual debt issued. The City of Milwaukee has never defaulted in the payment of the principal or interest on its debt obligations, nor has the City ever issued any new debt for the purpose of paying the principal or interest on current debt, in an effort to prevent default.

The 2025 City property tax rate for 2026 purposes decreased from \$8.29 to \$7.61 per \$1,000 of assessed value, compared to the prior year. The 2026 budgetary City property tax levy of approximately \$336.7 million represents a \$12.7 million increase compared to \$324 million in 2025. The estimated assessed value used for 2026 budget purposes has increased ~14.5% from 2025 to 2026, currently at approximately \$44 billion. Property tax revenue funding as a portion of total General Fund budgetary expenditures for 2025 was 21.9% compared to 22.1% for 2024 as depicted in Exhibit E-1; this also represents a significant drop against the 5 year average of 29.4%. Property tax increases are limited by state legislation, however, the City sales tax authorized by state legislation to start in 2024, has allowed a lower reliance on the property tax and greater diversification of City funding sources.

The 2026 budget estimates intergovernmental revenues of \$316.8 million which is an increase of \$11.3 million from 2025. The largest amount of state aids comes in the form of state Shared Revenue. It is expected to be \$254.5 million in 2026, which is an increase of \$8.4 million from 2025. The state Transportation Aids (the second largest category) total \$30.9 million for 2026, a \$796 thousand increase from 2025. Another large state aid is the Expenditure Restraint Incentive Program payment. The intent of this program is to reward communities who control their General Fund expenditures and is estimated to be \$10 million in 2026. Due to relatively limited growth in state aids in recent years, revenue diversification and enhancement are essential to retaining existing service levels. However, state restrictions on the type of charges for service that are available to municipalities erode the ability to diversify revenue. The two largest

2026 revenues in the Charges for Services category are the solid waste fee, including the extra cart fee, of \$52.4 million and the storm water management charges for services to the sewer fund of \$27.1 million. The snow and ice fee is estimated in 2026 to generate \$11.7 million. The street lighting fee is estimated to generate \$10.3 million in 2026. Total Charges for Services are estimated to increase by \$7.7 million to \$163.5 million in 2026.

The City remains in good financial condition, as is depicted in Note 9 of the Notes to the Financial Statements. The General Fund maintains a Reserve for Tax Stabilization (a fund balance account) that accumulates the net of revenues and other financing sources less expenditures and other financing uses, and, less other fund reserves. In 2025, this reserve has a year-end balance of \$125 million compared to \$110 million for 2024. The 2026 budget reflected a withdrawal of \$32.3 million from the Tax Stabilization Fund.

MAJOR CAPITAL PROJECTS

The 2026-2031 capital budget includes funds for various infrastructure and building projects. For 2026, the City capital improvements budget, not including proprietary funds and grants and aid funding, totals \$236.7 million, an increase of 8.2% or \$18 million from the 2025 budget of \$218.7 million. Funding of \$55.3 million for various tax incremental districts and development projects comprises 23% of the total capital budget for 2026. The Department of Public Works budget for bridges (\$5.9 million), street/paving & public right-of-way improvement (\$80.7 million), various building, equipment and forestry projects (\$20.9 million) with a total of \$107.5 million or approximately 45% of the total 2026 capital budget. Fire projects (\$13 million), Police projects (\$5 million), and Library projects (\$3 million) in the aggregate total \$21 million or 9% of the total capital budget. Some major projects planned for 2026 include improving the useful life of 85 lane miles of streets and funding for 3,800 lead water service line replacements. The City has a Capital Improvements Committee to provide a continuing analysis and public focus on the City's investment and management of its public facilities and networks.

The City continued its use of the State of Wisconsin's Safe Drinking Water and Clean Water Funds to finance water and sewer system capital projects. Safe Drinking Water loans of \$16.5 million were obtained during 2025 compared to nearly \$9 million in 2024 for water projects. Clean Water Fund loans of \$858 thousand were obtained during 2025, compared to \$232 thousand in 2024 for sewer projects. The Safe Drinking Water Loan and Clean Water Fund programs provide below market interest loans to communities to finance drinking water projects and storm-water control projects.

CASH MANAGEMENT

Cash temporarily idle during the year and under the control of the City Treasurer was invested in demand deposits, certificates of deposit, and repurchase agreements (all of which are permissible under state statutes). The average interest earnings rate for City funds on short-term investments by the City Treasurer was 4.40% in 2025 compared to 5.27% in 2024. The City's long-term pooled cash investment program is in accordance with state statute 66.0603 and earned an annualized net investment rate of return of 2.35% on about \$3.2 million in investments.

AWARDS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City in connection with its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2024, which was the City's fourth year in a row receiving the award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We are currently working on the 2025 ACFR and intend to continue to meet the Certificate of Achievement Program's requirements. We will be submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The Office of the Comptroller takes great pride in the preparation of this report. The professionalism, commitment, and effort of each member of its General Accounting Division have made this presentation possible. The timely preparation of this report could not have been accomplished without the cooperation, dedication, and extensive involvement of the entire staff of the Office of the Comptroller and the able assistance of our independent auditors, Baker Tilly US, LLP, as well as the accounting personnel of our component units. Special commendation and appreciation should be accorded to the dedicated staff of the Comptroller's Office in the preparation of this Annual Comprehensive Financial Report. In addition, I convey my appreciation to you and members of your respective staffs for your interest and support in planning and conducting the fiscal affairs of the City throughout the past year. The City will continue to remain fiscally sound through our cooperative efforts.

Sincerely,



Bill Christianson, CPFO
Comptroller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Milwaukee
Wisconsin**

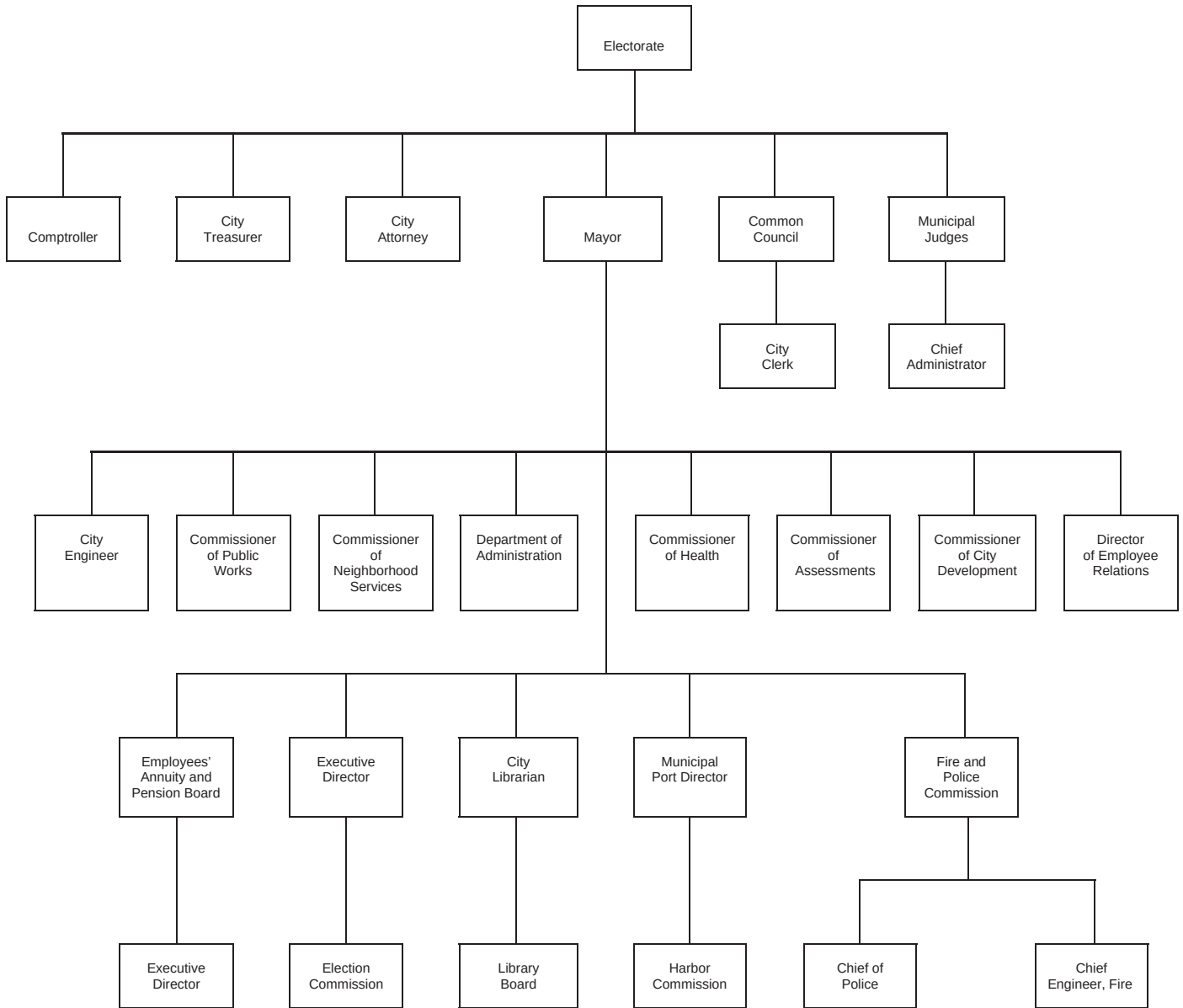
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morrell

Executive Director/CEO

CITY OF MILWAUKEE
ORGANIZATION CHART
 DECEMBER 31, 2025



CITY OF MILWAUKEE
NAMES OF PRINCIPAL OFFICIALS
DECEMBER 31, 2025

ELECTED

Mayor	Cavalier Johnson
Comptroller	Bill Christianson
City Treasurer	Spencer Coggs
City Attorney	Evan Goyke
Municipal Judge	Phillip M. Chavez
Municipal Judge	Valarie A. Hill
Municipal Judge	Molly Gena

COMMON COUNCIL

President	Jose G. Perez
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Aldermanic District

Alderman

First	Andrea M. Pratt
Second	Mark Chambers Jr.
Third	Alex Brower
Fourth	Robert J. Bauman
Fifth	Lamont Westmoreland
Sixth	Milele A. Coggs
Seventh	DiAndre Jackson
Eighth	JoCasta Zamarripa
Ninth	Larresa Taylor
Tenth	Sharlen P. Moore
Eleventh	Peter Burgelis
Twelfth	Jose G. Perez
Thirteenth	Scott P. Spiker
Fourteenth	Marina Dimitrijevic
Fifteenth	Russell W. Stamper, II

FINANCE RELATED (Non-Elected)

Administration Director	Preston D. Cole
Budget & Management Director	Nik Kovac
City Purchasing Director	Rhonda Kelsey
Commissioner of Assessments	Nicole F. Larsen
Chief Information Officer	David Henke

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Independent Auditors' Report

To the Honorable Members of the
Common Council of the City of Milwaukee

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Milwaukee, Wisconsin
July 28, 2026

CITY OF MILWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (Unaudited)

The Management's Discussion and Analysis (MD&A) section of the City of Milwaukee's (the "City") Annual Comprehensive Financial Report provides narrative discussion and analysis of the financial activities of the City for the fiscal year ended December 31, 2025. The MD&A is an integral portion of the Annual Comprehensive Financial Report and information reported herein should be read in conjunction with the information presented in the letter of transmittal and the accompanying financial statements and disclosures, which follow this section. This section focuses on the City's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

FINANCIAL HIGHLIGHTS

Statement of Net Position

- Total net position/deficit (assets and deferred outflows of resources less liabilities and deferred inflows of resources) at the close of fiscal year 2025 was (\$654) million, a 6% decrease compared to the previous year's total of (\$616) million. This decrease was related to the overall decrease in operating revenues over expenditures of \$38 million. Of the (\$654) million net position, (\$1.554) billion of the deficit was related to governmental activities and \$900 million was related to business-type activities. The unrestricted portion of net position, related to governmental activities, totaled (\$2.76) billion. This deficit is caused in part, by the City's significant investments in private-purpose developments, which do not produce any direct financial return to the City. The City is also required to record long-term liabilities for certain future costs rather than recording them when they are payable.
- The vast majority of the City's net position is capital assets, most of which do not generate revenues by their use. Total net position is comprised of the following:
 - Capital assets, including property and equipment, net of related debt and accumulated depreciation: \$1.946 billion.
 - Restricted net position, limited by constraints imposed externally such as debt covenants, grantors, laws, or regulations: \$312 million.
 - Unrestricted net deficit: (\$2.912) billion.
- The 2025 year-end, net pension liability is \$1.74 billion compared to the 2024 total of \$1.65 billion. This \$90 million increase is due to an increase in the actuarial liability, accompanied by a realized 2024 net investment return of 6.9% compared to the actuarial assumption of 6.8%. The 2024 liability is based on an actuarial valuation performed on January 1, 2024, rolled forward to December 31, 2024. See Note 8 in the financial statements for more disclosures regarding pension liability reporting.
- Total 2025 long-term liabilities were \$4.554 billion of which \$216 million was short-term compared to the 2024 total of \$4.550 billion of which \$235 million was short-term. The long-term portion of total liabilities, including amounts due within one year, is shown below.

Total Long-term Liabilities
 (Millions of Dollars)

	2025	2024
Outstanding debt.....	\$ 1,670	\$ 1,655
OPEB.....	960	1,107
Pension.....	1,740	1,653
Compensated absences.....	56	54
Claims and judgments.....	128	81
Total.....	<u>\$ 4,554</u>	<u>\$ 4,550</u>

Statement of Activities

- Governmental expenses were \$1.373 billion while combined program revenues were \$156 million, a difference of \$1.217 billion. However, general revenues and transfers plus grants and contributions were \$1.155 billion, resulting in a \$62 million decrease to net position deficit for the year. Business-type activity expenses were \$298 million while combined program and general revenues, grants and contributions were \$340 million plus \$2 million of miscellaneous revenue, resulting in a surplus of \$44 million. Transfers out reduced this excess by \$20 million, resulting in a net increase in net position of \$24 million.

CITY OF MILWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (Unaudited)

- Governmental revenues and transfers of \$1.310 billion, which supported 96% of the total 2025 governmental expenses of \$1.373 billion, were comprised of the following.

Government type revenues
(Millions of Dollars)

	Amount	Percentage of Total	
		Revenue	Expense
Program, grant and contribution revenues.....	\$ 269	21%	20%
Property and other taxes.....	614	47%	45%
State aids for the general fund.....	305	23%	22%
Miscellaneous revenues and transfers.....	122	9%	9%
Total.....	<u>\$ 1,310</u>	<u>100%</u>	<u>96%</u>

- Business-type activity program revenue of \$340 million, which supported 114% of the total 2025 business-type expenses of \$298 million, was comprised of the following.

Business type program revenues
(Millions of Dollars)

	Amount	Percentage of Total	
		Revenue	Expense
Water.....	\$ 125	37%	42%
Sewer.....	88	26%	30%
Transportation.....	42	12%	14%
Port.....	19	6%	6%
MMSD sewer user charges.....	66	19%	22%
Total.....	<u>\$ 340</u>	<u>100%</u>	<u>114%</u>

Fund Financial Statements

- The total governmental fund, year-end 2025 fund balance was \$663 million, compared to the 2024 ending fund balance of \$615 million, an increase of \$48 million or 8%.
- The 2025 General Fund year-end fund balance totaled \$340 million, a \$1.3 million decrease compared to the 2024 balance of \$341 million. The 2025 ending fund balance is approximately 34% of the \$1.01 billion combined General Fund expenditures and transfers for the year.

Bonds and Notes

- Outstanding General Obligation bonds and notes payable were \$1.179 billion at year-end 2025, an increase of \$26 million compared to the 2024 total of \$1.153 billion. In addition, revenue bonds of \$141 million, state loans of \$244 million and \$19 million of lease and subscription-based information technology arrangements (SBITA) obligations were outstanding at year-end. Total outstanding debt at the end of 2025, including unamortized premium, totaled \$1.671 billion, a \$16 million increase over the 2024 total of \$1.655 billion.

Required Supplementary Information

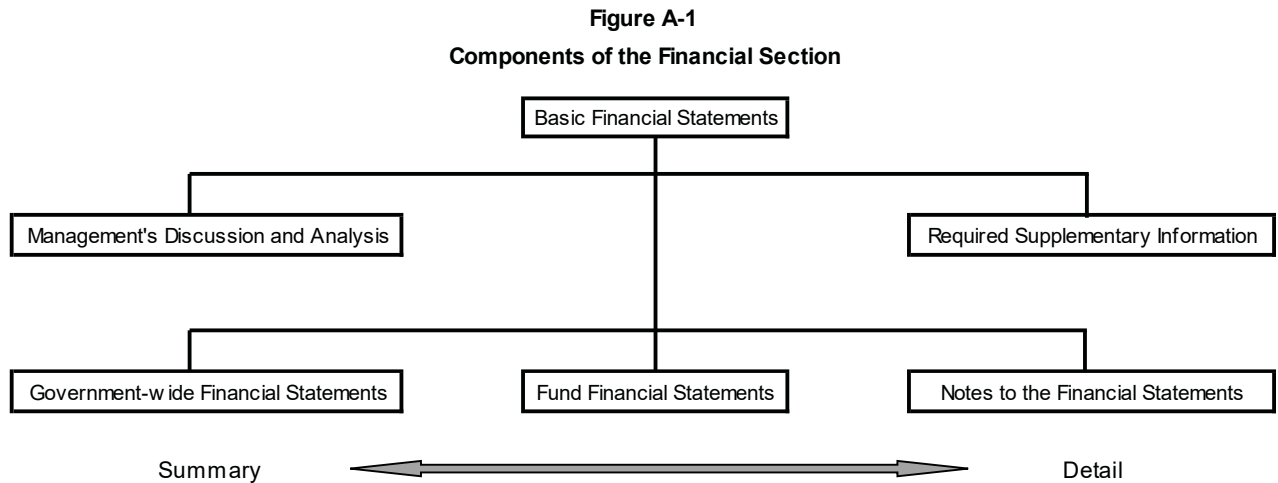
- General Fund operating revenues were \$14 million greater than budgeted while operating expenditures were \$49 million less than budgeted in 2025. Property taxes were \$3.6 million less than budgeted due to the closing of a TID, sales taxes were \$16.3 million greater than budgeted and other taxes were under budget by \$799 thousand, while revenues other than taxes were 90 thousand less than budget. Charges for services exceeded budget by \$4.1 million and licenses and permits fell short of budget by \$1.6 million for 2025. Operating expenditures, other than capital outlay, were under budget in all categories, including general government of \$45 million, public safety \$6.2 million and public works \$1.8 million. The primary reasons for the general government category being under budget are in the departments of Treasurer, Comptroller and Employee relations where city wide expenses are budget for expenses such as employment taxes and benefits.
- Total OPEB liability decreased approximately \$147 million to \$960 million as of December 31, 2025, compared to \$1.107 billion as of December 31, 2024 due to rising interest rates.

CITY OF MILWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Unaudited)

- Due to an increase in the actuarial determined liability and the first full year of reporting two pension plans, the 2025 net pension liability increased \$84 million to \$1,737 million compared to the 2024 pension liability of \$1,653 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the City's basic financial statements. The basic financial statements consist of three components: (1) **Government-wide** financial statements, (2) **Fund** financial statements, (3) **Notes** to the financial statements. This report also includes other (4) **Required Supplementary Information**. Figure A-1 shows how the required parts of the annual report are arranged and relate to one another.



The basic financial statements include two kinds of statements.

- Government-wide financial statements that provide both long-term and current period information about the City's overall financial status.
- "Fund" specific financial statements that focus on individual components of City government, reporting the City's operations in more detail than the government-wide statements.
 - Governmental fund statements tell how general government services such as public safety were financed in the past year as well as what remains for future spending.
 - Proprietary fund statements offer current year and long-term financial information about business-type activities such as the water utility and the sewer maintenance systems.
 - Fiduciary fund statements provide financial information about certain operations—such as benefit plans for the City's employees—in which the City is solely a trustee or custodian for the benefit of others to whom the resources belong.

CITY OF MILWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (Unaudited)

A summary of the major features of the City's financial statements, including the portion of the City government covered and the types of information contained are depicted in table Figure A-2. The remainder of this overview section of the MD&A explains the structure and contents of each of the statements.

Figure A-2				
Major Features of Government-wide and Fund Financial Statements				
	Government-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire entity (except fiduciary funds)	The day-to-day operating activities of the City for basic governmental services	The day-to-day operating activities of the City for business-type enterprises	Instances in which the City administers resources on behalf of others, such as employee benefits
Required financial statements	* Statement of net position * Statement of activities	* Balance Sheet * Statement of revenues, expenditures and changes in fund balances	* Statement of net position * Statement of revenues, expenses, and changes in net position * Statement of cash flows	* Statement of fiduciary net position * Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual and current financial resources measurement focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus, except custodial funds which use the economic resources measurement focus.
Type of asset and liability information	All assets and liabilities, both financial and capital, short-term and long-term	Current assets and liabilities that come due during the year or soon thereafter; capital assets and long-term liabilities	All assets and liabilities, both financial and capital, short-term and long-term	All assets held in a trustee or agency capacity for others and all liabilities
Type of inflow and outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Government-wide Financial Statements

The government-wide financial statements are designed to provide an overview of the City's finances, similar to a private-sector business and include both long-term and short-term information about the City's financial status. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. All of the activities of the City, except those of a fiduciary nature, are included.

Two government-wide statements report the City's net position and how they have changed. Net position—the difference between the City's assets and liabilities—is one measure of the City's financial health. Increases or decreases in the City's net position are one measure of its financial wherewithal. Other non-financial factors such as changes in the property tax base and the condition of the City's infrastructure (streets, sewers, etc.) are also needed to assess the overall health of the City.

The government-wide financial statements of the City of Milwaukee are divided into three categories on these statements—governmental activities, business-type activities, and component units. A total for the City is also provided.

- The *governmental activities* include the basic services of the City including general government (administration), police, fire, public works, health, culture, and development services. Taxes and general revenues generally support these activities.
- The *business-type activities* include the private sector type activities such as water, sewer user charge, sewer maintenance, transportation, and port. User charges or fees primarily support these activities.
- The *component units* include two other entities in its report: The Redevelopment Authority of the City of Milwaukee, and The Neighborhood Improvement Development Corporation. Although legally independent entities, these organizations are closely related to the City of Milwaukee in terms of their respective financial and public policy responsibilities.

CITY OF MILWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Unaudited)

Fund Financial Statements

The City's major funds begin with Exhibit A-1. The fund financial statements provide detailed information about the most significant financial components of the municipality as opposed to the City as a whole. These individual funds are established for the purpose of executing specific activities and objectives in accordance with Federal, State and local laws and regulations. The accounts of the City are organized on the basis of funds. Each fund is a separate fiscal and accounting entity with a self-balancing set of accounts including assets, liabilities, equities, revenues and expenditures or expenses.

The City reports financial activity and status according to three fund types: governmental, proprietary and fiduciary funds.

- **Governmental funds:** Most of the City's basic services are reported in governmental funds, applying modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine if more or fewer financial resources are available to be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in the reconciliations in Exhibits A-2 and A-4.
- **Proprietary funds:** Operations which are financed primarily by user charges or activities where periodic measurement of net income is appropriate for capital maintenance, public policy, management control and other purposes. Proprietary funds utilize full accrual accounting. The City's proprietary funds focus on the business-type activities reported in the government-wide statements, providing additional detail including cash flows.
- **Fiduciary funds:** The City is the trustee, or fiduciary, for its pension and other employee benefit trusts and various miscellaneous private purpose trusts. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position in Exhibits C-1 and C-2. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Financial Statements

The notes, which follow the Government-wide and Fund financial statements (Exhibits 1 through D-2), provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information to demonstrate legal budgetary compliance for each major fund for which an annual budget is adopted. This required supplementary information is presented in Exhibits E-1. A *Schedule of Funding Progress* relating to retiree health and life insurance and pension is depicted in Exhibit E-4.

Combining Schedules, Individual Fund Statements and Schedules of Miscellaneous Financial Data

Combining schedules provide details in connection with non-major governmental funds and non-major proprietary funds. Individual fund statements provide greater detail, presented as compared with the final amended budget for the General Fund, and each non-major special revenue fund. Capital Projects are also presented in detail by major category (i.e., streets, sewers) within the Miscellaneous Financial Data Section. See Exhibits F-1 through I-9.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Summary of Statement of Net Position

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 net position and net expenses of governmental and business-type activities of the City are presented in Table 1a. Table 1a focuses on the net position and Table 2a focuses on the changes in net position.

CITY OF MILWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Unaudited)

Table 1a
Summary of Statement of Net Position
(Thousands of Dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 1,317,747	\$ 1,378,836	\$ 186,103	\$ 188,488	\$ 1,503,850	\$ 1,567,324
Capital assets	1,462,430	1,420,933	1,453,839	1,381,253	2,916,269	2,802,186
Total assets	<u>2,780,177</u>	<u>2,799,769</u>	<u>1,639,942</u>	<u>1,569,741</u>	<u>4,420,119</u>	<u>4,369,510</u>
Deferred Outflow s of Resources:						
Deferred outflow s for pensions.....	607,126	747,055	23,569	32,966	630,695	780,021
Deferred outflow s for OPEB.....	73,864	119,735	1,573	2,417	75,437	122,152
Total deferred outflow s.....	<u>680,990</u>	<u>866,790</u>	<u>25,142</u>	<u>35,383</u>	<u>706,132</u>	<u>902,173</u>
Long-term obligations	4,013,837	3,993,851	540,334	556,802	4,554,171	4,550,653
Other liabilities	117,278	200,803	170,177	116,079	287,455	316,882
Total liabilities	<u>4,131,115</u>	<u>4,194,654</u>	<u>710,511</u>	<u>672,881</u>	<u>4,841,626</u>	<u>4,867,535</u>
Deferred Inflow s of Resources:						
Gain on Refunding.....	336	741	190	256	526	997
Subsequent years property taxes.....	421,848	394,152	-	-	421,848	394,152
Pension, OPEB, Lease & SBITA related...	461,985	568,901	54,101	56,126	516,086	625,027
Total deferred inflow s	<u>884,169</u>	<u>963,794</u>	<u>54,291</u>	<u>56,382</u>	<u>938,460</u>	<u>1,020,176</u>
Net position:						
Net investment in capital assets.....	919,667	963,782	1,026,396	949,599	1,946,063	1,913,381
Restricted	290,709	300,662	21,234	22,762	311,943	323,424
Unrestricted (deficit)	(2,764,493)	(2,756,333)	(147,348)	(96,500)	(2,911,841)	(2,852,833)
Total net position	<u>\$ (1,554,117)</u>	<u>\$ (1,491,889)</u>	<u>\$ 900,282</u>	<u>\$ 875,861</u>	<u>\$ (653,835)</u>	<u>\$ (616,028)</u>

Net position of the City's governmental activities decreased to a deficit of (\$1.554) billion for 2025. The portion of net position restricted as to use totaled \$291 million. Net position invested in capital facilities (buildings, roads, bridges, etc.) totaled \$920 million net of outstanding debt and payables used to acquire those assets. The City uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, the funding needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The unrestricted net position deficit of (\$2.764) billion at year-end does not imply that the City has inadequate financial resources to meet its current obligations. Rather, the deficit is caused, in part, by the full accrual of future expenses (expenditures), such as pensions and other post employment benefits, in the current year. The City's annual budgets, however, only include funding (revenue) for one year of multi-year liabilities such as property-casualty claims, employee leave balances, pensions and post-employment benefits. This difference between future expenditures and current year revenue is mostly responsible for the deficit.

The net position of business-type activities was \$900 million at the end of 2025. The City, generally, can use the net position of business-type activities only to finance the continuing operations of those specific proprietary activities.

Year-end 2025 long-term obligations for governmental activities were \$4.014 billion, an increase of less than 1% over the 2024 amount of \$3.994 billion. Year-end long-term obligations related to business-type activities were \$540 million, a decrease of 3% from the 2024 amount of \$557 million.

Total 2025 year end primary government assets, including capital assets, were \$4.42 billion, an increase of \$51 million or 1% from the 2024 amount of \$4.37 billion. At year-end 2025, the Water Works and Sewer Maintenance Fund net capital assets comprised 92.8% of the City's total net capital assets for business-type activities. These two funds are the City's largest proprietary (business-type) funds. The Water Works capital assets consist primarily of water mains and related water facilities and plants; and the Sewer Maintenance Fund includes local sewer mains and connections.

CITY OF MILWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
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(Unaudited)

Changes in Net Position

Revenues less expenses yield the change in net position. Governmental Activity program and general revenues for 2025 totaled \$1.3 billion. The composition of this revenue, by category, is reported on Table 2a while the percentage of each revenue category to the total is shown in Chart 4.

Governmental Activity expenses include a wide range of services. Governmental Activity 2025 expenditures were \$1.37 billion. The composition of these expenditures, by category, is reported on Table 2a while the percentage of each expense category to the total is shown in Chart 3.

Program-specific revenues (charges for services) generated about 12% (see Table 2b) of total governmental activity revenue. General revenues (taxes, State aids, grants, and miscellaneous) account for the remaining 88%.

Governmental Activity revenues for 2025 were \$82 million below expenditures, and \$62 million below after \$20 million of transfers from business-type activities. Business-type activity revenues exceeded expenditures and transfers during 2025 by \$44 million. Chart 1 presents *Expenses and Program Revenues – Governmental Activities*, and Chart 2, *Expenses and Program Revenues – Business-type Activities* depicts the comparison of revenues versus expenditures by major function. Table 2a and the narrative that follows, report the operations of governmental and business-type activities separately.

Table 2a
Changes in Net Position
(Thousands of Dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 156,044	\$ 170,861	\$ 310,365	\$ 294,176	\$ 466,409	\$ 465,037
Operating grants and contributions	112,586	320,523	-	-	112,586	320,523
Capital grants and contributions	517	8,568	29,608	6,592	30,125	15,160
General revenues:						
Property, sales and other taxes	614,414	598,655	-	-	614,414	598,655
State aids for General Fund	305,434	295,592	-	-	305,434	295,592
Miscellaneous	101,787	109,073	2,759	3,055	104,546	112,128
Total revenues	<u>1,290,782</u>	<u>1,503,272</u>	<u>342,732</u>	<u>303,823</u>	<u>1,633,514</u>	<u>1,807,095</u>
Expenses						
General government	447,019	226,806	-	-	447,019	226,806
Public safety	445,143	579,773	-	-	445,143	579,773
Public Works	286,472	276,030	-	-	286,472	276,030
Health	38,113	44,672	-	-	38,113	44,672
Culture and recreation	32,038	41,848	-	-	32,038	41,848
Conservation and development	89,046	96,174	-	-	89,046	96,174
Interest on long-term debt	35,169	33,043	-	-	35,169	33,043
Water	-	-	110,374	97,399	110,374	97,399
Sewer Maintenance	-	-	69,983	65,175	69,983	65,175
Transportation	-	-	35,917	34,643	35,917	34,643
Port of Milwaukee	-	-	15,859	9,050	15,859	9,050
Metropolitan Sewerage District User Charges.....	-	-	66,188	61,667	66,188	61,667
Total expenses	<u>1,373,000</u>	<u>1,298,346</u>	<u>298,321</u>	<u>267,934</u>	<u>1,671,321</u>	<u>1,566,280</u>
Increase (Decrease) in net position before transfers..	(82,218)	204,926	44,411	35,889	(37,807)	240,815
Transfers	19,990	17,745	(19,990)	(17,745)	-	-
Increase (decrease) in net position	(62,228)	222,671	24,421	18,144	(37,807)	240,815
Net position (deficit) – Beginning.....	(1,491,889)	(1,714,560)	875,861	857,717	(616,028)	(856,843)
Net position (deficit) – Ending	<u>\$ (1,554,117)</u>	<u>\$ (1,491,889)</u>	<u>\$ 900,282</u>	<u>\$ 875,861</u>	<u>\$ (653,835)</u>	<u>\$ (616,028)</u>

CITY OF MILWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (Unaudited)

Governmental Activities

Revenues for the City's governmental activities totaled \$1.291 billion, while total expenses totaled \$1.373 billion for 2025, resulting in a deficit of \$82 million. Total revenues, excluding transfers, supported 83% of total expenses; 84% including transfers. Comparable data for 2024 indicates total revenues, excluding transfers supported 116% of expenses; 117% including transfers.

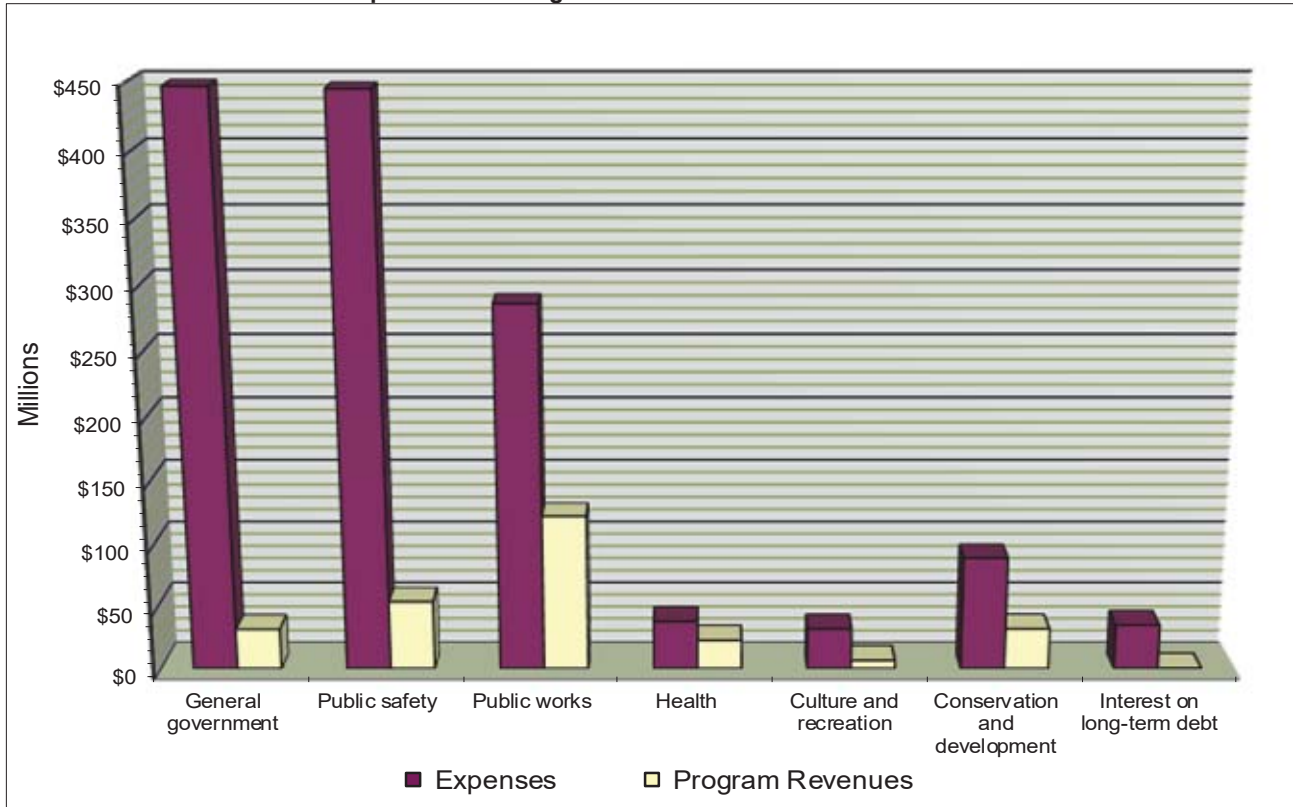
Revenue amounts for the current and prior year, by category, are summarized in Table 2b, below.

Table 2b
Governmental Activities Revenues
(Thousands of Dollars)

Category	2025		2024	
	Amount	% of Total	Amount	% of Total
Property, sales & other taxes.....	\$ 614,414	47%	\$ 598,655	40%
State aids.....	305,434	24%	295,592	20%
Charges for services.....	156,044	12%	170,861	11%
Grants and contributions.....	113,103	9%	329,091	22%
Miscellaneous.....	101,787	8%	109,073	7%
Total.....	<u>\$ 1,290,782</u>	<u>100%</u>	<u>\$ 1,503,272</u>	<u>100%</u>

Total 2025 governmental activity expenditures increased \$75 million or 6% compared to 2024 which is primarily due to the increased actuarial expenses tied to the increased pension liability. See the Notes to the Financial Statements and Table 2c for further details.

Chart 1
2025 Expenses and Program Revenues – Governmental Activities



CITY OF MILWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
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 (Unaudited)

Table 2c presents the gross and net costs (total costs less the revenues generated by the activities) of each of the City's largest programs. Chart 1 above depicts total revenues and expenses for each activity. General government includes most City departments, such as: Mayor, Common Council, Administration, Employee Relations, Municipal Court, City Attorney, Comptroller and Treasurer. Public safety includes Fire, Police and Neighborhood Services. "Net cost" shows the remaining costs, by function that are funded by non-program revenues such as City taxes and State aids. The net cost of services not funded with direct program revenue for governmental activities increased in 2025 to \$1.1 billion from \$798 million in 2024, a 39% increase.

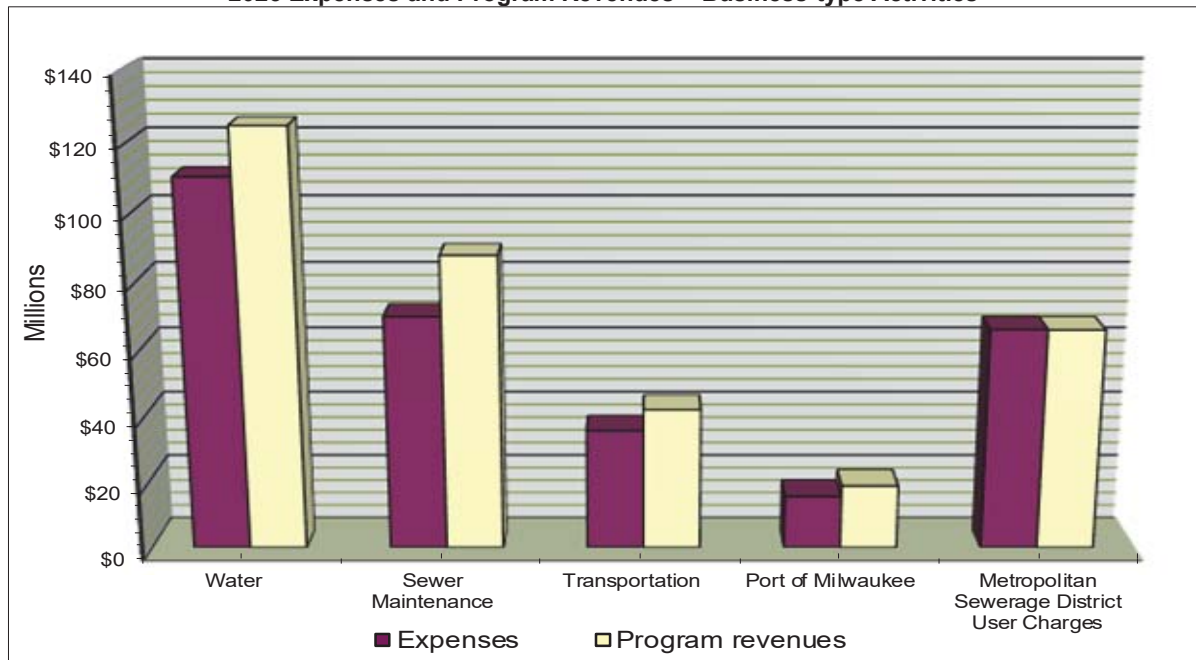
Table 2c
Governmental Activities - Cost of Services
(Thousand of Dollars)

	Total Cost of Services				Net Cost of Services	
	2025	% of Total	2024	% of Total	2025	2024
General government	\$ 447,019	33%	\$ 226,806	17%	\$ 415,387	\$ 133,770
Public safety	445,143	32%	579,773	46%	391,134	428,785
Public works	286,472	21%	276,030	21%	164,223	129,344
Health	38,113	3%	44,672	3%	15,264	18,319
.....	32,038	2%	41,848	3%	25,679	19,325
Conservation and development ..	89,046	6%	96,174	7%	56,997	35,808
Interest on long-term debt	35,169	3%	33,043	3%	35,169	33,043
Activities ..	<u>\$ 1,373,000</u>	<u>100%</u>	<u>\$ 1,298,346</u>	<u>100%</u>	<u>\$ 1,103,853</u>	<u>\$ 798,394</u>

Business-type Activities

Operating revenues for the City's business-type activities totaled \$343 million, while expenses and transfers out totaled \$318 million for 2025, resulting in an increase to net position (see Table 3b). Total revenues supported 115% of total expenses excluding transfers out and 108% including transfers out. Comparable data for 2024 indicates total revenues supported 113% of expenses excluding transfers out and 106% including transfers out. Chart 2 below depicts total revenues and expenses for each business-type activity.

Chart 2
2025 Expenses and Program Revenues – Business-type Activities



CITY OF MILWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
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The two major proprietary or business-type activities for the City are water services (Water Works) and sewer maintenance. Operating revenues, expenses and income for Water Works and Sewer Maintenance are shown in Table 3a below.

Table 3a
Major Enterprise Funds - Revenues and Expenses
(Thousands of Dollars)

	Water Works	Sewer Maintenance
Revenues.....	\$ 115,621	\$ 80,452
Expenses.....	\$ 108,606	\$ 30,165
Net operating income.....	<u>\$ 7,015</u>	<u>\$ 50,287</u>

Business-type activities total revenues, expenses and net position for the current year compared to the previous year are outlined in Table 3b below.

Table 3b
Business-type Revenues, Expenses and Net Position
(Thousands of Dollars)

	2025	2024	Increase (Decrease)	
			Amount	Percentage
Revenues.....	\$ 342,732	\$ 303,823	\$ 38,909	13%
Expenses/Transfers.....	\$ 318,311	\$ 285,679	\$ 32,632	11%
Net position.....	\$ 900,282	\$ 875,861	\$ 24,421	3%

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City uses fund accounting consistent with finance-related legal requirements and external governmental accounting standards.

Governmental Funds

Governmental Funds are reported in the fund based financial statements with a focus on the annual inflow and outflow of spendable resources. This information is useful in assessing resources available at the end of the year in comparison with the succeeding year's requirements. Types of Governmental Funds reported by the City include the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds.

At year-end 2025, the Governmental Funds (as presented in the balance sheet on Exhibit A-1) reported a combined fund balance of \$663 million, an increase of \$48 million or 8% from the 2024 balance of \$615 million. The factors impacting the change in fund balance are mainly due to solid revenue in the funds along with growth of Sales Tax revenue; coupled with expenditures being under budget. Current and prior year fund balances of the funds that comprise the Governmental Funds are shown in Table 4a.

Table 4a
Governmental Funds Change in Fund Balances
(Thousands of Dollars)

	General	General Obligation Debt Service	Public Debt Amortization	Economic Development	Grant and Aid Projects	Capital Projects	Nonmajor	Total
2025 ending balance.....	\$ 340,143	\$ 48,971	\$ 62,098	\$ 173,733	\$ (16,468)	\$ 45,990	\$ 8,625	\$ 663,092
2024 ending balance.....	341,460	49,631	58,829	164,252	(64,965)	59,022	6,773	615,002
Increase/(decrease).....	<u>\$ (1,317)</u>	<u>\$ (660)</u>	<u>\$ 3,269</u>	<u>\$ 9,481</u>	<u>\$ 48,497</u>	<u>\$ (13,032)</u>	<u>\$ 1,852</u>	<u>\$ 48,090</u>

CITY OF MILWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
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The City of Milwaukee typically borrows to fund authorized capital projects only after expenditures for these projects have occurred. This practice minimizes City borrowing costs and complies with Internal Revenue Service (IRS) regulations. Debt issued for capital projects totaled \$120 million in 2025 compared to \$88 million in 2024. In non-major governmental funds \$21 million in debt was issued to fund the purchase of delinquent taxes.

