

**PRELIMINARY OFFICIAL STATEMENT DATED JULY 12, 2024**

**NEW ISSUE: FULL BOOK-ENTRY**

**NOT RATED**

*In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), under existing law interest on the Notes is excludable from gross income and is not an item of tax preference for federal income tax purposes; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The Notes will be designated by the Village as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. The interest on the Notes is not exempt from present Wisconsin income or franchise taxes. See "LEGAL MATTERS – Tax Exemption" and "Form of Legal Opinion" herein.*

**OFFICIAL STATEMENT**

**VILLAGE OF JOHNSON CREEK, WISCONSIN**

**\$3,680,000\***

**GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2024A**

**Dated:** Date of Delivery

**Delivery:** On or about August 14, 2024

The \$3,680,000\* General Obligation Promissory Notes, Series 2024A (the "Notes") are being issued by the Village of Johnson Creek, Wisconsin (the "Village") pursuant to Wisconsin Statutes, Section 67.12(12). The Notes will be general obligations of the Village for which its full faith and credit and unlimited taxing powers are pledged. The Notes are being issued for public purposes including paying the cost of the Gosdeck Crossing bridge project and the acquisition of a fire truck and paying capitalized interest on a portion of the issue and the costs of issuing the Notes.

The Notes will be issued as fully registered Notes without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository of the Notes. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Notes purchased. (See "DESCRIPTION OF THE NOTES – Book-Entry-Only System" herein.)

Principal, payable on March 1 as set forth herein, and interest on the Notes, payable semiannually on each March 1 and September 1 commencing March 1, 2025 will be paid to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Notes. See "Book-Entry-Only System".

<u>Year</u>	<u>Amount*</u>	<u>Rate*</u>	<u>Yield*</u>	<u>Year</u>	<u>Amount*</u>	<u>Rate*</u>	<u>Yield*</u>
2025	\$ 100,000	___ %	___ %	2035	\$ 215,000	___ %	___ %
2026	100,000	___ %	___ %	2036	220,000	___ %	___ %
2027	120,000	___ %	___ %	2037	235,000	___ %	___ %
2028	150,000	___ %	___ %	2038	245,000	___ %	___ %
2029	160,000	___ %	___ %	2039	260,000	___ %	___ %
2030	165,000	___ %	___ %	2040	175,000	___ %	___ %
2031	175,000	___ %	___ %	2041	180,000	___ %	___ %
2032	185,000	___ %	___ %	2042	190,000	___ %	___ %
2033	190,000	___ %	___ %	2043	200,000	___ %	___ %
2034	205,000	___ %	___ %	2044	210,000	___ %	___ %

The Notes maturing on or after March 1, 2035, are subject to redemption prior to maturity at the option of the Village on March 1, 2034 or on any date thereafter at a price of par plus accrued interest.

**Registrar/Paying Agent:**

Village of Johnson Creek Clerk/Treasurer

**Municipal Advisor:**

PFM Financial Advisors LLC

**Bids Received and Opened:**

Monday, July 22, 2024 at 10:00 A.M. Central Time  
Office of PFM Financial Advisors LLC, Milwaukee, Wisconsin

**Village Board Consideration:**

Monday, July 22, 2024 at 5:30 P.M.

\* Par amount subject to change. Interest rate and reoffering yield will be set forth in the final Official Statement.

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

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



No dealer, broker, sales representative or other person has been authorized by the Village, the Financial Advisor or the Underwriter to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such information and representations must not be relied upon as having been authorized by the Village, the Financial Advisor or the Underwriter. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Village and other sources which are believed to be reliable, but it is not to be construed as a representation by the Financial Advisor or Underwriter. 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 thereafter shall, under any circumstances, create any implication that there has been no change in the affairs of the Village or in any other information contained herein, since the date hereof.

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## INTRODUCTION TO THE OFFICIAL STATEMENT

*The following information is furnished solely to provide limited introductory information regarding the Village's \$3,680,000\* General Obligation Promissory Notes, Series 2024A (the "Notes"), and does not purport to be comprehensive. All such information is qualified in its entirety by reference to the more detailed descriptions appearing in this Official Statement, including the appendices hereto.*