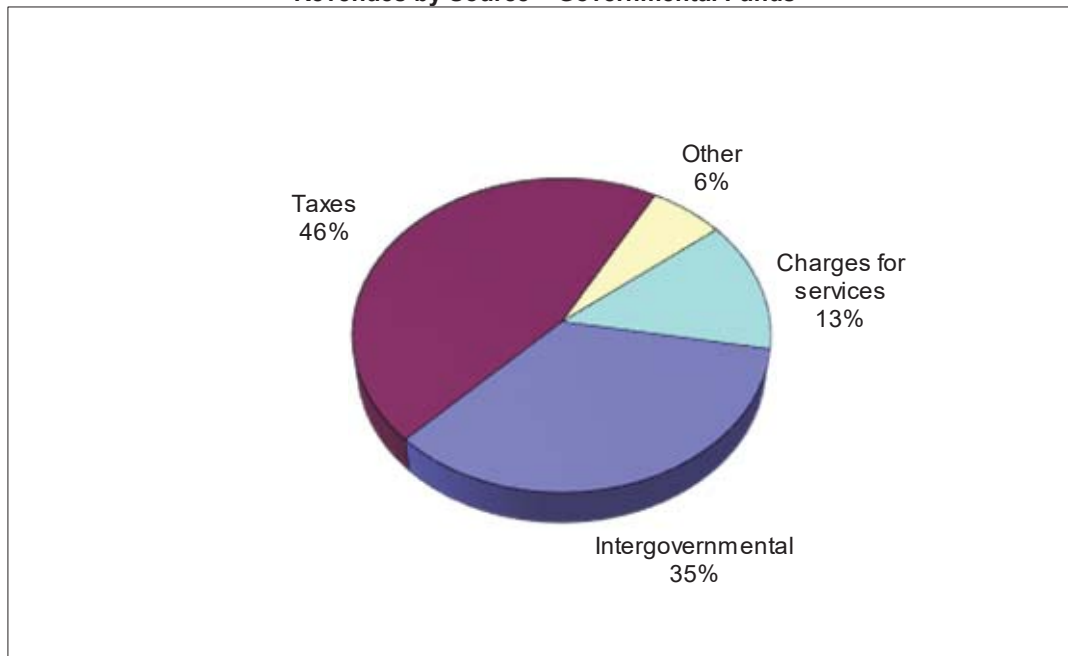
Revenues for governmental functions overall totaled \$1.34 billion in the fiscal year ended December 31, 2025, a decrease of \$64 million compared to the 2024 total of \$1.4 billion. The reduction is mainly due to the use of ARPA funds in 2024 which were not available in 2025. Other financing sources were \$284 million, a \$58 million increase from the 2024 total of \$226 million. Other financing sources include, proceeds from issuance of debt and right of use assets, refunding payments and issuance premiums; transfers from proprietary funds; and transfers of loan repayments received by the Neighborhood Improvement Development Corporation component unit. Governmental revenues, by source, are shown on Table 4b below.

Table 4b
Governmental Fund Revenues by Source
(Thousands of Dollars)

	General		Public Debt	Economic	Grant and	Capital		
	General	Obligation	Amortization	Development	Aid	Projects	Nonmajor	Total
		Debt Service			Projects			
Intergovernmental.....	\$ 305,434	\$ -	\$ -	\$ -	\$ 121,235	\$ 20,877	\$ 15,364	\$ 462,910
Taxes.....	428,582	103,985	2,765	49,715	-	24,131	-	609,178
Charges for services.....	174,828	5,491	-	-	-	-	-	180,319
Other.....	49,090	2,840	6,504	11	-	14,836	10,574	83,855
Total revenues.....	957,934	112,316	9,269	49,726	121,235	59,844	25,938	1,336,262
Other sources.....	51,974	68,655	-	4,510	572	136,837	21,024	283,572
Total revenues & sources.....	\$ 1,009,908	\$ 180,971	\$ 9,269	\$ 54,236	\$ 121,807	\$ 196,681	\$ 46,962	\$ 1,619,834

Chart 3 below depicts revenue, by source, for all governmental funds.

Chart 3
2025
Revenues by Source – Governmental Funds



CITY OF MILWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (Unaudited)

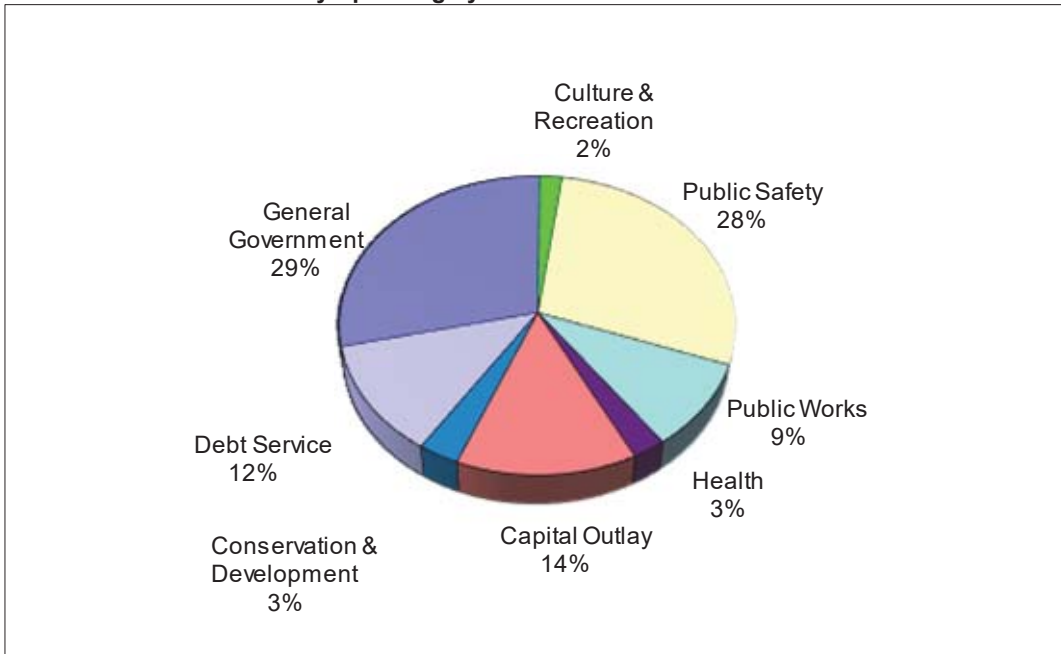
Expenditures for governmental funds totaled \$1.49 billion compared to \$1.44 billion in 2024. Other financing uses totaled \$86 million, a \$6 million increase compared to the 2024 total of \$80 million. Expenditures exceeded revenues in 2025, creating a gap of \$149 million. The excess of other financing sources over other financing uses of \$197 million offset the gap. The net change in fund balances was an increase of \$48 million for the year compared to an increase of \$105 million in 2024. Governmental expenditures, by function, are shown on Table 4c below.

Table 4c
Governmental Fund Expenditures by Source
(Thousands of Dollars)

	<u>General</u>	<u>General</u>	<u>Public Debt</u>	<u>Economic</u>	<u>Grant and</u>	<u>Capital</u>	<u>Nonmajor</u>	<u>Total</u>
		<u>Obligation</u>	<u>Amortization</u>	<u>Development</u>	<u>Aid</u>	<u>Projects</u>		
		<u>Debt Service</u>			<u>Projects</u>			
General government.....	\$ 420,665	\$ 878	\$ -	\$ -	\$ 271	\$ -	\$ 5,428	\$ 427,242
Public safety.....	401,879	-	-	-	15,781	-	4,836	422,496
Public works.....	132,631	-	-	-	7,749	-	-	140,380
Health.....	14,690	-	-	-	22,200	-	162	37,052
Culture & recreation.....	25,786	-	-	-	2,096	-	1,504	29,386
Conservation & development..	6,653	-	-	7,011	25,005	-	7,030	45,699
Capital outlay.....	6,239	-	-	-	-	196,044	-	202,283
Debt service.....	-	180,753	-	-	-	-	-	180,753
Total expenditures.....	1,008,543	181,631	-	7,011	73,102	196,044	18,960	1,485,291
Other uses.....	2,682	-	6,000	37,744	208	13,669	26,150	86,453
Total expenditures & uses....	\$ 1,011,225	\$ 181,631	\$ 6,000	\$ 44,755	\$ 73,310	\$ 209,713	\$ 45,110	\$ 1,571,744

Chart 4 below depicts spending by function for all governmental funds.

Chart 4
2025 City Spending by Function – Governmental Funds



CITY OF MILWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Unaudited)

Major Governmental Funds

The General Fund is the City's primary operating fund and the largest funding source for day-to-day services. The fund balance of the General Fund decreased \$1.3 million or less than 1%. Revenues and other financing sources totaled approximately \$1,010 million and expenditures and other financing uses totaled approximately \$1,011 million - detailed in Table 5 below. General Fund revenues for 2025 increased \$79 million from 2024 amounts, attributable to the sales tax and state shared revenue.

Expenditures increased \$207 million to \$1,009 million, compared to the 2024 total of \$802 million. This increase was primarily due to the use of federal ARPA funds in 2024 which had the impact of shifting expenses from the general fund to the grant and aid fund in the prior year. Total revenues were exceeded by total expenditures in the amount of \$51 million or 5% in 2025.

Other Financing Sources (consisting of debt proceeds and transfers in from other funds), exceeded Other Financing Uses (consisting of transfers out to other funds) by \$49.3 million. In 2025 there was a budgeted fund withdrawal of \$32.3 million.

Total General Fund revenues for 2025 were \$958 million. The largest revenue category is taxes at \$429 million followed by intergovernmental at \$305 million, representing 45% and 32% respectively of the total. The local City sales tax has increased the tax revenue significantly. Intergovernmental revenue primarily consists of State of Wisconsin aid payments, both of which increased with the passage of Wisconsin Act 12. The Charges for Services category, which includes revenues for services provided by City departments, comprises 18% at \$175 million. These three categories comprise 95% of the total 2025 revenues.

Table 5 below presents a summary of revenues and expenditures of the General Fund compared to prior year:

Table 5
General Fund
Summary of Revenues, Expenditures and Other Financing Sources and Uses
(Thousands of Dollars)

Revenues and Other Financing Sources				Expenditures and Other Financing Uses			
	2025	2024	Percent Change		2025	2024	Percent Change
Revenues:				Expenditures:			
Property taxes	\$ 216,502	\$ 172,140	25.8%	General government.....	\$ 420,665	\$ 332,954	26.3%
Sales & Other taxes	212,080	203,616	4.2%	Public safety.....	401,879	313,247	28.3%
Licenses and permits	18,280	20,206	-9.5%	Public works.....	132,631	120,190	10.4%
Intergovernmental	305,434	295,592	3.3%	Health.....	14,690	13,629	7.8%
Charges for services	174,828	165,380	5.7%	Culture and recreation	25,786	14,408	79.0%
Fines and forfeits	2,108	1,944	8.4%	Conservation and			
Contributions received	2,612	1,973	32.4%	development	6,653	3,411	95.0%
Other	26,090	22,042	18.4%	Capital Outlay	6,239	3,976	
Total Revenues	957,934	882,893	8.5%	Total Expenditures	1,008,543	801,815	25.8%
Excess of Revenues				Other Financing Uses			
over Expenditures	(50,609)	81,078	162.4%	Transfers out	2,682	5,694	-52.9%
Other Financing Sources				Total Expenditures			
Debt proceeds	13,200	3,976	232.0%	Other Financing Uses ..	\$ 1,011,225	\$ 807,509	25.2%
Transfers in	38,774	25,689	50.9%	Net Change in			
Total Revenues and				Fund Balance	\$ (1,317)	\$ 105,049	-101.3%
Other Financing Sources	1,009,908	912,558	10.7%				

During 2025, the City did not issue any Revenue Anticipation Notes (RANS) to finance the operating budget pending receipt of State Shared Revenues as the sales tax stabilized cash flow with monthly distributions from the State of Wisconsin, who administers all sales taxes, thus minimizing the need for interim borrowing.

CITY OF MILWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
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The City maintains two separate debt service funds, the General Obligation Debt Service Fund and the Public Debt Amortization Fund (PDAF).

The General Obligation Debt Service Fund accounts for resources accumulated and payments made for principal and interest on the City's outstanding general obligation debt. The 2025 fund balance of the General Obligation Debt Service Fund decreased \$660 thousand to \$49 million compared to the 2024 balance of \$49.6 million (see Table 4a).

Total revenues of the General Obligation Debt Service Fund decreased to \$112 million in 2025 compared to \$114 million in 2024, mainly due to a small decrease in tax levy committed to this fund. Revenues combined with Other Financing Sources totaled \$181 million (see table 4b) while expenditures combined with Other Financing Uses totaled \$181.6 million (see Table 4c); resulting in a decrease in Fund Balance for year-end 2025 of \$0.6 million (see Table 4a).

The Public Debt Amortization Fund (PDAF) is governed by State Statutes Section 67.101 whereby accumulated funds can be used for the retirement of the public debt. The 2025 PDAF fund balance was \$62.1 million, a \$3.3 million increase from the 2024 balance of \$58.8 million (see Table 4a) generated by higher than budgeted interest earnings.

The Economic Development Fund is used to record Tax Incremental District (TID) non-capital transactions (i.e. receipt of taxes and other revenues, payment of debt service, and refunds of excess revenue to overlying taxing jurisdictions). The fund is also used to record Business Improvement District (BID) and Neighborhood Improvement District (NID) assessments and payouts. The 2025 fund balance of the Economic Development fund increased \$9.4 million to \$173.7 million from the 2024 total of \$164.3 million.

The Grant and Aid Projects fund had revenue of \$121 million in 2025, a decrease of \$100 million under the 2024 level. The decrease is due to the reduced recognition of federal government ARPA usage as the program winds down. The grant funds must be exhausted by the end of 2026 or returned to the federal government and funds must be used to cover certain expenditures as allowed by the grant. We expect this fund will deplete all the COVID era grants before December 31, 2026. Total expenditures were \$73 million, a decrease of \$207 million over the 2024 amount. As noted above the City used a substantial amount of federal ARPA funds during 2024 for allowed expenditures during the year, which included revenue replacement and public safety expenditures. The fund had a beginning fund balance deficit of (\$65) million, and with a positive increase of \$48.5 million, the Grant and Aid Projects Fund ended 2025 with a fund balance deficit of (\$16.5) million.

The Capital Projects Funds are used to account for the financial resources segregated for the acquisition, construction, or repair of major capital facilities other than those financed by proprietary funds. In 2025, total debt proceeds amounted to \$119.7 million, an increase of \$32.1 million over the \$87.6 million in 2024. Total revenues decreased \$23.8 million to \$59.8 million in 2025 from \$83.6 million in 2024; expenditures increased \$11.5 million, to \$196 million in 2025 compared to \$184.5 million in 2024. The increase was in part related to carry over of unfinished projects from prior years including an initiative to upgrade street lighting and infrastructure work. The current year's revenues, transfers in and issuance of bonds and notes were less than expenditures and transfers out during 2025 for capital purposes resulting in a fund balance of \$46 million, a \$13 million decrease compared to the 2024 fund balance of \$59 million (Table 4a).

Proprietary Funds

The proprietary fund statements provide information on both short and long-term financial status, focusing on net position and the change in net position resulting from operations. Major proprietary funds include Water Works and Sewer Maintenance. Nonmajor Proprietary funds include Transportation, Port Milwaukee and the Metropolitan Sewerage District User Charge.

At the end of the fiscal year, the total net position for all proprietary funds was \$900.3 million, an increase of \$24.4 million from the 2024 balance of \$875.9 million. Changes in the individual components are: an increase of \$7.3 million in Water Works, \$18.6 million increase in the Sewer Maintenance fund, and a decrease of \$1.5 million in the Nonmajor Proprietary funds. The Nonmajor Proprietary funds decrease of \$1.5 million is composed of decreases of \$1.5 million in Transportation and essentially break even performance for the Port and Metropolitan Sewerage District User Charge (see Tables 6a and 6b for detail).

In 2025, operating revenues of the proprietary funds totaled \$310 million, an increase of 9% over 2024, while total operating expenses increased \$27 million to \$255 million. The Water Works is the largest proprietary activity of the City, comprising approximately 36% of the total operating revenues. The Sewer Maintenance Fund comprises 25% of the total operating revenues. Both funds primarily bill customers based on water consumption.

For 2025, Water Works operating revenues were up by just under \$1 million to \$116 million as net water sales stabilized after the implementation of the long-term supply agreement with the City of Waukesha beginning during the third quarter of 2023.

CITY OF MILWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
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 (Unaudited)

Sewer Maintenance operating revenues were up \$3.8 million to \$80.5 million or 5%. The combined revenue of all other proprietary funds (labeled Nonmajor Funds in Table 6a, with detail presented in Table 6b) increased \$21.7 million or 21% compared to 2024. The revenue of all three funds rose, led by Port which benefited from increased passenger cruise ship dockings and increased export tonnage.

The Water Works total operating expenses of \$108.6 million for 2025 were an increase of \$13 million compared to the 2024 total of \$95.6 million. This increase was broad based across all categories mostly caused by increases in water transmission and distribution and general and administrative expenses. Sewer Maintenance operating expenses totaled \$30.2 million in 2025, up from the 2024 amount of \$28.9 million due mainly to increases in personnel costs.

The 2025 combined operating expenses of all other proprietary funds increased \$11.7 million to \$116.1 million, or 11% from the 2024 total of \$104.4 million. This increase is the net result of higher expenses for the three non-major funds, made up of: Transportation \$1.2 million, Port \$6.0 million and Sewerage District User Charge fund of \$4.5 million. Table 6b below presents a summary of revenues and expenditures and changes in net position of the nonmajor proprietary funds.

Table 6a
Proprietary Funds - Summary of Revenues, Expenses and Changes in Net Position
(Thousands of Dollars)

	Water Works	Sewer Maintenance	Nonmajor Funds	Total
Operating revenues.....	\$ 115,621	\$ 80,452	\$ 114,292	\$ 310,365
Operating expenses.....	108,606	30,165	116,093	254,864
Operating income.....	7,015	50,287	(1,801)	55,501
Nonoperating revenues (expenses).....	(562)	(31,668)	11,954	(20,276)
Income before contributions & transfers.....	6,453	18,619	10,153	35,225
Capital contributions and transfers.....	844	-	(11,648)	(10,804)
Increase (decrease) in net position.....	7,297	18,619	(1,495)	24,421
Net position 2024.....	495,805	375,535	4,521	875,861
Net position 2025.....	\$ 503,102	\$ 394,154	\$ 3,026	\$ 900,282

Table 6b
Nonmajor Proprietary Funds - Summary of Revenues, Expenses and Changes in Net Position
(Thousands of Dollars)

	Transportation	Port of Milwaukee	Metropolitan Sewerage District User Charge	Total
Operating revenues.....	\$ 39,384	\$ 8,862	\$ 66,046	\$ 114,292
Operating expenses.....	34,460	15,445	66,188	116,093
Operating income.....	4,924	(6,583)	(142)	(1,801)
Nonoperating revenues (expenses).....	2,206	9,748	-	11,954
Income before transfers.....	7,130	3,165	(142)	10,153
Transfers.....	(8,592)	(3,056)	-	(11,648)
Increase (decrease) in net position.....	(1,462)	109	(142)	(1,495)
Net position 2024.....	72	2,913	1,536	4,521
Net position (Deficit) 2025.....	\$ (1,390)	\$ 3,022	\$ 1,394	\$ 3,026

General Fund Budgetary Highlights

For the year ended December 31, 2025, the General Fund budgetary-basis actual revenues were \$13.9 million greater than budgeted. The primary driver was Sales Tax at \$16.3 million over budget, the sales tax continues to provide greater revenue than expected but can be a volatile revenue source. Charges for service were \$4.1 million over budget while Licenses and Permits was \$1.6 million under budget. All other categories were close to budgeted amounts. Actual total revenues increased \$80.6 million to \$941.1 million in 2025 from \$860.5 million in 2024 driven by sales and property taxes.

CITY OF MILWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED DECEMBER 31, 2025
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Operating expenditures were \$49.3 million less than budgeted. This favorable variance is due mainly to budgeted expenses being carried over to the 2026 budget which then were not reflected in the General Fund as 2025 expenditures including City wide expenditures and employee benefits claim experience.

The final budget for other financing sources and uses was \$68.4 million, an increase of \$36.1 million compared to the original budget of \$32.3. This change was due to the issuance of transfers in to the general fund from other funds to finance the fiscal requirements of the City.

The original 2025 budget for expenditures included the adopted budget plus the encumbrances carried over from 2024 less the encumbrances carried forward to 2026. The final budget includes the original budget, as defined above, plus appropriations authorized for carryover from 2024 by the Common Council less those appropriations authorized for carryforward to 2026. In addition, certain appropriations are budgeted in a general non-departmental account (i.e. contingency) and are only transferred from this account to specific departments during the year to expend after authorization by the Common Council. These appropriation adjustments are part of the final budget. As detailed in the Required Supplementary Information Section; Exhibit E-1 shows both the original 2025 General Fund expenditure budget of \$1.071 billion and the final budget of \$1.055 billion, which is a 27% increase compared to the final 2024 budget of \$828 million. This increase is attributable to the use of federal ARPA grants by the General Fund during 2024 whereby the expenditures were in the Grant and Aid fund. The final 2025 revenue budget of \$927 million increased from the final 2024 revenue budget of \$841 million, due to increases in property and sales taxes, along with state shared revenue. Table 7 below presents a summary of the 2025 General Fund budget to actual revenues, expenses and changes in fund balance.

Table 7
General Fund - Budgetary Comparison Summary
(Thousands of Dollars)

	Original Budget	Final Budget	Budgetary Basis Actual	Variance Positive (Negative)
Operating revenues	\$ 927,255	\$ 927,255	\$ 941,122	\$ 13,867
Operating expenses	1,070,621	1,055,323	1,006,036	49,287
Deficiency of revenues over expenditures	(143,366)	(128,068)	(64,914)	63,154
Other financing sources (uses)	32,300	68,392	63,597	(4,795)
Net change in fund balance	(111,066)	(59,676)	(1,317)	58,359
Fund balance 2024	-	-	341,460	(341,460)
Fund balance 2025	\$ (111,066)	\$ (59,676)	\$ 340,143	\$ (283,101)

The General Fund Schedule of Expenditures - Budget and Actual (Exhibit I-9) compares current year actual to budgeted expenditures, by department at the class level.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets for governmental and business-type activities as of December 31, 2025 total \$2.916 billion (net of accumulated depreciation/amortization). Capital assets include land, buildings, infrastructure, improvements other than buildings, machinery and equipment which includes furniture and furnishings, non-utility property, right of use assets, subscription assets and construction in progress. The total net increase in the City's capital assets for the current fiscal year was \$114 million. Governmental activities' capital assets increased \$41 million from 2024. Business-type activity capital assets increased by \$73 million in 2025. A schedule comparing the assets by type for 2025 and 2024, for both governmental and business-type activities is shown in Table 8 below. The net change in assets, as detailed in Note 4 to the Financial Statements, reports that 2025 additions were \$135 million and disposals were \$48 million for governmental activities. The two largest business-type activities are the Sewer Maintenance Fund and the Water Works Fund. The Sewer Maintenance Fund had a net increase in capital assets of \$16 million. Of the Sewer Maintenance Fund's net assets at year-end, 99% relate to the sewer mains infrastructure. Infrastructure net assets of the Water Works Fund comprise 65% of its total capital assets with 31% consisting of machinery and equipment. The total net change in all Water Works net assets was an increase of \$53 million. The net investment in capital assets represents the net book value of capital assets less associated obligations. The net investment as of December 31, 2025 was \$1.946 billion, an increase of \$33 million from the December 31, 2024 net investment of \$1.913 billion.

CITY OF MILWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (Unaudited)

Table 8
Net Capital Assets
 (Thousands of Dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Capital assets not being depreciated/amortized:						
Land	\$ 166,343	\$ 166,370	\$ 19,058	\$ 19,434	\$ 185,401	\$ 185,804
Construction in progress	157,981	140,612	66,160	36,497	224,141	177,109
Intangible right of ways	1,342	1,342	-	-	1,342	1,342
Capital assets being depreciated/amortized:.....						
Buildings	445,028	434,919	146,145	142,486	591,173	577,405
Infrastructure.....	2,008,404	1,971,761	1,583,209	1,520,698	3,591,613	3,492,459
Improvements other than buildings.....	12,586	11,769	21,278	21,162	33,864	32,931
Machinery and equipment	307,050	291,583	348,733	337,294	655,783	628,877
Intangible software.....	16,289	14,722	-	-	16,289	14,722
Nonutility property	-	-	4,166	3,791	4,166	3,791
Accumulated depreciation/amortization.....	(1,671,186)	(1,631,460)	(734,910)	(700,109)	(2,406,096)	(2,331,569)
Total capital assets being depreciated and amortized, net	1,443,837	1,401,618	1,453,839	1,381,253	2,897,676	2,782,871
Right of use and subscription assets	18,593	19,315	-	-	18,593	19,315
Total	<u>\$ 1,462,430</u>	<u>\$ 1,420,933</u>	<u>\$ 1,453,839</u>	<u>\$ 1,381,253</u>	<u>\$ 2,916,269</u>	<u>\$ 2,802,186</u>
Net investment in capital assets.....	\$ 919,667	\$ 963,782	\$ 1,026,396	\$ 949,599	1,946,063	1,913,381

Debt

At year-end, the City owed \$1.179 billion in general obligation bonds and notes, \$244 million in State loans, \$141 million in revenue bonds and \$19 million in lease and subscription obligations. Debt totals, excluding unamortized premium, are itemized in Table 9. Please refer to Footnote 7 – Long Term Liabilities for additional details.

During 2025, \$162 million of general obligation bonds and notes and \$17 million of State loans were issued. No new Revenue Bonds were issued in 2025. Of the \$162 million of new general obligation bonds and notes issuances, \$157.7 million related to governmental activities and \$4.3 million was for business-type activities. All 2025 State loan issuances were for business-type activities.

The City continues to maintain investment grade ratings from the three major rating agencies. Ratings of “A3” from Moody’s Investor Service, and “A+” from Fitch’s Ratings, were received on the City’s most recent 2026 general obligation bonds and notes. The City also maintains a rating of “A-” from S&P Global Ratings.

The City issues general obligation notes to purchase a portion of General Fund delinquent taxes. During 2025, \$21 million of notes were issued to fund delinquent taxes. Delinquent tax collections, along with related interest and penalties, are used to pay the debt service requirements of the notes.

CITY OF MILWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (Unaudited)

Table 9
Outstanding Debt
General Obligation Bonds & Notes, State Loans and Revenue Bonds
(Thousands of Dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
General obligation bonds and notes (backed by the City)	\$ 1,156,895	\$ 1,131,895	\$ 22,535	\$ 21,460	\$ 1,179,430	\$ 1,153,355
Lease and Subscription Obligations	18,593	19,315	-	-	18,593	19,315
State loans	-	-	244,447	246,168	244,447	246,168
Revenue bonds (backed by specific fee revenues)	-	-	141,125	148,145	141,125	148,145
Total	\$ 1,175,488	\$ 1,151,210	\$ 408,107	\$ 415,773	\$ 1,583,595	\$ 1,566,983

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND TAX RATE

In July 2023 the Wisconsin legislature passed, and the Governor signed Act 12 which allows the City of Milwaukee to enact a 2% Sales Tax effective January 1, 2024. Act 12, among other things, requires the bulk of the Sales Tax revenue to be dedicated to public safety and pension obligations; and closes the City's pension plan to new hires after January 1, 2024. In the second year the City collected \$209.2 million in sales tax revenue.

The average unemployment rate within the City of Milwaukee for 2025 was 4.5%, compared to 4.2% for 2024. The City of Milwaukee per capita income for 2024 (the most recent fiscal year available) was \$62,166, compared to \$60,114 for 2023. Table 13, in the Statistical Section, contains demographic and economic statistics for the last ten calendar years.

The 2026 adopted City Budget totals \$2.076 billion with a General Fund budget of \$1.082 billion. The General Fund budget increased \$44 million from the 2025 budget of \$1.038 billion. In 2026, the City expects to spend \$124 million for health insurance and related costs, which is slightly higher than the 2025 budgeted amount of \$122 million.

The 2026 Adopted Budget marks another step forward in Milwaukee's financial recovery and stability. This is the third consecutive City budget partially balanced with local sales tax revenues, and the first prepared after a full year of actual collections. In 2024, the 2% local sales tax yielded \$200.6 million, exceeding the City Comptroller's budgeted projection of \$184 million by \$16.6 million, or 9%. This conservative estimate helped stabilize the City's financial footing and set a more reliable baseline for future projections. The 2025 budget forecasted \$192.9 million, and the 2026 budget now projects \$206.2 million in local sales tax revenue. The 2026 budget reflects the final year for fully expending American Rescue Plan Act (ARPA) funds. In 2021 Federal Government allocated \$394.2 million of ARPA funds to the City of Milwaukee. The grant required that all of it be spent, under contract, or reserved for programmatic salaries by December 31, 2024 and fully spent by December 31, 2026. Similar to the approach for the 2025 budget, the City pursued three strategic approaches to balance the 2026 budget: increasing existing revenues, strategic departmental reductions that minimized service impacts, and planned withdrawals from reserves. Though the 2026 Budget required deeper departmental cuts than the 2025 budget, it was able to be balanced in a responsible fashion while keeping service levels appropriate and maintaining focus on performance goals.

The 2025 Water Works budget includes funding to replace 5,000 lead service lines. The cost of replacing the utility owned portion of a lead service line is paid for by ratepayers through the Water Works operating budget. Replacement of the privately owned section of lead service lines in 2026 is funded by \$16.7 million of levy supported City capital funds that were allocated in prior years, and \$840 thousand of special assessments to property owners. MWW has applied for \$58.8 million of funding through the Safe Drinking Water Loan Program (SDWLP) for SFY 2026; \$50.5 million of the funding is for lead service line replacements. The utility expects to receive principal forgiveness funding for the majority of costs related to the privately-owned section, and low interest loans for the remaining private-side and public-side costs. It is critical to ensure that Milwaukee has a strong and effective lead poisoning prevention and remediation program; procedures and management are in place to ensure this program is effective. Several new positions have been added to improve intake of new cases, assist families if they must temporarily or permanently vacate a property, and comply with program requirements.

CITY OF MILWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (Unaudited)

The 2026 capital budget prioritizes investments in projects that will enhance and repair the City's street infrastructure. The city's share of street infrastructure spending in the 2026 budget totals \$34.8 million, a 16% decrease from the 2025 budget. The city continues to leverage State and Federal grant funding for both major street reconstruction (\$50,400,000), and Bridge Construction projects (\$7,400,000) which covers approximately 50% of project costs. In addition, Local Streets (\$8,700,000) and High Impact Paving (\$8,000,000) continue to see high levels of investments.

Capital funding will be used to purchase fleet vehicles for the Department of Public Works, fire engines and medical units for the Fire Department, and various vehicles for other general city departments. In 2026, capital equipment totals \$22 million, an increase of \$9.8 million from 2025. The 2026 budget includes \$10 million for fleet services equipment for the Department of Public Works which will facilitate the purchase of refuse packers, street sweepers, forestry equipment, and infrastructure equipment. The Fire Department will utilize \$10 million in 2026 to purchase engines or paramedic ambulances. Funding for the Police Department totaling \$2 million will facilitate the purchase of approximately thirty police vehicles.

The city owns and operates nearly 77,000 street lights. The 2026 street lighting program includes \$11.9 million in capital funding, a \$1.4 million increase from the 2025 budget. This includes \$500,000 revenue from savings due to reduced electricity usage resulting from use of LED and \$11.4 million in levy-supported borrowing. The 2026 street lighting program includes approximately \$5.1 million for the Neighborhood Lighting Program, which includes upgrades to street and alley lighting, removal of series circuitry, and LED street light conversions. In 2026, DPW estimates that the circuits serving approximately 596 fixtures will be replaced, not including those modernized through paving projects. At least 12,000 units are expected to be converted to LED in 2026 using a combination of city and federal funding sources. DPW anticipates completing the conversion of nearly all street and alley lights that are on multiple system circuits to LED by the end of 2026. LED street lighting fixtures or lamps typically consume at least 50% less electricity than standard high-pressure sodium lamps or fixtures, reducing street lighting energy costs.

The 2025 budget provided the final year of funding for the \$40 million project to replace public safety radios, and the \$17 million port cruise dock terminal. The 2026 budget will complete funding the \$28 million replacement of the City's over 20-year-old financial management and human resources software, and begin funding a new electrical services building, new early voting and central count facilities for the Elections Commission, and a potential new Capitol branch library.

The City of Milwaukee's share of the 2026 Tax Rate decreased to \$7.61 (per \$1,000 of Assessed Value) from the 2025 rate of \$8.29. The total City 2026 property tax levy increased \$12.6 million to \$336.8 million, compared to \$324.2 million in 2025, while the assessed valuation of all property within the City increased \$5 billion to approximately \$44 billion.

The 2025 property tax levy (which funds the 2026 budget) is shown in Table 10 below along with a comparison to the 2024 levy.

Table 10
Tax Levy by Purpose
(Thousands of Dollars)

	<u>Levy Year *</u>		<u>Increase (decrease)</u>
	<u>2025</u>	<u>2024</u>	
General city purposes.....	\$ 147,307	\$ 142,311	\$ 4,996
Employee retirement.....	76,832	69,189	7,643
Capital improvements.....	905	3,665	(2,760)
Debt.....	106,777	103,985	2,792
Contingent fund.....	5,000	5,000	-
Total levy.....	<u>\$ 336,821</u>	<u>\$ 324,150</u>	<u>\$ 12,671</u>

*Levy year funds the next year's budget.

CITY OF MILWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (Unaudited)

The 2025 General City Purpose budget includes \$816 million in estimated revenue, an increase of nearly \$21 million compared to the 2025 budget. The sources of funds for the 2026 General City Purpose budget, by category, compared to the 2025 budget is shown in Table 11.

Table 11
Sources of Funds for General City Purposes Budget
(Thousands of Dollars)

	<u>Budget Year*</u>		Increase
	<u>2026</u>	<u>2025</u>	<u>(decrease)</u>
Tax levy.....	\$ 147,307	\$ 142,311	\$ 4,996
Taxes and PILOTS.....	75,881	73,451	2,430
Licenses and permits.....	20,787	19,882	905
Intergovernmental revenue.....	316,795	305,503	11,292
Charges for services.....	163,458	155,734	7,724
Transfers.....	32,300	32,300	-
Other.....	59,145	65,657	(6,512)
Total sources.....	<u>\$ 815,673</u>	<u>\$ 794,838</u>	<u>\$ 20,835</u>

*Budget is funded by the prior year's levy.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with an overview of the City's finances and to demonstrate the City's accountability for the taxes and other funding received. If you have questions about this report or need additional financial information, contact the City of Milwaukee, Office of the City Comptroller, City Hall, 200 East Wells Street Room 404, Milwaukee, WI 53202.

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**BASIC
FINANCIAL
STATEMENTS**

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

CITY OF MILWAUKEE
STATEMENT OF NET POSITION
December 31, 2025
(Thousands of Dollars)

Exhibit 1

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 655,343	\$ 24,302	\$ 679,645	\$ 10,035
Restricted cash and cash equivalents	34,124	22,459	56,583	8,662
Receivables (net):				
Taxes	342,161	-	342,161	-
Accounts	31,179	56,605	87,784	183
Unbilled accounts	2,953	24,433	27,386	-
Special assessments	6,708	-	6,708	-
Notes and loans	45,253	-	45,253	11,953
Settlements	20,058	-	20,058	-
Accrued interest	237	454	691	551
Leases	5,502	31,141	36,643	840
Due from component units	7,372	-	7,372	-
Due from primary government	-	-	-	29
Due from other governmental agencies	144,068	20,304	164,372	654
Inventory of materials and supplies	14,717	6,208	20,925	-
Inventory of property for resale	26	-	26	7,367
Prepaid items	8,046	121	8,167	37
Other assets	-	76	76	-
 Total Noncapital Assets	<u>1,317,747</u>	<u>186,103</u>	<u>1,503,850</u>	<u>40,311</u>
Capital assets:				
Capital assets not being depreciated:				
Land	166,343	19,058	185,401	10,593
Construction in progress	157,981	66,159	224,140	5,706
Intangible right of ways	1,342	-	1,342	-
Capital assets being depreciated:				
Buildings	445,028	146,145	591,173	14,174
Infrastructure	2,008,404	1,583,209	3,591,613	13,371
Improvements other than buildings	12,586	21,278	33,864	4,263
Machinery and equipment	307,050	348,733	655,783	-
Intangible software.....	16,289	-	16,289	565
Nonutility property	-	4,166	4,166	-
Accumulated depreciation and amortization	(1,671,186)	(734,909)	(2,406,095)	(11,686)
Right of use lease asset, net.....	3,379	-	3,379	-
Subscription assets, net.....	15,214	-	15,214	-
 Total Capital Assets	<u>1,462,430</u>	<u>1,453,839</u>	<u>2,916,269</u>	<u>36,986</u>
 Total Assets	<u>2,780,177</u>	<u>1,639,942</u>	<u>4,420,119</u>	<u>77,297</u>
Deferred Outflows of Resources:				
Pension related items	607,126	23,569	630,695	-
OPEB related items	73,864	1,573	75,437	-
 Total Deferred Outflows of Resources	680,990	25,142	706,132	-

CITY OF MILWAUKEE
STATEMENT OF NET POSITION
December 31, 2025
(Thousands of Dollars)

Exhibit 1

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Accounts payable	\$ 110,991	\$ 74,914	\$ 185,905	\$ 1,957
Accrued expenses	53,169	1,442	54,611	-
Accrued interest payable	14,064	1,430	15,494	-
Internal balances	(91,499)	91,499	-	-
Due to component units	29	-	29	-
Due to other governmental agencies	1,097	15	1,112	3,165
Unearned revenues	29,427	877	30,304	410
Other liabilities	-	-	-	282
Due to primary government:				
Due within one year	-	-	-	805
Due in more than one year	-	-	-	6,595
Long-term obligations:				
Due within one year	178,626	37,750	216,376	-
Due in more than one year	3,835,211	502,584	4,337,795	1,596
 Total Liabilities	 4,131,115	 710,511	 4,841,626	 14,810
Deferred Inflows of Resources:				
Gain on refunding	336	190	526	-
Subsequent years property taxes	421,848	-	421,848	-
Pension related items	62,138	2,052	64,190	-
OPEB related items	394,345	20,908	415,253	-
Lease related items	5,502	31,141	36,643	840
 Total Deferred Inflows of Resources	 884,169	 54,291	 938,460	 840
NET POSITION				
Net investment in capital assets.....	919,667	1,026,396	1,946,063	36,986
Restricted for:				
Debt service	97,004	21,234	118,238	-
Loan and development purposes	-	-	-	12,413
Grants	7,266	-	7,266	-
Settlements	12,706	-	12,706	-
Tax increment financing	173,733	-	173,733	-
Unrestricted (Deficit)	(2,764,493)	(147,348)	(2,911,841)	12,248
 Total Net Position (Deficit)	 \$ (1,554,117)	 \$ 900,282	 \$ (653,835)	 \$ 61,647

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

CITY OF MILWAUKEE
STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2025
(Thousands of Dollars)

Exhibit 2

		<u>Program Revenues</u>	<u>Grants and Contributions</u>	
Functions/Programs	Expenses	Charges for Services	Operating	Capital
Primary government:				
Governmental Activities:				
General government	\$ 447,019	\$ 6,429	\$ 25,203	\$ -
Public safety	445,143	33,828	20,181	-
Public works	286,472	113,752	7,980	517
Health	38,113	638	22,211	-
Culture and recreation	32,038	1,386	4,973	-
Conservation and development	89,046	11	32,038	-
Interest on long-term debt	35,169	-	-	-
Total Governmental Activities	<u>1,373,000</u>	<u>156,044</u>	<u>112,586</u>	<u>517</u>
Business-type Activities:				
Water	110,374	115,621	-	9,187
Sewer Maintenance	69,983	80,452	-	7,417
Transportation	35,917	39,384	-	2,842
Port of Milwaukee	15,859	8,862	-	10,162
Metropolitan Sewerage District				
User Charges	<u>66,188</u>	<u>66,046</u>	<u>-</u>	<u>-</u>
Total Business-type Activities	<u>298,321</u>	<u>310,365</u>	<u>-</u>	<u>29,608</u>
Total Primary Government	<u>\$ 1,671,321</u>	<u>\$ 466,409</u>	<u>\$ 112,586</u>	<u>\$ 30,125</u>
Component units:				
Redevelopment Authority	\$ 4,038	\$ 1,878	\$ 2,060	\$ 4,100
Neighborhood Improvement Development Corporation	<u>603</u>	<u>61</u>	<u>145</u>	<u>-</u>
Total Component Units	<u>\$ 4,641</u>	<u>\$ 1,939</u>	<u>\$ 2,205</u>	<u>\$ 4,100</u>
General revenues:				
Property, sales and other taxes				
State shared revenue and aid not restricted to specific programs				
Miscellaneous				
Transfers				
Total General Revenues and Transfers				
Change in Net Position				
Net Position (Deficit) - Beginning.....				
Net Position (Deficit) - Ending				

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

Net (Expenses) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (415,387)		\$ (415,387)	
(391,134)		(391,134)	
(164,223)		(164,223)	
(15,264)		(15,264)	
(25,679)		(25,679)	
(56,997)		(56,997)	
(35,169)		(35,169)	
<u>(1,103,853)</u>		<u>(1,103,853)</u>	
-	\$ 14,434	14,434	
-	17,886	17,886	
-	6,309	6,309	
-	3,165	3,165	
-	(142)	(142)	
-	41,652	41,652	
<u>(1,103,853)</u>	<u>41,652</u>	<u>(1,062,201)</u>	
			\$ 4,000
			<u>(397)</u>
			<u>3,603</u>
614,414	-	614,414	-
305,434	-	305,434	-
101,787	2,759	104,546	981
19,990	(19,990)	-	-
<u>1,041,625</u>	<u>(17,231)</u>	<u>1,024,394</u>	<u>981</u>
(62,228)	24,421	(37,807)	4,584
<u>(1,491,889)</u>	<u>875,861</u>	<u>(616,028)</u>	<u>57,063</u>
<u>\$ (1,554,117)</u>	<u>\$ 900,282</u>	<u>\$ (653,835)</u>	<u>\$ 61,647</u>

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**FUND
FINANCIAL
STATEMENTS**

CITY OF MILWAUKEE
BALANCE SHEET
GOVERNMENTAL FUNDS
 DECEMBER 31, 2025
(Thousands of Dollars)

Exhibit A-1

	General	General Obligation Debt Service
ASSETS		
Assets:		
Cash and equivalents	\$ 177,980	\$ 62,289
Restricted cash and cash equivalents	-	34,124
Receivables (net):		
Taxes	185,992	62,478
Accounts	29,145	-
Unbilled accounts	2,953	-
Special assessments	-	-
Notes and loans	-	37,986
Settlements	-	-
Accrued interest	55	-
Leases	5,502	-
Due from other funds	136,770	-
Due from component units	323	-
Due from other governmental agencies	83,535	-
Advances to other funds	45,430	-
Inventory of materials and supplies	14,717	-
Inventory of property for resale	26	-
Prepaid items	8,037	-
Total Assets	<u>\$ 690,465</u>	<u>\$ 196,877</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 52,265	\$ 169
Accrued expenses	52,950	-
Due to other funds	-	2,974
Due to component units	29	-
Due to other governmental agencies	221	-
Unearned revenue.....	4	-
Advances from other funds	-	-
Total Liabilities	<u>105,469</u>	<u>3,143</u>
Deferred Inflows of Resources:.....	<u>244,853</u>	<u>144,763</u>
Fund Balances:		
Nonspendable	68,210	-
Restricted	-	48,971
Committed	124,666	-
Assigned	67,715	-
Unassigned (Deficit)	79,552	-
Total Fund Balances	<u>340,143</u>	<u>48,971</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 690,465</u>	<u>\$ 196,877</u>

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

Public Debt Amortization	Economic Development	Grant and Aid Projects	Capital Projects	Nonmajor Governmental Funds	Total
\$ 61,916	\$ 207,628	\$ 29,375	\$ 102,008	\$ 14,147	\$ 655,343
-	-	-	-	-	34,124
-	55,441	-	9,808	28,442	342,161
-	-	22	2,012	-	31,179
-	-	-	-	-	2,953
-	-	-	6,708	-	6,708
-	-	3,411	-	3,856	45,253
-	-	-	-	20,058	20,058
182	-	-	-	-	237
-	-	-	-	-	5,502
-	-	-	-	-	136,770
-	6,764	122	141	22	7,372
-	-	38,685	18,881	2,967	144,068
-	-	-	-	-	45,430
-	-	-	-	-	14,717
-	-	-	-	-	26
-	-	4	-	5	8,046
<u>\$ 62,098</u>	<u>\$ 269,833</u>	<u>\$ 71,619</u>	<u>\$ 139,558</u>	<u>\$ 69,497</u>	<u>\$ 1,499,947</u>
\$ -	\$ 18,008	\$ 12,887	\$ 25,741	\$ 1,921	\$ 110,991
-	-	147	-	72	53,169
-	-	26,159	21,728	29,795	80,656
-	-	-	-	-	29
-	-	-	-	876	1,097
-	-	28,804	62	557	29,427
-	-	-	10,044	-	10,044
<u>-</u>	<u>18,008</u>	<u>67,997</u>	<u>57,575</u>	<u>33,221</u>	<u>285,413</u>
<u>-</u>	<u>78,092</u>	<u>20,090</u>	<u>35,993</u>	<u>27,651</u>	<u>551,442</u>
-	-	4	-	5	68,219
62,098	173,733	3,411	-	16,561	304,774
-	-	-	81,298	-	205,964
-	-	-	-	-	67,715
-	-	(19,883)	(35,308)	(7,941)	16,420
<u>62,098</u>	<u>173,733</u>	<u>(16,468)</u>	<u>45,990</u>	<u>8,625</u>	<u>663,092</u>
<u>\$ 62,098</u>	<u>\$ 269,833</u>	<u>\$ 71,619</u>	<u>\$ 139,558</u>	<u>\$ 69,497</u>	<u>\$ 1,499,947</u>

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CITY OF MILWAUKEE
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION**
 DECEMBER 31, 2025
(Thousands of Dollars)

Exhibit A-2

Fund balances - total governmental funds (Exhibit A-1) \$ 663,092

Amounts reported for governmental activities in the statement of net
 assets (Exhibit 1) are different because:

Capital assets used in governmental activities are not financial resources
 and therefore are not reported in the funds. Those assets consist of:

Land	166,343	
Buildings, net of \$210,349 accumulated depreciation	234,679	
Infrastructure, net of \$1,238,474 accumulated depreciation	769,930	
Improvements other than buildings, net of \$11,396 accumulated depreciation	1,190	
Machinery and equipment, net of \$196,189 accumulated depreciation	110,861	
Intangible assets net of \$14,778 accumulated depreciation	2,853	
Right of use assets, net	3,379	
Subscription-based agreements, net	15,214	
Construction in progress	<u>157,981</u>	
		1,462,430

Some revenues are unavailable in the funds because they are not available to pay
 current period's expenditures.

Taxes to be collected	16,328	
Receivables to be collected	66,251	
Grant revenues to be collected	39,581	
Special assessments to be collected	<u>1,932</u>	
		124,092

Deferred inflows and outflows of resources related to pensions and Other Post
 Employment Benefits have not been included in governmental fund activity.

Deferred inflows for other post employment benefits	(394,345)	
Deferred outflows for other post employment benefits	73,864	
Deferred inflows for pensions	(62,138)	
Deferred outflows for pensions	<u>607,126</u>	
		224,507

Long-term liabilities and related deferrals are not due and payable or amortized in the
 current period and therefore are not reported in the funds. Interest on long-term debt
 is not accrued in governmental funds, but rather is recognized as an expenditure when
 due. All items - both current and long-term - are reported in the statement of net
 position.

Accrued interest payable	(14,065)	
Bonds and notes payable	(1,156,895)	
Gain on refunding	(336)	
Unamortized premiums	(73,252)	
Leases	(3,379)	
Subscription-based agreements	(15,214)	
Compensated absences	(51,959)	
Total other postemployment benefits liability	(925,748)	
Net pension liability	(1,681,750)	
Claims and judgments	<u>(105,640)</u>	
		(4,028,238)

Total net position of governmental activities (Exhibit 1) **\$ (1,554,117)**

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

CITY OF MILWAUKEE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2025
(Thousands of Dollars)

Exhibit A-3

	General	General Obligation Debt Service
Revenues:		
Property taxes	\$ 216,502	\$ 103,985
Sales taxes	209,194	-
Other taxes	2,886	-
Special assessments	-	-
Licenses and permits	18,280	-
Intergovernmental	305,434	-
Charges for services	174,828	5,491
Fines and forfeits	2,108	-
Contributions received	2,612	-
Other	26,090	2,840
Total Revenues	<u>957,934</u>	<u>112,316</u>
Expenditures:		
Current:		
General government	420,665	878
Public safety	401,879	-
Public works	132,631	-
Health	14,690	-
Culture and recreation	25,786	-
Conservation and development	6,653	-
Capital outlay	6,239	-
Debt Service:		
Principal retirement	-	132,624
Interest	-	47,370
Bond issuance costs	-	759
Total Expenditures	<u>1,008,543</u>	<u>181,631</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(50,609)</u>	<u>(69,315)</u>
Other Financing Sources (Uses):		
General obligation notes issued	6,961	21
Issuance of refunding bonds	-	9,961
Issuance of lease & subscription arrangements	6,239	-
Loans activities	-	-
Issuance premium	-	13,624
Transfers in	38,774	45,049
Transfers out	<u>(2,682)</u>	<u>-</u>
Total Other Financing Sources and Uses	<u>49,292</u>	<u>68,655</u>
Net Change in Fund Balances	(1,317)	(660)
Fund Balances (Deficit) - Beginning.....	<u>341,460</u>	<u>49,631</u>
Fund Balances (Deficit) - Ending.....	<u>\$ 340,143</u>	<u>\$ 48,971</u>

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

Public Debt Amortization	Economic Development	Grant and Aid Projects	Capital Projects	Nonmajor Governmental Funds	Total
\$ -	\$ 49,715	\$ -	\$ 23,952	\$ -	\$ 394,154
-	-	-	-	-	209,194
2,765	-	-	179	-	5,830
-	-	-	2,294	-	2,294
-	-	-	-	-	18,280
-	-	121,235	20,877	15,364	462,910
-	-	-	-	-	180,319
-	-	-	-	-	2,108
-	-	-	-	-	2,612
<u>6,504</u>	<u>11</u>	<u>-</u>	<u>12,542</u>	<u>10,574</u>	<u>58,561</u>
<u>9,269</u>	<u>49,726</u>	<u>121,235</u>	<u>59,844</u>	<u>25,938</u>	<u>1,336,262</u>
-	-	271	-	5,428	427,242
-	-	15,781	-	4,836	422,496
-	-	7,749	-	-	140,380
-	-	22,200	-	162	37,052
-	-	2,096	-	1,504	29,386
-	7,011	25,005	-	7,030	45,699
-	-	-	196,044	-	202,283
-	-	-	-	-	132,624
-	-	-	-	-	47,370
-	-	-	-	-	759
<u>-</u>	<u>7,011</u>	<u>73,102</u>	<u>196,044</u>	<u>18,960</u>	<u>1,485,291</u>
<u>9,269</u>	<u>42,715</u>	<u>48,133</u>	<u>(136,200)</u>	<u>6,978</u>	<u>(149,029)</u>
-	-	-	119,657	21,024	147,663
-	-	-	-	-	9,961
-	-	-	-	-	6,239
-	-	(208)	-	(151)	(359)
-	-	-	-	-	13,624
-	4,510	572	17,180	-	106,085
<u>(6,000)</u>	<u>(37,744)</u>	<u>-</u>	<u>(13,669)</u>	<u>(25,999)</u>	<u>(86,094)</u>
<u>(6,000)</u>	<u>(33,234)</u>	<u>364</u>	<u>123,168</u>	<u>(5,126)</u>	<u>197,119</u>
3,269	9,481	48,497	(13,032)	1,852	48,090
<u>58,829</u>	<u>164,252</u>	<u>(64,965)</u>	<u>59,022</u>	<u>6,773</u>	<u>615,002</u>
<u>\$ 62,098</u>	<u>\$ 173,733</u>	<u>\$ (16,468)</u>	<u>\$ 45,990</u>	<u>\$ 8,625</u>	<u>\$ 663,092</u>

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CITY OF MILWAUKEE
**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**
FOR THE YEAR ENDED DECEMBER 31, 2025
(Thousands of Dollars)

Exhibit A-4

Net change in fund balances - total governmental funds (Exhibit A-3) \$ 48,090

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital asset additions of \$135,049 less additions from Construction-in-Progress (\$18,309) exceeded depreciation and amortization expense (\$74,470) in the current period less disposal of land (\$27) and loss on disposal of equipment (\$746). 41,497

Notes and loans receivable to repay long-term bonds and notes (18,109)

Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows in the funds.

Taxes accrued in prior years	1,503	
Capital grants and contributions	(34,237)	
Unbilled Special assessments	(529)	
		(33,263)

The issuance of long-term debt (bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of discounts, premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt issued:		
Bonds and notes issued	(157,624)	
Issuance of lease and subscription arrangements	(6,239)	
Issuance premiums	(13,624)	
Repayments:		
Principal retirement	132,624	
Retirement of lease and subscription arrangements	6,961	
Amortization:		
Premiums	12,793	
Gain/Loss on refunding	405	
		(24,704)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather as it accrues. The adjustment combines the net changes of the following balances.

Compensated absences	(1,880)	
Total other postemployment benefits liability	138,896	
Net pension liability	(84,994)	
Deferred inflows for other post employment benefits	84,294	
Deferred outflows for other post employment benefits	(45,871)	
Deferred inflows for pensions	21,645	
Deferred outflows for pensions	(139,929)	
Claims and judgments	(46,899)	
Accrued interest on bonds and notes	(1,001)	
		(75,739)
Changes in net position of governmental activities (Exhibit 2)		\$ (62,228)

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

CITY OF MILWAUKEE
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2025
(Thousands of Dollars)

Exhibit B-1

	Water Works	Sewer Maintenance	Nonmajor Proprietary Funds	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Current Assets:				
Cash and cash equivalents	\$ 15,302	\$ 8,126	\$ 874	\$ 24,302
Restricted cash and cash equivalents	4,820	17,639	-	22,459
Receivables (net):				
Accounts	19,540	20,007	17,058	56,605
Unbilled accounts	16,741	3,069	4,623	24,433
Accrued interest	-	454	-	454
Leases	-	-	2,787	2,787
Due from other funds	-	1,335	1,032	2,367
Due from other governmental agencies	-	6,069	14,235	20,304
Inventory of materials and supplies	5,568	640	-	6,208
Prepaid items	105	16	-	121
Other assets	76	-	-	76
	<u>62,152</u>	<u>57,355</u>	<u>40,609</u>	<u>160,116</u>
Total Current Assets				
Noncurrent assets:				
Leases receivable	-	-	28,354	28,354
Capital assets:				
Capital assets not being depreciated:				
Land	1,597	-	17,461	19,058
Construction in progress	38,785	991	26,384	66,160
Capital assets being depreciated:				
Buildings	40,076	-	106,069	146,145
Infrastructure	660,478	900,956	21,775	1,583,209
Improvements other than buildings	-	-	21,278	21,278
Machinery and equipment	317,042	12,107	19,584	348,733
Nonutility property	4,166	-	-	4,166
Accumulated depreciation	(397,624)	(229,778)	(107,508)	(734,910)
	<u>664,520</u>	<u>684,276</u>	<u>105,043</u>	<u>1,453,839</u>
Net Capital Assets				
Total Noncurrent Assets	<u>664,520</u>	<u>684,276</u>	<u>133,397</u>	<u>1,482,193</u>
Total Assets	<u>726,672</u>	<u>741,631</u>	<u>174,006</u>	<u>1,642,309</u>
Deferred Outflows of Resources:				
Pension related items	17,329	2,965	3,275	23,569
OPEB related items	-	1,058	515	1,573
	<u>17,329</u>	<u>4,023</u>	<u>3,790</u>	<u>25,142</u>
Total Deferred Outflows of Resources.....				

CITY OF MILWAUKEE
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2025
(Thousands of Dollars)

Exhibit B-1

	Water Works	Sewer Maintenance	Nonmajor Proprietary Funds	Total
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Current Liabilities:				
Accounts payable	\$ 43,333	\$ 4,026	\$ 27,555	\$ 74,914
Accrued expenses	913	246	283	1,442
Accrued interest payable	40	447	205	692
Compensated absences	2,652	932	705	4,289
Due to other funds	4,321	42,077	12,082	58,480
Due to other governmental agencies	-	-	15	15
Other post employment benefits liability	963	390	322	1,675
Unearned revenue	-	644	233	877
General obligation debt payable - current	-	-	2,601	2,601
State Loans & Revenue bonds payable - current	-	13,729	595	14,324
Total Current Liabilities	<u>52,222</u>	<u>62,491</u>	<u>44,596</u>	<u>159,309</u>
Current Liabilities Payable from Restricted Assets:				
Revenue bonds & State loans payable	6,826	8,035	-	14,861
Accrued interest payable	<u>291</u>	<u>447</u>	<u>-</u>	<u>738</u>
Total Current Liabilities Payable from Restricted Assets	<u>7,117</u>	<u>8,482</u>	<u>-</u>	<u>15,599</u>
Noncurrent Liabilities:				
Compensated absences	-	-	54	54
General obligation debt payable	-	-	19,934	19,934
Revenue bonds & State loans payable	104,259	262,847	3,115	370,221
Advances from other funds	-	-	35,386	35,386
Claims and judgments	-	-	21,994	21,994
Other post employment benefits liability	18,494	7,353	6,667	32,514
Net pension liability	<u>43,660</u>	<u>7,052</u>	<u>7,155</u>	<u>57,867</u>
Total Noncurrent Liabilities	<u>166,413</u>	<u>277,252</u>	<u>94,305</u>	<u>537,970</u>
Total Liabilities	<u>225,752</u>	<u>348,225</u>	<u>138,901</u>	<u>712,878</u>
Deferred Inflows of Resources:				
Deferred inflows for gain on bond refunding	-	190	-	190
Pension related items	1,713	86	253	2,052
OPEB related items	13,434	2,999	4,475	20,908
Lease related items	<u>-</u>	<u>-</u>	<u>31,141</u>	<u>31,141</u>
Total Deferred Inflows of Resources	<u>15,147</u>	<u>3,275</u>	<u>35,869</u>	<u>54,291</u>
NET POSITION:				
Net investment in capital assets	550,895	398,806	76,695	1,026,396
Restricted for debt service	4,489	16,745	-	21,234
Unrestricted (Deficit)	<u>(52,282)</u>	<u>(21,397)</u>	<u>(73,669)</u>	<u>(147,348)</u>
Total Net Position	<u>\$ 503,102</u>	<u>\$ 394,154</u>	<u>\$ 3,026</u>	<u>\$ 900,282</u>

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

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CITY OF MILWAUKEE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2025
(Thousands of Dollars)

Exhibit B-2

	Water Works	Sewer Maintenance	Nonmajor Proprietary Funds	Total
Operating Revenues:				
Charges for Services:				
Water sales	\$ 96,388	\$ -	\$ -	\$ 96,388
Statutory sewer user fee	-	-	64,357	64,357
Sewer maintenance fee	-	80,452	-	80,452
Rent	-	-	17,301	17,301
Fire protection service	8,977	-	-	8,977
Parking meters	-	-	4,520	4,520
Parking permits	-	-	3,406	3,406
Vehicle towing	-	-	7,433	7,433
Parking forfeitures	-	-	14,907	14,907
Other	10,256	-	2,368	12,624
Total Operating Revenues	<u>115,621</u>	<u>80,452</u>	<u>114,292</u>	<u>310,365</u>
Operating Expenses:				
Milwaukee Metropolitan Sewerage District charges	-	-	60,245	60,245
Employee services	-	9,678	10,584	20,262
Administrative and general	19,822	-	-	19,822
Depreciation	21,879	10,592	4,369	36,840
Transmission and distribution	33,497	-	-	33,497
Services, supplies, and materials	-	9,895	40,895	50,790
Water treatment	18,823	-	-	18,823
Water pumping	11,040	-	-	11,040
Billing and collection	3,545	-	-	3,545
Total Operating Expenses	<u>108,606</u>	<u>30,165</u>	<u>116,093</u>	<u>254,864</u>
Operating Income (Loss)	<u>7,015</u>	<u>50,287</u>	<u>(1,801)</u>	<u>55,501</u>
Nonoperating Revenues (Expenses):				
Investment income	321	733	26	1,080
Grant revenue	-	7,417	13,004	20,421
Interest expense	(1,768)	(6,375)	(911)	(9,054)
Other	885	(33,443)	(165)	(32,723)
Total Net Nonoperating Revenues (Expenses)	<u>(562)</u>	<u>(31,668)</u>	<u>11,954</u>	<u>(20,276)</u>
Income (Loss) before Contributions and Transfers ...	6,453	18,619	10,153	35,225
Capital contributions	9,187	-	-	9,187
Transfers in	6,794	-	-	6,794
Transfers out	<u>(15,137)</u>	<u>-</u>	<u>(11,648)</u>	<u>(26,785)</u>
Change in Net Position	7,297	18,619	(1,495)	24,421
Net Position - Beginning	<u>495,805</u>	<u>375,535</u>	<u>4,521</u>	<u>875,861</u>
Total Net Position - Ending	<u>\$ 503,102</u>	<u>\$ 394,154</u>	<u>\$ 3,026</u>	<u>\$ 900,282</u>

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

CITY OF MILWAUKEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Thousands of Dollars)

Exhibit B-3

	Water Works	Sewer Maintenance	Nonmajor Proprietary Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 97,979	\$ 79,737	\$ 119,311	\$ 297,027
Receipts from interfund services provided	6,794	-	-	6,794
Payments to suppliers	(29,009)	(12,390)	(91,274)	(132,673)
Payments to employees	(40,600)	(10,986)	(12,868)	(64,454)
Payments to other funds	-	(9,237)	(5,432)	(14,669)
Miscellaneous revenue	9,188	1,930	-	11,118
 Net Cash Provided by Operating Activities	 44,352	 49,054	 9,737	 103,143
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	6,794	-	-	6,794
Transfers to other funds	(15,126)	-	(11,648)	(26,774)
 Net Cash Used by Noncapital Financing Activities	 (8,332)	 -	 (11,648)	 (19,980)
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from sale of bonds and notes	16,508	858	4,336	21,702
Acquisition of property, plant, and equipment	(64,015)	(27,232)	(8,424)	(99,671)
Retirement of bonds, notes, and revenue bonds	(6,156)	(20,115)	(3,097)	(29,368)
Interest paid	(1,787)	(8,159)	(917)	(10,863)
 Net Cash Used for Capital and Related Financing Activities	 (55,450)	 (54,648)	 (8,102)	 (118,200)
 CASH FLOWS FROM NON-OPERATING ACTIVITY:				
Investment income	321	733	26	1,080
Grant revenue	-	7,417	10,162	10,162
Net Cash from Non-Operating Activities	321	8,150	10,188	11,242
 Net Increase (Decrease) in Cash and Cash Equivalents	 (19,109)	 2,556	 175	 (16,378)
Cash and Cash Equivalents - Beginning	39,231	23,209	699	63,139
 Cash and Cash Equivalents - Ending	 \$ 20,122	 \$ 25,765	 \$ 874	 \$ 46,761

CITY OF MILWAUKEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Thousands of Dollars)

Exhibit B-3

	Water Works	Sewer Maintenance	Nonmajor Proprietary Funds	Total
Cash and Cash Equivalents at Year-End Consist of:				
Unrestricted Cash	\$ 15,302	\$ 8,126	\$ 874	\$ 24,302
Restricted Cash	<u>4,820</u>	<u>17,639</u>	<u>-</u>	<u>22,459</u>
	<u>\$ 20,122</u>	<u>\$ 25,765</u>	<u>\$ 874</u>	<u>\$ 46,761</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 7,015	\$ 50,287	\$ (1,801)	\$ 55,501
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	21,879	10,592	4,369	36,840
Nonoperating income (loss)	876	(30,632)	3,082	(26,674)
Effect of changes in assets, liabilities, deferred inflows and deferred outflows:				
Receivables	(1,426)	(1,596)	2,124	(898)
Due from other funds	(2,602)	(579)	(6,423)	(9,604)
Inventories	(836)	(154)	-	(990)
Prepaid items	(18)	(1)	-	(19)
Other assets	(3)	-	-	(3)
Accounts payable	18,097	(2,340)	10,729	26,486
Accrued liabilities	-	(427)	(425)	(852)
Compensated absences	(957)	41	(281)	(1,197)
Total other postemployment benefits liability	(8,129)	(605)	(1,033)	(9,767)
Net pension liability	10,456	843	646	11,945
Due to other funds	-	24,785	121	24,906
Deferred leases inflows.....	-	-	(238)	(238)
Deferred pension inflows	-	77	244	321
Deferred pension outflows	-	167	39	206
Deferred OPEB inflows	-	(1,250)	(1,618)	(2,868)
Deferred OPEB outflows	<u>-</u>	<u>(154)</u>	<u>202</u>	<u>48</u>
Net Cash Provided by Operating Activities	<u>\$ 44,352</u>	<u>\$ 49,054</u>	<u>\$ 9,737</u>	<u>\$ 103,143</u>

Non-cash Activities:

During the year, water mains and related property, installed by others were deeded to the Water Works in the amount of \$9,187.

During the year the City recognized bond premium in the Water Works of \$23 and Sewer Maintenance of \$1,823.

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

CITY OF MILWAUKEE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2025
(Thousands of Dollars)

Exhibit C-1

	Employee Benefit Trusts	Private- Purpose Trusts	Custodial Funds
ASSETS			
Cash and cash equivalents	\$ 2,515	\$ 4,468	\$ 95,546
Taxes receivable	-	-	383,975
Total Assets	<u>2,515</u>	<u>4,468</u>	<u>479,521</u>
LIABILITIES			
Liabilities:			
Accounts payable	\$ 391	\$ 268	\$ 40,852
Due to other governmental agencies	-	-	531,683
Total Liabilities	<u>391</u>	<u>268</u>	<u>572,535</u>
Net Position (Deficit):			
Restricted for Employees' benefits and other purposes	\$ 2,124	\$ 4,200	\$ -
Unrestricted (Deficit)	-	-	(93,014)
Total Net Position (Deficit)	<u>\$ 2,124</u>	<u>\$ 4,200</u>	<u>\$ (93,014)</u>

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

CITY OF MILWAUKEE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2025
(Thousands of Dollars)

Exhibit C-2

	Employee Benefit Trusts	Private- Purpose Trusts	Custodial Funds
Additions			
Contributions:			
Plan members	\$ 6,297	\$ -	\$ -
Private donations	-	2,616	-
Total Contributions	<u>6,297</u>	<u>2,616</u>	<u>-</u>
Property Taxes:			
Property Tax	-	-	1,815,310
Total Property Taxes	<u>-</u>	<u>-</u>	<u>1,815,310</u>
Investment Earnings:			
Net appreciation in fair value of investments, dividends and interest	-	77	48
Total Additions	<u>6,297</u>	<u>2,693</u>	<u>1,815,358</u>
Deductions			
Benefits	6,181	-	-
Fees remitted to agency	-	2,724	1,944
Taxes remitted to other governments	-	-	1,906,428
Total Deductions	<u>6,181</u>	<u>2,724</u>	<u>1,908,372</u>
Change in Net Position	116	(31)	(93,014)
Net Position - Beginning	<u>2,008</u>	<u>4,231</u>	<u>-</u>
Net Position (Deficit) - Ending	<u>\$ 2,124</u>	<u>\$ 4,200</u>	<u>\$ (93,014)</u>

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

CITY OF MILWAUKEE
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
DECEMBER 31, 2025
(Thousands of Dollars)

Exhibit D-1

	Redevelopment Authority	Neighborhood Improvement Development Corporation	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 7,995	\$ 2,040	\$ 10,035
Restricted cash and cash equivalents	7,763	899	8,662
Receivables (net):			
Accounts	144	39	183
Notes and loans	11,919	34	11,953
Accrued interest	520	31	551
Leases receivable	840	-	840
Due from primary government	29	-	29
Due from other governmental agencies	654	-	654
Inventory of property for resale	6,962	405	7,367
Prepaid items	37	-	37
	<u>36,863</u>	<u>3,448</u>	<u>40,311</u>
Total Noncapital Assets			
Capital assets:			
Capital assets not being depreciated:			
Land and land improvements	10,593	-	10,593
Construction in progress	5,706	-	5,706
Capital assets being depreciated:			
Buildings	14,174	-	14,174
Infrastructure	13,371	-	13,371
Improvements other than buildings	4,263	-	4,263
Intangible software	565	-	565
Accumulated depreciation	(11,686)	-	(11,686)
	<u>36,986</u>	<u>-</u>	<u>36,986</u>
Total Capital Assets, Net of Depreciation			
	<u>73,849</u>	<u>3,448</u>	<u>77,297</u>
Total Assets			

CITY OF MILWAUKEE
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
DECEMBER 31, 2025
(Thousands of Dollars)

Exhibit D-1

	Redevelopment Authority	Neighborhood Improvement Development Corporation	Total
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current Liabilities:			
Accounts payable	\$ 1,930	\$ 27	\$ 1,957
Due to other governmental agencies	3,165	-	3,165
Unearned revenue	346	64	410
Other liabilities	<u>-</u>	<u>282</u>	<u>282</u>
 Total Current Liabilities	 <u>5,441</u>	 <u>373</u>	 <u>5,814</u>
Due to primary government:			
Due within one year	493	312	805
Due in more than one year	<u>6,595</u>	<u>-</u>	<u>6,595</u>
 Total Due to Primary Government	 <u>7,088</u>	 <u>312</u>	 <u>7,400</u>
Long-term obligations:			
Due in more than one year	<u>1,596</u>	<u>-</u>	<u>1,596</u>
 Total Noncurrent Liabilities	 <u>1,596</u>	 <u>-</u>	 <u>1,596</u>
 Total Liabilities	 <u>14,125</u>	 <u>685</u>	 <u>14,810</u>
 Deferred inflows for leases	 <u>840</u>	 <u>-</u>	 <u>840</u>
 Net investment in capital assets	 36,986	 -	 36,986
Restricted for loan and development purposes	11,778	635	12,413
Unrestricted	<u>10,120</u>	<u>2,128</u>	<u>12,248</u>
 Total Net Position	 <u>\$ 58,884</u>	 <u>\$ 2,763</u>	 <u>\$ 61,647</u>

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

CITY OF MILWAUKEE
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
 FOR THE YEAR ENDED DECEMBER 31, 2025
(Thousands of Dollars)

Exhibit D-2

		<u>Program Revenues</u>	<u>Grants and Contributions</u>	
	Expenses	Charges for Services	Operating	Capital
Redevelopment Authority				
Prevention and elimination of blight	\$ 4,038	\$ 1,878	\$ 2,060	\$ 4,100
Neighborhood Improvement Development Corp.				
Housing improvements	<u>603</u>	<u>61</u>	<u>145</u>	<u>-</u>
Total Component Units	<u>\$ 4,641</u>	<u>\$ 1,939</u>	<u>\$ 2,205</u>	<u>\$ 4,100</u>

General revenues:

Miscellaneous

Total General Revenues

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

Net (Expense) Revenue and Changes in Net Position		
Redevelopment Authority	Neighborhood Improvement Development Corporation	Total
\$ 4,000	\$ -	\$ 4,000
<u>-</u>	<u>(397)</u>	<u>(397)</u>
<u>4,000</u>	<u>(397)</u>	<u>3,603</u>
 <u>697</u>	 <u>284</u>	 <u>981</u>
<u>697</u>	<u>284</u>	<u>981</u>
4,697	(113)	4,584
<u>54,187</u>	<u>2,876</u>	<u>57,063</u>
<u>\$ 58,884</u>	<u>\$ 2,763</u>	<u>\$ 61,647</u>

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**NOTES
TO THE
FINANCIAL
STATEMENTS**

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies.

A. Reporting Entity

The City of Milwaukee (the "City") was incorporated on January 31, 1846, and operates under a Council-Mayor form of government. These financial statements present the City (the primary government) and other organizations, including component units, for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The component units discussed below are legally separate organizations for which the elected officials of the City are accountable. The City is considered financially accountable if it appoints a voting majority of the organization's governing body and is able to impose its will on the organization, or there is a potential for the organization to provide specific financial benefits to or burdens on the City. The City may be financially accountable if an organization is fiscally dependent on the primary government.

Discretely Presented Component Units

The component unit's columns in the government-wide financial statements include the financial data of the City's component units. They are reported in a separate column to emphasize that they are legally separate from the City. The City has the following discretely presented component units:

Redevelopment Authority - The Redevelopment Authority of the City of Milwaukee (RACM) is responsible for activities related to the prevention and elimination of blighted conditions in the City. The City appoints all members of the Board and approves the budget.

Neighborhood Improvement Development Corporation - The Neighborhood Improvement Development Corporation (NIDC) is a nonprofit organization established to promote reinvestment in both housing and commercial structures within the City. NIDC programs encourage private lending institutions and property owners to make improvements to the community's homes and businesses. Corporate officers of NIDC are provided by the City and City employees manage daily operations.

Financial statements of the individual component units can be obtained from their respective administrative offices. Addresses of the component units are as follows: RACM, 809 North Broadway, 3rd Floor, Milwaukee, Wisconsin 53202, NIDC, 841 North Broadway, 3rd Floor, Milwaukee, Wisconsin 53202.

The basic financial statements exclude the accounts of the Housing Authority of the City of Milwaukee (HACM), Milwaukee Economic Development Corporation (MEDC), Employ Milwaukee, Business Improvement Districts, Neighborhood Improvement Districts, Wisconsin Center District, Milwaukee Public Schools, the Milwaukee Metropolitan Sewerage District (MMSD), World Festivals Inc. ("Summerfest") and the Employees' Retirement System of the City of Milwaukee, because these entities do not meet the criteria established by GASB Statements 14, 61, 69 and 80, as component units of the City.

MMSD is a special purpose municipal corporation created to provide sewerage treatment services in the Milwaukee metropolitan area. The City is responsible for paying usage charges within its jurisdiction. These amounts, in turn, are billed by the City to its water customers. The City has no equity interest in MMSD. Financial statements for MMSD are available from its administrative office.

Related Organizations

Housing Authority of the City of Milwaukee

The Housing Authority of the City of Milwaukee (HACM) is responsible for the construction and management of safe, affordable, and quality housing with services that enhance residents' self-sufficiency. HACM is governed by a seven-member Board of Commissioners who are appointed by the Mayor and confirmed by the Common Council. The City does not have the ability to remove HACM commissioners at will. HACM determines its own budget, issues debt, and establishes and revises rents or charges without the approval of the City. The City is not legally obligated for any HACM obligations or debt.

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Employ Milwaukee

Employ Milwaukee (fka Milwaukee Area Workforce Investment Board or MAWIB) was established to provide job training, employment services, and workforce development within Milwaukee County. Employ Milwaukee (the Agency) acts as Milwaukee County's recipient, dispenser, and administrator of funding provided under the Workforce Innovation and Opportunity Act. The City of Milwaukee Mayor is the chief local elected officer responsible for oversight of the Agency. The directors of Employ Milwaukee are appointed by the Mayor. The City is not legally obligated for any Agency obligations or debt nor is the City entitled to access funds of the Agency.

Business Improvement Districts

Business Improvement Districts (BIDs) are formed and operated in accordance with Wis. Stat. § 66.1109. BID board members are appointed from the business owners within a district. The City collects special property assessments, in accordance with the BID boards, and returns these assessments to the BIDs to fund their annual operating plans. The City is not legally obligated for any BID obligations or debt.

Neighborhood Improvement Districts

Neighborhood Improvement Districts (NIDs) are formed and operated in accordance with Wis. Stat. § 66.1110. NID board members are elected by the residential and commercial property owners within a district. The City collects special property assessments, in accordance with the NID boards, and returns these assessments to the NIDs to fund their annual operating plans. The City is not legally obligated for any NID obligations or debt.

B. Basis of Presentation

Government-wide Statements. The government-wide statement of net position and statement of activities report the overall financial activity of the City, excluding fiduciary activities. Eliminations have been made to minimize the double counting of internal activities of the City. These statements distinguish between the *governmental* and *business-type* activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) fines, fees, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements. The fund financial statements provide information about the City's funds, including fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary are presented. The emphasis on fund financial statements is on major governmental and proprietary funds, each displayed in a separate column. All remaining governmental and proprietary funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for proprietary funds include the cost of rents, sales and services, administrative expenses, and depreciation on capital assets. All expenses not meeting these criteria are reported as nonoperating expenses. Nonoperating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The City reports the following major governmental funds:

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

General Obligation Debt Service – This fund accounts for the resources accumulated and payments made for principal and interest on the City's outstanding long-term general obligation debt.

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Public Debt Amortization – This fund receives one-third of all interest income on general City and Fund investments. Fund earnings are required to be used for the purpose of public debt retirement. The Public Debt Amortization Fund is governed by Section 67.101 of the Wisconsin Statutes. See Note 7 for further discussion.

Economic Development Fund – This Special Revenue Fund is used to account for all non-capital TID transactions, including debt service payments. This fund is also used to account for revenues and expenditures related to owner-financed development projects in commercial (Business Improvement Districts) and residential (Neighborhood Improvement Districts) areas.

Grant and Aid Projects Fund – This Special Revenue Fund is used to account for Federal and State grants whose proceeds are legally restricted to expenditures for specific purposes and which are not accounted for in other special revenue funds.

Capital Projects Fund – The Capital Projects Fund is used to account for the financial resources segregated for the acquisition or construction of major capital expenditures other than those financed by proprietary funds.

The City reports the following non-major governmental funds:

Community Development Block Grant Fund – This Special Revenue Fund is used to account for federal housing and community development grants whose proceeds are legally restricted to expenditures for specific purposes.

Settlement Fund - This Special Revenue Fund is used to account for legal settlements from national class action suits related to opioids and electronic vaping products.

Delinquent Tax Fund – This fund is a reserve against uncollected delinquent property taxes and tax foreclosures on real property.

The City reports the following major proprietary funds:

Water Works – All activities necessary to provide water services to residents of the City and outlying areas. Fund activities include administration, billing and collection, operations, maintenance and financing.

Sewer Maintenance – This fund accounts for the maintenance of the City's sewer system. Wisconsin State Statutes Section 66.0821, permits municipalities to implement sewer fees to recover the costs of operation, maintenance, repair, and depreciation of sewer collection and transportation facilities. Sewer maintenance costs are recovered through a user fee rather than through the property tax.

The City reports the following non-major proprietary funds:

Transportation – This fund accounts for the parking operations of the City as well as the street car operation.

Port Milwaukee – This fund accounts for the operations of the port and harbor.

Metropolitan Sewerage District User Charge – This fund accounts for sewerage treatment charges from the Milwaukee Metropolitan Sewerage District and subsequent billing to City customers.

Additionally, the City reports the following fiduciary fund types:

Employee Benefit Trusts – This fund accounts for resources for employee flexible spending plans.

Private Purpose Trust – These funds account for resources legally held in trust for use by various individuals, governmental entities, and nonpublic corporations. All resources of these funds, including any earnings on invested resources, may be used to support each trust's initiatives.

Custodial – These funds account for taxes and deposits collected by the City, acting in the capacity of a custodian, for distribution to other governmental units or designated beneficiaries.

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
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C. Basis of Accounting – Measurement Focus

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property and sales tax revenue, grants, and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance, which is the year after the taxes are levied. Taxes levied in 2025 that will be collected in 2026 are recorded as receivables and deferred inflows of resources. Deferred inflows of resources arise when assets are recognized before revenue recognition criteria have been satisfied. Revenue from grants and other contributions are recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues, excluding property taxes, to be available if they are collected within 90 days of the end of the current year. Property taxes are considered to be available if they are collected within 60 days of the end of the current year. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, principal and interest on general long-term debt, claims and judgments, and compensated absences are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases and subscriptions are reported as other financing sources.

Significant revenue sources, which are susceptible to accrual include property taxes, state shared revenues, grants, contributions, and interest. All other revenue sources including licenses, permits, fines, and forfeits are considered to be measurable and available only when cash is received.

D. Cash and Cash Equivalents

For purposes of the statements of cash flows, all highly liquid investments (including restricted cash and investments) purchased with a maturity of three months or less are considered to be cash equivalents. The City manages a cash and investment pool to maximize return on funds while providing liquidity to meet day-to-day obligations. Each fund's equity in the City's investment pool is considered a cash equivalent, since the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

E. Investments

Investments, primarily consisting of fixed income securities, are reported at fair value based on quoted market prices. Commercial paper, which is short term, defined as having an original maturity of one year or less, and highly liquid is carried at amortized cost. Investment transactions are recorded on the trade date. Under Wisconsin Statutes, one-third of all interest on pooled cash and investments is allocated to the Public Debt Amortization Fund. The remaining two-thirds is credited to the General Fund. Each fund type's portion of pooled cash and investments is included in the cash and cash equivalents line on the Statement of Net Position/Balance Sheet.

Wisconsin Statute Section 66.0603 permits the City to invest funds not immediately needed in any of the following:

- Time deposits in any credit union, bank, savings bank, trust company, or savings and loan association authorized to transact business in the State of Wisconsin.
- Bonds or securities issued or guaranteed by the Federal government.
- Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the State of Wisconsin, as well as bonds issued by a local exposition district, a local professional baseball park district, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.
- Local Government Investment Pool - Investment Fund of the State of Wisconsin. The Local Government Pooled Investment Fund is an external investment pool administered by the State of Wisconsin. The fair value of the City's investment in the fund is the same as the value of the pooled shares. Although not subject to direct regulatory oversight, the fund is administered in accordance with the provisions of Section 25.50 of the Wisconsin Statutes.
- Repurchase agreements with public depositories, if the agreement is secured by federal bonds or securities.

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

- Any security that matures or that may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired, if that security has a rating, which is the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's Investors Service, Inc., 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.
- Securities of open-end management investment companies or investment trusts (mutual funds) if the portfolio is limited to (a) bonds and securities issued by the federal government or a commission, board, or other instrumentality of the federal government, (b) bonds that are guaranteed as to principal and interest by the federal government or a commission, board, or other instrumentality of the federal government, and (c) repurchase agreements that are fully collateralized by these bonds or securities.

F. Property Taxes

Property taxes are recorded as receivables and deferred inflows in the taxing fund in the year levied because the taxes are restricted to funding the succeeding year's budget appropriations. Property tax payments received prior to year-end are also reflected in the taxing fund. Property taxes are recognized in the appropriate funds as revenues in the succeeding year when they are collected and available to finance City services. If not collected at year-end, the delinquent property taxes are reflected as receivables and deferred inflows. Delinquent property taxes and related interest are recognized as revenues when collected.

The allowance for uncollectible property taxes is based on an analysis of the delinquent property taxes and, in management's judgment, represents an amount adequate to provide for potential uncollectible taxes. The allowance is increased by provisions charged against revenues and is reduced by taxes receivable written off.

The City, through its Special Revenue Fund - Delinquent Tax, issues general obligation short-term promissory notes to finance the purchase of the most recent delinquent taxes from its General Fund. Collections on these delinquencies are used for the associated debt service requirements.

G. Accounts Receivable

Accounts receivable are presented net of allowances. The amount of the General Fund allowance as of December 31, 2025 was approximately \$16,661,000. Accounts receivable are expected to be collected within one year, however the collection of some receivables may take longer.

Delinquent accounts for business type activities are presented in accounts receivable net of allowances. The amounts of the Water, Sewer, and Nonmajor Proprietary funds allowances as of December 31, 2025 were approximately \$424,400, \$165,000 and \$743,000 respectively.

H. Unbilled Services

Unbilled water and sewer services at year-end are recognized as revenues and receivables in the accompanying financial statements.

I. Special Assessments

Special assessments consist of capital projects constructed through non-special-assessment debt. In governmental fund financial statements, special assessments are recorded as receivables and deferred revenues when the related capital outlays are made and are recorded as revenues when due and payable. In the government-wide financial statements, special assessments are recorded as receivables and capital contribution revenue when the capital outlays are made. All special assessments are due when billed and may be paid on an installment basis with interest. Special assessment receivables that become delinquent are added to the general tax roll. The method of enforcing collections is the same as for general city taxes with like force and effect.

J. Notes and Loan Receivables

The Grant & Aid Projects Fund and the Special Revenue Fund - Community Development Block Grant hold notes and loans receivable from individuals, small businesses, and corporations in the Milwaukee area that are secured by primary or secondary security interests in real estate or other assets. The City periodically analyzes the collectability of the notes and loans that are not insured and provides allowances as considered necessary. The amount of the allowance in the governmental funds are approximately \$16,955,000 as of December 31, 2025.

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
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The City creates tax incremental districts (TID) to issue debt to fund redevelopment projects. Pursuant to a cooperation agreement between the City, the Redevelopment Authority of the City of Milwaukee (Authority), and the Milwaukee Economic Development Corporation (Corporation), the City provides the Authority and the Corporation with the funds necessary to carry out the loan to a private developer to finance the redevelopment projects. Loan repayments to the Authority and the Corporation from the private developer, including interest income as well as other project income, are transferred to the City until the City's loan has been repaid or the TID expires. The City reflects these loans as notes receivable and deferred inflows in governmental fund financial statements based on an amount estimated to be repaid from the Authority and the Corporation.

K. Inventories

Inventories of materials and supplies are stated at moving average cost, based upon perpetual recordkeeping systems and periodic cycle counts of quantities on hand. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased therefore inventories are classified as non-spendable in fund balance.

L. Prepaid Items

Cash payments benefiting future periods have been recorded as prepaid items. They will be reflected as expenditures or expenses when incurred in the subsequent year and are classified as non-spendable in fund balance.

M. Leases and Subscription Based Information Technology Agreements (SBITA)

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

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

N. Capital Assets

Capital assets, which include property, plant, and equipment, and infrastructure, are reported at cost or estimated historical cost. Contributed assets are reported at replacement value at the time received. General infrastructure assets, such as roads, bridges, curbs, gutters, streets, sidewalks, and drainage and lighting systems, acquired prior to January 1, 2002 are reported at estimated historical cost using deflated replacement cost. Capital assets are depreciated using the straight-line method. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset's lives are not capitalized.