<b>Issuer:</b>	Village of Johnson Creek, Wisconsin.
<b>Notes Dated:</b>	Date of Delivery.
<b>Delivery:</b>	The Village will deliver the Notes anywhere in the United States as designated by the purchaser within 45 days against payment in immediately available funds. Delivery is expected on or about August 14, 2024.
<b>Security:</b>	The Notes will be general obligations of the Village for which its full faith and credit and unlimited taxing powers are pledged.
<b>Purpose and Authority:</b>	The Notes are being issued for public purposes including paying the cost of the Gosdeck Crossing bridge project and the acquisition of a fire truck and paying capitalized interest on a portion of the issue and the costs of issuing the Notes.
<b>Optional Redemption:</b>	The Notes maturing on or after March 1, 2035, are subject to redemption prior to maturity at the option of the Village on March 1, 2034 or on any date thereafter at a price of par plus accrued interest.
<b>Denominations:</b>	\$5,000 or integral multiples thereof.
<b>Record Date:</b>	The fifteenth day of the calendar month next preceding the payment date.
<b>Principal Payment:</b>	Annually, March 1, 2025 through 2044.
<b>Interest Payment:</b>	On each March 1 and September 1, commencing March 1, 2025. Interest will be computed on a 360-day year, 30-day month basis, payable to the owners of record as of the close of business on the fifteenth of the immediately preceding month.
<b>Tax Exemption:</b>	Interest on the Notes is excludable from gross income and is not an item of tax preference for federal income tax purposes. The interest on the Notes is not exempt from present Wisconsin income or franchise taxes. See "LEGAL MATTERS – Tax Exemption" herein.
<b>Bank Qualified:</b>	The Notes will be designated as "qualified tax-exempt obligations".
<b>Professional Consultants:</b>	<i>Municipal Advisor:</i> PFM Financial Advisors LLC Milwaukee, Wisconsin  <i>Bond Counsel:</i> Quarles & Brady LLP Milwaukee, Wisconsin
<b>Paying Agent:</b>	Village of Johnson Creek Clerk/Treasurer

- Legal Matters:** Legal matters incident to the authorization and issuance of the Notes are subject to the opinion of Quarles & Brady LLP, Bond Counsel, as to validity and tax exemption. The opinion will be substantially in the form set forth in Appendix B attached hereto. Bond Counsel has not assumed responsibility for this Official Statement or participated in its preparation (except with respect to the section entitled “LEGAL MATTERS – Tax Exemption” and the “Form of Legal Opinion” attached hereto as Appendix B) and has not performed any investigation as to its accuracy, completeness or sufficiency.
- Conditions Affecting Issuance of Obligations:** The Notes are offered when, as and if issued, subject to the approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.
- Book-Entry-Only:** The Notes will be issued as book-entry-only securities through The Depository Trust Company.
- No Litigation:** There is no litigation now pending or, to the knowledge of Village officials, threatened, which questions the validity of the Notes or of any proceedings of the Village taken with respect to the issuance or sale thereof.
- Limitations on Offering or Reoffering Securities:** No dealer, broker, sales representative or other person has been authorized by the Village or the Financial Advisor to give any information or to make any representations other than those contained in the Official Statement and, if given or made, such information and representations must not be relied upon as having been authorized by the Village, or the Financial Advisor. The Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.
- Continuing Disclosure:** In the resolution awarding the sale of the Notes, the Village will covenant and agree, for the benefit of the holders of the Notes from time to time, to comply with the provisions of Securities and Exchange Commission Regulations, 17 C.F.R. Section 240, Paragraph (b)(5) of 15c2-12, (“Rule 15c2-12”); and, for this purpose, to provide certain financial information and operating data relating to the Village annually to the Municipal Securities Rulemaking Board (the “MSRB”), and to provide notices of the occurrence of certain events enumerated in Rule 15c2-12 electronically or in the manner otherwise prescribed by the MSRB to the MSRB. The Village is the only “obligated person” in respect of the Notes within the meaning of Rule 15c2-12. A description of the undertaking is in Appendix C.

*The Preliminary Official Statement is in a form deemed final as of its date for purposes of Rule 15c2-12, but is subject to minor revision or amendment in accordance with Rule 15c2-12. Not later than seven business days following the award of the Notes, the Village shall provide copies of the final Official Statement, as that term is used in Rule 15c2-12, to the purchaser of the Notes.*

Questions regarding the Notes or the Official Statement can be directed to PFM Financial Advisors LLC, 115 South 84th Street, Suite 315, Milwaukee, Wisconsin 53214, (414) 771-2700, the Village’s financial advisor.

## DESCRIPTION OF THE NOTES

### ***Authorization***

The Notes are being issued pursuant to authority granted, and in the manner required by Section 67.12(12) of the Wisconsin Statutes, a resolution adopted by the Village Board on June 24, 2024, and by a resolution to be adopted by the Village Board on July 22, 2024 (the "Resolution").

### ***Purpose***

The proceeds of the Notes are being issued for the public purposes, including paying the cost of the Gosdeck Crossing bridge project and the acquisition of a fire truck and paying capitalized interest on a portion of the issue and the costs of issuing the Notes.