Major capital outlays for capital assets of business-type activities are included as part of the capitalized value of the assets constructed. Interest expenses incurred during construction are not capitalized as part of the additions to capital assets.

Capitalization thresholds and the estimated useful lives for the City and component units are as follows:

CITY OF MILWAUKEE
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Capital Asset Category	Capitalization Threshold	Estimated Useful Life
Infrastructure.....	\$ 20,000	5-100 years
Land.....	20,000	N/A
Land Improvements.....	20,000	N/A
Intangible right of ways.....	20,000	N/A
Site Improvements.....	20,000	3-50
Buildings.....	20,000	10-60
Building Improvements.....	20,000	10-45
Machinery and equipment.....	20,000	3-40
Works of Art, Historical Treasures.....	20,000	N/A
Intangible Software.....	100,000	5-20
Lease Right to Use.....	20,000	lease term
SBITA's.....	100,000	contract term

O. Pension Contributions

The employer's share of the annual contribution is recorded in the proprietary funds and government-wide financial statements as an expense when the liability is incurred and in the governmental funds as expenditure when the liability is liquidated with expendable available financial resources. Funds which typically liquidate the pension liability will include all funds which have employee wages charged to them through our fringe benefit allocation, including both governmental and proprietary funds.

P. Compensated Absences

The liability for compensated absences reported in the government-wide, and proprietary fund financial statements consists of unpaid, accumulated vacation, and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. The liability has been calculated based on the employees' current salary level and includes salary related costs (e.g., social security and Medicare tax). A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. City employees accrue sick leave in accordance with labor agreements or Section 350-37 of the Code of Ordinances.

Q. Claims and Judgments

The liability for claims and judgments is reported in the government-wide, proprietary, and fiduciary fund financial statements when they are both probable and estimable. A liability for claims and judgments is reported in governmental funds only if they have matured (i.e., are due). The City accrues environmental remediation obligations when related liabilities are probable and reasonably estimable. These accruals generally are recognized no later than completion of a remedial feasibility study and are adjusted as further information develops or circumstances change. Costs of future expenditures for environmental remediation obligations are not discounted to their present value.

R. Debt Premiums, Discounts, and Issuance Costs

In the government-wide and proprietary fund financial statements, debt premiums and discounts are deferred and amortized over the life of the debt using the effective interest method. Long-term debt payable are reported net of the applicable debt premium or discount. Debt issuance costs are expensed in the current period.

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

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
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S. Fund Balance-Governmental Funds

The fund balances of the governmental funds are classified as follows:

Nonspendable – Amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the City's Common Council. The Common Council is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Common Council.

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. It is the policy of the City that the City Comptroller will have the authority to assign funds intended for a specific purpose but have not received formal approval by the Common Council. The Comptroller records funds as assigned fund balance based on intentions for use of the funds and can redeploy assigned resources to an alternative fund balance category based on intended use of the funds.

Unassigned – The general fund is the only fund which will report a positive amount in this category, which includes all other spendable amounts.

When an expenditure is incurred for purposes for which restricted, committed, assigned, or unassigned amounts are available, it is the policy of the City to consider restricted amounts to have been reduced first followed by committed, assigned and then unassigned fund balance unless the order of fund balance usage is dictated by legal, borrowing or other requirements.

T. Net Position

In the government-wide and proprietary fund financial statements, net position is displayed in three components as follows:

Net Investment in Capital Assets – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the City's policy to use restricted resources first, then unrestricted resources when they are needed.

Unrestricted – This consists of net assets that do not meet the definition of "Restricted" or "Net investment in capital assets."

U. Interfund Transactions

The City has the following types of interfund transactions:

Loans – amounts provided with a requirement for repayment. Interfund loans are reported as interfund receivables (i.e. due from other funds) in lender funds and interfund payables (i.e. due to other funds) in borrower funds. The noncurrent portions of long-term interfund loans receivable are reported as advances.

Services provided and used – sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as interfund receivables and payables in the fund balance sheets or fund statements of net position.

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
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Reimbursements – repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursement is reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers – flows of assets (such as cash or goods) without equivalent flows of assets in return, including payments in lieu of taxes, and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In entity-wide proprietary funds, transfers are reported after nonoperating revenues and expenses.

V. Use of Estimates

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

W. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for Deferred Outflows of Resources. Deferred Outflows of Resources represent a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has two items that qualify for inclusion within this category, both of which are reported in the government-wide statement of net position (Exhibit 1).

- Pension deferred outflows are a deferred expense related to: differences between expected and actual experience, the net difference between projected and actual earnings on pension plan investments and changes of assumptions. Deferred outflows due to liabilities are amortized over the average expected service lives of all employees of 3.4 years. Deferred outflows due to the net difference between projected and actual earnings are amortized over 5.00 years.
- OPEB deferred outflows are related to the differences between expected and actual non-investment experience and plan assumption changes. Deferred outflows due to liabilities are amortized over the average expected service lives of all employees of 6.28 years. Deferred outflows due to the net difference between projected and actual earnings are amortized over 5.00 years.

In addition to liabilities, the Statement of Net Position reports a separate section for Deferred Inflows of Resources. Deferred Inflows of Resources represent an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The City has six items that qualify for inclusion within this category, all reported in the government-wide statement of net position (Exhibit 1).

- Gain on refunding is a deferred revenue resulting from the difference between the carrying value of refunded debt and the refunding debt. The gain is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Deferred inflows for grants is the amount of grant funds received prior to meeting the eligibility requirements. This deferred inflow will be recognized as revenue when the funds are spent.
- Subsequent years property taxes is the amount of the current year property tax levy. This deferred inflow is recognized as revenue in the subsequent year.
- Pension deferred inflows are a reduction in pension expense due to: differences between expected and actual experience, the net difference between projected and actual earnings on pension plan investments and changes of assumptions. Deferred inflows due to liabilities are amortized over the average expected service lives of all employees of 3.4 years. Deferred inflows due to the net difference between projected and actual earnings are amortized over 5.00 years.
- OPEB deferred inflows are related to the differences between expected and actual non-investment experience and plan assumption changes. Deferred outflows due to liabilities are amortized over the average expected service lives of all employees of 6.39 years. Deferred outflows due to the net difference between projected and actual earnings are amortized over 5.00 years.
- Leases as reported under GASB 87 are deferred inflows where the future revenue will be reported over the life of the lease, which is recorded at the initial measurement of leases receivable.

X. Pension Obligations

Plan Description - The City participates in two plans the Employees' Retirement System of the City of Milwaukee (ERS) and the Wisconsin Retirement System (WRS) collectively "The System", both are cost-sharing multiple-employer defined benefit pension plans. The plans provide retirement, disability, and death benefits to plan members and beneficiaries.

CITY OF MILWAUKEE
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Funding Policy – Plan members are required to contribute, or have contributed on their behalf, a percentage of their annual earnable compensation. The City is required to contribute an actuarial contribution based on separate calculated rates for police officers, firefighters, and general City employees.

Measurement Focus and Basis of Accounting – The System is accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Contributions are recognized in the accounting period in which the underlying earnings, on which the contributions are based, are paid. Benefits and refunds are recognized when due and payable in accordance with the terms of the System. Investment transactions and the related gains and losses are recorded on a trade date basis. Dividend and interest income are accrued as earned. Investments are reported at fair value. See Note 8 for a detailed explanation of pension benefits and the System.

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

Y. OPEB Obligations

Plan Description – The City provides a single-employer defined benefit healthcare plan, and life insurance administered by both the City and Milwaukee's Employees' Retirement System. There are different premium cost-sharing arrangements depending on employee type, age and date of retirement.

Funding Policy – The contribution of plan members and the City are established and may be amended by the City. The required City contribution for medical and life insurance for retirees is based on a pay-as-you-go basis.

Measurement Focus and Basis of Accounting – Benefits are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. See Note 8 for a detailed explanation of OPEB benefits.

Funds which typically liquidate the OPEB liability will include all funds which have employee wages charged to them through our fringe benefit allocation, including both governmental and proprietary funds.

Z. New Accounting Pronouncements

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by a formal action of the government's highest level of decision making authority. This statement was implemented for the year ending December 31, 2025 financial statements. The City determined that no disclosure is necessary as there are no significant concentrations or constraints.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model improvements*. This statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and asserting a government's accountability. This statement will be effective for the year-ending December 31, 2026 financial statements.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This statement is to improve key components of the financial reporting model regarding reporting of intangible assets, including those measured according to GASB 87, 94 and 96, and capital assets held for sale. This statement will be effective for the year-ending December 31, 2026 financial statements.

In December 2025, the GASB issued Statement No. 105, *Subsequent Events*. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed. This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. This statement will be effective for the year-ending December 31, 2027 financial statements.

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2025

2. DEPOSITS AND INVESTMENTS

A. Primary Government

The description of the City's deposit and investment policies are discussed in Note 1. D. and E.

As of December 31, 2025, the City's deposits and investments are as follows:

	Investment Maturities (in Years)					
	(Thousands of Dollars)					
	Fair Value	Less than 1	1-5	6-10	Greater than 10	Credit Rating
Governmental and Business-type activities:						
<i>Investment type</i>						
Pooled Deposits and Investments	\$ 548,556	\$ 539,412	\$ 9,088	\$ -	\$ 56	see below
Other Deposits	4,712	4,712	-	-	-	not rated
Segregated Deposits and Investments						
Interest Checking	21,574	21,574	-	-	-	not rated
Wisconsin Local Government						
Investment Pool	95,151	95,151	-	-	-	not rated
Municipal Bonds	21,450	5,091	13,351	3,008	-	see below
GNMA Bonds	121	-	121	-	-	Aaa
Treasuries/Money Market (Fiscal Agent)	44,664	44,664	-	-	-	not rated
	<u>\$ 736,228</u>	<u>\$ 710,604</u>	<u>\$ 22,560</u>	<u>\$ 3,008</u>	<u>\$ 56</u>	
Fiduciary activities:						
<i>Investment type</i>						
Pooled Deposits and Investments	\$ 100,921	\$ 100,921	\$ -	\$ -	\$ -	see below
Segregated Deposits and Investments						
Wisconsin Local Government						
Investment Pool	1,367	1,367	-	-	-	not rated
U.S. Treasury Strips.....	241	241	-	-	-	Aaa
	<u>\$ 102,529</u>	<u>\$ 102,529</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

Credit Ratings

The Governmental and Business-type municipal bond holdings of \$21,450,000 were rated by Moody's as follows: A1 (2%), Aa1 (7%), Aa2 (59%), Aa (3%), Aaa (26%), and S & P AA (3%).

Pooled Deposits and Investments

The City maintains a cash and investment pool (Pool) that is available for use by all the funds, except for Debt Service Funds, Water Works Proprietary Fund, and component entities. Each fund's share of pooled cash and investments is included in the cash and cash equivalents line on the Statement of Net Position/Balance Sheet.

CITY OF MILWAUKEE
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As of December 31, 2025, the City had the following investments and maturities in the Pool:

	Investment Maturities (in Years)					
	(Thousands of Dollars)					
	Fair Value	Less than 1	1-5	6-10	Greater than 10	Credit Rating
Pooled Deposits and Investments						
Bank Demand Deposits	\$ 57,309	\$ 57,309	\$ -	\$ -	\$ -	not rated
Deposits and Investments						
Interest Checking	391,443	391,443	-	-	-	not rated
Wisconsin Local Government Investment Pool	191,581	191,581	-	-	-	not rated
U.S. Bank Investment Portfolio Corporate Bond.....	9,088	-	9,088	-	-	see below
U.S. Government Securities						
FNMA Bond.....	56	-	-	-	56	Aaa
	<u>\$ 649,477</u>	<u>\$ 640,333</u>	<u>\$ 9,088</u>	<u>\$ -</u>	<u>\$ 56</u>	

Investment Portfolio Ratings

Corporate bond holdings of \$9,088,000 were rated by Moody's as follows: Aa2 (33%) Aa3 (34%), AA (22%) and AA- (11%).

Custodial Credit Risk – Deposits and Investments

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

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$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 been considered in computing custodial credit risk.

As of December 31, 2025, \$99.9 million of the City's deposits and investments were subject to custodial credit risk as they were not insured or collateralized.

Interest Rate Risk

Interest rate risk is the risk that the fair value of the City's investments will decrease as a result of an increase in interest rates. The City's investment policy does not explicitly limit investment maturities. However, the City manages its exposure to interest risk based on the anticipated cash flow needs of the City and limiting the amount of pooled investments with maturities greater than one year.

Credit Risk

Credit risk is the risk that the City will not recover its investments due to the inability of the counterparty to fulfill its obligations. Wisconsin Statutes expressly limit the City to invest in certain allowable investments as listed in Note 1. E. The City's investment policy generally does not further limit its investment choices.

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Fair Value Measurements

The City uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The City follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the City has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

The City has the following recurring fair value measurements valued using a matrix pricing model (Level 2 inputs) as of December 31, 2025:

1. Municipal bonds of \$21.4 million.
2. Pooled deposits and investments of:
 - a. Corporate Bonds of \$9 million.
 - b. FNMA bonds of \$56 thousand.
 - c. GNMA bonds of \$121 thousand.

B. Component Units

Interest Rate Risk

Interest rate risk is the risk that the fair value of the Component Unit investments are exposed to losses as a result of increases in interest rates.

Credit Risk

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligation.

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2025

The Component Units have the following deposits and investments as of December 31, 2025:

	Investment Maturities (in Years)			Moody's Credit Rating
	(Thousands of Dollars)			
	Fair value	Less than 1	1-5	
Component Units:				
Bank Demand Deposits.....	\$ 9,636	\$ 9,636	\$ -	not rated
Local Government Investment Pool.....	275	275	-	not rated
U.S. Treasury Notes.....	2,241	401	1,840	AAA
U.S. Agencies.....	1,812	295	1,517	AAA
U.S. Government Mortgage	2	-	2	AAA
Municipal Bonds	2,081	763	1,318	AA3
Corporate Bonds	307	150	157	AA2
Certificates of Deposit.....	1,153	1,153	-	AA
Money Market.....	1,190	1,190	-	not rated
	<u>\$ 18,697</u>	<u>\$ 13,863</u>	<u>\$ 4,834</u>	

Custodial Credit Risk

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

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$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 been considered in computing custodial credit risk.

As of December 31, 2025 Component Unit bank balances exposed to Custodial Credit Risk are as follows:

	Bank Balance	Uninsured and Uncollateralized
	(Thousands of Dollars)	
Redevelopment Authority.....	\$ 8,805	\$ 6,553
Neighborhood Improvement Development Corporation.....	2,189	1,253

As of December 31, 2025 Component Unit investment balances exposed to Custodial Credit Risk are as follows:

	Investment Balance	Uninsured and Uncollateralized
	(Thousands of Dollars)	
Redevelopment Authority.....	\$ 6,679	\$ 6,679
Neighborhood Improvement Development Corporation.....	767	292

Fair Value Measurements

The City uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The City follows the accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the City has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

CITY OF MILWAUKEE
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Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

The Component Units of City has the following recurring fair value measurements using a matrix pricing model as of December 31, 2025:

Valued using Level 1 inputs:

1. U.S. Treasury notes of \$2.2 million

Valued using Level 2 inputs:

1. U.S. Agency bonds of \$1.8 million
2. U.S Government mortgage of \$2 thousand
3. Municipal bonds of \$2.1 million
4. Corporate bonds of \$307 thousand
5. Property Inventory of \$7.4 million

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2025

3. PROPERTY TAXES

The City's property taxes are levied on or before December 31, on the assessed (taxable) value as of the prior January 1, for all general property located in the City. Taxes become a lien against the property upon filing the roll in the Office of the City Clerk. This generally takes place in December. The taxes are due January 31, but may be paid in ten monthly installments without interest from January through October. Foreclosure can be commenced after one year from date of delinquency.

The City purchases property taxes receivable from other taxing authorities at the unpaid amounts to facilitate the collection of the taxes. The purchases are a financing arrangement and are not included in property tax revenues. Also, delinquent water and sewer charges and special assessment receivables are transferred to the General Fund at the unpaid amounts.

At December 31, 2025, delinquent property taxes include delinquent sewer and water charges and special assessments by year levied, tax deeded property, and allowance for uncollectible taxes. These delinquent property taxes are reported as part of taxes receivable in the General Fund and Special Revenue Fund - Delinquent Tax and consist of the following:

	City Levy	Purchased Taxes Receivable (Thousands of Dollars)	Total
2020 and prior	\$ 7,871	\$ 369	\$ 8,240
2021	2,000	145	2,145
2022	3,640	157	3,797
2023	7,868	236	8,104
2024	<u>25,892</u>	<u>-</u>	<u>25,892</u>
Total delinquent property taxes receivable	<u>\$ 47,271</u>	<u>\$ 907</u>	48,178
Property taxes receivable on foreclosed property			40,774
Less: Allow ance for uncollectible taxes			<u>(34,618)</u>
Net delinquent property taxes receivable, including tax deeded property			<u>\$ 54,334</u>

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

4. CAPITAL ASSETS

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

	Balance 01/01/25	Additions	Deletions	Balance 12/31/25
		<i>(Thousands of Dollars)</i>		
Governmental activities				
<i>Capital assets not being depreciated and amortized:</i>				
Land	\$ 166,370	\$ -	\$ 27	\$ 166,343
Construction in progress	140,612	35,678	18,309	157,981
Intangible right of ways	1,342	-	-	1,342
	<u>308,324</u>	<u>35,678</u>	<u>18,336</u>	<u>325,666</u>
Total capital assets not being depreciated				325,666
<i>Capital assets being depreciated and amortized:</i>				
Buildings	434,919	10,525	416	445,028
Infrastructure	1,971,761	54,651	18,008	2,008,404
Improvements other than buildings	11,769	839	22	12,586
Machinery and equipment	291,583	25,550	10,083	307,050
Intangible software	14,722	1,567	-	16,289
	<u>2,724,754</u>	<u>93,132</u>	<u>28,529</u>	<u>2,789,357</u>
Total capital assets being depreciated and amortized				2,789,357
Less accumulated depreciation and amortization for:				
Buildings	197,976	12,732	359	210,349
Infrastructure	1,219,151	37,332	18,009	1,238,474
Improvements other than buildings	11,213	205	22	11,396
Machinery and equipment	188,753	16,829	9,393	196,189
Intangible software	14,367	411	-	14,778
	<u>1,631,460</u>	<u>67,509</u>	<u>27,783</u>	<u>1,671,186</u>
Total accumulated depreciation and amortization				1,671,186
Total capital assets being depreciated and amortized, net	<u>1,093,294</u>	<u>25,623</u>	<u>746</u>	<u>1,118,171</u>
Right of use lease assets				
Buildings	2,964	269	851	2,382
Machinery and equipment	2,021	-	-	2,021
	<u>4,985</u>	<u>269</u>	<u>851</u>	<u>4,403</u>
Total right of use lease assets being amortized				4,403
Less accumulated amortization				
Buildings	1,236	172	851	557
Machinery and equipment	351	116	-	467
	<u>1,587</u>	<u>288</u>	<u>851</u>	<u>1,024</u>
Total right of use lease assets being amortized				1,024
Total Right of use lease assets, net	<u>3,398</u>	<u>(19)</u>	<u>-</u>	<u>3,379</u>
Right to use subscription assets	24,660	5,970	231	30,399
Less accumulated amortization	8,743	6,673	231	15,185
	<u>15,917</u>	<u>(703)</u>	<u>-</u>	<u>15,214</u>
Total right of use subscription assets, net				15,214
Government activity capital assets, net	<u><u>\$ 1,420,933</u></u>	<u><u>\$ 60,579</u></u>	<u><u>\$ 19,082</u></u>	<u><u>\$ 1,462,430</u></u>

CITY OF MILWAUKEE
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Depreciation and amortization expense for governmental activities was charged to the following functions:

	Depreciation
General government	\$ 1,102
Public safety	11,067
Public works	53,144
Health	479
Culture and recreation	1,717
Leases	288
Subscriptions	<u>6,673</u>
Total	<u><u>\$ 74,470</u></u>

	Balance 01/01/25	Additions	Deletions	Balance 12/31/25
Business-type activities		<i>(Thousands of Dollars)</i>		
Water Works				
<i>Capital assets not being depreciated:</i>				
Land	\$ 1,973	\$ -	\$ 376	\$ 1,597
Construction in progress	<u>17,872</u>	<u>102,483</u>	<u>81,570</u>	<u>38,785</u>
Total capital assets not being depreciated	<u>19,845</u>	<u>102,483</u>	<u>81,946</u>	<u>40,382</u>
<i>Capital assets being depreciated:</i>				
Buildings	36,417	3,752	93	40,076
Infrastructure	622,556	38,374	452	660,478
Machinery and equipment	306,767	11,483	1,208	317,042
Nonutility property	<u>3,791</u>	<u>375</u>	<u>-</u>	<u>4,166</u>
Total capital assets being depreciated	<u>969,531</u>	<u>53,984</u>	<u>1,753</u>	<u>1,021,762</u>
Less accumulated depreciation for:				
Buildings	25,657	925	3	26,579
Infrastructure	158,513	9,871	-	168,384
Machinery and equipment	191,787	10,563	1,574	200,776
Nonutility property	<u>1,494</u>	<u>520</u>	<u>129</u>	<u>1,885</u>
Total accumulated depreciation	<u>377,451</u>	<u>21,879</u>	<u>1,706</u>	<u>397,624</u>
Total capital assets being depreciated, net	<u>592,080</u>	<u>32,105</u>	<u>47</u>	<u>624,138</u>
Water Works capital assets, net	<u>611,925</u>	<u>134,588</u>	<u>81,993</u>	<u>664,520</u>

CITY OF MILWAUKEE
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 FOR THE YEAR ENDED DECEMBER 31, 2025

	Balance 01/01/25	Additions	Deletions	Balance 12/31/25
Business-type activities (continued)		<i>(Thousands of Dollars)</i>		
Sewer Maintenance				
<i>Capital assets not being depreciated:</i>				
Construction in progress	\$ 548	\$ 795	\$ 352	\$ 991
Total capital assets not being depreciated	<u>548</u>	<u>795</u>	<u>352</u>	<u>991</u>
<i>Capital assets being depreciated:</i>				
Infrastructure	876,367	24,867	278	900,956
Machinery and equipment	<u>10,943</u>	<u>1,219</u>	<u>55</u>	<u>12,107</u>
Total capital assets being depreciated	<u>887,310</u>	<u>26,086</u>	<u>333</u>	<u>913,063</u>
Less accumulated depreciation for:				
Infrastructure	213,962	9,870	278	223,554
Machinery and equipment	<u>5,557</u>	<u>722</u>	<u>55</u>	<u>6,224</u>
Total accumulated depreciation	<u>219,519</u>	<u>10,592</u>	<u>333</u>	<u>229,778</u>
Total capital assets being depreciated, net	<u>667,791</u>	<u>15,494</u>	<u>-</u>	<u>683,285</u>
Sewer Maintenance capital assets, net	<u>668,339</u>	<u>16,289</u>	<u>352</u>	<u>684,276</u>

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Balance 01/01/25	Additions (Thousands of Dollars)	Deletions	Balance 12/31/25
Other business-type activities				
<i>Capital assets not being depreciated:</i>				
Land	\$ 17,461	\$ -	\$ -	\$ 17,461
Construction in progress	18,077	8,307	-	26,384
	<u>35,538</u>	<u>8,307</u>	<u>-</u>	<u>43,845</u>
Total capital assets not being depreciated				
<i>Capital assets being depreciated:</i>				
Buildings	106,069	-	-	106,069
Infrastructure.....	21,775	-	-	21,775
Improvements other than buildings	21,162	116	-	21,278
Machinery and equipment	19,584	-	-	19,584
	<u>168,590</u>	<u>116</u>	<u>-</u>	<u>168,706</u>
Total capital assets being depreciated				
Less accumulated depreciation for:				
Buildings	65,805	2,392	-	68,197
Infrastructure—port	13,720	473	-	14,193
Improvements other than buildings	9,694	643	-	10,337
Machinery and equipment	13,920	861	-	14,781
	<u>103,139</u>	<u>4,369</u>	<u>-</u>	<u>107,508</u>
Total accumulated depreciation				
Total capital assets being depreciated, net	65,451	(4,253)	-	61,198
Other business-type activities, net	100,989	4,054	-	105,043
	<u>100,989</u>	<u>4,054</u>	<u>-</u>	<u>105,043</u>
Other business-type activities, net				
Business-type activity capital assets, net	<u>\$ 1,381,253</u>	<u>\$ 154,931</u>	<u>\$ 82,345</u>	<u>\$ 1,453,839</u>
Depreciation expense for business-type activities				
was charged to functions as follows:				
Water Works				
Depreciation	\$ 23,759			
Depreciation charged to Sanitary Sewer	(1,880)			
	<u>21,879</u>			
Sewer Maintenance	10,592			
Other business-type activities	4,369			
	<u>36,840</u>			
Total	<u>\$ 36,840</u>			

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Balance 1/1/2025	Additions (Thousands of Dollars)	Deletions	Balance 12/31/25
Component Units				
<i>Capital assets not being depreciated:</i>				
Land	\$ 10,593	\$ -	\$ -	\$ 10,593
Construction in Progress	1,606	4,100	-	5,706
Total capital assets not being depreciated	<u>12,199</u>	<u>4,100</u>	<u>-</u>	<u>16,299</u>
<i>Capital assets being depreciated:</i>				
Buildings	14,174	-	-	14,174
Infrastructure	13,371	-	-	13,371
Improvements other than buildings	4,263	-	-	4,263
Machinery and equipment	6	-	6	-
Intangibles.....	<u>565</u>	<u>-</u>	<u>-</u>	<u>565</u>
Total capital assets being depreciated	<u>32,379</u>	<u>-</u>	<u>6</u>	<u>32,373</u>
Less accumulated depreciation for:				
Buildings	5,831	358	-	6,189
Infrastructure	555	661	-	1,216
Improvements other than buildings	3,519	197	-	3,716
Machinery and equipment	6	-	6	-
Intangibles.....	<u>565</u>	<u>-</u>	<u>-</u>	<u>565</u>
Total accumulated depreciation	<u>10,476</u>	<u>1,216</u>	<u>6</u>	<u>11,686</u>
Total capital assets being depreciated, net	<u>21,903</u>	<u>(1,216)</u>	<u>-</u>	<u>20,687</u>
Subscription assets, net (Footnote 12)	<u>66</u>	<u>-</u>	<u>66</u>	<u>-</u>
Component units capital assets, net	<u>\$ 34,102</u>	<u>\$ 2,884</u>	<u>\$ -</u>	<u>\$ 36,986</u>

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

5. UNEARNED AND UNAVAILABLE REVENUES

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

	General	General Obligation Debt Service	Economic Development	Grant and Aid Projects	Capital Projects	Nonmajor Governmental Funds	Total
<i>(Thousands of Dollars)</i>							
Subsequent years property taxes ...	\$ 229,139	\$ 106,777	\$ 71,328	\$ -	\$ 14,604	\$ -	\$ 421,848
Leases receivable.....	5,502	-	-	-	-	-	5,502
Delinquent property taxes	8,769	-	-	-	-	7,559	16,328
Unavailable receivables.....	1,443	37,986	6,764	-	-	20,058	66,251
Unbilled special assessments	-	-	-	-	1,932	-	1,932
Unavailable grant revenue	-	-	-	20,090	19,457	34	39,581
Grants received prior to meeting all eligibility requirements.....	-	-	-	26,288	-	-	26,288
Other unearned revenue	4	-	-	2,516	62	557	3,139
Total	\$ 244,857	\$ 144,763	\$ 78,092	\$ 48,894	\$ 36,055	\$ 28,208	\$ 580,869
Unearned revenues - deferred inflows							\$ 427,350
Unavailable revenues - deferred inflows							124,092
Unearned revenues - liabilities							29,427
							<u>\$ 580,869</u>

6. SHORT-TERM DEBT

As of December 31, 2025, the City did not have any outstanding short-term Revenue Anticipation Notes.

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

7. LONG-TERM OBLIGATIONS

A. Changes in Long-Term Obligations

Changes in long-term obligations for the year ended December 31, 2025 were as follows:

	Balance 01/01/25	Additions	Deductions	Balance 12/31/25	Amounts Due within One Year
		(Thousands of Dollars)			
Governmental activities:					
General obligation bonds and notes					
City	\$ 1,078,765	\$ 150,664	\$ 109,834	\$ 1,119,595	\$ 121,529
Milwaukee Public Schools	50,130	-	12,830	37,300	-
Unamortized premiums	72,421	13,624	12,793	73,252	-
Direct loans					
City	3,000	6,960	9,960	-	-
Compensated absences	50,079	35,941	34,061	51,959	9,865
Total other postemployment benefits liability	1,064,644	52,279	191,175	925,748	38,088
Net pension liability.....	1,596,756	551,440	466,446	1,681,750	-
Claims and judgments	58,741	65,654	18,755	105,640	3,011
Total governmental activities	<u>\$ 3,974,536</u>	<u>\$ 876,562</u>	<u>\$ 855,854</u>	<u>\$ 3,995,244</u>	<u>\$ 172,493</u>
Leases payable (Footnote 12).....	3,398	269	288	3,379	196
Subscriptions payable (Footnote 12).....	15,917	5,970	6,673	15,214	5,937
Total governmental activities long term liabilities.....	<u>\$ 3,993,851</u>	<u>\$ 882,801</u>	<u>\$ 862,815</u>	<u>\$ 4,013,837</u>	<u>\$ 178,626</u>
Business-type activities:					
Water Works					
State loans (direct)	\$ 94,195	\$ 16,508	\$ 5,681	\$ 105,022	\$ 6,346
Revenue bonds	6,410	-	475	5,935	480
Unamortized premiums	150	-	22	128	-
Compensated absences	2,617	188	153	2,652	2,652
Total other postemployment benefits liability	26,160	1,290	7,993	19,457	963
Net pension liability.....	43,890	8,991	9,221	43,660	-
Total Water Works	<u>173,422</u>	<u>26,977</u>	<u>23,545</u>	<u>176,854</u>	<u>10,441</u>
Sewer Maintenance					
General obligation bonds and notes	\$ 749	\$ -	\$ 749	\$ -	\$ -
State loans (direct)	151,973	858	13,406	139,425	13,729
Revenue bonds	137,440	-	5,960	131,480	8,035
Unamortized premiums	15,475	-	1,769	13,706	-
Compensated absences	891	66	25	932	932
Total other postemployment benefits liability	8,348	1,403	2,008	7,743	390
Net pension liability.....	6,209	2,796	1,953	7,052	-
Total Sewer Maintenance	<u>321,085</u>	<u>5,123</u>	<u>25,870</u>	<u>300,338</u>	<u>23,086</u>

CITY OF MILWAUKEE
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FOR THE YEAR ENDED DECEMBER 31, 2025

	Balance 01/01/25	Additions	Deductions	Balance 12/31/25	Amounts Due within One Year
		(Thousands of Dollars)			
Other Proprietary Funds					
General obligation bonds and notes	\$ 20,711	\$ 4,336	\$ 2,512	\$ 22,535	2,601
Claims and judgments	21,994	-	-	21,994	-
Revenue bonds	4,295	-	585	3,710	595
Compensated absences	787	54	82	759	705
Total other postemployment benefits liability	7,999	1,717	2,727	6,989	322
Net pension liability.....	6,509	2,617	1,971	7,155	-
Total Other Proprietary	62,295	8,724	7,877	63,142	4,223
 Total business-type activities	 \$ 556,802	 \$ 40,824	 \$ 57,292	 \$ 540,334	 \$ 37,750
 Component Units					
Environmental remediation liability	\$ 1,582	\$ 14	\$ -	\$ 1,596	\$ -
Total component units	\$ 1,582	\$ 14	\$ -	\$ 1,596	\$ -

B. General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the City and for Milwaukee Public Schools. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are secured by the full faith and unlimited taxing power of the City. The debt for governmental activities will be retired by future property tax levies and other resources accumulated in the Debt Service Funds. The debt for business-type activities (i.e. Water Works, Sewer Maintenance, Transportation, and Port of Milwaukee Proprietary Funds) will be retired by revenues from those operations or, if the revenues are not sufficient, by future tax levies.

As of December 31, 2025, the City general obligation bonds totaled \$389,404,980 of which \$342,487,645 is for Capital Improvements, \$37,300,000 for schools and \$9,617,335 for business-type activities. The interest rates are between 2.00% and 5.25% with a final maturity date of April 1, 2045. The City did not issue any new bonds in 2025.

Use of Public Debt Amortization Fund for retirement of the public debt is governed by the Wisconsin Statutes. The Statutes provide that when total principal and accrued interest in the Public Debt Amortization Fund is substantially equal to the outstanding general obligation bonds and notes, the resources in the fund shall be applied to make annual interest and principal payments on that debt to maturity. The Statutes provide, in part, that "The Public Debt Commission may, however, at any time, apply the fund, not to exceed in any one year 40% of the balance in said fund on the preceding December 31, to acquire for cancellation general obligation bonds or notes prior to their maturity dates at prices not to exceed principal plus accrued interest to date of maturity, but the fund shall not be decreased below \$2,000,000 as a result of such purchases and cancellations." Principal sources of revenue are one-third of all interest on general City investments and interest on Fund investments. As authorized by the Statutes, the Public Debt Amortization Fund may purchase for investment or for cancellation, notes issued by the General Fund to fund operations.

Under the Wisconsin Statutes, the City is required, if requested by the Board of Milwaukee Public Schools, and if approved by referendum, to issue general obligation bonds, under the School's 2% debt limit, to finance purchases of school sites and to construct or remodel school buildings, and without referendum for certain pension obligations. As of December 31, 2025, there was \$37,300,000 of debt for school purposes issued under the City's 5% debt limit. Under the Wisconsin Statutes, the City has title to the land and buildings of the Milwaukee Public Schools. However, the City does not control the use of the assets or receive the proceeds upon disposition of the assets. These assets are excluded from the financial statements of the City.

As of December 31, 2025, \$75,782,342 is outstanding for Tax Incremental District purposes. Total remaining debt service requirements associated with the debt is \$95,195,919. In any year in which TID debt service requirements for the ensuing year are greater than total tax increments received, the shortfall is funded by the property tax levy.

CITY OF MILWAUKEE
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C. Revenue Bonds and State Loans (Direct)

The City issues revenue bonds and State loans to provide funds for water and sewer improvements. The revenue bonds do not have a General Obligation pledge of the City. The revenue bonds and State loans will be repaid from revenues of the Sewer Maintenance and Water Works Proprietary Funds.

As of December 31, 2025, the City has State loans totaling \$244,446,093 of which \$139,424,503 is for Sewer and \$105,021,590 is for Water. The interest rates are between 0.25% and 2.893% and the final maturity date is May 1, 2045.

As of December 31, 2025, the City has Revenue Bonds totaling \$141,125,000 of which \$131,480,000 is for Sewer, \$5,935,000 is for Water and \$3,710,000 is for the Port of Milwaukee. The interest rates are between 2.50% and 5.00% and the final maturity date is June 1, 2046.

During 2025, the City received loans from the State's Clean Water Fund and Safe Drinking Water Loan Programs totaling \$9,438,596 of which \$858,328 is for Sewer and \$8,580,268 is for Water.

D. Notes Payable

The City issues General Obligation notes to provide funds for various public improvement projects, general City financing, and purchases of delinquent taxes.

As of December 31, 2025, the City had notes totaling \$626,122,657 of which \$493,098,085 is for Capital Improvements, \$12,918,620 for business-type activities, \$94,174,783 for the purchase of delinquent taxes and \$25,931,169 is for general City. The interest rates are between 1.75% and 7.50% with a final maturity date of June 30, 2033.

During the year ended December 31, 2025, general obligation notes totaling \$155,000,000 were issued of which \$86,961,971 was issued to finance capital improvements, \$4,336,341 for business-type activities, \$21,024,042 for delinquent tax funding, \$35,695,723 for TID's and \$6,981,923 for general government purposes, including refunding.

As of December 31, 2025, \$88,120,021 is outstanding for Tax Incremental District purposes. Total remaining debt service requirements associated with the debt is \$104,143,288.

E. Direct Loans

As of December 31, 2025, the City had one outstanding revolving loan agreement with The Huntington National Bank and one outstanding revolving loan agreement with U.S. Bank National Association (RLAs). The RLAs are secured by a General Obligation pledge of the City and may be drawn upon at any time for any public purpose. It is the intention of the City to pay off an RLA by its maturity date. However, if not paid by the maturity date, the RLA enters an amortization period with the principal due on the first business day of the 18th month following the maturity date. The RLAs contain termination events which could lead to acceleration of the debt, however there are no specific provisions regarding default on the RLAs. Both lines are in good standing and are in force through December 31, 2026.

The interest rates on the RLAs is tied to an index which is reset daily. The maximum available amounts, maturity dates, and indexes are as follows:

Amount	Maturity Date	Index	Bank
\$25,000,000	December 31, 2026	SOFR	The Huntington National Bank
\$25,000,000	December 31, 2026	SOFR	U.S. Bank National Association

During 2025, \$6.961 million was drawn on the Loans for the following purposes:

Loan Draws (Thousands of Dollars)	
Purpose	Amount
General City.....	\$ 6,961
	<u>\$ 6,961</u>

CITY OF MILWAUKEE
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Following is a summary of Loan activity, which is included in the Notes payable and long-term obligation table in footnote 7(a) above:

Loans			
<i>(Thousands of Dollars)</i>			
Balance 01/01/25	Additions	Deletions	Balance 12/31/25
<u>\$ 3,000</u>	<u>6,961</u>	<u>9,961</u>	<u>\$ -</u>

F. Debt Service Requirements

The maturities of the outstanding principal and related interest requirements are as follows:

Year	General Obligation Debt				Total Debt Service
	Principal	Interest			
	(Thousands of Dollars)				
Governmental activities					
2026.....	\$ 121,529	\$ 47,610			\$ 169,139
2027.....	154,390	40,502			194,892
2028.....	171,534	32,928			204,462
2029.....	97,894	26,731			124,625
2030.....	208,884	21,473			230,357
2031-2035.....	304,243	53,839			358,082
2036-2040.....	95,106	10,059			105,165
2041-2045.....	3,315	101			3,416
Total	<u>\$ 1,156,895</u>	<u>\$ 233,243</u>			<u>\$ 1,390,138</u>
Business-type activities	General Obligation Debt		Revenue Bonds		Total Debt Service
	Principal	Interest	Principal	Interest	
Other Proprietary					
2026.....	\$ 2,601	\$ 883	595	69	\$ 4,148
2027.....	2,450	766	600	60	3,876
2028.....	2,291	671	610	51	3,623
2029.....	2,191	582	620	38	3,431
2030.....	1,982	498	1,285	39	3,804
2031-2035.....	8,297	1,412	-	-	9,709
2036-2040.....	2,723	287	-	-	3,010
Total	<u>\$ 22,535</u>	<u>\$ 5,099</u>	<u>\$ 3,710</u>	<u>\$ 257</u>	<u>\$ 31,601</u>

CITY OF MILWAUKEE
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Year	Revenue Bonds		State Loans - Direct		Total Debt Service
	Principal	Interest	Principal	Interest	
(Thousands of Dollars)					
Business-type activities (Cont'd)					
Sewer Maintenance					
2026.....	\$ 8,035	\$ 5,029	\$ 13,729	\$ 2,618	\$ 29,411
2027.....	10,230	4,613	14,024	2,322	31,189
2028.....	10,730	4,155	13,402	2,028	30,315
2029.....	11,255	3,674	11,402	1,766	28,097
2030.....	11,775	3,196	10,526	1,541	27,038
2031-2035.....	49,140	9,685	45,431	4,899	109,155
2036-2040.....	15,795	3,740	26,612	1,430	47,577
2041-2045.....	11,910	1,330	4,299	110	17,649
2046-2050.....	2,610	39	-	-	2,649
Total	<u>\$ 131,480</u>	<u>\$ 35,461</u>	<u>\$ 139,425</u>	<u>\$ 16,714</u>	<u>\$ 323,080</u>
Water Works					
2026.....	\$ 480	\$ 222	\$ 6,346	\$ 1,575	\$ 8,623
2027.....	490	203	6,942	1,469	9,104
2028.....	500	187	7,049	1,362	9,098
2029.....	510	168	7,157	1,253	9,088
2030.....	520	148	7,268	1,141	9,077
2031-2035.....	2,825	410	36,783	3,986	44,004
2036-2040.....	610	12	26,853	1,415	28,890
2041-2045.....	-	-	6,624	145	6,769
Total	<u>\$ 5,935</u>	<u>\$ 1,350</u>	<u>\$ 105,022</u>	<u>\$ 12,346</u>	<u>\$ 124,653</u>

G. Debt Limit

Wisconsin Statutes limit direct general obligation borrowing in the amount equivalent to 7% of the equalized valuation of taxable property. The Statutes further provide that within the 7% limitation, borrowing for school construction purposes may not exceed 2% of the equalized valuation and borrowing for general city purposes may not exceed 5% of the equalized valuation. At December 31, 2025, the City's legal debt margin was \$2,189,045,000. Of this amount, \$893,387,000 was for school purposes and \$1,295,657,000 was for City purposes.

H. Refinancing

During 2025, the City refinanced \$6,960,600 of short term General Obligation Debt which had been drawn on the lines of credit with \$6,960,600 of Promissory Notes, Series 2025 N2 and T3. This issue provided long-term financing for interim debt of \$6,960,600 and did not result in any material economic gain or loss.

I. Conduit Debt

Occasionally, the City has issued revenue bonds in order to provide financing to private sector entities for the purpose of acquiring, constructing, or rehabilitating housing units and for retiring the existing debt associated with housing units. These obligations are primarily secured by mortgage or revenue agreements on the associated projects and, together with the interest obligation, are payable solely by the developers from leased rentals and other funds or revenues. In addition, these obligations do not constitute indebtedness of the City, as the City has no responsibility for the debt beyond the resources provided by related leases or loans. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The aggregate amount of all revenue bonds outstanding at December 31, 2025 is approximately \$290,000,000 for RACM.

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8. RETIREMENT PLANS

The City participates in two pension plans, the Employers Retirement System of the City of Milwaukee (CMERS) and the Wisconsin Retirement System (WRS). Summary information for these two plans are presented below (amounts in thousands):

	Net Pension Liability/(Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources
CMERS	\$ 1,737,277	\$ 613,116	\$ 54,556
WRS	2,340	17,579	9,634
Total	\$ 1,739,617	\$ 630,695	\$ 64,190

EMPLOYERS' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE ("CMERS") – (all amounts in thousands of dollars)

Plan Description – The City makes contributions to the Employees' Retirement System of the City of Milwaukee (the "System" or "CMERS"), a cost-sharing multiple-employer defined benefit pension plan, on behalf of all eligible City employees. The System provides retirement, disability, and death benefits to plan members and beneficiaries. The City Charter assigns the authority to establish and amend benefit provisions. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Employees' Retirement System of the City of Milwaukee, 789 North Water Street, Suite 300, Milwaukee, WI 53202, or may be found by visiting ERS' website www.cmers.com, by clicking on "Library" and then "Reports".

On January 1, 2024 the State of Wisconsin enacted Act 12, which requires a soft close of CMERS, with all newly hired employees after January 1, 2024 enrolled in the State of Wisconsin Retirement System ("WRS").

In March of 2018, all Redevelopment Authority of the City of Milwaukee (RACM) employees were transferred to City employment. These RACM employees (8 active and 4 retirees) were included in the actuarial analysis of the City's pension obligation and were incorporated with the City's pension-related activity.

Funding Policy – Plan members are required to contribute, or have contributed on their behalf, a percentage of their annual earnable compensation equal to 5.5%, for general City employees enrolled prior to January 1, 2014, 4% for general City employees enrolled on or after January 1, 2014, 7% for police officers and firefighters, 7% for elected officials enrolled prior to January 1, 2014, and 4% for elected officials enrolled on or after January 1, 2014. The City Charter assigns the authority to establish and amend contribution requirements. The City Charter was amended so that various groups of represented and non-represented City employees hired on or after January 1, 2010 contribute a percentage of their earnable compensation for pension benefits as described above. A general City employee who enrolls as a member in the Employees' Retirement System on or after January 1, 2014 has the following: a minimum service retirement age of 65 and a service retirement allowance equal to 1.6% of the members final average salary times the total number of years of all creditable service; eligibility for a service retirement allowance when attaining the age of 60 years and the completion of 30 years of creditable service. Additionally, they are eligible for a pension escalator of 2% annually after the fifth anniversary of their service retirement, with spouse survivors of service retirees also eligible for the escalator. All new city employees enrolled on or after January 1, 2014, are required to contribute 4% of their earnable compensation to the retirement system. Total contributions to the System for the plan year 2025 was \$182,650,000, equal to the required contributions on behalf of the plan members for the year. Total contributions for the years ended December 31, 2025 and 2024 were \$182,650,000 and \$190,015,000 respectively. In 2013 the funding policy changed and the City went to a "stable contribution" policy. The actuarial contribution shall be based on separate calculated rates for police officers, firefighters and general City employees and shall be applicable for a 5-year period. The actuary shall, consistent with actuarial standards of practice, set the actuarial contribution rate at a percentage of covered compensation sufficient to fund the entire amount of the employers' share of the normal cost, and to amortize any unfunded past service liability.

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

Long-term Expected Return on Plan Assets –The long-term expected rate of return on pension plan investments was determined using Callan Associates' 10-year geometric capital market projections. Projected long-term rates of

CITY OF MILWAUKEE
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return for each major asset class in the Retirement System's target asset allocation as of December 31, 2025, are summarized in the following table:

Asset Allocation Policy and Expected Return		
		Long-term Expected
Asset Class	Policy	Rate of Return
Public Equity.....	44.0%	7.3%
Fixed Income & Cash.....	23.0%	3.1%
Real Estate.....	9.7%	5.1%
Real Assets.....	3.3%	4.6%
Private Equity.....	10.0%	10.0%
Absolute Return.....	10.0%	3.6%
	100.0%	

Rate of Return – For the year ended December 31, 2024, the annual money-weighted rate of return, net of investment expense was 6.9%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Actuarial Assumptions – The last actuarial valuation was performed as of January 1, 2024, and the amounts were used to roll-forward the total pension liability to the plan's year-end December 31, 2024, and was determined using the following actuarial assumptions, applied to all prior periods included in the measurement:

Actuarial Assumptions	
Actuarial Valuation Date	January 1, 2024
Measurement Date of Net Pension Liability	December 31, 2024
Actuarial Cost Method:	Entry Age Normal - Level Percentage Pay
Amortization Method	Level percent of payroll, closed
Asset Valuation Method	5-year smoothing of difference between expected return on actuarial value and actual return on market value
Actuarial Assumptions:	
Investment Rate of Return:	6.8% per annum, compounded annually
Discount Rate:	6.80%
Projected Salary Increases	General City 3.0% - 7.5% Police & Fire 3.0% - 19.0%
Inflation Assumption:	2.50%
Cost of Living Adjustments	Vary by Employee Group as explained in summary of plan provisions.
Mortality Table	Generally, retirement mortality rates were based on the Pub-2010 Below Median Employee Mortality Tables with gender specific age setbacks, projected generationally using SOA Scale MP-2021. Disabled mortality rates were based on the Pub-2010 Disabled Retiree Mortality Tables with gender specific setbacks and set forwards, projected generationally using SOA Scale MP-2021.
Experience Study	The actuarial assumptions used in this valuation, are based on the results of the most recent experience study covering the five-year period ending December 31, 2021, except for the investment return assumption.

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Net Pension Liability – The components of the City's pension liability as of December 31, 2025, were as follows:

	Total
	(Thousands of Dollars)
Total pension liability	\$ 6,708,200
Plan fiduciary net position	<u>(4,970,923)</u>
Net pension liability	<u>\$ 1,737,277</u>
Plan fiduciary net position as a percentage of total pension liability	74.10%
Covered employee payroll	\$ 499,416
Net pension liability as a percentage of covered employee payroll	347.86%

Discount Rate - The discount rate used to measure the total pension liability was 6.80%. The projection of cash flows used to determine the discount rate assumed that contribution from plan members will be made at the current contribution rate and that contributions from ERS agencies will be made at contractually required rates, actuarially determined. Based on those assumptions, the ERS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. The cross over analysis produces a single rate of 6.80%, which reflects the long-term expected rate of return on ERS investments. Therefore, the discount rate was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease to	Current	1% Increase to
	Discount Rate	Discount Rate	Discount Rate
	5.80%	6.80%	7.80%
	(Thousands of Dollars)		
City's net pension liability (asset).....	\$ 2,546,792	\$ 1,737,277	\$ 1,066,597

Schedule of Employer Allocations – The Employer Allocation Percentage is based on the employers required contribution compared to the required contribution for all employers. The Employer Allocation Percentage is rounded to seven decimal places. The City's 2024 actuarial employer contribution was \$179.815 million and the employer allocation percentage was 82.7799% as compared to the prior year actuarial employer contribution of \$74.247 million and an employer allocation percentage of 80.3399%.

Schedule of Pension Amounts – The employer's proportionate share of the Collective Net Pension Liability, Deferred Outflows of Resources, Deferred Inflows of Resources, and Total Employer Pension Expense (Income) is based on the Employer Allocation Percentage. The City's proportionate share of Collective net pension liability, deferred outflows/inflows and pension expense was 82.7799%. The Deferred Inflows and Outflows of Resources due to liabilities are amortized over the Average Expected Service Lives of all Employees of 3.4 years. The Collective Deferred Inflows and Outflows of Resources due to the net difference between projected and actual earnings on pension plan investments are amortized over 5.0 years.

CITY OF MILWAUKEE
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The City's total Deferred Inflows and Outflows of Resources, to be recognized in the Future Pension Expense, are as follows:

Total Future Deferred Inflows/Outflows

	Outflows of Resources	Inflows of Resources
	<i>(Thousands of Dollars)</i>	
Differences between expected and actual experience.....	\$ 30,272	\$ (599)
Changes in assumptions.....	192,732	-
Contributions made after the measurement date.....	182,650	-
Net differences between projected and actual earnings on pension plan investments.....	149,803	-
Changes in proportion and differences between employer contributions and proportionate share of contributions.....	57,659	(53,957)
Total.....	<u>\$ 613,116</u>	<u>\$ (54,556)</u>

Deferred Outflows of \$182,650 resulting from the City's pension contribution subsequent to the measurement date will be recognized as a reduction of the total Pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Annual Future Deferred Inflows/Outflows

Year Ended December 31:	Net Deferred Outflows of Resources
	<i>(Thousands of Dollars)</i>
2026	\$ 195,205
2027	208,905
2028	(24,162)
2029	(4,038)
Total	<u>\$ 375,910</u>

The City's pension expense was determined as follows:

Calculation of Pension Expense

<i>(Thousands of Dollars)</i>	Total
Service Cost.....	\$ 86,242
Interest cost on total pension liability.....	429,594
Projected earnings on plan investments.....	(314,598)
Contributions - Member.....	(28,219)
Administrative Expense.....	(7,688)
Plan Changes.....	20,206
Recognition of net deferred outflows (inflows)	
Changes in assumptions.....	-
Differences between expected and actual liability experience.....	9,715
Difference between projected and actual earnings.....	(3,997)
Prior years' deferred outflows.....	333,595
Prior years' deferred inflows.....	(141,502)
Other changes in fiduciary net position.....	8,918
Total Pension Expense.....	<u>\$ 392,266</u>

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WISCONSIN RETIREMENT SYSTEM ("WRS") – (amounts in thousands of dollars)

Funding Policy - All new city employees enrolled on or after January 1, 2024, are required to contribute 6.8% of their earnable compensation to the retirement system. Total contributions to the System for the plan year 2025 were \$1,883, equal to the required contributions on behalf of the plan members for the year.

Plan Description

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

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

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

Vesting

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

Benefits Provided

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

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

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

The WRS also provides death and disability benefits for employees.

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Postretirement Adjustments

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

Year	Core Fund Adjustment %	Variable Fund Adjustment %
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0
2023	1.6	(21.0)
2024	3.6	15.0

Contributions

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

During the reporting period, the WRS recognized \$1,883 in contributions from the City.

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

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

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

At December 31, 2025, the City reported a liability of \$2,340 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023 rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2024, the City's proportion was 0.1424304% which was an increase of 0.1424304% from its proportion measured as of December 31, 2023.

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For the year ended December 31, 2025, the City recognized pension expense (revenue) of (\$1,833).

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

	Deferred Outflows of Resources (thousands of dollars)	Deferred Inflows of Resources (thousands of dollars)
Differences between projected and actual experience	\$ 7,268	\$ 6,830
Changes in assumptions	695	-
Net differences between projected and actual earnings on pension plan investments	3,556	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	2,804
Employer contributions subsequent to the measurement date	<u>6,060</u>	<u>-</u>
Total	<u>\$ 17,579</u>	<u>\$ 9,634</u>

\$6,060 reported as deferred outflows of resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Annual Future Deferred Inflows/Outflows	
Year Ended December 31: (Thousands of Dollars)	Net Deferred Outflows of Resources
2026	\$ 604
2027	4,046
2028	(2,007)
2029	(758)

Actuarial Assumptions

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

Actuarial Valuation Date:	December 31, 2023
Measurement Date of Net Pension Liability (Asset):	December 31, 2024
Experience Study:	January 1, 2021 - December 31, 2023 Published November 19, 2024
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.7%

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Mortality:	2020 WRS Experience Mortality Table
Postretirement Adjustments*:	1.7%

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

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including seniority (merit) and separation rates. The Total Pension Liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the December 31, 2023 actuarial valuation.

Long-Term Expected Return on Plan Assets

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

Asset Allocation Targets and Expected Returns* as of December 31, 2024			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %**
Public Equity	38	7.0	4.3
Public Fixed Income	27	6.1	3.4
Inflation Sensitive	19	4.8	2.1
Real Estate	8	6.5	3.8
Private Equity/Debt	20	9.5	6.7
Leverage***	(12)	3.7	1.1
Total Core Fund	100	7.5	4.8
Variable Fund Asset			
U.S. Equities	70	6.5	3.8
International Equities	30	7.4	4.7
Total Variable Fund	100	6.9	4.2

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

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

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

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Single Discount Rate

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

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

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

	1% Decrease to Discount Rate 5.80%	Current Discount Rate 6.80%	1% Increase to Discount Rate 7.80%
	<i>(Thousands of Dollars)</i>		
City's net pension liability (asset).....	\$ 21,956	\$ 2,340	\$ (11,596)

Pension Plan Fiduciary Net Position

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

At December 31, 2025, the City reported a payable to the pension plan of \$211 which represents contractually required contributions outstanding as of the end of the year.

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OTHER POSTEMPLOYMENT BENEFITS

The City provides other post-employment benefits (OPEB) to its retirees for health and life insurance. During 2018, the City implemented GASB 75 which requires recognizing a liability equal to total unfunded OPEB liability (total OPEB liability or TOL). The January 1, 2018 OPEB liability was restated, with a corresponding adjustment to beginning net position, to record the actuarially determined TOL, as required by GASB 75.

In March of 2018, all Redevelopment Authority of the City of Milwaukee (RACM) employees were transferred to City employment. These RACM employees (8 active and 4 retirees) were included in the actuarial analysis of the City's OPEB obligation and are combined with the City's OPEB balances.

Plan Description

The City provides a single-employer defined benefit healthcare plan and life insurance administered by both the City and Milwaukee's Employees' Retirement System (ERS). The City provides medical and COBRA dental insurance benefits for substantially all retirees in accordance with terms set forth in labor contracts or by Common Council resolution. Retirees are eligible to enroll in any of the group plans offered by the City.

Retiree eligibility for full health insurance coverage varies by employee group, but can be summarized as follows:

General Employees: Employees hired prior to January 1, 2017, in general, are eligible when they retire through the ERS with a minimum of 15 years of creditable service with the City. Furthermore, if they retire on a service retirement they are eligible for an 88% subsidy until they attain age 65. Certain other groups of General employees are eligible, but pay a variety of rates depending upon their group affiliation at the time of retirement, service credit, age, and type of retirement – the subsidy for these may range from 100% to 25% until age 65. Almost all retirees get a 25% subsidy once they attain Medicare age (65 years). Service retirement for General employees enrolled prior to January 1, 2014 is age 60 or age 55 with 30 years of creditable service; for those enrolled on/after January 1, 2014 is age 65 or age 60 with 30 years of creditable service.

Fire and Police: In general, protective service sworn employees are eligible when they retire on a service retirement through the ERS with a minimum of 15 years of creditable service. The amount they pay is part of their collective bargaining agreement with the subsidy ranging from 100% to 65% until age 65, and varies with the type of employee group they belonged to and their sick leave balance at the time of retirement. Almost all retirees get a 25% subsidy once they attain Medicare age (65 years). Service retirement for Fire enrolled prior to July 30, 2016 is age 57 or age 49 with 22 years of service; for those enrolled on or after July 30, 2016 is age 57 or age 52 with 25 years of creditable Fire service. Service retirement for Police enrolled prior to December 20, 2015 is age 57 or 25 years of creditable service; for those enrolled on/after December 20, 2015 is age 57 or age 50 with 25 years of creditable Police service.

Disability: Slightly different eligibility criteria apply for employees who retire on an ordinary or duty disability and their subsidy is different from regular service retirees.

In addition to medical insurance, before 2014 the City allowed its employees to continue life insurance coverage under the Group Life Insurance Plan offered to active employees in accordance with Section 350-25 of the Code of Ordinances. The base amount of coverage for general City employees covered under the City's Life Insurance plan until December 31, 2013 was equal to the employee's annual basic salary to the next higher thousand dollars. The base amount of coverage for firefighters and police officers is equal to one and one-half the employee's annual basic salary to the next higher thousand dollars.

General City employees retiring after 2013 must have purchased before retirement at least 50% of their annual base salary in voluntary life insurance coverage to be able to continue their enrollment in the City's General Life Insurance program. Premiums are paid at age-banded rates that are in effect at that time. Employees maintaining a minimum of 50% of their annual base salary at the time of retirement in voluntary coverage until age 65, upon attaining age 65, have \$10,000 of coverage paid for by the City.

In general, General City employees retiring on a service retirement prior to 2014 were eligible to continue coverage at the level on the date prior to their date of retirement. Firefighters and Police retiring on a service retirement are eligible to continue coverage up to their base amount of coverage on the date prior to their date of retirement. Prior to age 65, all retirees are required to pay the full premium rates as established by the insurance carrier, less an adjustment for estimated dividends.

Furthermore, as part of recent collective bargaining agreements, Fire and Police employees (except MPSO) now follow the same life insurance plan design as General employees – they must have purchased before retirement at least 50%

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of their annual base salary in voluntary life insurance coverage to be able to continue their enrollment in the City's General Life Insurance program. Premiums are paid at age-banded rates that are in effect at that time. Employees maintaining a minimum of 50% of their annual base salary at the time of retirement in voluntary coverage until age 65, upon attaining age 65, have \$10,000 of coverage paid for by the City.

The rates established are group rates applied consistently to all employees, without regard to age or health. Upon reaching the age of 65, those retirees still part of the group life plan have their coverage reduced in accordance with the reduction schedule in effect on their last day physically at work. For certain groups of retirees, the City may assume all future premiums or only the cost of the \$10,000 of coverage, depending upon the retirement date and reduction schedule in effect on their last day at work. The plan currently has 3,802 active employee members and 2,491 retirees and surviving spouse members.

Funding Policy

The contribution of plan members and the City are established and may be amended by the City. The required contribution for medical and life insurance for retirees is based on a pay-as-you-go financing. Medical benefits provided through the basic health care plan are self-insured. For 2025, the City paid \$35,826,626 and \$3,529,346, respectively, toward medical and life insurance for retirees. The Plan has no accumulated assets.

Actuarial Assumptions

The last actuarial valuation was performed as of January 1, 2025, projected to measurement date of December 31, 2025, using the applicable discount rate required under GASB Statement No. 75 and determined using the following actuarial assumptions.

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Methods and Assumptions Used to Determine OPEB Actuarial Liability and Contributions	
Actuarial Valuation Date	January 1, 2025
Measurement Date of Net OPEB Liability	December 31, 2025
Plan Fiscal Year End	December 31, 2025
Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Pay-as-you-go costs
Asset Valuation Method:	No Assets (pay-as-you-go)
Actuarial Assumptions:	
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Discount Rate	4.08% as of December 31, 2024; 4.83% as of December 31, 2025.
Projected Salary Increases	For general employees, salary increase rates start at 6.25% at service year 1 and decrease steadily to 3.0% at service year 35. For public safety employees, salary increases start at 18.0% at service year 1 and decrease steadily to 3.0% at service year 40.
Wage Inflation	3.0% for general employees and 3.0% for public safety employees.
Healthcare Cost Trend Rates	Pre-Medicare trend rates are 8.0% for 2026, 7.00% for 2027, and grade down in 0.25% increments to an ultimate trend rate of 4.25% in 2038. Post-Medicare Rx trend rates are 9.0% for 2026, 8.25% for 2027, and grade down in 0.25% increments to an ultimate trend rate of 4.25% in 2043.
Mortality Table	For regular retirees and for survivors, the PUB-2010 Below Median Income Healthy Annuitant Mortality Table (using 1 year setbacks for males and 2 year set forward for females) (base year 2010) projected generationally with Scale MP-2021. For duty and ordinary disability retirees, the PUB-2010 Non-Safety Disabled Retiree Mortality Table (using 1 year setback for males and 2 year set forward for females) (base year 2010) projected generationally with Scale MP-2021. For death in active service, the PUB-2010 Below Median Income General Employee Mortality Table (using 1 year setback for males and 2 year set forward for females) (base year 2010) projected generationally with Scale MP-2021. For Policemen and Firemen: Regular retirees, PUB-2010 Median Income Public Safety Annuitant Mortality Table (using 1 year set forward for males and females) (base year 2010) projected generationally with Scale MP-2021. Duty and ordinary disability retirees: PUB-2010 Safety Disabled Retiree Mortality Table (using 1 year set forward for males and females) (base year 2010) projected generationally with Scale MP-2021. Death in active service: PUB-2010 Median Income Safety Employee Mortality Table (using 1 year set forward for males and females) (base year 2010) projected generationally with Scale MP-2021.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are reflected separately.

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Total OPEB Liability

The changes and components of the December 31, 2025 OPEB liability, along with the total OPEB liability by year are shown in the schedules below:

Schedule of Changes in Total OPEB Liability (Thousands of Dollars)		Total
Total OPEB liability		
Service cost.....	\$	35,091
Interest.....		41,426
Differences between expected and actual experience.....		(9,521)
Changes of benefit terms and assumptions.....		(174,854)
Benefit payments.....		(39,356)
Net change in total OPEB liability.....		(147,214)
Total OPEB liability - January 1, 2025.....		1,107,151
Total OPEB liability - December 31, 2025.....	\$	959,937
Plan fiduciary net position		
Contributions - employer.....		39,356
Benefit payments.....		(39,356)
Total OPEB liability - ending.....	\$	959,937
Plan fiduciary net position as a percentage of total OPEB liability.....		0.00%
Covered employee payroll.....	\$	326,642
Total OPEB liability as a percentage of covered payroll.....		293.88%
Inactive plan members or beneficiaries currently receiving benefits.....		2,491
Active plan members.....		3,802
		6,293

Discount Rate – Since the City operates a pay-as-you-go plan, the OPEB liability is calculated using discount rates based on Fidelity’s “20-Year Municipal GO AA Index” as of each measurement date. The discount rates used in the actuarial study were as follows:

Discount rate - December 31, 2024.....	4.08%
Discount rate - December 31, 2025.....	4.83%

Sensitivity of Total OPEB Liability – The following tables present the City’s total OPEB liability using discount rates and healthcare cost trend rate assumptions that are 1% higher and 1% lower than the current rates.

Sensitivity of Total OPEB to the Single Discount Rate Assumption

	1% Decrease to Discount Rate 3.83%	Current Discount Rate 4.83%	1% Increase to Discount Rate 5.83%
	(Thousands of Dollars)		
City's Total OPEB liability.....	\$ 1,089,943	\$ 959,937	\$ 852,784

Sensitivity of Total OPEB to the Healthcare Cost Trend Rate Assumption

	1% Decrease	Current Healthcare Cost Assumption	1% Increase
	(Thousands of Dollars)		
City's Total OPEB liability.....	\$ 850,174	\$ 959,937	\$ 1,095,309

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OPEB Expense - The City's annual OPEB expense is based on the change in the total OPEB liability as actuarially determined in accordance with the parameters of GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Annual OPEB expense consists of service cost, interest on the total OPEB liability, the monetary effect of plan changes and the current year portion of any deferred outflows (inflows). The following table shows the components of the City's annual OPEB expense for the year:

Annual OPEB Expense (Thousands of Dollars)	Total
Service Cost.....	\$ 35,091
Interest cost on total liability.....	41,426
Current period benefit changes.....	(120,949)
Recognition of outflow/(inflow) due to non-investment experience.....	(45,943)
Recognition of outflow/(inflow) due to assumption changes.....	(60,277)
Total OPEB Expense.....	<u>\$ (150,652)</u>

A reconciliation of the City's total OPEB liability including expense, contributions and deferred outflows/ (inflows) is shown below:

Reconciliation of Total OPEB Liability (Thousands of Dollars)	Total
Total OPEB liability beginning of year.....	\$ 1,107,151
OPEB expense.....	(150,652)
Employer contributions.....	(39,356)
Change in outflow/(inflow) due to non-investment experience.....	36,422
Change in outflow/(inflow) due to assumption changes.....	6,372
Total OPEB liability end of year.....	<u>\$ 959,937</u>

Deferred Inflows and Outflows of Resources – For the plan year-end December 31, 2025, the actuarial discount rate increased to 4.83 percent from 4.08 percent. Deferred inflows decreased \$156.3 million and deferred outflows increased \$50.1 million as a result of the updated actuarial analysis of the plan. Deferred inflows and outflows are amortized into annual OPEB expense using an amortization factor unique to each major employment group outlined in the report. Deferred inflows and outflows recognized in the current or future OPEB expense periods are shown in the following schedules:

Outflows and (Inflows) of Resources Recognized in Current OPEB Expenses
(Thousands of Dollars)

	(Inflows) Recognized in Current Expense	Outflows Recognized in Current Expense
Differences between expected and actual non-investment experience.....	\$ (48,707)	\$ 2,764
Changes in assumptions.....	(107,593)	47,316
Total.....	<u>\$ (156,300)</u>	<u>\$ 50,080</u>

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

(Thousands of Dollars)

	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences between expected and actual non-investment experience.....	\$ 7,865	\$ (132,901)
Changes in assumptions.....	67,572	(282,352)
Total.....	<u>\$ 75,437</u>	<u>\$ (415,253)</u>

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**Net Deferred Outflows and Deferred (Inflows) of
 Resources Recognized in Future OPEB Expenses**

(Thousands of Dollars)

Fiscal Year-end	
December 31, 2026	\$ (114,111)
December 31, 2027	(109,680)
December 31, 2028	(70,942)
December 31, 2029	(25,341)
December 31, 2030	(13,473)
December 31, 2031	(4,939)
December 31, 2032	(1,243)
December 31, 2033	(87)
Total	<u>\$ (339,816)</u>

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend amounts. The annual OPEB expense and total OPEB liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Terminal Leave Payments

Upon retirement, employees receive a portion of their unused sick leave as terminal leave, in accordance with the Milwaukee Police Association, Milwaukee Police Supervisors' Organization, and the Milwaukee Professional Firefighters Association labor contracts or Section 350-38 of the Code of Ordinances. Firefighters whose normal hours of work exceed 40 hours per week receive one 24-hour work day's base salary for each 10 work days of accumulated, unused sick leave rounded down to the nearest multiple of 10. Firefighters whose normal hours of work average 40 hours per week are converted to 24-hour workdays where the above calculation then applies. Firefighters who have fewer than twenty, 24-hour workdays of accumulated, unused sick days are not eligible for a terminal leave benefit. Police officers receive payment for up to 55 days of unused sick leave at base pay for their terminal leave benefit. All remaining City employees receive up to 30 days of unused sick leave at base pay as their terminal leave benefit. In 2025, approximately \$7,377,891 was paid for sick leave from all funds. At December 31, 2025, accumulated sick leave earned but not taken totaled approximately \$161,900,766 determined on the basis of current salary rates.

Terminal leave pay is funded on a pay-as-you-go basis and provided for in the salary budgets of the respective departments annually. In 2025, terminal leave payments totaled \$2,031,338 to employees retiring during the year. As of December 31, 2025, the City has accrued \$27,533,526 in the government-wide statements for future terminal leave payments. This amount is included under the unfunded compensated absences of \$51,958,574 with the remainder accrued vacation leave of \$21,335,736 and estimated FICA taxes of \$3,089,312.

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9. NET POSITION AND FUND BALANCE

The constraints placed on the net position for the primary government and component units at December 31, 2025 were as follows:

	Governmental Activities	Business-type Activities	Total	Component Units
Net investment in capital assets	\$ 919,667	\$ 1,026,396	\$ 1,946,063	\$ 36,986
Restricted for:				
Debt service	97,004	21,234	118,238	-
Loan and development purposes ...	-	-	-	12,413
Grants	7,266	-	7,266	-
Settlements	12,706	-	12,706	-
Tax increment financing	173,733	-	173,733	-
Unrestricted (Deficit)	<u>(2,764,493)</u>	<u>(147,348)</u>	<u>(2,911,841)</u>	<u>12,248</u>
 Total Net Position (Deficit)	 <u>\$ (1,554,117)</u>	 <u>\$ 900,282</u>	 <u>\$ (653,835)</u>	 <u>\$ 61,647</u>

The net investment in capital assets is composed of the following:

	Governmental	Business-Type	Total
Net Capital Assets	\$ 1,462,430	\$ 1,453,839	\$ 2,916,269
Less: Related Debt	(517,022)	(421,943)	(938,965)
Less: Gain on Refunding	-	(190)	(190)
Less: Capital AP	<u>(25,741)</u>	<u>(5,310)</u>	<u>(31,051)</u>
Net Investment in Capital Assets	<u>\$ 919,667</u>	<u>\$ 1,026,396</u>	<u>\$ 1,946,063</u>

The related debt for governmental activities includes a portion of capital-related notes and bonds plus an allocated portion of unamortized premiums. Governmental activities exclude gain on refunding as the City assumes that refunding debt is not spent on capital related items and instead are used to pay off other debt. The related debt for business-type activities includes all debt and unamortized premiums.

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The constraints placed on fund balance for the governmental funds at December 31, 2025 were as follows:

	General	General Obligation Debt Service	Public Debt Amortization	Economic Development	Grant and Aid Projects	Capital Projects	Nonmajor Governmental Funds	Total
	<i>(Thousands of Dollars)</i>							
Nonspendable								
Advances.....	\$ 45,430	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,430
Inventory.....	14,717	-	-	-	-	-	-	14,717
Inventory of property for resale..	26	-	-	-	-	-	-	26
Prepaid items.....	8,037	-	-	-	4	-	5	8,046
Spendable								
Restricted for:								
Future debt payments.....	-	48,971	62,098	-	-	-	-	111,069
Grants.....	-	-	-	-	3,411	-	3,855	7,266
Settlements.....	-	-	-	-	-	-	12,706	12,706
Tax increment financing.....	-	-	-	173,733	-	-	-	173,733
Committed to:								
Contributions.....	5,666	-	-	-	-	-	-	5,666
Capital projects.....	-	-	-	-	-	81,298	-	81,298
Future debt payments.....	119,000	-	-	-	-	-	-	119,000
Assigned to:								
Conservation and development...	303	-	-	-	-	-	-	303
General government.....	18,477	-	-	-	-	-	-	18,477
Health.....	2,148	-	-	-	-	-	-	2,148
Culture and recreation.....	256	-	-	-	-	-	-	256
Public safety.....	12,008	-	-	-	-	-	-	12,008
Public works.....	2,223	-	-	-	-	-	-	2,223
2026 budgetary financing.....	32,300	-	-	-	-	-	-	32,300
Unassigned (deficit)	<u>79,552</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,883)</u>	<u>(35,308)</u>	<u>(7,941)</u>	<u>16,420</u>
 Total Fund Balance (deficit).....	 <u>\$ 340,143</u>	 <u>\$ 48,971</u>	 <u>\$ 62,098</u>	 <u>\$ 173,733</u>	 <u>\$ (16,468)</u>	 <u>\$ 45,990</u>	 <u>\$ 8,625</u>	 <u>\$ 663,092</u>

Sinking Fund Deposits

The fund balance restricted for future debt payments within the general obligation debt service fund includes \$37,300,000 in sinking funds on deposit with a trustee for payment of Qualified School Construction Bonds (QSCBs) issued on behalf of Milwaukee Public Schools. The QSCBs were issued in 2010 and have maturity payments in 2027.

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Tax Stabilization and Advances to Other Funds

A tax stabilization arrangement is incorporated into the City's adopted *Reserve for Tax Stabilization Fund Balance Policy* and is governed by the City's Code of Ordinances. At December 31, 2025, the tax stabilization reserve was \$157,282,000. Of this amount, \$32,300,000 has been assigned to the funding of the 2026 General Fund budget and \$79,552,000 is unassigned for 2027 and subsequent years' budgets. This Reserve includes an amount for advances of \$45,430,000 from the General Fund to the Capital Projects and Transportation Funds. All General Fund appropriation balances not encumbered or carried over are reserved for tax stabilization in subsequent years. The total amount that can be withdrawn from the reserved for tax stabilization in any one year is an amount that prevents an increase of more than 3% in the City's property tax rate, as defined, and is anticipated to be available as of April 15 of the year covered by the budget. Such amount must be included in the adopted budget, which requires a majority affirmative vote of the Common Council. Fund withdrawals not needed to stabilize the tax rate can be made for up to 50% of the available balance but require a three-fourths affirmative vote of the Common Council prior to budget adoption.

Deficit Balances

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

Fund	Amount	Reason
	<i>(Thousands of Dollars)</i>	
Grant and Aid Projects.....	\$ (16,468)	Unavailable revenue from various grants
Delinquent Tax.....	(7,902)	Loss on sale of tax deed properties

The Grant and Aid Projects fund and the Delinquent Tax fund deficits are anticipated to be funded with future availability of grant revenues, general tax revenues, fee increases and/or long-term borrowing.

The Fiduciary Board of School Directors Fund has a deficit of \$93 million; the fund has deferred taxes receivable of \$250 million which will be recognized in 2026.

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10. INTERFUND RECEIVABLE AND PAYABLE BALANCES/ADVANCES AND NET TRANSFERS

The individual interfund receivable and payable balances at December 31, 2025 were as follows:

		Due From			
		General Fund	Sewer Maintenance Fund	Nonmajor Proprietary Funds	Total
		(Thousands of Dollars)			
Due To	General Obligation Debt Service	\$ 2,974	\$ -	\$ -	\$ 2,974
	Capital Projects	21,728	-	-	21,728
	Grant and Aid Projects	26,160	-	-	26,160
	Nonmajor Governmental Funds.....	29,795	-	-	29,795
	Water Works	1,954	1,335	1,032	4,321
	Sewer Maintenance	42,077	-	-	42,077
	Nonmajor Proprietary Funds	12,082	-	-	12,082
	Totals	\$ 136,770	\$ 1,335	\$ 1,032	\$ 139,137

Balances resulted from the timing differences between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, (3) payments between funds are made, and (4) funds overdraw their share of pooled cash or when there are transactions between funds where one fund does not participate in the City's pooled cash.

The City of Milwaukee General Fund advances funds to the Special Assessments, Capital Projects and Transportation funds to finance cash flows. These advances are non-interest bearing and are repaid as collections from the receivables are obtained. At December 31, 2025 the outstanding balance was \$45,430,000.

The City of Milwaukee General Fund advanced \$35,386,000 to the Transportation Fund, and \$10,044,000 to Capital Funds to finance cash flows in 2025. These advances are non-interest bearing and will be repaid from the issuance of debt and service revenues.

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
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Interfund transfers for the year ended December 31, 2025 were as follows *(in thousands)*:

Funds Transferred To	Fund Transferred From	Amount	Purpose
General Fund	Nonmajor Governmental Funds.....	\$ 9,318	Subsidize uncollected property taxes
	Economic Development.....	3,734	Tax increment revenues
	Water Works.....	15,137	Payment in Lieu of taxes
	Nonmajor Proprietary Funds.....	1,529	Payment in Lieu of taxes
	Nonmajor Proprietary Funds.....	6,000	Subsidy for operations
	Nonmajor Proprietary Funds.....	3,056	Excess earnings of Port
	Subtotal General Fund.....	<u>38,774</u>	
General Obligation Debt Service	General.....	2,110	Funding for debt payments
	Economic Development.....	19,195	Funding for debt payments
	Public Debt Amortization.....	6,000	Funding for debt payments
	Nonmajor Governmental Funds.....	16,681	Funding for debt payments
	Nonmajor Proprietary Funds.....	1,063	Funding for debt payments
	Subtotal Debt Service.....	<u>45,049</u>	
Economic Development	Capital Funds.....	4,510	Close surplus revenues
	Subtotal Economic Development.....	<u>4,510</u>	
Capital Projects	Capital Funds.....	2,365	Capital allocations
	Economic Development.....	14,815	Tax increment financing
	Subtotal Capital Projects.....	<u>17,180</u>	
Grant and Aid Projects	General.....	572	Subsidy for operations
	Subtotal Grant and Aid Projects.....	<u>572</u>	
Water Works	Capital Funds.....	6,794	State Loan Allocation
	Subtotal Water Works.....	<u>6,794</u>	
	Total Interfund Transfers.....	<u>\$ 112,879</u>	

Transfers are used to (1) move revenues from the fund that statute or budget requires collection from to the fund that statute or budget required to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2025

11. BALANCES BETWEEN THE CITY AND COMPONENT UNITS

Balances due to and due from component units as of December 31, 2025 were as follows:

Component Unit Payable	Primary Government's Receivable <i>(Thousands of Dollars)</i>
Due from RACM and NIDC for reimbursable expenditures ...	\$ 323
Due from RACM for loans issued to developers for the purpose of renovations and improvements to existing parcels of real estate	6,764
Due from NIDC for strong home loan repayments.....	122
Due from NIDC for housing projects.....	22
Due from NIDC for home and Community Development Block grants	141
Total	<u>\$ 7,372</u>

Component Unit Receivable	Primary Government's Payable <i>(Thousands of Dollars)</i>
Due to RACM for reimbursable expenditures	<u>\$ 29</u>
Total	<u>\$ 29</u>

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2025

12. LEASES AND SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

LEASES

The City implemented GASB Statement No. 87, Leases effective January 1, 2022. This Statement requires the recognition of certain lease assets and liabilities for leases previously classified as operating leases. In accordance with GASB No. 87, the City does not recognize a lease considered short term in duration. Short term leases are any lease that has a maximum remaining term (as of December 31, 2025) of 12 months or less. The City also excluded any lease for which the underlying contract was below our capitalization threshold.

Lessee:

The City is a lessee for several leases of equipment and buildings. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. At the commencement of the lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Lease-related amortization expense of approximately \$288 thousand and \$132 thousand of interest expense was recorded in fiscal year 2025. Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) the lease term, and (3) lease payments. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City uses its estimated incremental borrowing rate as the discount rate for leases. Interest rates ranged between 2.7% and 3.8%. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise. The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease assets and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

The aggregate amortization schedule for the non-cancellable lease liability as of December 31, 2025 is as follows:

Year	Amount (Thousands of Dollars)		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026.....	\$ 163	\$ 124	\$ 287
2027.....	145	119	264
2028.....	153	113	266
2029.....	162	108	270
2030.....	152	102	254
2031-2035.....	903	415	1,318
2036-2040.....	992	223	1,215
2041-2045.....	404	100	504
2046 and beyond.....	305	21	326
Total.....	<u>\$ 3,379</u>	<u>\$ 1,325</u>	<u>\$ 4,704</u>

Changes in long term lease obligations for the year ended December 31, 2025 were as follows (thousands of dollars):

Governmental Activities	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One year</u>
Lease liabilities					
Buildings, leased	\$ 1,728	\$ 269	\$ 216	\$ 1,781	\$ 119
Equipment, leased	1,670	-	72	1,598	77
Total lease liabilities	<u>\$ 3,398</u>	<u>\$ 269</u>	<u>\$ 288</u>	<u>\$ 3,379</u>	<u>\$ 196</u>

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
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Leased asset activity for the year ended December 31, 2025 was as follows (thousands of dollars):

Governmental Activities	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Lease assets being amortized				
Buildings, leased	\$ 2,244	\$ 269	\$ 131	\$ 2,382
Equipment, leased	2,021	-	-	2,021
Intangibles, leased	720	-	720	-
Total lease assets being amortized	<u>4,985</u>	<u>269</u>	<u>851</u>	<u>4,403</u>
Less accumulated amortization				
Buildings, leased	516	171	131	556
Equipment, leased	351	117	-	468
Intangibles, leased	720	-	720	-
Total accumulated amortization	<u>1,587</u>	<u>288</u>	<u>851</u>	<u>1,024</u>
Governmental activities leased assets, net	<u>\$ 3,398</u>	<u>\$ (19)</u>	<u>\$ -</u>	<u>\$ 3,379</u>

Lessor:

The City is a lessor for multiple leases of buildings, parking facilities and property/land. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the City, initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. For the current fiscal year, the City recognized approximately \$1.4 million in lease revenue and approximately \$1.5 million in lease related interest revenue. Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The City uses its estimated incremental borrowing rate as the discount rate for leases, with interest rates ranged between 2.7% and 4.7%. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lease. The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

The value of future minimum installment purchase payments as of December 31, 2025, is as follows:

Year	Amount (Thousands of Dollars)		
	<i>Lease</i>		
	<u>Receivable</u>	<u>Interest</u>	<u>Total</u>
2026.....	\$ 3,618	\$ 1,483	\$ 5,101
2027.....	3,606	1,346	4,952
2028.....	3,723	1,207	4,930
2029.....	3,109	1,062	4,171
2030.....	5,201	936	6,137
2031-2035.....	6,808	3,020	9,828
2036-2040.....	5,079	1,765	6,844
2041-2045.....	2,966	774	3,740
2046 and beyond.....	<u>2,533</u>	<u>1,533</u>	<u>4,066</u>
Total.....	<u>\$ 36,643</u>	<u>\$ 13,126</u>	<u>\$ 49,769</u>

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2025

SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

Governmental Activities

The City implemented GASB Statement No. 96, SBITA's effective January 1, 2023. This Statement requires the recognition of certain subscription assets and liabilities for arrangements previously classified as operating contracts. In accordance with GASB No. 96, the City does not recognize a SBITA considered short term in duration. Short term arrangements are any contract that has a maximum remaining term (as of December 31, 2025) of 12 months or less. The City also excluded any SBITA for which the underlying contract was below our capitalization threshold.

The City has numerous arrangements for software platforms. The City recognizes a SBITA liability and an intangible right-to-use SBITA asset in the government-wide financial statements. At the commencement of the arrangement, the City initially measures the liability at the present value of payments expected to be made during the term. Subsequently, the liability is reduced by the principal portion of lease payments made. The SBITA asset is initially measured as the initial amount of the liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the asset is amortized on a straight-line basis over its useful life. SBITA related amortization expense of approximately \$6.7 million and \$478 thousand of interest expense was recorded in fiscal year 2025 in conjunction with implementation of the standard. Key estimates and judgments related to SBITA's include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) the arrangement term, and (3) payments. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City uses its estimated incremental borrowing rate as the discount rate for leases. Interest rates ranged between 2.8% and 3.6%. The SBITA term includes the noncancellable period of the arrangement. SBITA payments included in the measurement of the SBITA liability are composed of fixed payments and extension options that the City is reasonably certain to exercise. The City monitors changes in circumstances that would require a remeasurement of its SBITA's and will remeasure the assets and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability. SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term debt on the statement of net position.

The aggregate amortization schedule for the non-cancellable SBITA liability as of December 31, 2025 is as follows:

Year	Amount		
	(Thousands of Dollars)		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026.....	\$ 6,788	\$ 436	\$ 7,224
2027.....	5,741	231	5,972
2028.....	2,132	55	2,187
2029.....	492	18	510
2030.....	61	2	63
Total.....	<u>\$ 15,214</u>	<u>\$ 742</u>	<u>\$ 15,956</u>

Changes in long term subscription obligations for the year ended December 31, 2025 were as follows (thousands of dollars):

	Beginning Balance	Additions	Deductions	Ending Balance	Amounts Due Within One year
Governmental Activities					
Subscription liabilities	<u>\$ 15,917</u>	<u>\$ 5,970</u>	<u>\$ 6,673</u>	<u>\$ 15,214</u>	<u>6,518</u>
Total subscription liabilities	<u>\$ 15,917</u>	<u>\$ 5,970</u>	<u>\$ 6,673</u>	<u>\$ 15,214</u>	<u>\$ 6,518</u>

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2025

Subscription asset activity for the year ended December 31, 2025 was as follows (thousands of dollars):

Governmental Activities	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Subscription assets being amortized	\$ 24,660	\$ 5,970	\$ 231	\$ 30,399
Total subscription assets being amortized	24,660	5,970	231	30,399
Less accumulated amortization	<u>8,743</u>	<u>6,673</u>	<u>231</u>	<u>15,185</u>
Total accumulated amortization	<u>8,743</u>	<u>6,673</u>	<u>231</u>	<u>15,185</u>
Governmental activities subscription assets, net	<u>\$ 15,917</u>	<u>\$ (703)</u>	<u>\$ -</u>	<u>\$ 15,214</u>

Component Unit Activities

Subscription asset activity for the year ended December 31, 2025 was as follows (thousands of dollars):

Component Units	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Subscription assets being amortized	\$ 197	\$ -	\$ -	\$ 197
Total subscription assets being amortized	197	-	-	197
Less accumulated amortization	<u>131</u>	<u>66</u>	<u>-</u>	<u>197</u>
Total accumulated amortization	<u>131</u>	<u>66</u>	<u>-</u>	<u>197</u>
Governmental activities subscription assets, net	<u>\$ 66</u>	<u>\$ (66)</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2025

13. COMMITMENTS AND CONTINGENCIES

Claims and Other Legal Proceedings

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employee or natural disaster. With certain exceptions, it is not the policy of the City to purchase commercial insurance for the risks of losses to which it is exposed. Instead, the City believes it is more economical to manage its risks internally and set aside funds as needed for reasonably estimated current claim settlements and unfavorable judgments through annual appropriations and supplemental appropriations. Current settlements are paid from the General Fund and recorded as expenditures when paid in the fund based statements. The liabilities are recorded in the government-wide financial statements.

Under Wisconsin Statutes, the amount recoverable by any person for any damages, injuries, or death in any action founded on fact against the City, agencies, officials, officers, or employees cannot exceed \$50,000, with certain exceptions.

The City is self-insured for workers' compensation, health insurance (basic plan), uninsured motorist vehicle coverage for City employees, and general liability. Liabilities are reported when it is probable that a loss can be reasonable estimated. These losses include an estimate of claims that have been incurred but not reported. Liabilities are based on the estimated ultimate cost of settling the claims, including the effects of inflation and other economic and social factors. Claims are paid from the General Fund and recorded as expenditures when paid in the fund based financial statements. The liabilities are recorded in the government-wide financial statements.