### ***Sources and Uses***

The estimated sources and uses for the Notes are as follows.

**Table 1**  
**Estimated Sources and Uses\***

<u>Estimated Sources:</u>	
Par Amount	\$ 3,680,000
Total Sources of Funds	<u>\$ 3,680,000</u>
 <u>Estimated Uses:</u>	
Project Fund Deposit	\$ 3,500,000
Capitalized Interest	93,660
Cost of Issuance (Including Underwriter's Discount)	82,250
Contingency	<u>4,090</u>
Total Uses of Funds	<u>\$ 3,680,000</u>

\*Preliminary, subject to change.

### ***Security Provisions***

*Direct, Annual Irrepealable Tax.* As security for the Notes, the Village pledges its full faith, credit and taxing powers and there will be levied on all of the taxable property in the Village a direct, annual irrepealable tax in an amount and at the times sufficient to pay the principal of and interest on the Notes. The taxes will be levied under the Resolution for collection in each of the years 2025 through 2044.

The Resolution provides that the taxes will be, from year to year, carried onto the tax rolls of the Village and collected as other taxes are collected and that the Village shall not repeal such levies or obstruct the collection of the taxes. Provision is made for reducing the amount of taxes carried onto the tax rolls by the amount of any surplus money in the Debt Service Fund for the Notes.

### ***Redemption Provisions***

The Notes maturing on or after March 1, 2035, are subject to redemption prior to maturity at the option of the Village on March 1, 2034 or on any date thereafter at a price of par plus accrued interest. Notice of redemption shall be sent to DTC no less than thirty and no more than sixty days prior to the redemption date.

## ***Interest Payments and Computation***

Interest on the Notes will be computed on a 360-day year, 30-day month basis. Payments coming due on a non-business day will be paid the following business day. Interest will be payable semiannually on each March 1 and September 1, commencing March 1, 2025.

## ***Registration, Transfer and Exchange***

The Village has initially designated the Village's Clerk/Treasurer to serve as Registrar and Paying Agent for the Notes. The Village may, at any time, at its option replace the Village Clerk/Treasurer as Registrar for the Notes with a bank, trust company or national banking association designated by the Village to serve as fiscal agent.

The Notes will be initially registered in the name of Cede & Co., as nominee of the Depository. The Depository will act as securities depository for the Notes. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their interest in the Notes purchased. See "Book-Entry-Only System."

## ***Book-Entry-Only System***

*The information contained in the following paragraphs of this subsection "Book-Entry-Only System" has been extracted from a schedule prepared by The Depository Trust Company ("DTC") entitled "SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE." The Village makes no representation as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.*

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Notes. The Bond 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 certificate will be issued for each annual maturity of the Notes, in the aggregate principal amount of such annual maturity, and such certificates 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 3.6 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 Ratings 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](http://www.dtcc.com).

Purchases of Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings,

from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Obligations, except in the event that use of the book-entry system for the Notes 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 Notes; 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.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 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 Village 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).

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

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

The Village may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates for the Notes 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 Village believes to be reliable, but the Village takes no responsibility for the accuracy thereof.

NEITHER THE VILLAGE 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 DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT; (2) THE PAYMENT BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE NOTES; (3) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO CERTIFICATEHOLDERS; (4) ANY CONSENT GIVEN BY DTC OR OTHER

ACTION TAKEN BY DTC AS CERTIFICATEHOLDER; OR (5) THE SELECTION BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNER TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE NOTES.

### ***Continuing Disclosure***

In order to assist the Underwriter in complying with SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934 (the “Rule 15c2-12”), the Village shall covenant pursuant to a resolution adopted by the Governing Body to enter into an undertaking (the “Undertaking”) for the benefit of holders including beneficial holders of the Notes to provide certain financial information and operating data relating to the Village annually to the Municipal Securities Rulemaking Board (the “MSRB”), and to provide notices of the occurrence of certain events enumerated in Rule 15c2-12 electronically or in the manner otherwise prescribed by the MSRB to the MSRB. The details and terms of the Undertaking, as well as the information to be contained in the annual report or the notices of material events, are set forth in the Continuing Disclosure Certificate to be executed and delivered by the Village at the time the Notes are delivered. Such Certificate will be in substantially the form attached hereto as Appendix C.

In the previous five years, the Village has not failed to comply in all material respects with any previous undertakings under Rule 15c2-12 to provide annual reports or notices of material events. A failure by the Village to comply with the Undertaking will not constitute an event of default on the Notes (although holders will have the right to obtain specific performance of the Notes under the Undertaking). Nevertheless, such a failure must be reported in accordance with Rule 15c2-12 and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Notes in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

The Village will file its continuing disclosure information using the Electronic Municipal Market Access system. Investors will be able to access continuing disclosure information filed with the MSRB at [www.emma.msrb.org](http://www.emma.msrb.org).