The liabilities recorded as long-term debt in the government-wide financial statements at December 31 were as follows:

Claim and Legal Liability Balances			
	2025		2024
General liability claims	\$ 59,625,000	\$	45,045,510
Workers' compensation claims	10,296,917		12,410,753
Unemployment claims	510,825		570,489
Pollution remediation obligation.....	57,201,025		22,708,020
Total.....	<u>\$ 127,633,767</u>	<u>\$</u>	<u>80,734,772</u>

Changes in the balances of claim liabilities during the past two years were as follows:

Claim and Legal Liability Activity			
	2025		2024
Beginning of year liability	\$ 80,734,772	\$	83,968,512
Current year claims and changes in estimates	63,480,976		509,798
Claim payments	(16,581,981)		(3,743,538)
End of year liability	<u>\$ 127,633,767</u>	<u>\$</u>	<u>80,734,772</u>

The City is self-insured for active and retired employee health insurance, which is recorded in accounts payable within the general fund. Changes in the balance of this claim liability include both actives and retirees. Changes in the liabilities during the past two years were as follows:

Health Insurance Claim Activity			
	2025		2024
Beginning of year liability	\$ 9,367,672	\$	11,031,107
Current year claims and changes in estimates	144,312,631		100,597,208
Claim payments	(142,224,614)		(102,260,643)
End of year liability	<u>\$ 11,455,689</u>	<u>\$</u>	<u>9,367,672</u>

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2025

Environmental Liabilities

The nature and sources of the City's pollution remediation obligation are asbestos abatement, underground storage tanks, PCB pollution, and contaminated properties. The probability-weighted expected cash flow measurement technique is used in determining the amount of liability. This involves determining a range of probabilities or likelihoods that different probable outlays will be necessary and calculating a weighted average of these outlays. There is a potential for changes in the estimated pollution remediation obligation due to third-party contracts and City labor costs changes, amendments to regulatory requirements and rules, and previously unknown conditions. The estimated costs of \$1,300,000 to address PBC pollution could increase if the Environment Protection Agency (EPA) does not approve the City's proposed cleanup methods. The EPA could require the City to do additional testing and remediation, resulting in greater costs to the City. The City qualifies for the State of Wisconsin *Municipal Liability Exemption Program* for contaminated properties. As long as the City is protective of human health environment, cleanup is not required. The City generally cleans up contaminated properties based on remediation grants awarded to the City. The City does not expect to receive any non-grant revenues from insurance or other parties to reduce the City's liability for pollution remediation.

The City is exposed to numerous environmental liabilities. During 2025, the City's estimated liability for pollution remediation-related activities increased \$34,493,000. At December 31, 2025, the City has an outstanding liability of \$57,201,025 related to pollution remediation obligations, which are included as claims and judgments in foot note 7. During 2023 Port of Milwaukee entered into an agreement with the United States Environmental Protection Agency, Wisconsin Department of Natural Resources and the Milwaukee Metropolitan Sewerage District to construct a Dredged Materials Management Facility (DMMF). The DMMF will contain material dredged from the three rivers which converge near the Port, and hold the material in a sealed facility for approximately 100 years. The current cost of exposure is \$21,994,000 which is included in the total outstanding liability; as of December 31, 2025 this estimate has not changed. The City has seven landfills, four of the seven landfills have been closed. The remaining three landfills are no longer accepting waste, with the exception of the South College Avenue site which will remain open for several more years. The Wisconsin Department of Natural Resources has imposed closure requirements on the North College Avenue Site, which the City substantially closed during 2000. The City spent \$82,255 in post-closure care of solid waste landfills during 2025. Actual future costs may be higher due to inflation, changes in technology, or changes in regulations.

Intergovernmental grants

Intergovernmental awards received by the City are subject to audit and adjustment by the funding agency or their representatives. If grant revenues are received for expenditures, which are subsequently disallowed, the City may be required to repay the revenues to the funding agency. In the opinion of management, liabilities resulting from such disallowed expenditures, if any, will not be material to the accompanying financial statements at December 31, 2025.

Commitments

The following is a list of encumbrances by function at December 31, 2025:

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Water Works</u>	<u>Total</u>
	<i>(Thousands of Dollars)</i>			
General government.....	\$ 1,108	\$ 3,875	\$ -	\$ 4,983
Conservation and development.....	303	21,331	-	21,634
Health.....	3	-	-	3
Culture and Recreation.....	226	2,182	-	2,408
Public safety.....	8,191	6,213	-	14,404
Public works.....	2,223	-	-	2,223
Infrastructure.....	-	78,536	41,992	120,528
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total.....	<u>\$ 12,054</u>	<u>\$ 112,137</u>	<u>\$ 41,992</u>	<u>\$ 166,183</u>

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

14. TAX ABATEMENTS

Wisconsin State Statute Section 66.1105 gives the City of Milwaukee (City) the authority to create Tax Incremental Financing (TIF) districts. TIF is an economic development tool used by the City to leverage private development investment. As of December 31, 2025, the City provides tax incentives to certain developers of properties within tax incremental districts (TIDs) utilizing the following methods.

Program 1 - Developer-Financed Projects:

- The City and/or Redevelopment Authority of the City of Milwaukee (RACM) enter into an agreement with a developer or corporation to fund a portion of a redevelopment project. The developer/corporation advances the City's contribution and the advance is considered a loan to the City at an agreed-upon interest rate. The loan to the City is repaid by using a portion of the annual tax increment revenue to repay the developer/corporation. In most instances, the amount of the City's loan repayment to the developer/corporation can be reduced if an economic indicator, such as full-time-equivalent employment, is not achieved. Moreover, loan repayments typically cease after a set number of years, even if the loan is not fully amortized.

Program 2 – Grants to Developers/Corporations:

- In exchange for performing or taking a certain action, such as renewing a lease to remain at a certain location, the City and/or RACM (through the TID) will provide a grant, payable through a refund of annual taxes paid. The amount of the refund can be reduced for not meeting an economic indicator, such as full-time-equivalent employment.

Authority for these tax abatement agreements is provided by 66.1105 Wis. Stats. (Tax Increment Law), and 66.1333 Wis. Stats. (Blight Elimination and Slum Clearance). All tax abatement agreements also require the approval of the City of Milwaukee Common Council, RACM Board and the Joint Review Board.

The City is the collection agent for the property taxes of all overlying taxing authorities and deposits the revenues into a separate fund. Taxes refunded during 2025 and the remaining potential future refunds are shown in the table below. The "Remaining" column represents the maximum principal amount outstanding as of December 31, 2025.

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	Tax Abatement Activity			2025 Remaining
	2024 Remaining	Additions	2025 Taxes Refunded	
Program 1, Developer-Financed			(Thousands of Dollars)	
TID 57.....	\$ 66	3	(69)	\$ -
TID 64.....	13,826	759	(127)	14,458
TID 78.....	31,083	1,406	(4,791)	27,698
TID 80.....	1,358	62	(261)	1,159
TID 83.....	1,397	79	(768)	708
TID 84.....	8,307	3,662	(8,231)	3,738
TID 86.....	1,612	74	(37)	1,649
TID 87.....	977	44	(65)	956
TID 90.....	534	25	(38)	521
TID 93.....	485	22	(35)	472
TID 94.....	400	39	(439)	-
TID 95.....	444	19	(34)	429
TID 96.....	20,097	637	(2,840)	17,894
TID 97.....	8,026	452	(673)	7,805
TID 99.....	488	27	(413)	102
TID 102.....	15,000	5	(148)	14,857
TID 103.....	1,025	50	(72)	1,003
TID 104.....	456	24	(32)	448
TID 105.....	3,150	35	(45)	3,140
TID 107.....	647	54	(62)	639
TID 108.....	7,900	-	(1,905)	5,995
TID 109.....	1,800	-	(79)	1,721
TID 110.....	7,000	-	-	7,000
TID 112.....	915	-	(5)	910
TID 113.....	875	-	(34)	841
TID 114.....	737	-	-	737
TID 115.....	30,000	-	-	30,000
TID 116.....	1,248	-	(1)	1,247
TID 117.....	9,200	-	(1)	9,199
TID 118.....	2,170	-	-	2,170
TID 119.....	2,340	-	-	2,340
TID 120.....	2,000	-	-	2,000
TID 121.....	700	-	-	700
Total Program 1.....	\$ 176,263	\$ 7,478	\$ (21,205)	\$ 162,536
Program 2, Grant				
TID 63.....	813	-	(101)	712
Total Program 2.....	\$ 813	\$ -	\$ (101)	\$ 712
Total tax abatements.....	\$ 177,076	\$ 7,478	\$ (21,306)	\$ 163,248

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
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15. SUBSEQUENT EVENTS

On March 24, 2026, the City issued \$85,000,000 of general obligation promissory notes, Series 2026 N1, for capital project and fiscal purposes. The notes mature in each of the years 2027 through 2041.

On April 22, 2026, the City received \$5,876,247 from the Safe Drinking Water Loan (SDWL) program for water capital purposes. \$4,069,843 of this amount was immediately forgiven by the State.

On May 13, 2026, the City received \$1,764,700 from the SDWL program for water capital purposes. \$549,974 of this amount was immediately forgiven by the State.

On June 1, 2026, the City used cash on hand to defease the Water System Revenue Bonds, Series 2016 W10 in the principal amount of \$5,455,000.

On July 8, 2026, the City received \$2,515,303 under the December 13, 2023 Financial Assistance Agreement from the Clean Water Fund program for sewer capital purposes.

On July 15, 2026, the City issued \$18,740,000 of Sewerage System Revenue Bonds, Series 2026 S2, for sewer refunding purposes. The Series 2026 S2 mature in each of the years 2027 through 2033. On July 24, 2026, the proceeds and cash on hand will be used to pay off the Sewerage System Revenue Bonds, Series 2013 S5, and a portion of the Sewerage System Revenue Bonds, Series 2016 S7.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

CITY OF MILWAUKEE
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (NON-GAAP BUDGETARY BASIS) - GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (Thousands of Dollars)

Exhibit E-1

	Budgeted Amounts		Actual -	Variance
	Original	Final	Amounts	Positive
	Budget	Budget	Budgetary	(Negative)
			Basis	
Revenues:				
Property taxes	\$ 220,100	\$ 220,100	\$ 216,502	\$ (3,598)
Sales taxes	192,900	192,900	209,194	16,294
Other taxes	5,214	5,214	4,415	(799)
Licenses and permits	19,882	19,882	18,280	(1,602)
Intergovernmental	305,503	305,503	305,434	(69)
Charges for services	151,921	151,921	156,044	4,123
Fines and forfeits	2,500	2,500	2,108	(392)
Other	29,235	29,235	29,145	(90)
Total Revenues	927,255	927,255	941,122	13,867
Expenditures:				
Current:				
General government	486,462	465,142	420,160	44,982
Public safety	397,409	407,144	400,908	6,236
Public works	135,212	134,237	132,408	1,829
Health	17,911	15,757	14,676	1,081
Culture and recreation	26,585	26,289	25,005	1,284
Conservation and development	7,042	6,754	6,640	114
Capital outlay	-	-	6,239	(6,239)
Total Expenditures	1,070,621	1,055,323	1,006,036	49,287
Excess (Deficiency) of Revenues over Expenditures	(143,366)	(128,068)	(64,914)	63,154
Other Financing Sources (Uses):				
General obligation bonds and notes issued	-	-	6,961	6,961
Issuance of lease and subscription arrangements	-	-	6,239	6,239
Transfers in	-	38,774	38,774	-
Transfers out	-	(2,682)	(2,682)	-
Contributions received	33,104	27,045	16,812	(10,233)
Contributions used	(33,104)	(27,045)	(2,507)	24,538
Use of fund balance - reserved for tax stabilization	32,300	32,300	-	(32,300)
Total Other Financing Sources and Uses	32,300	68,392	63,597	(4,795)
Net Change in Fund Balance	<u>\$ (111,066)</u>	<u>\$ (59,676)</u>	(1,317)	<u>\$ 58,359</u>
Fund Balance - Beginning			341,460	
Fund Balance - Ending			<u>\$ 340,143</u>	

Explanation of Differences of Budget to GAAP:

Contributions received and used for budget purposes are reported as other financing sources, but for GAAP are considered to be revenues and expenditures.
 Please reference Exhibit I-9 for additional detail.

See accompanying independent auditors' report.

CITY OF MILWAUKEE
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - ECONOMIC DEVELOPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2025
(Thousands of Dollars)

Exhibit E-2

	Amended Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Property taxes	\$ 49,715	\$ 49,715	\$ -
Other	<u>11</u>	<u>11</u>	<u>-</u>
Total Revenues	<u>49,726</u>	<u>49,726</u>	<u>-</u>
Expenditures:			
Current:			
Conservation and development	<u>7,011</u>	<u>7,011</u>	<u>-</u>
Excess of Revenues over Expenditures	42,715	42,715	-
Other Financing Sources (Uses):			
Transfers in	4,510	4,510	-
Transfers out	<u>(37,744)</u>	<u>(37,744)</u>	<u>-</u>
Total Other Financing Sources and Uses	<u>(33,234)</u>	<u>(33,234)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 9,481</u>	9,481	<u>\$ -</u>
Fund Balance - Beginning		<u>164,252</u>	
Fund Balance - Ending		<u>\$ 173,733</u>	

See accompanying independent auditors' report.

CITY OF MILWAUKEE
BUDGETARY COMPARISON SCHEDULE - GRANT AND AID PROJECTS
 FOR THE YEAR ENDED DECEMBER 31, 2025
(Thousands of Dollars)

Exhibit E-3

	Amended Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 121,235	\$ 121,235	\$ -
Expenditures:			
Current:			
General government	283	271	12
Public safety	52,624	15,781	36,843
Public works	19,784	7,749	12,035
Health	45,448	22,200	23,248
Culture and recreation	4,054	2,096	1,958
Conservation and development	65,050	25,005	40,045
Total Expenditures	187,243	73,102	114,141
Excess (Deficiency) of Revenues over Expenditures	(66,008)	48,133	114,141
Other Financing Sources (Uses):			
Loan activities	-	(208)	(208)
Transfers in	-	572	572
Net Change in Fund Balance	\$ -	48,497	\$ 114,505
Fund Balance (deficit) - Beginning		(64,965)	
Fund Balance (deficit) - Ending		\$ (16,468)	

See accompanying independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS - OPEB NET POSITION, LIABILITY AND CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Thousands of Dollars)

RETIREE HEALTH AND LIFE INSURANCE (OPEB)

PLAN FIDUCIARY NET POSITION

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Employer contributions.....	\$ 35,916	\$ 40,842	\$ 36,445	\$ 41,286	\$ 39,330
Active member contributions.....	-	-	-	-	-
Net investment income.....	-	-	-	-	-
Benefit payments.....	(35,916)	(40,842)	(36,445)	(41,286)	(39,330)
Operating expenses.....	-	-	-	-	-
Other.....	-	-	-	-	-
Net Change in Plan Fiduciary Net Position.....	\$ -	\$ -	\$ -	\$ -	\$ -
Discount rate at beginning of year.....	3.31%	3.71%	2.75%	2.00%	1.84%
Discount rate at end of year.....	3.71%	2.75%	2.00%	1.84%	4.05%
	<u>2023</u>	<u>2024</u>	<u>2025</u>		
Employer contributions.....	\$ 38,467	\$ 39,177	\$ 39,356		
Active member contributions.....	-	-	-		
Net investment income.....	-	-	-		
Benefit payments.....	(38,467)	(39,177)	(39,356)		
Operating expenses.....	-	-	-		
Other.....	-	-	-		
Net Change in Plan Fiduciary Net Position.....	\$ -	\$ -	\$ -		
Discount rate at beginning of year.....	4.05%	3.77%	4.08%		
Discount rate at end of year.....	3.77%	4.08%	4.83%		

TOTAL OPEB LIABILITY

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total OPEB liability beginning of year.....	\$ 1,228,405	\$ 1,212,927	\$ 1,444,168	\$ 1,690,355	\$ 1,680,554
OPEB expense.....	80,742	107,414	145,270	134,199	54,960
Employer contributions.....	(35,916)	(40,842)	(36,445)	(41,286)	(39,330)
Change in outflow/(inflow) due to non-investment experience.....	(156)	-	-	-	-
Change in outflow/(inflow) due to assumption changes.....	(60,148)	211,954	133,199	(91,708)	(480,355)
Change in outflow/(inflow) due to liability experience.....	-	(47,285)	4,163	(11,006)	13,002
Total OPEB liability end of year.....	\$ 1,212,927	\$ 1,444,168	\$ 1,690,355	\$ 1,680,554	\$ 1,228,831
	<u>2023</u>	<u>2024</u>	<u>2025</u>		
Total OPEB liability beginning of year.....	\$ 1,228,831	\$ 1,114,845	\$ 1,107,150		
OPEB expense.....	9,442	796	(150,652)		
Employer contributions.....	(38,467)	(39,177)	(39,356)		
Change in outflow/(inflow) due to non-investment experience.....	(163,956)	43,778	36,422		
Change in outflow/(inflow) due to assumption changes.....	78,995	(13,092)	6,373		
Change in outflow/(inflow) due to liability experience.....	-	-	-		
Total OPEB liability end of year.....	\$ 1,114,845	\$ 1,107,150	\$ 959,937		

SCHEDULE OF OPEB CONTRIBUTIONS

<u>FY ending</u>	<u>Actuarially</u>	<u>Actual</u>	<u>Contribution</u>	<u>Covered -</u>	<u>Actual</u>	<u>Total OPEB</u>
<u>December 31</u>	<u>Determined</u>	<u>Employer</u>	<u>Deficiency</u>	<u>Employee</u>	<u>Contribution</u>	<u>Liability</u>
	<u>Contribution</u>	<u>Contribution</u>	<u>Excess</u>	<u>Payroll</u>	<u>as a % of</u>	<u>as a % of</u>
					<u>Covered -</u>	<u>Covered -</u>
					<u>Employee</u>	<u>Employee</u>
					<u>Payroll</u>	<u>Payroll</u>
2017	N/A	\$ 34,120	N/A	\$ 410,203	8.32%	299.46%
2018	N/A	\$ 35,918	N/A	\$ 422,509	8.50%	287.08%
2019	N/A	\$ 40,842	N/A	\$ 375,433	10.90%	384.67%
2020	N/A	\$ 36,445	N/A	\$ 388,040	9.39%	435.61%
2021	N/A	\$ 41,286	N/A	\$ 346,833	11.90%	484.54%
2022	N/A	\$ 39,330	N/A	\$ 358,672	10.97%	342.61%
2023	N/A	\$ 38,467	N/A	\$ 311,463	12.35%	357.94%
2024	N/A	\$ 39,177	N/A	\$ 322,220	12.16%	343.60%
2025	N/A	\$ 39,356	N/A	\$ 326,642	12.05%	293.88%

Note: Schedule is intended to report data for the last 10 fiscal years. Additional years will be displayed as they become available. There are no assets accumulated in a trust to fund future OPEB obligations.

See accompanying independent auditors' report.

CITY OF MILWAUKEE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS - PENSION NET LIABILITY AND CONTRIBUTIONS
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (Thousands of Dollars)

Exhibit E-4 (continued)

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

City of Milwaukee Employees' Retirement System

	<u>12/31/16</u>	<u>12/31/17</u>	<u>12/31/18</u>	<u>12/31/19</u>	<u>12/31/20</u>
The City's proportion of the net pension liability	83.08%	82.85%	83.74%	85.56%	85.63%
The City's proportionate share of the net pension liability	\$ 349,915	\$ 353,030	\$ 303,583	\$ 1,145,601	850,751
The City's covered payroll.....	\$ 445,615	\$ 483,819	\$ 483,261	\$ 491,477	498,051
Plan fiduciary net position as a percentage of the total pension liability	91.95%	91.98%	93.70%	78.70%	84.83%
	<u>12/31/21</u>	<u>12/31/22</u>	<u>12/31/23</u>	<u>12/31/24</u>	<u>12/31/25</u>
The City's proportion of the net pension liability	84.92%	84.67%	84.30%	80.34%	82.78%
The City's proportionate share of the net pension liability	927,864	380,774	1,350,597	1,653,364	1,737,279
The City's covered payroll.....	506,458	496,459	488,416	481,464	499,416
Plan fiduciary net position as a percentage of the total pension liability	83.80%	76.70%	77.27%	73.51%	74.10%

SCHEDULE OF THE CITY'S PENSION CONTRIBUTIONS

City of Milwaukee Employees' Retirement System

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Legally required contributions.....	\$ 66,401	\$ 74,811	\$ 74,884	\$ 76,657	\$ 77,295
Contributions in relation to the required contributions.....	\$ 61,390	\$ 65,410	\$ 95,268	\$ 71,160	\$ 82,533
Contribution deficiency (excess).....	\$ 5,011	\$ 9,401	\$ 4,944	\$ 5,497	\$ (5,238)
City's pensionable - covered payroll.....	\$ 383,845	\$ 422,717	\$ 483,261	\$ 491,477	\$ 395,015
Contributions as a percentage of covered payroll.....	15.99%	15.47%	14.47%	14.48%	20.89%
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Legally required contributions.....	\$ 76,660	\$ 75,721	\$ 74,248	\$ 146,406	\$ 179,815
Contributions in relation to the required contributions.....	\$ 74,443	\$ 77,197	\$ 127,817	\$ 137,415	\$ 180,162
Contribution deficiency (excess).....	\$ 2,217	\$ (1,476)	\$ (53,569)	\$ 8,991	\$ (347)
City's pensionable - covered payroll.....	\$ 387,823	\$ 431,687	\$ 428,977	\$ 457,819	\$ 458,104
Contributions as a percentage of covered payroll.....	19.20%	17.88%	29.80%	30.02%	39.33%

See accompanying independent auditors' report.

CITY OF MILWAUKEE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS - PENSION NET LIABILITY AND CONTRIBUTIONS
 FOR THE YEAR ENDED DECEMBER 31, 2025
(Thousands of Dollars)

Exhibit E-4

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
 Wisconsin Retirement System

	<u>12/31/25</u>
The City's proportion of the net pension liability	0.1424304%
The City's proportionate share of the net pension liability	\$ 2,340
The City's covered payroll.....	\$ 21,223
Employee's proportionate share of the net pension liability as a percentage of its covered payroll.....	11.03%
Plan fiduciary net position as a percentage of the total pension liability	98.79%

SCHEDULE OF THE CITY'S PENSION CONTRIBUTIONS
 Wisconsin Retirement System

	<u>2025</u>
Contractually required contributions.....	\$ 6,060
Contributions in relation to the required contributions.....	\$ 6,060
Contribution deficiency (excess).....	\$ -
Employer's pensionable - covered payroll.....	\$ 63,604
Contributions as a percentage of covered payroll.....	9.53%

Note: Schedule is intended to report data for the last 10 fiscal years. The City joined the Wisconsin Retirement System on January 1, 2024, with 2025 being the first full year for which data is available. Additional years will be displayed as they become available.

See accompanying independent auditors' report.

CITY OF MILWAUKEE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2025

Schedules of Funding Progress

Retiree Health and Life Insurance – Actuarial Methods and Assumptions

Valuation date	January 1, 2025
Measurement date	December 31, 2025
Actuarial cost method	Entry age normal (level percent of salary)
Amortization method	Average of expected remaining service lives
Amortization period	6 years
Contribution policy	Pay-as-you-go
Asset valuation method	No assets
Current discount rate	4.83%
Wage inflation	3.0% for general employees and 3.0% for public safety employees.
Salary increases	For general employees, salary increase rates start at 6.25% at service 1 age and decrease steadily to 3.0% at service 35 age. For public safety employees, salary increases start at 18.0% at service 1 age and decrease steadily to 3.0% at service 40 age.
Health care inflation rate	Pre-Medicare trend rates are 8.0% for 2026, 7.0% for 2027 and grade down in 0.25% increments to an ultimate trend rate of 4.25% in 2038. Post-Medicare trend rates are 9.0% for 2026, 8.25% for 2027, and grade down in 0.25% increments to an ultimate trend rate of 4.25% in 2043.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	General Members: For regular retirees and for survivors the PUB-2010 Below Median Income Healthy Annuitant Mortality Table (using 1 year setback for males and 2 year set forward for females) (base year 2010) projected generationally with Scale MP-2021. For duty and ordinary disability retirees, the PUB-2010 Non-Safety Disabled Mortality Table (using 1 year setback for males and 2 year set forward for females) (base year 2010) projected generationally with Scale MP-2021. For death in active service, the PUB-2010 Below Median Income General Employee Mortality Table (using 1 year setback for males and 2 year set forward for females) (base year 2010) projected generationally with Scale MP-2021. Police and Fire: For regular retirees the PUB-2010 Median Income Public Safety Annuitant Mortality Table (using 1 year set forward for males and females) (base year 2010) projected generationally with Scale MP-2021. For duty and ordinary disability retirees, the PUB-2010 Safety Disabled Mortality Table (using 1 year set forward for males and females) (base year 2010) projected generationally with Scale MP-2021. For death in active service the PUB-2010 Median Income Safety Employee Mortality Table (using 1 year set forward for males and females) (base year 2010) projected generationally with Scale MP-2021.

Changes of assumptions: The discount rate changed from 4.08% to 4.83%.

The City implemented GASB Statement No. 75 in 2018. Information prior to 2018 is not available.

See accompanying independent auditors' report

CITY OF MILWAUKEE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2025

Pension Liability and Contributions – Actuarial Methods and Assumptions

CITY OF MILWAUKEE EMPLOYERS RETIREMENT SYSTEM

Valuation date	January 1, 2024
Measurement date	December 31, 2024
Actuarial cost method	Entry age normal – level percentage of pay
Amortization method	Level percent of payroll, closed
Asset valuation method	5-year smoothing of difference between expected return on actuarial value and actual return on fair value.
Investment rate of return	6.80% per annum, compounded annually.
Projected salary increases	General City 3.0% - 7.5%
	Police & Fire 3.0% - 19.0%
Inflation assumption	2.50%
Changes of assumptions	The discount rate remained unchanged at 6.8%.
Changes of benefit terms	There were no changes of benefit terms for any City of Milwaukee Employees' Retirement System participants.

Chapter 36 of the City Ordinances requires the City to contribute 100% of pension liability.

WISCONSIN RETIREMENT SYSTEM

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year. *Changes in benefit terms.* There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

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

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

Budgets and Budgetary Accounting

City departments are required to submit their annual budget requests for the ensuing year to the Mayor by the second Tuesday in May. The Department of Administration, Division of Budget and Management Analysis, acting as staff for the Mayor, reviews the request in detail with the departments during June and July. After all of the requests have been reviewed, the Mayor submits his proposed Executive Budget to the Common Council. The City Charter requires that this be done on or before September 28. The Common Council must complete its review and adopt the budget on or before November 14. Once adopted, Common Council approval is required to amend the total appropriations by a department at the object class level, the legal level of control for each budget. During the year, various amendments were made to the budget including carryovers of appropriations and encumbrances, and internal transfers.

Annual budgets are legally adopted by the Common Council for some but not all governmental funds. Annual budgets are not adopted for the Special Revenue Funds: Delinquent Tax, Public Debt Amortization and Capital Projects Funds. The General Obligation Debt Service Fund uses a non-appropriated budget. Budgets for Capital Projects Funds are prepared for the project life, rather than for the standard current fiscal year. Therefore, project appropriations for these budgets lapse at the conclusion of the project. All other appropriations lapse at the end of the current fiscal year. Governmental funds for which annual budgets have been adopted are included in the accompanying Required Supplementary Information Budgetary Comparison Schedule and in the Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual.

See accompanying independent auditors' report

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**COMBINING
AND INDIVIDUAL
FUND STATEMENTS
AND SCHEDULES**

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Nonmajor Governmental Funds

Nonmajor funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trust or major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Community Development Block Grant – The Community Development Block Grant Program receives annual grants pursuant to the Federal Housing and Community Development Act of 1974. This fund also includes amounts received under the Section 108 Loan Program. The City's Department of Administration is responsible for the planning, execution and evaluation of the Program.

Delinquent Tax – This fund was established as a reserve against uncollected delinquent property taxes. Fund resources, consisting initially of bond proceeds, are used to purchase delinquent property taxes from the General Fund. Collections on these purchased receivables and related interest thereon are transferred to the General Obligation Debt Service Fund to provide for the related debt service requirements.

Settlement Fund – This fund was established in 2024 to account for the settlements received from Opioid and JUUL legal cases. Fund resources consist of court ordered settlement payments and uses are to mitigate the impacts to the community.

CITY OF MILWAUKEE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025
(Thousands of Dollars)

Exhibit F-1

	Community Development Block Grant	Settlement Fund	Delinquent Tax	Total Nonmajor Governmental Funds
ASSETS				
Assets:				
Cash and cash equivalents	\$ 876	\$ 13,271	\$ -	\$ 14,147
Receivables (net):				
Taxes	-	-	28,442	28,442
Notes and loans	3,856	-	-	3,856
Settlements	-	20,058	-	20,058
Due from component units	22	-	-	22
Due from other governmental agencies	2,967	-	-	2,967
Prepaid items	5	-	-	5
Total Assets	\$ 7,726	\$ 33,329	\$ 28,442	\$ 69,497
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)				
Liabilities:				
Accounts payable	\$ 1,863	\$ 58	\$ -	\$ 1,921
Accrued expenses	61	11	-	72
Due to other funds	514	496	28,785	29,795
Due to other governmental agencies	876	-	-	876
Unearned revenue.....	557	-	-	557
Total Liabilities	3,871	565	28,785	33,221
Deferred Inflows of Resources	34	20,058	7,559	27,651
Fund Balances (Deficit):				
Nonspendable.....	5	-	-	5
Restricted.....	3,855	12,706	-	16,561
Unassigned (Deficit).....	(39)	-	(7,902)	(7,941)
Total Fund Balances (Deficit).....	3,821	12,706	(7,902)	8,625
Total Liabilities, Deferred Inflows and Fund Balances (Deficit)	\$ 7,726	\$ 33,329	\$ 28,442	\$ 69,497

See accompanying independent auditors' report.

Exhibit F-2

CITY OF MILWAUKEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2025
(Thousands of Dollars)

	Community Development Block Grant	Settlement Fund	Delinquent Tax	Total Nonmajor Governmental Funds
Revenues:				
Intergovernmental	\$ 15,364	\$ -	\$ -	\$ 15,364
Other	<u>-</u>	<u>3,631</u>	<u>6,943</u>	<u>10,574</u>
Total Revenues	<u>15,364</u>	<u>3,631</u>	<u>6,943</u>	<u>25,938</u>
Expenditures:				
Current:				
General government	3,308	207	1,913	5,428
Public safety	3,405	1,431	-	4,836
Health	-	162	-	162
Culture and recreation	1,504	-	-	1,504
Conservation and development	<u>7,030</u>	<u>-</u>	<u>-</u>	<u>7,030</u>
Total Expenditures	<u>15,247</u>	<u>1,800</u>	<u>1,913</u>	<u>18,960</u>
Excess (Deficiency) of Revenues over Expenditures	<u>117</u>	<u>1,831</u>	<u>5,030</u>	<u>6,978</u>
Other Financing Sources (Uses):				
General obligation bonds and notes issued	-	-	21,024	21,024
Loans activities.....	(151)	-	-	(151)
Transfers out	<u>-</u>	<u>-</u>	<u>(25,999)</u>	<u>(25,999)</u>
Total Other Financing Sources (Uses)	<u>(151)</u>	<u>-</u>	<u>(4,975)</u>	<u>(5,126)</u>
Net Change in Fund Balances.....	(34)	1,831	55	1,852
Fund Balances - Beginning (Deficit).....	<u>3,855</u>	<u>10,875</u>	<u>(7,957)</u>	<u>6,773</u>
Fund Balances - Ending (Deficit).....	<u>\$ 3,821</u>	<u>\$ 12,706</u>	<u>\$ (7,902)</u>	<u>\$ 8,625</u>

See accompanying independent auditors' report.

CITY OF MILWAUKEE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT BLOCK GRANT
 FOR THE YEAR ENDED DECEMBER 31, 2025
(Thousands of Dollars)

Exhibit F-3

	Amended Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 27,788	\$ 15,364	\$ (12,424)
Expenditures:			
Current:			
General government	6,834	3,308	3,526
Public safety	4,063	3,405	658
Culture and recreation	2,415	1,504	911
Conservation and development	14,476	7,030	7,446
Total Expenditures	27,788	15,247	12,541
Excess (Deficiency) of Revenues over Expenditures	-	117	117
Other Financing Sources/(Uses):			
Loans activities	-	(151)	151
Net Change in Fund Balance	\$ -	\$ (34)	\$ 12,658
Fund Balance - Beginning		3,855	
Fund Balance - Ending		\$ 3,821	

See accompanying independent auditors' report.

CITY OF MILWAUKEE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - SETTLEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2025
(Thousands of Dollars)

Exhibit F-4

	Amended Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Other	\$ 3,631	\$ 3,631	\$ -
Expenditures:			
Current:			
General government	207	207	-
Public safety	1,431	1,431	-
Health	<u>162</u>	<u>162</u>	<u>-</u>
Total Expenditures	<u>1,800</u>	<u>1,800</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 1,831</u>	1,831	<u>\$ -</u>
Fund Balance - Beginning		<u>10,875</u>	
Fund Balance - Ending		<u>\$ 12,706</u>	

See accompanying independent auditors' report.

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Nonmajor Proprietary Funds

Proprietary Funds are used to account for operations that provide services which are financed primarily by user charges, or activities where periodic measurement of net income is appropriate for capital maintenance, public policy, management control or other purposes.

Transportation – This fund accounts for revenues derived from parking meters, parking permits, rentals and leasing of parking facilities, and other revenues attributable to parking. The revenues are used to defray administrative and operational costs related to parking operations, and to acquire landscape and construct parking lots and structures. This fund also accounts for streetcar operations and structures.

Port of Milwaukee – All activities necessary to operate and maintain the Port of Milwaukee and other related harbor activities are accounted for in this fund.

Metropolitan Sewerage District User Charge – The Metropolitan Sewerage District User Charge Fund is used to account for sewerage treatment charges by the Milwaukee Metropolitan Sewerage District to the City on a “wholesale” user charge basis and the subsequent billing by the City to customers on a “retail” basis. The City adds administrative expense to the District’s charges and includes the sewer user charges on the quarterly water bills.

CITY OF MILWAUKEE
COMBINING STATEMENT OF FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
DECEMBER 31, 2025
(Thousands of Dollars)

Exhibit G-1

	Transportation	Port of Milwaukee	Metropolitan Sewerage District User Charge	Total Nonmajor Proprietary Funds
ASSETS AND DEFERRED INFLOWS OF RESOURCES				
Current Assets:				
Cash and cash equivalents	\$ 212	\$ 662	\$ -	\$ 874
Receivables (net):				
Accounts	301	965	15,792	17,058
Unbilled accounts	-	-	4,623	4,623
Leases	249	2,538	-	2,787
Due from other funds	-	-	1,032	1,032
Due from other governmental agencies	3,276	10,959	-	14,235
Total Current Assets	<u>4,038</u>	<u>15,124</u>	<u>21,447</u>	<u>40,609</u>
Noncurrent assets:				
Leases receivable	6,814	21,540	-	28,354
Capital assets:				
Capital assets not being depreciated:				
Land	9,007	8,454	-	17,461
Construction in progress	21,332	5,052	-	26,384
Capital assets being depreciated:				
Buildings	89,320	16,749	-	106,069
Infrastructures	-	21,775	-	21,775
Improvements other than buildings	5,194	16,084	-	21,278
Machinery and equipment	10,540	9,044	-	19,584
Accumulated depreciation	(70,798)	(36,710)	-	(107,508)
Net Capital Assets	<u>64,595</u>	<u>40,448</u>	<u>-</u>	<u>105,043</u>
Total Assets	<u>75,447</u>	<u>77,112</u>	<u>21,447</u>	<u>174,006</u>
Deferred Outflows of Resources:				
Pension related items	2,673	602	-	3,275
OPEB related items	<u>94</u>	<u>421</u>	<u>-</u>	<u>515</u>
Total Deferred Outflows of Resources	<u>2,767</u>	<u>1,023</u>	<u>-</u>	<u>3,790</u>

CITY OF MILWAUKEE
COMBINING STATEMENT OF FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
 DECEMBER 31, 2025
 (Thousands of Dollars)

Exhibit G-1

	Transportation	Port of Milwaukee	Metropolitan Sewerage District User Charge	Total Nonmajor Proprietary Funds
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Current Liabilities:				
Accounts payable	\$ 3,338	\$ 10,592	\$ 13,625	\$ 27,555
Accrued expenses	230	53	-	283
Accrued interest payable	154	51	-	205
Compensated absences	504	201	-	705
Due to other funds	-	5,654	6,428	12,082
Due to other governmental agencies	15	-	-	15
Other post employment benefits liability	269	53	-	322
Unearned revenue	233	-	-	233
General obligation debt payable - current	1,939	662	-	2,601
Revenue bonds payable - current	-	595	-	595
Total Current Liabilities	<u>6,682</u>	<u>17,861</u>	<u>20,053</u>	<u>44,596</u>
Noncurrent Liabilities:				
Compensated absences	39	15	-	54
General obligation debt payable	15,643	4,291	-	19,934
Revenue bonds	-	3,115	-	3,115
Advances from other funds	35,386	-	-	35,386
Claims and judgments	-	21,994	-	21,994
Other post employment benefits liability	5,455	1,212	-	6,667
Net pension liability	<u>5,681</u>	<u>1,474</u>	<u>-</u>	<u>7,155</u>
Total Noncurrent Liabilities	<u>62,204</u>	<u>32,101</u>	<u>-</u>	<u>94,305</u>
Total Liabilities	<u>68,886</u>	<u>49,962</u>	<u>20,053</u>	<u>138,901</u>
Deferred Inflows:				
Pension related items	245	8	-	253
OPEB related items	3,410	1,065	-	4,475
Lease related items	<u>7,063</u>	<u>24,078</u>	<u>-</u>	<u>31,141</u>
Total Deferred Inflows of Resources.....	<u>10,718</u>	<u>25,151</u>	<u>-</u>	<u>35,869</u>
NET POSITION (DEFICIT):				
Net investment in capital assets	46,416	30,279	-	76,695
Unrestricted (Deficit)	<u>(47,806)</u>	<u>(27,257)</u>	<u>1,394</u>	<u>(73,669)</u>
Total Net Position (Deficit)	<u>\$ (1,390)</u>	<u>\$ 3,022</u>	<u>\$ 1,394</u>	<u>\$ 3,026</u>

See accompanying independent auditors' report.

CITY OF MILWAUKEE
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (Thousands of Dollars)

Exhibit G-2

	Transportation	Port of Milwaukee	Metropolitan Sewerage District User Charge	Total Nonmajor Proprietary Funds
Operating Revenues:				
Charges for Services:				
Statutory sewer user fee	\$ -	\$ -	\$ 64,357	\$ 64,357
Rent	8,439	8,862	-	17,301
Parking meters	4,520	-	-	4,520
Parking permits	3,406	-	-	3,406
Vehicle towing	7,433	-	-	7,433
Parking forfeitures	14,907	-	-	14,907
Other	679	-	1,689	2,368
Total Operating Revenues	<u>39,384</u>	<u>8,862</u>	<u>66,046</u>	<u>114,292</u>
Operating Expenses:				
Milwaukee Metropolitan Sewerage District Charges	-	-	60,245	60,245
Employee services	8,125	2,418	41	10,584
Depreciation	2,651	1,718	-	4,369
Services, supplies and materials	23,684	11,309	5,902	40,895
Total Operating Expenses	<u>34,460</u>	<u>15,445</u>	<u>66,188</u>	<u>116,093</u>
Operating Income (Loss)	<u>4,924</u>	<u>(6,583)</u>	<u>(142)</u>	<u>(1,801)</u>
Nonoperating Revenues (Expenses):				
Grant revenue	2,842	10,162	-	13,004
Investment income	-	26	-	26
Interest expense	(636)	(275)	-	(911)
Other	-	(165)	-	(165)
Total Nonoperating Revenues (Expenses)	<u>2,206</u>	<u>9,748</u>	<u>-</u>	<u>11,954</u>
Income (Loss) before Transfers	7,130	3,165	(142)	10,153
Transfers out	<u>(8,592)</u>	<u>(3,056)</u>	<u>-</u>	<u>(11,648)</u>
Change in Net Position	(1,462)	109	(142)	(1,495)
Total Net Position - Beginning.....	<u>72</u>	<u>2,913</u>	<u>1,536</u>	<u>4,521</u>
Total Net Position (Deficit) - Ending	<u>\$ (1,390)</u>	<u>\$ 3,022</u>	<u>\$ 1,394</u>	<u>\$ 3,026</u>

See accompanying independent auditors' report.

CITY OF MILWAUKEE
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Thousands of Dollars)

Exhibit G-3

	Transportation	Port of Milwaukee	Metropolitan Sewerage District User Charge	Total Nonmajor Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 44,562	\$ 8,985	\$ 65,764	\$ 119,311
Payments to suppliers	(24,233)	(2,505)	(64,536)	(91,274)
Payments to employees	(10,318)	(2,550)	-	(12,868)
Payments from(to) other funds	878	(5,082)	(1,228)	(5,432)
Net Cash Provided by Operating Activities	<u>10,889</u>	<u>(1,152)</u>	<u>-</u>	<u>9,737</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers to other funds	(8,592)	(3,056)	-	(11,648)
Net Cash Used for Noncapital Financing Activities	<u>(8,592)</u>	<u>(3,056)</u>	<u>-</u>	<u>(11,648)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from sale of bonds and notes	3,611	725	-	4,336
Acquisition of property, plant and equipment	(3,255)	(5,169)	-	(8,424)
Retirement of bonds, notes and revenue bonds	(1,863)	(1,234)	-	(3,097)
Interest paid	(641)	(276)	-	(917)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(2,148)</u>	<u>(5,954)</u>	<u>-</u>	<u>(8,102)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income	-	26	-	26
Grant Revenue	-	10,162	-	10,162
Net Cash from Non-Operating Activities	<u>-</u>	<u>10,188</u>	<u>-</u>	<u>10,188</u>
Net Decrease in Cash and Cash Equivalents	149	26	-	175
Cash and Cash Equivalents - Beginning	<u>63</u>	<u>636</u>	<u>-</u>	<u>699</u>
Cash and Cash Equivalents - Ending	<u>\$ 212</u>	<u>\$ 662</u>	<u>\$ -</u>	<u>\$ 874</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:				
Operating income (loss)	\$ 4,924	\$ (6,583)	\$ (142)	\$ (1,801)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	2,651	1,718	-	4,369
Nonoperating income	3,108	(26)	-	3,082
Effect of changes in operating assets, liabilities, deferred inflows and deferred outflows:				
Receivables	2,119	287	(282)	2,124
Due from other funds	-	(5,987)	(436)	(6,423)
Accounts payable	272	8,805	1,652	10,729
Accrued liabilities	(236)	(189)	-	(425)
Compensated absences	(17)	(264)	-	(281)
Total other postemployment benefits liability	(1,188)	155	-	(1,033)
Net pension liability	574	72	-	646
Due to other funds	8	905	(792)	121
Deferred leases inflows	(238)	-	-	(238)
Deferred pension inflows	237	7	-	244
Deferred pension outflows	(63)	102	-	39
Deferred OPEB inflows	(1,464)	(154)	-	(1,618)
Deferred OPEB outflows	<u>202</u>	<u>-</u>	<u>-</u>	<u>202</u>
Net Cash Provided by Operating Activities	<u>\$ 10,889</u>	<u>\$ (1,152)</u>	<u>\$ -</u>	<u>\$ 9,737</u>

See accompanying independent auditors' report.

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Custodial Funds

These funds account for taxes and deposits collected by the City, acting in the capacity of a custodian, for distribution to other governmental units or designated beneficiaries.

CITY OF MILWAUKEE
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2025
(Thousands of Dollars)

Exhibit H-1

	Board of School Directors	Property Tax	Other Custodial Funds	Total
ASSETS				
Cash and investments	\$ -	\$ 94,322	\$ 1,224	\$ 95,546
Taxes receivable	<u>249,874</u>	<u>133,432</u>	<u>669</u>	<u>383,975</u>
Total Assets	<u>249,874</u>	<u>227,754</u>	<u>1,893</u>	<u>479,521</u>
LIABILITIES				
Liabilities:				
Accounts payable	\$ 40,170	\$ -	\$ 682	\$ 40,852
Due to other governmental agencies	<u>302,718</u>	<u>227,754</u>	<u>1,211</u>	<u>531,683</u>
Total Liabilities	<u>342,888</u>	<u>227,754</u>	<u>1,893</u>	<u>572,535</u>
Net Position - Unrestricted (Deficit)	<u>\$ (93,014)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (93,014)</u>

See accompanying independent auditors' report.

CITY OF MILWAUKEE
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FISCAL YEAR ENDED DECEMBER 31, 2025
(Thousands of Dollars)

Exhibit H-2

	Board of School Directors	Property Tax	Other Custodial Funds	Total
Additions				
Fees, Penalties & Taxes:				
Property Tax	\$ 1,588,646	\$ 224,768	\$ 1,896	\$ 1,815,310
 Investment earnings:				
Net appreciation in				
fair value of investments, dividends and interest	-	-	48	48
 Total Additions	<u>1,588,646</u>	<u>224,768</u>	<u>1,944</u>	<u>1,815,358</u>
 Deductions				
Funds remitted to agencies	-	-	1,944	1,944
Taxes remitted to other governments	<u>1,681,660</u>	<u>224,768</u>	-	<u>1,906,428</u>
Total Deductions	<u>1,681,660</u>	<u>224,768</u>	<u>1,944</u>	<u>1,908,372</u>
 Change in Net Position	(93,014)	-	-	(93,014)
 Net Position - Beginning	-	-	-	-
 Net Position (Deficit) - Ending	<u>\$ (93,014)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (93,014)</u>

See accompanying independent auditors' report.

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**MISCELLANEOUS
FINANCIAL
DATA**

CITY OF MILWAUKEE
COMBINED SCHEDULE OF DELINQUENT TAXES RECEIVABLE
 DECEMBER 31, 2025
(Thousands of Dollars)

Exhibit I-1

	Real Estate	Personal Property	Total
Year Levied			
2012	\$ 126	\$ -	\$ 126
2013	577	-	577
2014	721	-	721
2015	772	-	772
2016	888	-	888
2017	893	-	893
2018	1,141	-	1,141
2019	1,304	240	1,544
2020	1,449	129	1,578
2021	2,000	145	2,145
2022	3,640	157	3,797
2023	7,868	236	8,104
2024	<u>25,892</u>	<u>-</u>	<u>25,892</u>
Delinquent Taxes Receivable	<u>\$ 47,271</u>	<u>\$ 907</u>	48,178
Add: Property taxes receivable on foreclosed property (A)			<u>40,774</u>
Total Delinquent Taxes Receivable			88,952
Less: Estimated uncollectible taxes			<u>(34,618)</u>
Net Delinquent Taxes Receivable			<u>\$ 54,334</u>

(A) Property taxes receivable on foreclosed property is valued at the cost of delinquent taxes and assessments on acquired property.

See accompanying independent auditors' report.

CITY OF MILWAUKEE Exhibit I-2
COMBINED SCHEDULE OF CASH AND CASH EQUIVALENTS AND INVESTMENTS - PRIMARY GOVERNMENT
 DECEMBER 31, 2025
(Thousands of Dollars)

Cash and Cash Equivalents:		
Cash	\$ 63,532	
Local Government Pooled - Investment Fund ...	288,098	
Institutional Money Market Fund	411,748	
Cash with Fiscal Agent	<u>44,664</u>	
Total Cash and Cash Equivalents		\$ 808,042
Investments:		
Municipal Bonds.....	21,450	
Investment Portfolio	9,144	
Other	<u>121</u>	
Total Investments		<u>30,715</u>
Total Cash and Cash Equivalents and Investments		<u>\$ 838,757</u>
		Cash and Investments Total
Cash and Cash Equivalents and Investments - Fund:		
General	\$ 177,980	
General Obligation Debt Service	96,413	
Public Debt Amortization	61,916	
Economic Development	207,628	
Capital Projects	102,008	
Grant and Aid Projects	29,375	
Nonmajor Governmental Funds	14,147	
Water Works	20,122	
Sewer Maintenance	25,765	
Nonmajor Proprietary Funds	874	
Fiduciary Funds	<u>102,529</u>	
Total Cash and Cash Equivalents and Investments - Fund		<u>\$ 838,757</u>

See accompanying independent auditors' report.

CITY OF MILWAUKEE
DEBT SERVICE REQUIREMENTS TO MATURITY -
GENERAL OBLIGATION BONDS AND NOTES
 DECEMBER 31, 2025
 (Thousands of Dollars)

Exhibit I-3

Year	Bridges		Finance Real and Personal Property Tax Receivables		Fire	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 6,620	\$ 2,442	\$ 14,888	\$ 4,447	\$ 2,816	\$ 979
2027	6,372	2,113	14,888	3,673	2,544	853
2028	6,195	1,827	12,777	2,953	2,485	739
2029	5,623	1,561	12,777	2,314	2,472	629
2030	5,034	1,314	11,009	1,720	2,041	528
2031	4,456	1,091	8,781	1,225	1,820	439
2032	4,052	897	7,217	825	1,603	361
2033	3,943	723	5,712	502	1,477	295
2034	3,282	570	4,023	258	1,416	235
2035	3,008	435	2,102	105	1,281	179
2036	2,407	316	-	-	1,030	129
2037	1,746	219	-	-	683	90
2038	1,501	138	-	-	598	58
2039	1,035	74	-	-	457	32
2040	488	24	-	-	250	12
2041	-	-	-	-	-	-
2042	-	-	-	-	-	-
2043	-	-	-	-	-	-
2044	-	-	-	-	-	-
2045	-	-	-	-	-	-
2046	-	-	-	-	-	-
Totals	<u>55,761</u>	<u>13,744</u>	<u>94,175</u>	<u>18,022</u>	<u>22,973</u>	<u>5,561</u>
Total Requirements	<u>\$69,505</u>		<u>\$112,196</u>		<u>\$28,533</u>	

See accompanying independent auditors' report.

Harbor		Library		Local Improvement Projects/ Special Assessments	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 662	\$ 203	\$ 3,043	\$ 879	\$ -	\$ -
628	173	2,667	751	-	-
563	149	2,620	643	-	-
544	127	2,558	536	-	-
442	106	2,492	429	-	-
427	87	2,123	332	-	-
373	69	1,467	255	-	-
325	55	1,376	194	-	-
270	42	1,002	145	-	-
215	31	917	104	-	-
157	22	545	72	-	-
146	15	413	49	-	-
97	9	331	31	-	-
57	5	197	17	-	-
48	2	156	8	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4,953	1,095	21,908	4,444	-	-
<u>\$6,048</u>		<u>\$26,352</u>		<u>\$0</u>	

CITY OF MILWAUKEE
DEBT SERVICE REQUIREMENTS TO MATURITY -
GENERAL OBLIGATION BONDS AND NOTES
 DECEMBER 31, 2025
(Thousands of Dollars)

Exhibit I-3 (Continued)

Year	Municipal Expenses		Playgrounds/ Recreational Facilities		Police	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 4,843	\$ 6,129	\$ 508	\$ 166	\$ 7,710	\$ 2,727
2027	4,395	5,869	417	145	7,408	2,311
2028	66,178	4,236	331	130	7,232	1,961
2029	3,629	2,622	331	116	6,979	1,631
2030	122,429	1,411	331	102	6,766	1,311
2031	2,404	230	331	88	6,342	1,006
2032	958	146	273	76	5,890	727
2033	698	105	264	64	5,055	483
2034	698	70	255	53	3,918	286
2035	698	35	211	43	2,336	139
2036	-	-	180	34	876	44
2037	-	-	160	26	468	15
2038	-	-	160	18	57	1
2039	-	-	130	11	-	-
2040	-	-	83	4	-	-
2041	-	-	-	-	-	-
2042	-	-	-	-	-	-
2043	-	-	-	-	-	-
2044	-	-	-	-	-	-
2045	-	-	-	-	-	-
2046	-	-	-	-	-	-
Totals	<u>206,931</u>	<u>20,852</u>	<u>3,967</u>	<u>1,077</u>	<u>61,037</u>	<u>12,641</u>
Total Requirements	<u>\$227,783</u>		<u>\$5,044</u>		<u>\$73,678</u>	

See accompanying independent auditors' report.

Public Buildings		Schools		Sewer Maintenance	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 20,838	\$ 6,997	\$ -	\$ 1,958	\$ -	\$ -
20,672	5,902	37,300	979	-	-
19,604	4,956	-	-	-	-
18,736	4,069	-	-	-	-
17,607	3,223	-	-	-	-
15,119	2,454	-	-	-	-
13,369	1,788	-	-	-	-
10,613	1,247	-	-	-	-
8,477	833	-	-	-	-
5,596	509	-	-	-	-
2,963	287	-	-	-	-
1,619	186	-	-	-	-
1,146	116	-	-	-	-
812	67	-	-	-	-
563	28	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>157,734</u>	<u>32,661</u>	<u>37,300</u>	<u>2,937</u>	<u>-</u>	<u>-</u>
<u>\$190,395</u>		<u>\$40,237</u>		<u>\$0</u>	

CITY OF MILWAUKEE
DEBT SERVICE REQUIREMENTS TO MATURITY -
GENERAL OBLIGATION BONDS AND NOTES
 DECEMBER 31, 2025
(Thousands of Dollars)

Exhibit I-3 (Continued)

Year	Streets		Tax Incremental Districts		Transportation	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$34,986	\$13,543	\$ 21,561	\$ 6,406	\$ 1,939	\$ 680
2027	32,609	11,813	22,550	5,283	1,822	593
2028	29,792	10,395	21,821	4,377	1,728	522
2029	28,501	9,088	13,844	3,549	1,647	456
2030	26,233	7,839	12,560	3,077	1,540	393
2031	24,896	6,678	11,770	2,633	1,465	333
2032	21,814	5,625	10,890	2,211	1,388	276
2033	22,568	4,642	9,612	1,820	1,372	222
2034	19,660	3,708	5,959	1,516	1,277	171
2035	18,602	2,836	5,273	1,281	1,187	125
2036	15,833	2,022	5,331	1,059	911	88
2037	13,829	1,302	5,335	837	377	63
2038	9,590	717	5,116	619	377	44
2039	5,482	340	4,591	422	314	27
2040	2,177	109	4,375	245	242	12
2041	-	-	2,320	80	-	-
2042	-	-	995	21	-	-
2043	-	-	-	-	-	-
2044	-	-	-	-	-	-
2045	-	-	-	-	-	-
2046	-	-	-	-	-	-
Totals	<u>306,571</u>	<u>80,656</u>	<u>163,902</u>	<u>35,437</u>	<u>17,584</u>	<u>4,004</u>
Total Requirements	<u>\$387,227</u>		<u>\$199,339</u>		<u>\$21,588</u>	

See accompanying independent auditors' report.

Urban Renewal		Total Requirements	
Principal	Interest	Principal	Interest
\$ 3,715	\$ 936	\$ 124,130	\$ 48,494
2,569	811	156,840	41,267
2,499	711	173,825	33,599
2,445	616	100,085	27,313
2,381	519	210,865	21,971
2,346	421	82,280	17,017
2,342	328	71,635	13,584
1,709	250	64,725	10,602
1,333	191	51,570	8,079
904	145	42,330	5,968
647	110	30,880	4,183
614	79	25,390	2,879
522	51	19,495	1,801
340	29	13,415	1,024
269	13	8,650	459
-	-	2,320	80
-	-	995	21
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
24,636	5,211	1,179,430	238,342
<u>\$29,847</u>		<u>\$1,417,772</u>	

CITY OF MILWAUKEE
DEBT SERVICE REQUIREMENTS TO MATURITY - WATER REVENUE
AND DISCLOSURE OF BOND COVERAGE
(Thousands of Dollars)

Exhibit I-4

Year	Revenue Bonds		State Loans (Revenue Bonds)		Total Requirements	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 480	\$ 222	\$ 6,346	\$ 1,575	\$ 6,826	\$ 1,797
2027	490	203	6,942	1,469	7,432	1,672
2028	500	187	7,049	1,362	7,549	1,549
2029	510	168	7,157	1,252	7,667	1,420
2030	520	148	7,268	1,141	7,788	1,289
2031	535	127	7,380	1,028	7,915	1,155
2032	550	105	7,494	913	8,044	1,018
2033	565	83	7,610	795	8,175	878
2034	580	60	7,349	680	7,929	740
2035	595	36	6,949	570	7,544	606
2036	610	12	6,550	465	7,160	477
2037	-	-	5,757	365	5,757	365
2038	-	-	5,492	274	5,492	274
2039	-	-	4,880	191	4,880	191
2040	-	-	4,173	121	4,173	121
2041	-	-	2,880	69	2,880	69
2042	-	-	1,302	40	1,302	40
2043	-	-	1,319	23	1,319	23
2044	-	-	868	10	868	10
2045	-	-	256	3	256	3
	<u>\$ 5,935</u>	<u>\$ 1,351</u>	<u>\$ 105,021</u>	<u>\$ 12,346</u>	<u>\$ 110,956</u>	<u>\$ 13,697</u>

Note: Water Revenue bond coverage on Series SDWL - 1, 2, 3, 4 and 5 for 2024 consisted of gross revenues plus interest income in the amount of \$115,516, less operating expenses (excluding depreciation) of \$75,103. As a result, the net revenue available for debt service was \$40,413. Debt service requirements consists of \$7,943 for 2025. At the end of the year, bond coverage computes to 5.09.

See accompanying independent auditors' report.

CITY OF MILWAUKEE
**DEBT SERVICE REQUIREMENTS TO MATURITY - SEWERAGE SYSTEM REVENUE
AND DISCLOSURE OF BOND COVERAGE**
(Thousands of Dollars)

Exhibit I-5

Year	Revenue Bonds		State Loans (Revenue Bonds)		Total Requirements	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 8,035	\$ 5,029	\$ 13,729	\$ 2,618	\$ 21,764	\$ 7,647
2027	10,230	4,613	14,024	2,322	24,254	6,935
2028	10,730	4,155	13,402	2,028	24,132	6,183
2029	11,255	3,675	11,402	1,766	22,657	5,441
2030	11,775	3,196	10,526	1,541	22,301	4,737
2031	12,295	2,722	9,334	1,344	21,629	4,066
2032	10,660	2,279	9,518	1,157	20,178	3,436
2033	11,110	1,871	9,706	967	20,816	2,838
2034	7,410	1,535	8,359	793	15,769	2,328
2035	7,665	1,277	8,514	636	16,179	1,913
2036	7,935	1,009	7,394	491	15,329	1,500
2037	1,820	828	6,298	369	8,118	1,197
2038	1,915	734	5,145	268	7,060	1,002
2039	2,010	636	4,322	185	6,332	821
2040	2,115	533	3,453	118	5,568	651
2041	2,225	424	2,199	67	4,424	491
2042	2,315	334	1,377	31	3,692	365
2043	2,385	264	612	10	2,997	274
2044	2,455	191	57	2	2,512	193
2045	2,530	116	54	1	2,584	117
2046	2,610	39	-	-	2,610	39
2047	-	-	-	-	-	-
2048	-	-	-	-	-	-
	<u>\$ 131,480</u>	<u>\$ 35,460</u>	<u>\$ 139,425</u>	<u>\$ 16,714</u>	<u>\$ 270,905</u>	<u>\$52,174</u>

Note: Sewerage System Revenue Bonds coverage consisted of gross operating revenues plus interest income in the amount of \$77,557 less operating expenses \$18,594 (excluding depreciation) of \$10,257. As a result, the net revenue available for debt service was \$58,963. Debt service requirements consisted of \$27,626 for 2025. At the end of the year, bond coverage computes to 2.13.

See accompanying independent auditors' report.

CITY OF MILWAUKEE
SCHEDULE OF ACCOUNT BALANCES
CAPITAL PROJECTS BY PURPOSE
 DECEMBER 31, 2025
 (Thousands of Dollars)

Exhibit I-6

	Bridges	Special Projects	Fire Department	Library	Playgrounds & Recreation
ASSETS					
Assets:					
Cash and cash equivalents	\$ 16,062	\$ 818	\$ 6,641	\$ 1,557	\$ 3,530
Receivables (net):					
Taxes	-	67		117	-
Accounts	-	-	-	-	-
Special Assessments	-	-	-	-	-
Due from component units	-	-	-	-	-
Due from other governmental agencies	575	-	-	-	-
Total Assets	\$ 16,637	\$ 885	\$ 6,641	\$ 1,674	\$ 3,530
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 2,522	\$ -	\$ 3,341	\$ 470	\$ 340
Unearned revenue.....	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Total Liabilities	2,522	-	3,341	470	340
Deferred Inflows of Resources	439	115	-	200	-
Fund Balances:					
Committed	13,676	770	3,300	1,004	3,190
Unassigned (deficit)	-	-	-	-	-
Total Fund Balances	13,676	770	3,300	1,004	3,190
Total Liabilities, Deferred Inflows and Fund Balances	\$ 16,637	\$ 885	\$ 6,641	\$ 1,674	\$ 3,530

See accompanying independent auditors' report.

Police Department	Public Buildings	Urban Renewal	Streets	Tax Incremental Districts	Special Assessments	Total To A-1
\$ -	\$ 21,317	\$ 10,016	\$ 1,691	\$ 40,376	\$ -	\$ 102,008
-	228	117	-	8,017	1,262	9,808
-	2,000	-	12	-	-	2,012
-	-	-	-	-	6,708	6,708
-	-	141	-	-	-	141
-	-	-	18,306	-	-	18,881
<u>\$ -</u>	<u>\$ 23,545</u>	<u>\$ 10,274</u>	<u>\$ 20,009</u>	<u>\$ 48,393</u>	<u>\$ 7,970</u>	<u>\$ 139,558</u>
\$ 412	\$ 2,868	\$ 486	\$ 10,215	\$ 4,766	\$ 320	\$ 25,740
-	-	-	62	-	-	62
5,131	-	-	22,479	-	4,163	31,773
<u>5,543</u>	<u>2,868</u>	<u>486</u>	<u>32,756</u>	<u>4,766</u>	<u>4,483</u>	<u>57,575</u>
-	2,390	200	17,018	13,699	1,932	35,993
-	18,287	9,588	-	29,928	1,555	81,298
(5,543)	-	-	(29,765)	-	-	(35,308)
<u>(5,543)</u>	<u>18,287</u>	<u>9,588</u>	<u>(29,765)</u>	<u>29,928</u>	<u>1,555</u>	<u>45,990</u>
<u>\$ -</u>	<u>\$ 23,545</u>	<u>\$ 10,274</u>	<u>\$ 20,009</u>	<u>\$ 48,393</u>	<u>\$ 7,970</u>	<u>\$ 139,558</u>

CITY OF MILWAUKEE
**SCHEDULE OF REVENUES , EXPENDITURES, AND CHANGES IN FUND BALANCE -
 CAPITAL PROJECTS BY PURPOSE**
 FOR THE YEAR ENDED DECEMBER 31, 2025
(Thousands of Dollars)

Exhibit I-7

	Bridges	Special Projects	Fire Department	Library	Playgrounds & Recreation
Revenues:					
Property taxes	\$ -	\$ 115	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-
Special Assessments	-	-	-	-	-
Intergovernmental	213	-	-	-	-
Other	-	-	-	-	4,872
Total Revenues	213	115	-	-	4,872
Expenditures:					
Capital outlay	8,581	132	5,056	3,804	3,672
Excess (deficiency) of Revenues over Expenditures	(8,368)	(17)	(5,056)	(3,804)	1,200
Other Financing Sources (Uses):					
General obligation bonds and notes issued	7,321	-	3,747	2,347	1,250
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources and Uses	7,321	-	3,747	2,347	1,250
Net Change in Fund Balance	(1,047)	(17)	(1,309)	(1,457)	2,450
Fund Balance (Deficit) - Beginning	14,723	787	4,609	2,461	740
Fund Balance (Deficit) - Ending	\$ 13,676	\$ 770	\$ 3,300	\$ 1,004	\$ 3,190

See accompanying independent auditors' report.

Police Department	Public Buildings	Urban Renewal	Streets	Tax Incremental Districts	Special Assessments	Total to A-3
\$ 250	\$ 250	\$ 550	\$ 2,500	\$ 20,287	\$ -	\$ 23,952
-	-	-	-	179	-	179
-	-	-	-	-	2,294	2,294
-	-	-	17,518	3,146	-	20,877
<u>-</u>	<u>4,033</u>	<u>757</u>	<u>1,618</u>	<u>1,262</u>	<u>-</u>	<u>12,542</u>
<u>250</u>	<u>4,283</u>	<u>1,307</u>	<u>21,636</u>	<u>24,874</u>	<u>2,294</u>	<u>59,844</u>
<u>9,167</u>	<u>36,273</u>	<u>8,129</u>	<u>79,418</u>	<u>40,005</u>	<u>1,807</u>	<u>196,044</u>
<u>(8,917)</u>	<u>(31,990)</u>	<u>(6,822)</u>	<u>(57,782)</u>	<u>(15,131)</u>	<u>487</u>	<u>(136,200)</u>
10,069	24,657	4,034	30,536	35,696	-	119,657
-	-	2,365	-	14,815	-	17,180
<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,794)</u>	<u>(6,875)</u>	<u>-</u>	<u>(13,669)</u>
<u>10,069</u>	<u>24,657</u>	<u>6,399</u>	<u>23,742</u>	<u>43,636</u>	<u>-</u>	<u>123,168</u>
1,152	(7,333)	(423)	(34,040)	28,505	487	(13,032)
<u>(6,695)</u>	<u>25,620</u>	<u>10,011</u>	<u>4,275</u>	<u>1,423</u>	<u>1,068</u>	<u>59,022</u>
<u>\$ (5,543)</u>	<u>\$ 18,287</u>	<u>\$ 9,588</u>	<u>\$ (29,765)</u>	<u>\$ 29,928</u>	<u>\$ 1,555</u>	<u>\$ 45,990</u>

CITY OF MILWAUKEE
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Non-GAAP Budgetary Basis)
FOR THE YEAR ENDED DECEMBER 31, 2025
(Thousands of Dollars)

Exhibit I-8

	Final Budget	Actual	Variance - Favorable (Unfavorable)
Property Taxes:			
General	\$ 150,911	\$ 147,313	\$ (3,598)
Provision for Employees' Retirement	69,189	69,189	-
Total Property Taxes	<u>220,100</u>	<u>216,502</u>	<u>(3,598)</u>
Sales Taxes:			
General	192,900	209,194	16,294
Total Sales Taxes	<u>192,900</u>	<u>209,194</u>	<u>16,294</u>
Other Taxes:			
Payment in lieu of taxes	2,899	1,962	(937)
Interest on city tax certificates and other taxes	2,315	2,453	138
Total Other Taxes	<u>5,214</u>	<u>4,415</u>	<u>(799)</u>
Licenses and Permits:			
Licenses:			
Business and occupational	5,366	5,696	330
Other	94	78	(16)
Permits:			
Building	13,120	10,850	(2,270)
Zoning	380	413	33
Other	922	1,243	321
Total Licenses and Permits	<u>19,882</u>	<u>18,280</u>	<u>(1,602)</u>
Intergovernmental:			
State Shares Revenues:			
State shared taxes	257,896	258,200	304
Local street aids	30,205	29,833	(372)
Payment for municipal services	2,300	9,520	7,220
Other	15,102	7,881	(7,221)
Total Intergovernmental	<u>305,503</u>	<u>305,434</u>	<u>(69)</u>
Charges for Services:			
General government	6,982	6,429	(553)
Public safety	32,162	33,828	1,666
Public works	110,881	113,752	2,871
Health	817	638	(179)
Culture and recreation	1,071	1,386	315
Conservation and development	8	11	3
Total Charges for Services	<u>151,921</u>	<u>156,044</u>	<u>4,123</u>
Fines and Forfeits:			
Court and contract forfeitures	2,500	2,100	(400)
Other	-	8	8
Total Fines and Forfeits	<u>2,500</u>	<u>2,108</u>	<u>(392)</u>
Other:			
Interest on temporary investments	7,363	8,470	1,107
Miscellaneous	21,872	20,675	(1,197)
Total Other	<u>29,235</u>	<u>29,145</u>	<u>(90)</u>
Total	<u>\$ 927,255</u>	<u>\$ 941,122</u>	<u>\$ 13,867</u>

See accompanying independent auditors' report.

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CITY OF MILWAUKEE
GENERAL FUND

Exhibit I-9

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Non-GAAP Budgetary Basis)
FOR THE YEAR ENDED DECEMBER 31, 2025
(Thousands of Dollars)

	Salaries and Wages				Operating Costs			
	Original Budget	Final Budget	Actual 2025	Variance - Favorable (Unfavorable)	Original Budget	Final Budget	Actual 2025	Variance - Favorable (Unfavorable)
General Government:								
Administration	\$ 11,803	\$ 10,902	\$ 10,902	-	\$ 12,285	\$ 9,835	\$ 8,588	\$ 1,247
Assessor's Office	3,594	3,623	3,623	-	421	404	396	8
City Attorney	6,028	6,012	6,012	-	5,428	15,886	15,829	57
City Treasurer	-	-	-	-	191,530	192,978	179,210	13,768
Common Council - City Clerk	7,271	7,997	7,997	-	5,782	3,158	2,853	305
Comptroller	32,209	6,200	6,119	81	27,918	27,461	18,252	9,209
Election Commission	2,085	2,084	1,930	154	746	751	751	-
Employee Relations	3,911	3,875	3,840	35	140,899	139,777	123,265	16,512
Employee's Retirement	5,380	5,380	5,278	102	22,659	22,659	19,406	3,253
Mayor	1,162	1,358	1,358	-	82	62	57	5
Municipal Court	2,413	2,421	2,397	24	969	1,212	1,046	166
Zoning Appeals	426	414	372	42	72	79	79	-
Total General Government	76,282	50,266	49,828	438	408,791	414,262	369,732	44,530
Public Safety:								
Emergency Communication	17,700	17,756	15,721	2,035	2,222	2,215	1,885	330
Fire and Police Commission	2,331	2,339	2,337	2	2,392	2,179	1,633	546
Fire Department	90,078	90,226	90,226	-	19,223	19,831	18,988	843
Neighborhood Services	15,255	14,698	13,642	1,056	4,097	4,554	4,504	50
Police Department	210,778	215,496	215,496	-	25,175	23,375	22,238	1,137
Total Public Safety	336,142	340,515	337,422	3,093	53,109	52,154	49,248	2,906
Public Works:								
General Office	-	-	-	-	404	327	307	20
Infrastructure	27,077	24,662	24,646	16	15,483	17,252	16,411	841
Operations	48,460	48,019	47,999	20	39,814	40,821	40,249	572
Total Public Works	75,537	72,681	72,645	36	55,701	58,400	56,967	1,433
Health	12,321	12,357	11,770	587	5,575	3,385	2,892	493
Culture and Recreation:								
Public Library	19,544	18,779	18,356	423	3,807	4,908	4,074	834
Conservation and Development:								
Department of City Development ...	5,093	5,110	5,058	52	1,949	1,644	1,582	62
Capital outlay	-	-	-	-	-	-	-	-
Total	\$ 524,919	\$ 499,708	\$ 495,079	\$ 4,629	\$ 528,932	\$ 534,753	\$ 484,495	\$ 50,258

See accompanying independent auditors' report.

Equipment				Total to E-1			
Original Budget	Final Budget	Actual 2025	Variance - Favorable (Unfavorable)	Original Budget	Final Budget	Actual 2025	Variance - Favorable (Unfavorable)
\$ 465	\$ 250	\$ 244	\$ 6	\$ 24,553	\$ 20,987	\$ 19,734	\$ 1,253
-	-	-	-	4,015	4,027	4,019	8
51	50	50	-	11,507	21,948	21,891	57
25	27	26	1	191,555	193,005	179,236	13,769
88	24	24	-	13,141	11,179	10,874	305
40	40	40	-	60,167	33,701	24,411	9,290
-	-	-	-	2,831	2,835	2,681	154
2	5	5	-	144,812	143,657	127,110	16,547
713	213	211	2	28,752	28,252	24,895	3,357
-	-	-	-	1,244	1,420	1,415	5
5	5	-	5	3,387	3,638	3,443	195
-	-	-	-	498	493	451	42
<u>1,389</u>	<u>614</u>	<u>600</u>	<u>14</u>	<u>486,462</u>	<u>465,142</u>	<u>420,160</u>	<u>44,982</u>
-	-	-	-	19,922	19,971	17,606	2,365
2	2	2	-	4,725	4,520	3,972	548
2,853	2,381	2,275	106	112,154	112,438	111,489	949
-	-	-	-	19,352	19,252	18,146	1,106
<u>5,303</u>	<u>12,092</u>	<u>11,961</u>	<u>131</u>	<u>241,256</u>	<u>250,963</u>	<u>249,695</u>	<u>1,268</u>
<u>8,158</u>	<u>14,475</u>	<u>14,238</u>	<u>237</u>	<u>397,409</u>	<u>407,144</u>	<u>400,908</u>	<u>6,236</u>
-	-	-	-	404	327	307	20
618	490	490	-	43,178	42,404	41,547	857
<u>3,356</u>	<u>2,666</u>	<u>2,306</u>	<u>360</u>	<u>91,630</u>	<u>91,506</u>	<u>90,554</u>	<u>952</u>
<u>3,974</u>	<u>3,156</u>	<u>2,796</u>	<u>360</u>	<u>135,212</u>	<u>134,237</u>	<u>132,408</u>	<u>1,829</u>
<u>15</u>	<u>15</u>	<u>14</u>	<u>1</u>	<u>17,911</u>	<u>15,757</u>	<u>14,676</u>	<u>1,081</u>
<u>3,234</u>	<u>2,602</u>	<u>2,575</u>	<u>27</u>	<u>26,585</u>	<u>26,289</u>	<u>25,005</u>	<u>1,284</u>
-	-	-	-	7,042	6,754	6,640	114
-	-	6,239	(6,239)	-	-	6,239	(6,239)
<u>\$ 16,770</u>	<u>\$ 20,862</u>	<u>\$ 20,223</u>	<u>\$ 639</u>	<u>\$ 1,070,621</u>	<u>\$ 1,055,323</u>	<u>\$ 1,006,036</u>	<u>\$ 49,287</u>

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Statistical Section (Unaudited)

The Statistical Section presents data to assist users of this report to assess the economic condition of the City. The tables presented in this section are intended to provide a broader and more complete understanding of the City and its financial affairs than is possible from the financial statements and supporting schedules presented in other sections of this report. The five categories of information are as follows:

Financial Trends

These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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CITY OF MILWAUKEE
NET POSITION BY COMPONENT
 LAST TEN YEARS
(Accrual Basis of Accounting)
(Thousands of Dollars)

Table 1

	Fiscal Year				
	2016	2017	2018	2019	2020
Governmental activities					
Net investment in capital assets.....	\$ 816,916	\$ 836,422	\$ 812,090	\$ 841,714	\$ 877,376
Restricted	176,923	161,592	202,334	196,639	206,060
Unrestricted (deficit)	(856,449)	(1,076,694)	(1,884,385)	(2,231,744)	(2,572,912)
Total governmental activities net position	<u>137,390</u>	<u>(78,680)</u>	<u>(869,961)</u>	<u>(1,193,391)</u>	<u>(1,489,476)</u>
Business-type activities					
Net investment in capital assets.....	684,085	734,161	801,685	820,749	839,337
Restricted	1,229	2,209	10,461	9,773	23,136
Unrestricted (deficit)	74,720	59,824	(34,102)	(29,585)	(61,455)
Total business-type activities net position	<u>760,034</u>	<u>796,194</u>	<u>778,044</u>	<u>800,937</u>	<u>801,018</u>
Primary government					
Net investment in capital assets.....	1,501,001	1,570,583	1,613,775	1,662,463	1,716,713
Restricted	178,152	163,801	212,795	206,412	229,196
Unrestricted (deficit)	(781,729)	(1,016,870)	(1,918,487)	(2,261,329)	(2,634,367)
Total primary government net position	<u>\$ 897,424</u>	<u>\$ 717,514</u>	<u>\$ (91,917)</u>	<u>\$ (392,454)</u>	<u>\$ (688,458)</u>

	Fiscal Year				
	2021	2022	2023 *	2024	2025
Governmental activities					
Net investment in capital assets.....	\$ 939,647	\$ 963,538	\$ 948,355	\$ 963,782	\$ 919,667
Restricted	209,636	210,671	223,886	300,662	290,709
Unrestricted (deficit)	(2,941,394)	(2,867,494)	(2,886,801)	(2,756,333)	(2,764,493)
Total governmental activities net position	<u>(1,792,111)</u>	<u>(1,693,285)</u>	<u>(1,714,560)</u>	<u>(1,491,889)</u>	<u>(1,554,117)</u>
Business-type activities					
Net investment in capital assets.....	824,814	837,114	892,838	949,599	1,026,396
Restricted	20,657	22,025	22,150	22,762	21,234
Unrestricted (deficit)	(28,414)	(21,500)	(57,271)	(96,500)	(147,348)
Total business-type activities net position	<u>817,057</u>	<u>837,639</u>	<u>857,717</u>	<u>875,861</u>	<u>900,282</u>
Primary government					
Net investment in capital assets.....	1,764,461	1,800,652	1,841,193	1,913,381	1,946,063
Restricted	230,293	232,696	246,036	323,424	311,943
Unrestricted (deficit)	(2,969,808)	(2,888,994)	(2,994,072)	(2,852,833)	(2,911,841)
Total primary government net position	<u>\$ (975,054)</u>	<u>\$ (855,646)</u>	<u>\$ (856,843)</u>	<u>\$ (616,028)</u>	<u>\$ (653,835)</u>

* - as restated, in 2023. CMERS only restated 2023 and The City has no data to reasonably restate years prior to 2023.

See accompanying independent auditors' report.

CITY OF MILWAUKEE
CHANGES IN NET POSITION
 LAST TEN YEARS
(Accrual Basis of Accounting)
(Thousands of Dollars)

Table 2

	Fiscal Year			
	2016	2017	2018	2019
Expenses				
Governmental Activities				
General government	\$ 255,177	\$ 274,652	\$ 309,828	\$ 363,272
Public safety	423,903	485,016	437,746	557,403
Public works	174,470	206,205	192,613	206,475
Health	21,594	23,655	21,789	24,313
Culture and recreation	24,375	28,193	26,866	30,023
Conservation and development	77,670	65,175	47,904	47,529
Interest on long-term debt	25,109	22,097	21,451	23,710
Total Governmental Activities Expenses.....	<u>1,002,298</u>	<u>1,104,993</u>	<u>1,058,197</u>	<u>1,252,725</u>
Business-type Activities				
Water	73,620	70,219	78,310	74,954
Sewer Maintenance	53,002	59,823	58,550	55,747
Transportation	25,005	25,287	25,031	27,931
Other activities	52,577	54,423	58,612	58,025
Total Business-type Activities	<u>204,204</u>	<u>209,752</u>	<u>220,503</u>	<u>216,657</u>
Total Primary Government Expenses	<u>1,206,502</u>	<u>1,314,745</u>	<u>1,278,700</u>	<u>1,469,382</u>
Program Revenues				
Governmental Activities				
Charges for services				
General government	27,733	27,180	27,538	37,984
Public safety	25,438	23,382	19,862	21,898
Public works	80,352	83,344	87,817	91,842
Health	1,164	1,267	1,332	1,992
Culture and recreation	1,057	1,024	1,023	989
Conservation and development	10	19	8	9,853
Total Governmental Activities				
Program Revenues.....	<u>135,754</u>	<u>136,216</u>	<u>137,580</u>	<u>164,558</u>
Business-type Activities				
Charges for services				
Water	97,850	97,833	100,661	99,015
Sewer Maintenance	62,954	65,141	66,585	68,058
Transportation	38,286	37,557	39,045	37,793
Other activities	53,541	55,958	57,518	57,100
Total Business-type Activities				
Program Revenues.....	<u>252,631</u>	<u>256,489</u>	<u>263,809</u>	<u>261,966</u>
Total Primary Government				
Program Revenues	<u>388,385</u>	<u>392,705</u>	<u>401,389</u>	<u>426,524</u>

See accompanying independent auditors' report.

Table 2 (continued)

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 249,456	\$ 290,849	\$ 195,073	\$ 218,436	\$ 226,806	\$ 447,019
710,794	624,406	469,399	527,757	579,773	445,143
233,775	234,986	201,732	215,450	276,030	286,472
38,265	50,530	33,242	41,758	44,672	38,113
31,054	35,827	30,531	41,021	41,848	32,038
67,345	78,832	51,738	72,597	96,174	89,046
25,542	25,627	28,235	33,300	33,043	35,169
<u>1,356,231</u>	<u>1,341,057</u>	<u>1,009,950</u>	<u>1,150,319</u>	<u>1,298,346</u>	<u>1,373,000</u>
84,198	85,287	81,481	80,604	97,399	110,374
56,563	61,147	58,645	60,059	65,175	69,983
28,772	28,375	28,626	28,635	34,643	35,917
58,866	64,559	68,026	85,399	70,717	82,047
<u>228,399</u>	<u>239,368</u>	<u>236,778</u>	<u>254,697</u>	<u>267,934</u>	<u>298,321</u>
<u>1,584,630</u>	<u>1,580,425</u>	<u>1,246,728</u>	<u>1,405,016</u>	<u>1,566,280</u>	<u>1,671,321</u>
35,394	35,517	36,284	31,613	33,178	6,429
19,136	26,043	28,920	27,978	28,885	33,828
89,993	104,418	110,667	109,032	106,944	113,752
1,370	1,054	753	865	935	638
850	835	909	949	809	1,386
10,453	108	109	110	110	11
<u>157,196</u>	<u>167,975</u>	<u>177,642</u>	<u>170,547</u>	<u>170,861</u>	<u>156,044</u>
98,587	99,730	98,968	110,144	114,721	115,621
68,720	70,970	72,920	74,465	76,696	80,452
22,646	32,838	32,329	34,043	33,219	39,384
61,075	63,939	63,764	66,255	69,540	74,908
<u>251,028</u>	<u>267,477</u>	<u>267,981</u>	<u>284,907</u>	<u>294,176</u>	<u>310,365</u>
<u>408,224</u>	<u>435,452</u>	<u>445,623</u>	<u>455,454</u>	<u>465,037</u>	<u>466,409</u>

CITY OF MILWAUKEE
CHANGES IN NET POSITION
 LAST TEN YEARS
(Accrual Basis of Accounting)
(Thousands of Dollars)

Table 2 (continued)

	Fiscal Year			
	2016	2017	2018	2019
Grants and Contributions				
Governmental Activities				
General government	\$ 2,006	\$ 2,026	\$ 23,159	\$ 2,158
Public safety	14,022	12,314	13,132	13,552
Public works	45,902	3,082	3,617	4,276
Health	9,481	9,937	9,831	9,260
Culture and recreation	3,832	3,243	3,358	5,081
Conservation and development	14,214	13,966	13,017	11,679
Total Governmental Activities				
Grants and Contributions.....	<u>89,457</u>	<u>44,568</u>	<u>66,114</u>	<u>46,006</u>
Business-type Activities				
Water	2,798	22,528	1,551	4,007
Sewer Maintenance	585	3,358	1,261	1,992
Transportation	-	180	37,762	2,041
Other activities	<u>1,582</u>	<u>-</u>	<u>1,214</u>	<u>867</u>
Total Business-type Activities				
Grants and Contributions.....	<u>4,965</u>	<u>26,066</u>	<u>41,788</u>	<u>8,907</u>
Total Primary Government				
Grants and Contributions.....	<u>\$ 94,422</u>	<u>\$ 70,634</u>	<u>\$ 107,902</u>	<u>\$ 54,913</u>
Net (Expense)/Revenue				
Governmental Activities	(777,087)	(924,209)	(854,503)	(1,042,161)
Business-type Activities	<u>53,392</u>	<u>72,803</u>	<u>85,094</u>	<u>54,216</u>
Total primary government net expense	<u>\$ (723,695)</u>	<u>\$ (851,406)</u>	<u>\$ (769,409)</u>	<u>\$ (987,945)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities				
Property, sales and other taxes	\$ 286,513	\$ 307,828	\$ 316,655	\$ 329,601
State shared revenue and aid not restricted	265,191	265,700	268,792	270,575
Miscellaneous	83,919	97,757	115,735	84,084
Transfers	<u>39,602</u>	<u>36,854</u>	<u>37,801</u>	<u>34,471</u>
Total Governmental Activities	<u>675,225</u>	<u>708,139</u>	<u>738,983</u>	<u>718,731</u>
Business-type Activities				
Miscellaneous	1,426	211	1,638	3,148
Transfers	<u>(39,602)</u>	<u>(36,854)</u>	<u>(37,801)</u>	<u>(34,471)</u>
Total Business-type Activities	<u>(38,176)</u>	<u>(36,643)</u>	<u>(36,163)</u>	<u>(31,323)</u>
Total Primary Government	<u>637,049</u>	<u>671,496</u>	<u>702,820</u>	<u>687,408</u>
Change in Net Position				
Governmental Activities	(101,862)	(216,070)	(115,520)	(323,430)
Business-type Activities	<u>15,216</u>	<u>36,160</u>	<u>48,931</u>	<u>22,893</u>
Total Primary Government	<u>\$ (86,646)</u>	<u>\$ (179,910)</u>	<u>\$ (66,589)</u>	<u>\$ (300,537)</u>

See accompanying independent auditors' report.

Table 2

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 2,068	\$ 18,695	\$ 19,582	\$ 21,138	\$ 59,858	\$ 25,203
95,374	51,206	115,318	136,819	122,103	20,181
14,546	4,863	16,379	8,599	39,742	8,497
23,599	31,641	24,458	23,107	25,418	22,211
3,881	4,146	5,868	12,076	21,714	4,973
30,288	13,995	27,614	33,650	60,256	32,038
<u>169,756</u>	<u>124,546</u>	<u>209,219</u>	<u>235,389</u>	<u>329,091</u>	<u>113,103</u>
5,425	49	74	1,759	652	9,187
920	6,285	3,995	4,395	4,436	7,417
2,150	4,525	2,965	2,399	595	2,842
1,227	7,927	7,638	3,299	909	10,162
<u>9,722</u>	<u>18,786</u>	<u>14,672</u>	<u>11,852</u>	<u>6,592</u>	<u>29,608</u>
<u>\$ 179,478</u>	<u>\$ 143,332</u>	<u>\$ 223,891</u>	<u>\$ 247,241</u>	<u>\$ 335,683</u>	<u>\$ 142,711</u>
(1,029,279)	(832,308)	(986,772)	(979,772)	(1,127,485)	(1,103,853)
32,351	31,203	30,210	30,210	26,242	41,652
<u>\$ (996,928)</u>	<u>\$ (801,105)</u>	<u>\$ (956,562)</u>	<u>\$ (949,562)</u>	<u>\$ (1,101,243)</u>	<u>\$ (1,062,201)</u>
\$ 352,910	\$ 369,565	\$ 368,200	\$ 376,609	\$ 598,655	\$ 614,414
273,422	273,422	273,305	273,846	295,592	305,434
72,875	70,004	53,366	113,233	109,073	101,787
33,987	32,910	27,044	25,726	17,745	19,990
<u>733,194</u>	<u>745,901</u>	<u>721,915</u>	<u>789,414</u>	<u>1,021,065</u>	<u>1,041,625</u>
1,717	2,054	1,751	5,501	3,055	2,759
<u>(33,987)</u>	<u>(32,910)</u>	<u>(27,044)</u>	<u>(25,726)</u>	<u>(17,745)</u>	<u>(19,990)</u>
<u>(32,270)</u>	<u>(30,856)</u>	<u>(25,293)</u>	<u>(20,225)</u>	<u>(14,690)</u>	<u>(17,231)</u>
<u>700,924</u>	<u>715,045</u>	<u>696,622</u>	<u>769,189</u>	<u>1,006,375</u>	<u>1,024,394</u>
(296,085)	(302,635)	98,826	45,031	222,671	(62,228)
81	16,039	20,582	21,837	18,144	24,421
<u>\$ (296,004)</u>	<u>\$ (286,596)</u>	<u>\$ 119,408</u>	<u>\$ 66,868</u>	<u>\$ 240,815</u>	<u>\$ (37,807)</u>

CITY OF MILWAUKEE
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN YEARS
(Modified Accrual Basis of Accounting)
(Thousands of Dollars)

Table 3

	Fiscal Year			
	2016	2017	2018	2019
Revenues:				
Property taxes	\$ 252,986	\$ 299,552	\$ 310,933	\$ 325,039
Sales taxes	-	-	-	-
Other taxes	34,921	6,699	5,093	6,208
Special assessments	1,945	2,019	1,724	2,449
Licenses and permits	16,767	15,597	17,232	18,502
Intergovernmental	323,161	338,615	332,632	331,473
Charges for services	147,480	156,785	159,473	164,558
Fines and forfeits	3,534	3,357	3,297	2,633
Contributions received	2,378	3,022	3,205	2,719
Other	43,477	36,054	46,274	43,190
Total Revenues	<u>826,649</u>	<u>861,700</u>	<u>879,863</u>	<u>896,771</u>
Expenditures:				
Current:				
General government	248,581	253,638	297,229	296,385
Public safety	334,411	326,962	330,227	332,900
Public works	107,649	103,324	106,636	110,131
Health	19,688	20,182	19,698	21,078
Culture and recreation	21,128	21,168	21,774	23,159
Conservation and development	28,565	28,717	27,708	26,023
Capital outlay	139,236	172,270	165,877	125,788
Debt Service:				
Principal retirement	442,671	259,911	271,569	321,761
Interest	36,889	40,366	40,619	44,144
Bond issuance costs	1,305	329	245	133
Total Expenditures	<u>1,380,123</u>	<u>1,226,867</u>	<u>1,281,582</u>	<u>1,301,502</u>
Excess (deficiency) of Revenues over Expenditures	(553,474)	(365,167)	(401,719)	(404,731)
Other Financing Sources (Uses):				
General obligation bonds and notes issued	266,452	176,997	266,889	229,888
Refunding bonds issued	196,659	76,243	57,273	85,416
Issuance of lease and subscription arrangements.....	-	-	-	-
Loans activities	(1,587)	(1,876)	(1,772)	(2,205)
Issuance premium	15,956	23,601	31,626	18,527
Transfers in	138,397	229,508	198,721	119,457
Transfers out	(98,795)	(192,654)	(160,920)	(84,986)
Total Other Financing Sources and Uses.....	<u>517,082</u>	<u>311,819</u>	<u>391,817</u>	<u>366,097</u>
Net Change in Fund Balances	<u>\$ (36,392)</u>	<u>\$ (53,348)</u>	<u>\$ (9,902)</u>	<u>\$ (38,634)</u>
Debt service as a percentage of noncapital expenditures	<u>38.7%</u>	<u>27.3%</u>	<u>28.0%</u>	<u>31.1%</u>

Table 3

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 346,409	\$ 364,207	\$ 361,604	\$ 369,514	\$ 390,584	\$ 394,154
-	-	-	-	200,621	209,194
5,714	7,273	6,121	6,868	5,911	5,830
1,593	2,981	2,970	6,084	1,903	2,294
13,978	17,197	19,801	19,596	20,206	18,280
411,894	430,032	468,574	494,788	550,737	462,910
157,196	159,327	177,642	170,547	170,861	180,319
2,008	2,578	3,162	2,429	1,944	2,108
3,159	2,235	2,865	3,140	1,973	2,612
31,410	29,181	28,236	67,702	59,002	58,561
<u>973,361</u>	<u>1,015,011</u>	<u>1,070,975</u>	<u>1,140,668</u>	<u>1,403,742</u>	<u>1,336,262</u>
265,138	278,327	301,115	293,013	373,884	427,242
399,595	374,074	400,090	400,926	434,365	422,496
107,283	110,483	111,232	118,973	151,020	140,380
32,160	44,264	31,793	36,415	38,855	37,052
17,846	22,505	24,829	31,742	35,438	29,386
44,731	24,064	32,925	38,430	63,664	45,699
116,128	142,717	100,389	148,831	188,463	202,283
276,994	201,367	138,686	171,755	112,283	132,624
45,442	47,538	46,810	48,639	45,674	47,370
4,424	899	1,737	1,205	901	759
<u>1,309,741</u>	<u>1,246,238</u>	<u>1,189,606</u>	<u>1,289,929</u>	<u>1,444,547</u>	<u>1,485,291</u>
(336,380)	(231,227)	(118,631)	(149,261)	(40,805)	(149,029)
221,327	110,065	115,434	181,609	106,773	147,663
190,137	77,617	32,702	3,849	5,000	9,961
-	-	-	20,643	3,976	6,239
(2,326)	(2,082)	(1,968)	(1,780)	(582)	(359)
25,903	25,777	14,177	8,185	13,122	13,624
231,957	113,269	91,764	155,725	97,040	106,085
<u>(197,970)</u>	<u>(80,359)</u>	<u>(64,720)</u>	<u>(129,999)</u>	<u>(79,295)</u>	<u>(86,094)</u>
<u>469,028</u>	<u>244,287</u>	<u>187,389</u>	<u>238,232</u>	<u>146,034</u>	<u>197,119</u>
\$ <u>132,648</u>	\$ <u>13,060</u>	\$ <u>68,758</u>	\$ <u>88,971</u>	\$ <u>105,229</u>	\$ <u>48,090</u>
<u>27.4%</u>	<u>21.2%</u>	<u>16.8%</u>	<u>19.2%</u>	<u>12.3%</u>	<u>13.9%</u>

CITY OF MILWAUKEE
FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN YEARS
(Modified Accrual Basis of Accounting)
(Thousands of Dollars)

Table 4

	Fiscal Year				
	2016	2017	2018	2019	2020
General Fund					
Nonspendable	\$ 16,127	\$ 18,401	\$ 19,476	\$ 21,621	\$ 21,206
Committed.....	2,266	3,444	3,066	2,949	123,007
Assigned	38,802	37,281	26,450	20,580	27,220
Unassigned.....	<u>50,737</u>	<u>38,350</u>	<u>18,002</u>	<u>7,339</u>	<u>16,959</u>
Total General Fund.....	<u>\$ 107,932</u>	<u>\$ 97,476</u>	<u>\$ 66,994</u>	<u>\$ 52,489</u>	<u>\$ 188,392</u>
All Other Governmental Funds					
Nonspendable	\$ 7	\$ 3,684	\$ 1,160	\$ 397	\$ 368
Restricted.....	215,480	188,578	211,324	206,314	216,081
Committed.....	-	-	20,817	18,578	27,397
Unassigned (deficit).....	<u>(15,199)</u>	<u>(34,866)</u>	<u>(55,325)</u>	<u>(71,442)</u>	<u>(93,254)</u>
Total all other governmental funds	<u>\$ 200,288</u>	<u>\$ 157,396</u>	<u>\$ 177,976</u>	<u>\$ 153,847</u>	<u>\$ 150,592</u>
	Fiscal Year				
	2021	2022	2023	2024	2025
General Fund					
Nonspendable	\$ 23,377	\$ 31,509	\$ 27,342	\$ 68,277	\$ 68,210
Committed.....	122,337	123,261	123,247	122,952	124,666
Assigned	21,610	26,588	26,123	83,601	67,715
Unassigned.....	<u>9,081</u>	<u>20,144</u>	<u>59,699</u>	<u>66,630</u>	<u>79,552</u>
Total General Fund.....	<u>\$ 176,405</u>	<u>\$ 201,502</u>	<u>\$ 236,411</u>	<u>\$ 341,460</u>	<u>\$ 340,143</u>
All Other Governmental Funds					
Nonspendable	\$ 261	\$ 259	\$ 267	\$ 277	\$ 9
Restricted.....	221,098	220,870	235,764	291,210	304,774
Committed.....	31,062	24,423	62,037	65,456	81,298
Unassigned (deficit).....	<u>(76,782)</u>	<u>(26,252)</u>	<u>(24,706)</u>	<u>(83,401)</u>	<u>(63,132)</u>
Total all other governmental funds	<u>\$ 175,639</u>	<u>\$ 219,300</u>	<u>\$ 273,362</u>	<u>\$ 273,542</u>	<u>\$ 322,949</u>

See accompanying independent auditors' report.

CITY OF MILWAUKEE
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
(Thousands of Dollars)

Table 5

Budget Year	Real Estate			Personal Property		
	Residential Property	Commercial Property	Manufacturing Property	Machinery Tools Patterns	Furniture Fixtures & Equipment	All Other
2016	\$ 14,254,964	\$ 9,430,293	\$ 726,810	\$ 215,006	\$ 430,290	\$ 205,599
2017	14,438,034	9,964,809	765,075	209,206	427,626	205,720
2018	14,854,224	10,496,051	765,075	212,186	423,911	185,913
2019	15,647,626	11,255,216	763,523	74,475	431,067	176,661
2020	16,098,609	11,915,466	790,548	79,091	433,110	173,022
2021	17,953,629	12,426,339	829,539	-	402,255	318,867
2022	18,005,749	12,612,314	763,234	84,236	444,129	135,808
2023	21,194,517	13,626,633	792,275	87,851	435,711	129,992
2024	21,289,921	13,591,764	913,950	83,712	396,111	116,442
2025	25,245,928	15,696,912	980,543	-	-	-
Budget Year	Total Taxable Assessed Value			Total Direct Tax Rate	Estimated Actual Taxable Value	Ratio of Total Assessed to Total Estimated Actual Value
2016	\$ 25,262,963			10.61	\$ 25,980,470	97.2%
2017	25,974,258			10.75	27,042,047	96.1%
2018	26,937,359			10.76	26,903,885	100.0%
2019	28,348,568			10.59	28,340,401	100.0%
2020	29,489,846			10.58	29,746,346	99.1%
2021	31,930,629			10.09	31,475,102	101.4%
2022	32,045,469			10.16	35,338,274	90.7%
2023	36,266,979			9.16	39,448,239	91.9%
2024	36,391,902			9.47	43,773,838	83.1%
2025	41,923,383			8.29	46,534,367	90.1%

Source: The Assessed Values are established by the City of Milwaukee Assessor's Office and are used to calculate property taxes. The Estimated Actual (Equalized) Values are provided by the State Supervisor of Assessments. State law requires all assessments to be within 10% of the equalized value ratio at least once every four year period.

See accompanying independent auditors' report.

CITY OF MILWAUKEE
DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST TEN YEARS
(Rate per \$1,000 of assessed value)

Table 6

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
City Direct Rates (A)										
City of Milwaukee	\$ 10.29	\$ 10.47	\$ 10.57	\$ 10.45	\$ 10.48	\$ 10.08	\$ 10.15	\$ 9.15	\$ 9.47	\$ 8.29
Allocation of Debt Service incurred for Schools	<u>0.32</u>	<u>0.28</u>	<u>0.18</u>	<u>0.14</u>	<u>0.10</u>	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>	<u>-</u>	<u>-</u>
Total Direct Rate	10.61	10.75	10.75	10.59	10.58	10.09	10.16	9.16	9.47	8.29
Overlapping Rates (B)										
Milwaukee School Board	10.52	9.61	8.34	7.61	7.91	8.85	10.20	9.44	9.55	10.61
Less: allocation of Debt Service in City rate	<u>(0.32)</u>	<u>(0.28)</u>	<u>(0.18)</u>	<u>(0.14)</u>	<u>(0.10)</u>	<u>(0.01)</u>	<u>(0.01)</u>	<u>(0.01)</u>	<u>-</u>	<u>-</u>
Total School Rate	10.20	9.33	8.16	7.47	7.81	8.84	10.19	9.43	9.55	10.61
Milwaukee Area District Board of Vocational, Technical and Adult Education	1.29	1.31	1.26	1.23	1.19	1.13	1.11	0.98	1.01	0.89
County of Milwaukee	5.28	5.31	5.05	4.90	4.83	4.54	4.73	4.18	3.94	3.49
State of Wisconsin	0.18	0.18	-	-	-	-	-	-	-	-
Milwaukee Metropolitan Sewerage District	<u>1.79</u>	<u>1.82</u>	<u>1.72</u>	<u>1.69</u>	<u>1.66</u>	<u>1.56</u>	<u>1.64</u>	<u>1.48</u>	<u>1.55</u>	<u>1.37</u>
Total Tax Rate (C)	<u>\$ 29.35</u>	<u>\$ 28.70</u>	<u>\$ 26.94</u>	<u>\$ 25.88</u>	<u>\$ 26.07</u>	<u>\$ 26.16</u>	<u>\$ 27.83</u>	<u>\$ 25.23</u>	<u>\$ 25.52</u>	<u>\$ 24.65</u>

(A) State law prohibits the City from increasing its base levy in any year by more than the percentage change in the equalized value due to net new construction.

(B) Overlapping rates are those of local and county governments that apply to property owners within the City of Milwaukee.

(C) Tax rates were constructed considering the provision of the tax incremental district law. The application of these rates to the applicable assessed values will provide a tax yield higher than the levy.

See accompanying independent auditors' report.

CITY OF MILWAUKEE
PRINCIPAL PROPERTY TAXPAYERS
 Current Year and Nine Years Ago
(Thousands of Dollars)

Table 7

Taxpayer	Type of Business	2025		2016	
		Assessed Valuation	Percentage of Total Assessed Valuation	Assessed Valuation	Percentage of Total Assessed Valuation
Northwestern Mutual	Insurance	\$ 633,735	1.32% %	\$ 278,980	1.07 %
Berrada Properties	Real Estate	598,280	1.25%		
Mandel Group	Real Estate	445,536	0.93%	150,405	0.58
New Land Investments	Real Estate	314,693	0.66%		
Weidner Investments	Real Estate	301,995	0.63%		
Katz Properties	Real Estate	264,247	0.55%	125,457	0.48
US Bank Corp	Banking	235,057	0.49%	223,288	0.86
333 N Water Street (Hines)	Real Estate	208,880	0.43%		
Irgens	Real Estate	199,928	0.42%		
Metropolitan Associates	Real Estate	189,795	0.40%	98,785	0.38
Joseph Property Development	Real Estate	179,804	0.37%		
Rite Hite	Real Estate	154,913	0.32%		
Marcus Corp	Hotels/Restaurants	146,268	0.30%	92,772	0.36
BarretLo Visionary Development	Real Estate	140,085	0.29%		
J. Jeffers & Co.	Real Estate	138,174	0.29%		
Forest County Potawatomi Community	Real Estate	136,712	0.28%	103,968	0.40
Aurora Health	Health	134,380	0.28%		
Milwaukee Tool	Manufacturing	117,352	0.24%		
Middleton Milwaukee Inv. (411 E Wisconsin)	Real Estate	115,102	0.24%	87,371	0.34
Shoreline Real Estate	Real Estate	112,310	0.23%		
VineBrook Homes	Real Estate	110,303	0.23%		
Wangard Partners	Real Estate	110,120	0.23%		
SP Milwaukee Propco 1 LLC (Schlitz Park)	Real Estate	109,302	0.23%		
Jackson Street Holdings	Real Estate	107,340	0.22%	79,175	0.30
Van Buren Mgmt	Real Estate	85,639	0.18%		
Gorman & Co.	Real Estate			80,247	0.31
		<u>\$ 4,288,100</u>	<u>11.02% %</u>	<u>\$ 1,320,447</u>	<u>5.08 %</u>

CITY OF MILWAUKEE
PROPERTY TAX LEVIES AND COLLECTIONS
 LAST TEN YEARS
(Thousands of Dollars)

Table 8

Budget Year	Taxes Levied for the Fiscal Year (Original Levy)	Purchased and Adjustments (A)	Total Adjusted Levy	Collected for the Levy		Collections		Total Collections to Date	
				Levy Year (B) Current Tax Collections	Percent Original Levy Collected	Purchased Delinquents Original Levy Year (C)	Total Adjusted Levy in Subsequent Years	Amount	Percentage of Adjusted Levy
2016	\$ 312,091	\$ 17,359	\$ 329,450	\$ 302,628	\$ 97	\$ 10,907	\$ 15,012	\$ 328,547	99.73
2017	318,867	22,409	341,276	309,345	97.01	15,266	15,626	340,237	99.70
2018	325,152	14,894	340,046	316,357	97.30	7,544	15,033	338,933	99.67
2019	333,909	17,474	351,383	326,084	97.66	10,921	12,717	349,723	99.53
2020	346,409	22,506	368,915	338,689	97.77	14,463	13,885	367,036	99.49
2021	362,346	19,461	381,807	355,970	98.24	11,827	12,087	379,884	99.50
2022	361,603	20,090	381,693	355,020	98.18	11,508	12,389	378,917	99.27
2023	369,513	20,590	390,103	362,036	97.98	10,101	10,678	382,815	98.13
2024	390,583	21,256	411,839	381,985	97.80	9,232	-	390,873	94.91
2025	394,152	37,670	431,822	384,739	97.61	21,354	-	405,930	94.00

(A) This column includes adjustments. The City purchases delinquent taxes from the other units (Milwaukee County, Metropolitan Sewerage District, State, Milwaukee Area Technical College and Milwaukee Public Schools).

(B) Tax collections begin in December for the succeeding Budget Year

(C) Collections of (A) in the year purchased.

Note: State law limits levy increases to 2% of economic development for general city purposes.

See accompanying independent auditors' report.

CITY OF MILWAUKEE
RATIOS OF OUTSTANDING DEBT BY TYPE
 LAST TEN YEARS
(Dollars in Thousands, except per capita)

Table 9

Governmental Activities					Estimated Actual Taxable Value of Property	Percentage of Total Taxable Value of Property	Per Capita
Year	General Obligation Bonds and Notes	Lease and Subscription Obligations	Less: Amounts Available in Debt Service Funds	Total			
2016	\$ 949,001	\$ -	\$ 143,918	673,420	\$ 25,980,470	3.65%	\$ 1,353.99
2017	942,330	-	138,682	805,083	27,042,047	3.48%	1,359.58
2018	994,923	-	112,631	803,648	26,903,885	3.70%	1,481.60
2019	988,466	-	153,782	882,292	28,340,401	3.49%	1,413.52
2020	1,122,936	-	74,939	834,684	29,746,346	3.78%	1,785.04
2021	1,109,251	-	72,053	1,047,997	31,475,102	3.52%	1,766.65
2022	1,118,699	4,456	78,203	1,037,198	35,338,274	3.17%	1,802.35
2023	1,132,402	20,870	84,700	1,044,952	39,448,239	2.87%	1,856.13
2024	1,131,895	19,315	108,460	1,042,750	43,773,838	2.59%	1,805.94
2025	1,230,147	18,593	111,069	1,137,671	46,534,367	2.64%	1,962.52

Business-Type Activities					Total Primary Government	Percentage of Personal Income (A)	Per Capita (A)
Year	General Obligation Bonds and Notes	Revenue Bonds	State Loans (Revenue Bonds)	Lease and Subscription Obligations			
2016	\$ 52,139	\$ 190,086	\$ 101,612	-	\$ 1,147,485	2.78%	\$ 1,932.26
2017	38,875	200,156	114,308	-	1,235,631	2.88%	2,090.39
2018	34,172	158,360	166,243	-	1,193,459	2.64%	2,004.13
2019	66,674	149,675	183,866	-	1,234,899	2.66%	2,091.28
2020	64,869	140,580	208,722	-	1,451,369	3.01%	2,472.10
2021	27,834	166,190	245,242	-	1,476,464	3.79%	2,514.84
2022	25,226	163,765	248,802	-	1,478,289	3.20%	2,560.69
2023	23,501	154,860	255,242	-	1,476,353	2.68%	2,564.45
2024	21,460	148,145	246,168	-	1,458,523	2.54%	2,526.02
2025	22,535	154,959	244,447	-	1,559,612	Not available	2,690.38

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements and in the Miscellaneous Financial Data Section.

(A) See Table 13 for personal income and population data

See accompanying independent auditors' report.

CITY OF MILWAUKEE
LEGAL DEBT MARGIN INFORMATION
 Last Ten Fiscal Years
(Thousand of Dollars)

Table 10

	Fiscal Year				
	2016	2017	2018	2019	2020
Debt limit	\$ 1,818,633	\$ 1,892,943	\$ 1,883,272	\$ 1,983,828	\$ 2,082,244
Total net debt applicable to limit	<u>857,223</u>	<u>905,647</u>	<u>876,597</u>	<u>901,358</u>	<u>1,112,866</u>
Legal debt margin	<u>\$ 961,410</u>	<u>\$ 987,296</u>	<u>\$ 1,006,675</u>	<u>\$ 1,082,470</u>	<u>\$ 969,378</u>
Total net debt applicable to the limit as a percentage of debt limit	47.14%	47.84%	46.55%	45.44%	53.45%

	Fiscal Year				
	2021	2022	2023	2024	2025
Debt limit	\$ 2,203,257	\$ 2,473,679	\$ 2,761,377	\$ 3,064,169	\$ 3,257,406
Total net debt applicable to limit	<u>1,065,032</u>	<u>1,065,721</u>	<u>1,071,204</u>	<u>995,070</u>	<u>1,068,361</u>
Legal debt margin	<u>\$ 1,138,225</u>	<u>\$ 1,407,958</u>	<u>\$ 1,690,173</u>	<u>\$ 2,069,099</u>	<u>\$ 2,189,045</u>
Total net debt applicable to the limit as a percentage of debt limit	48.34%	43.08%	38.79%	32.47%	32.80%

CITY OF MILWAUKEE
LEGAL DEBT MARGIN INFORMATION
 Last Ten Fiscal Years
(Thousand of Dollars)

Table 10

Legal Debt Margin Calculation for Fiscal Year 2025

Assessed Value	<u>\$ 41,923,383</u>
Equalized Value	<u>46,534,367</u>
Debt Limit 7% of Equalized Value	\$ 3,257,406

	Gen City	Schools	Total
Debt Limit	\$ 2,326,718	\$ 930,687	\$ 3,257,406
Amount of Debt Applicable to Debt Limit:			
General Obligation bonds	342,488	37,300	379,788
General Obligation notes	777,107	-	777,107
Parking bonds and notes	17,582	-	17,582
Harbor bonds and notes	4,953	-	4,953
Sewer Maintenance bonds and notes.....	-	-	-
Total Debt	<u>\$ 1,142,130</u>	<u>\$ 37,300</u>	<u>\$ 1,179,430</u>
Deduct:			
Assets in Debt Service Funds	<u>111,069</u>	<u>-</u>	<u>111,069</u>
Total Amount of Debt Applicable to Debt Limit	1,031,061	37,300	1,068,361
Legal Debt Margin	<u>\$ 1,295,657</u>	<u>\$ 893,387</u>	<u>\$ 2,189,045</u>

(A) *The Water Revenue Bonds, Sewer Revenue Bonds and clean water loans are payable only from the income and revenues derived from the operations of the water system and sewer system, respectively. These bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory debt limitation or provision.*

Note: *State Statutes (67.03 and 119.49) limit direct general obligation borrowing in the amount equivalent to 7% of the equalized valuation of taxable property. However, it may be reduced in any year by the amount of any surplus money in the debt service fund. The statutes further provide that within the 7% limitation, borrowing for school construction purposes may not exceed 2% of the equalized valuation and borrowing for general city purposes may not exceed 5% of the equalized valuation.*

See accompanying independent auditors' report.

CITY OF MILWAUKEE
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
December 31, 2025
(Thousands of Dollars)

Table 11

Name of Government Unit	Net Debt Outstanding	Percentage Applicable to City of Milwaukee (C)	City of Milwaukee's Share of Debt
Debt Repaid with property taxes			
Direct Debt:			
City of Milwaukee (A)	\$ 1,248,740	100%	\$ 1,248,740
Overlapping Debt:			
Milwaukee Area Technical College District	103,725	36%	\$ 37,621
County of Milwaukee	422,290	45%	\$ 191,741
Milwaukee Metropolitan Sewerage Area (B)	928,545	46%	<u>\$ 429,928</u>
Total Direct and Overlapping Debt			<u>\$ 1,908,031</u>

Sources: *Estimated Actual (Equalized) Values used to estimate applicable percentages provided by the State Supervisor of Assessments. Debt outstanding data provided by each governmental unit.*

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

(A) *Excludes RACM Industrial Revenue Bonds. Includes \$37,300 of debt incurred to finance Milwaukee School Board construction. Net Debt Outstanding computation shown Table 11.*

(B) *Includes \$385,597 low interest loan from the State of Wisconsin Clean Water Fund, supported by the full faith and credit of the District.*

(C) *The percentage of overlapping debt applicable is estimated using estimated actual (equalized) property values. Applicable percentages were estimated by determining the portion of the City's equalized value.*

See accompanying independent auditors' report.

CITY OF MILWAUKEE
PLEDGED-REVENUE COVERAGE
 LAST TEN YEARS
(Thousands of Dollars)

Table 12

Water Revenue Bonds							
Year	Gross Revenues	Debt Coverage Expenses	Net Available Revenue	Debt Service		Total Debt Service	Coverage
				Principal	Interest		
2016	\$ 97,881	\$ 55,229	\$ 42,652	\$ 1,677	\$ 315	\$ 1,992	21.41
2017	97,910	51,676	46,234	2,205	672	2,877	16.07
2018	100,876	59,548	41,328	3,126	938	4,064	10.17
2019	99,170	64,109	35,061	2,411	1,047	3,458	10.14
2020	98,587	59,386	39,201	3,886	1,520	5,406	7.25
2021	99,740	62,200	37,539	5,163	1,881	7,044	5.33
2022	99,504	59,311	40,193	5,471	1,850	7,321	5.49
2023	111,307	69,861	41,446	3,892	610	4,502	9.21
2024	115,516	85,083	30,433	6,156	1,787	7,943	3.83
2025	115,942	86,727	29,215	6,826	1,797	8,623	3.39

Sewer Revenue Bonds							
Year	Gross Revenues	Debt Coverage Expenses	Net Available Revenue	Debt Service		Total Debt Service	Coverage
				Principal	Interest		
2016	\$ 63,050	\$ 17,879	\$ 45,171	\$ 10,471	\$ 6,085	\$ 16,556	2.73
2017	65,275	20,207	45,068	13,575	9,263	22,838	1.97
2018	66,838	17,021	49,817	14,893	9,123	24,016	2.07
2019	68,400	13,450	54,950	16,274	8,874	25,148	2.19
2020	68,937	13,023	55,914	18,893	8,161	27,054	2.07
2021	70,853	16,803	54,050	18,466	9,377	27,843	1.94
2022	73,319	11,301	62,018	19,836	8,981	28,817	2.15
2023	76,075	13,359	62,716	18,785	8,808	27,593	2.27
2024	77,557	18,594	58,963	19,367	8,259	27,626	2.13
2025	81,185	19,573	61,612	21,764	7,647	29,411	2.09

Note: Water Revenue Bonds issued between 2013 and 2021. Sewer Revenue bonds issued between 2013 and 2021. Details regarding the City's outstanding debt can be found in the notes to the financial statements. Gross revenues include nonoperating interest income. Operating expenses do not include interest, depreciation, amortization expenses or the transfer for Payment in Lieu of Taxes.

See accompanying independent auditors' report.

CITY OF MILWAUKEE
DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN CALENDAR YEARS

Table 13

County of Milwaukee						
Year	Population (A)	Personal Income (Thousands of Dollars) (B)	Per Capita Income (C)	Median Age (D)	School Enrollment (E)	Unemployment Rate (F)
2016	594,667	\$ 40,668,712	\$ 42,765	34.2	76,856	5.5%
2017	591,076	\$ 41,907,840	\$ 44,298	34.3	77,215	4.5%
2018	595,555	\$ 44,055,784	\$ 46,746	34.6	75,081	4.0%
2019	590,547	\$ 45,084,109	\$ 47,916	35.2	74,633	4.3%
2020	587,072	\$ 47,804,449	\$ 50,934	35.2	71,867	9.4%
2021	587,976	\$ 51,785,175	\$ 56,028	35.2	69,115	6.5%
2022	577,309	\$ 52,957,639	\$ 57,683	35.4	68,435	4.2%
2023	575,722	\$ 55,077,022	\$ 60,114	40.4	68,435	4.3%
2024	577,385	\$ 57,487,503	\$ 62,166	35.7	66,864	4.2%
2025	579,703	Not available	Not available	35.7	66,864	4.5%

(A) *The December 31, 2016 through 2025 City of Milwaukee populations are a final estimate from the Wisconsin Department Administration. (The population data differs from the Census Bureau.)*

(B) *Personal income is from the Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce. Personal income includes all of Milwaukee County because a substantial portion of the County is made up of the City of Milwaukee.*

(C) *Per capita personal income is from the Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce and includes all of Milwaukee County because a substantial portion of the County is made up of the City of Milwaukee.*

(D) *Milwaukee County Median age of the population was determined only during a census. These figures represent the data collected by the American Community Survey.*

(E) *Annual School Census by Board of School Directors. Represents Milwaukee Public Schools only.*

(F) *City of Milwaukee Unemployment Rate is the annual average from the State of Wisconsin Department of Workforce Development.*

See accompanying independent auditors' report.

CITY OF MILWAUKEE
PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO

Table 14

Employer	2025 Estimates			2016		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Advocate Aurora Health	32,000	1	7.33%	25,696	1	5.65%
Froedtert and Community Health	15,431	2	3.53%	10,059	3	2.21
Ascension Wisconsin	10,350	3	2.37%	15,000	2	3.30
Northwestern Mutual	7,550	4	1.73%	5,000	7	1.10
Medical College of Wisconsin	7,308	5	1.67%	5,290	6	1.16
GE Healthcare Technologies Inc	7,000	6	1.60%	6,000	4	1.32
The Kroger Co	7,000	7	1.60%			
Children's Hospital and Health System	5,280	8	1.21%	5,571	5	1.23
Kohl's Corp.	4,900	9	1.12%			
Quad/Graphics	4,600	10	1.05%			
Goodwill Industries				3,970	8	0.87
US Bank				3,600	9	0.79
The Marcus Corp				3,448	10	0.76
Total	<u>101,419</u>		<u>23.22%</u>	<u>83,634</u>		<u>18.39</u>

(1) Reflects full-time equivalent employees of businesses and industrial firms, does not include Government employers

Note: Data includes all of Milwaukee County and areas contiguous to Milwaukee County,

Source: The 2025 data was from Business Journal of Greater Milwaukee (October 17-23 2025, Vol 43, No. 8 printed edition).
 The 2016 data was from Milwaukee Business Journal, as of July 22, 2016
 Total employment data (2016 =454,475) (2025 = 436,750) from the State of Wisconsin Workforce Development.

See accompanying independent auditors' report.

CITY OF MILWAUKEE
CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAMS - ADOPTED BUDGET POSITIONS
 LAST TEN YEARS

Table 15

Functions/Programs	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government	750	741	766	786	776	778	782	795	817	817
Temporary - Election Commission	2,473	820	2,250	1,505	2,520	1,523	2,250	1,034	2,317	2,318
Public Safety										
Fire										
Fire Fighting Force	876	810	765	736	739	723	730	779	802	828
Civilians	131	133	133	135	135	137	137	145	110	112
Police										
Law Enforcement	1,979	1,989	1,955	1,954	1,956	1,856	1,839	1,839	1,881	1,881
Civilian	619	598	636	633	631	635	694	751	785	788
School Crossing Guards	241	241	241	241	241	241	241	241	241	241
Neighborhood Services	293	289	280	292	289	285	285	288	291	290
Public Works										
Administrative Services	49	43	45	46	45	43	44	44	44	44
Infrastructure Services	790	805	815	822	820	824	815	820	820	798
Operations	1,437	1,443	1,440	1,435	1,396	815	815	800	807	780
Health	252	252	254	280	285	637	385	381	342	318
Culture and recreation	358	364	375	377	364	359	348	347	396	398
Conservation and development	133	121	127	125	121	121	121	122	122	105
Youth initiative positions	-	-	-	-	-	-	-	-	-	-
Water	381	395	406	430	436	439	437	435	436	444
Sewer Maintenance	146	145	144	147	148	156	160	165	166	165
Parking	121	118	118	126	127	118	122	123	135	136
Port of Milwaukee	37	37	35	35	35	35	35	35	35	35
Subtotal	11,066	9,344	10,785	10,105	11,064	9,725	10,240	9,144	10,547	10,498
Less Temporary Positions	(2,703)	(1,050)	(2,491)	(1,746)	(2,761)	(1,764)	(2,491)	(1,275)	(2,558)	(2,559)
Total Budgeted Positions	8,363	8,294	8,294	8,359	8,303	7,961	7,749	7,869	7,989	7,939

Source: Budget Office. Firefighters and Law Enforcement from Departmental reports.

See accompanying independent auditors' report.

CITY OF MILWAUKEE
OPERATING INDICATORS BY FUNCTIONS/PROGRAMS
LAST TEN YEARS

Table 16

Functions/Programs	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government										
Investment portfolio return	0.43%	0.88%	1.96%	2.27%	0.56%	0.06%	1.53%	5.13%	5.27%	4.40%
Courtroom cases	84,464	74,120	80,870	61,284	19,908	15,865	17,360	16,392	14,311	14,836
Public safety										
Police										
Dispatched assignments	284,893	249,855	255,599	264,969	271,530	279,818	274,525	268,537	250,884	245,153
Traffic citations	46,969	71,655	69,048	50,072	41,524	53,957	33,128	30,737	30,085	31,971
Homicide clearance rates	67%	70%	76%	77%	55%	50%	57%	59%	78%	88%
Fire										
Number of medical emergency assists	78,484	76,793	71,323	70,461	67,559	70,740	75,516	75,659	80,637	79,073
Number of fires extinguished	2,198	2,017	1,749	1,580	2,241	2,120	2,964	3,298	3,694	3,328
Civilian fire deaths	5	7	9	7	6	14	16	15	6	8
Building Inspection										
Complaints reported	36,548	36,938	38,788	41,699	39,414	46,085	37,393	40,499	40,150	35,957
Orders issued	43,499	25,949	25,821	36,825	31,488	33,752	29,029	30,503	28,201	28,121
Public Works										
Major streets paving (miles)	35.4	34.0	29.0	28.0	23.3	17.0	20.2	21.0	111.5	104.97
Asphalt patching/pot holes (tons)	18,857	22,257	19,019	17,460	12,794	12,784	10,949	11,700	11,687	12,764
Refuse tonnage	248,083	256,599	259,450	268,162	276,982	272,644	240,186	232,011	236,981	258,970
Recycling tonnage	25,232	25,325	25,505	24,258	26,432	26,421	25,968	24,337	25,753	26,105
Health										
Food inspections	10,087	8,208	9,775	9,525	3,957	6,391	8,476	9,662	10,644	10,133
Immunizations	8,360	8,271	5,921	6,859	4,818	220,190	33,859	7,225	10,602	6,423
Culture and Recreation										
Library hours of operation	32,282	32,282	33,440	31,546	17,520	25,269	29,356	30,994	31,775	31,592
Collections size	2,323,743	2,293,455	2,571,761	2,703,907	2,543,110	2,359,441	2,382,798	2,386,721	2,369,877	2,389,556
Public computers	682	600	655	681	527	969	796	756	558	473
Conservation and Development										
Jobs created	2,063	1,140	1,327	606	915	503	1,712	160	500	670
Jobs retained	1,960	1,355	2,715	641	624	0	0	727	0	0
New housing units	2,081	1,265	1,720	1,271	782	646	342	1,446	1,044	168
Water										
Millions gallons sold	29,440	28,761	28,730	27,708	27,179	27,234	26,868	27,400	28,340	28,530
Population served	864,144	868,882	866,933	863,921	860,919	861,074	852,208	947,069	923,008	924,983
Sewer Maintenance										
Sewer service backups	23	26	33	30	20	26	37	35	40	49
Street flooding complaints	1,808	2,523	3,350	2,448	1,935	1,573	2,513	2,451	2,721	4,077
Parking										
Citations issued	626,333	594,360	636,117	572,070	303,087	517,305	469,641	463,098	396,655	466,424
Vehicle tows	32,185	31,204	29,291	25,268	15,873	25,274	24,687	24,229	23,192	24,395
Port										
Metric tonnage total	2,441,072	2,573,475	2,393,877	2,668,624	2,812,008	2,348,419	2,272,972	2,355,343	2,232,529	2,322,072

Sources: Various city departments

See accompanying independent auditors' report.

CITY OF MILWAUKEE
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAMS
 LAST TEN YEARS

Table 17

Functions/Programs	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public safety										
Police										
Stations	8	8	8	8	8	8	8	7	7	7
Lock-up facilities	7	7	7	7	7	7	7	7	7	7
Patrol vehicles	505	505	418	426	415	398	381	334	326	315
Patrol motorcycles	56	56	56	56	63	64	62	60	67	70
Fire Stations	36	36	30	30	30	29	29	29	30	31
Public Works										
Streets - paved	1,272	1,272	1,272	1,272	1,272	1,272	1,425	1,425	1,425	1,425
Streets - unpaved	15	15	15	15	15	15	5	5	5	5
Alleys	414	414	414	414	414	414	414	414	414	414
Street lights	69,111	69,111	69,195	69,235	69,845	69,977	70,960	70,840	71,703	71,631
Alley lights	8,797	8,797	9,014	9,014	8,879	8,879	8,882	8,882	8,882	8,882
Garbage/snow trucks	192	183	177	180	183	187	180	180	180	180
Health										
Health centers	3	3	3	3	3	3	3	3	3	3
Culture and Recreation										
Playgrounds, playfields, tot lots, recreation centers	138	138	138	138	144	144	130	132	132	132
Libraries	13	13	13	13	13	13	13	13	13	13
Water										
Miles of mains	1,962	1,961	1,961	1,961	1,960	1,960	1,960	1,962	1,961	1,963
Hydrants	19,862	19,861	19,865	19,876	19,889	19,867	19,864	19,962	19,954	20,195
Million gallons pumped	35,447	34,456	35,506	33,839	32,532	33,843	34,578	35,250	36,517	36,535
Million gallons consumed	29,440	28,760	28,967	27,905	27,337	27,483	27,056	27,400	28,322	28,530
Miles of Sewers										
Storm	967	967	968	968	963	965	963	964	964	967
Sanitary	945	945	945	945	978	945	946	948	949	948
Combined	551	551	551	551	557	551	551	536	536	536
Parking										
Parking lots	44	45	42	42	42	42	40	39	39	39
Parking structures	5	5	5	5	5	5	5	5	5	5
Port										
Cargo terminals	7	7	7	7	7	7	7	7	7	7
Rental warehouses and buildings	11	10	11	11	11	9	9	9	9	9
Ferry terminal	1	1	1	1	1	1	1	1	1	1
Cranes and forklifts	11	11	11	9	9	9	9	9	9	9
Vessel berths	17	17	17	17	17	17	17	17	17	17

Sources: Various city departments

Note: No capital asset indicators are available for the general government function.

See accompanying independent auditors' report.

APPENDIX F

BOND INSURANCE AND SPECIMEN MUNICIPAL BOND INSURANCE POLICY

The information in this Appendix F concerning AG and the Policy has been obtained from AG, and the City and the Underwriter take no responsibility for the accuracy thereof.

BOND INSURANCE POLICY

Concurrently with the issuance of the Obligations, Assured Guaranty Inc. (“AG”) will issue its Municipal Bond Insurance Policy (the “Policy”) for the Obligations. The Policy guarantees the scheduled payment of principal of and interest on the Obligations when due as set forth in the form of the Policy included in this Appendix F to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, Maryland, California, Connecticut or Florida insurance law.

ASSURED GUARANTY INC.

AG is a Maryland domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. (“AGL” and together with its subsidiaries, “Assured Guaranty”), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol “AGO.” AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets, and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates, and in the annuity reinsurance business through Assured Life Reinsurance Ltd. Only AG is obligated to pay claims under the insurance policies AG has issued, and not AGL or any of its shareholders or other affiliates.

AG’s financial strength is rated “AA” (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”), “AA+” (stable outlook) by Kroll Bond Rating Agency, Inc. (“KBRA”) and “A1” (stable outlook) by Moody’s Investors Service, Inc. (“Moody’s”). Each rating of AG should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AG in its sole discretion. In addition, the rating agencies may at any time change AG’s long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AG. AG only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AG on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On August 3, 2026, KBRA announced that it had affirmed AG’s insurance financial strength rating of “AA+” (stable outlook).

On July 27, 2026, Moody’s announced that it had affirmed AG’s insurance financial strength rating of “A1” (stable outlook).

On July 17, 2026, S&P announced that it had affirmed AG’s financial strength rating of “AA” (stable outlook).

AG can give no assurance as to any further ratings action that S&P, Moody's and/or KBRA may take. For more information regarding AG's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

Capitalization of AG

At June 30, 2026:

- The policyholders' surplus of AG was approximately \$3,088 million.
- The contingency reserve of AG was approximately \$1,569 million.
- The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately \$2,411 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AG and (ii) the net unearned premium reserves and net deferred ceding commissions of AG's wholly owned subsidiary Assured Guaranty UK Limited ("AGUK"), and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus, contingency reserve, and net unearned premium reserves and net deferred ceding commission income of AG were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AG are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2025 (filed by AGL with the SEC on February 27, 2026);
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2026 (filed by AGL with the SEC on May 8, 2026); and
- (iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2026 (filed by AGL with the SEC on August 7, 2026).

All information relating to AG included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Obligations shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Inc.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AG included in this Appendix F or included in a document incorporated by reference herein (collectively, the "AG Information") shall be modified or superseded to the extent that any subsequently included AG Information (either directly or through incorporation by reference) modifies or supersedes such previously included AG Information. Any AG Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AG makes no representation regarding the Obligations or the advisability of investing in the Obligations. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented in this Appendix F.



MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No.: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY INC. ("AG"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AG, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AG shall have received Notice of Nonpayment, AG will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AG, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AG. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AG is incomplete, it shall be deemed not to have been received by AG for purposes of the preceding sentence and AG shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AG shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AG hereunder. Payment by AG to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AG under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AG shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AG which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AG may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AG pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AG and shall not be deemed received until received by both and (b) all payments required to be made by AG under this Policy may be made directly by AG or by the Insurer's Fiscal Agent on behalf of AG. The Insurer's Fiscal Agent is the agent of AG only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AG to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AG agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AG to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AG, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 78 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY INC.

By _____
Authorized Officer

1633 Broadway, New York, N.Y. 10019
Form 500 (8/24)

(212) 974-0100

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