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## THE VILLAGE

### ***Introduction***

The Village of Johnson Creek was incorporated in 1903 and is located in Jefferson County, in southeastern Wisconsin covering an area of 3.03 square miles. Johnson Creek’s location at the intersection of Interstate 94 and State Highway 26 offers convenient access for easy travel to metro areas such as Green Bay, Janesville, Madison, Milwaukee as well as Chicago and Minneapolis. The Village currently has 31 employees, of which 19 are full-time, 10 are part-time and two are seasonal. Additionally, the Village has approximately 35 paid, on-call volunteer firefighters, paramedics, and Emergency Medical Technicians (“EMTs”). The Village provides: water service, sewer service, police, fire protection, emergency medical services, public works, parks, library, administration and other services to its residents.

### ***Village Government***

The Village operates under the laws of the State of Wisconsin, with an elected Village Board, which establishes policy, and a full-time Village Administrator to coordinate municipal operations and services. The Village Board is comprised of a seven-member Board of Trustees, of which the Village President is a voting member. All are elected to two-year terms. The Village is also served by 12 committees, commissions and boards made up of Village Board members and appointed citizens. The appointed Administrator and Clerk/Treasurer are responsible for administrative details and financial records. The current Board of Trustee members and Administration are listed in the tables below.

#### Board of Trustees

<u>Name</u>	<u>Position</u>	<u>Term Expiration Date</u>
John L. Swisher	President	April 2025
Erik Burns	Trustee	April 2026
Bev Deppe	Trustee	April 2025
David Rousayne	Trustee	April 2026
Tim Semo	Trustee	April 2025
Mike Saindon	Trustee	April 2025
Rooney Freimund	Trustee	April 2026

#### Administration

<u>Name</u>	<u>Position</u>
Kyle L. Ellefson	Administrator
Elissa Friedl	Village Clerk/Treasurer

### ***Pension and Retirement Plan***

The Village is a participant in the Wisconsin Retirement System (“WRS”) a cost sharing, multiple-employer, defined benefit public employee retirement system covering all eligible employees on a non-contributory basis. All eligible Village employees participate in the WRS. The annual employer’s contribution rate, which is actuarially determined by the State, provides for funding of prior service costs, including interest, over 40 years beginning January 1, 1990. The Village has repaid this unfunded pension liability.

### ***Education***

The School District of Johnson Creek provides education for children in pre-kindergarten through twelfth grade. The District had 620 students enrolled for the 2023/2024 school year, and approximately 105 full time employees. The School District has two schools: Johnson Creek Elementary School and Johnson Creek Middle & Senior High School. Both of these schools are located in the Village of Johnson Creek.

Colleges/Universities nearest to Johnson Creek include:

- University of Wisconsin-Whitewater (approximately 17 miles; Whitewater)
- Waukesha County Technical College (approximately 26 miles; Pewaukee)
- Madison Area Technical College (approximately 28 miles; Madison)
- University of Wisconsin-Madison (approximately 32 miles: Madison)
- Edgewood College (approximately 32 miles: Madison)

## **ECONOMIC AND DEMOGRAPHIC INFORMATION**

### ***Population***

The State of Wisconsin Department of Administration’s January 1, 2023 final population estimates for the Village and Jefferson County are 3,398 and 86,598, respectively. The population estimates from the most recent four censuses are presented in the following table.

**Table 2**  
**Population**<sup>1</sup>

<u>Year</u>	<u>Village of Johnson Creek</u>	<u>Jefferson County</u>
2020	3,318	84,900
2010	2,738	83,686
2000	1,581	75,767
1990	1,259	67,783

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<sup>1</sup> Source: United States Census Bureau

**Major Employers**

The major employers in the Village of Johnson Creek for 2023 area are listed in Table 3. The Johnson Creek Factory Outlet Mall, with approximately 55 stores, is also located in the Village offering more employment opportunities. 2024 information is not yet available.

**Table 3**  
**Major Employers**<sup>2</sup>

<u>Employer</u>	<u>Business Services</u>	<u>Employees</u>
Doosan Commercial Grounds Care	Lawn & Garden Equipment	375
Mastermold, LLC	Fiberglass Molding	350
Milkrite   InterPuls	Fabricated Rubber Products	201
Menards	Retail Home & Hardware	180
Pine Cone Restaurant/Travel Plaza	Restaurant/Convenience Store	115
Johnson Creek School District	Education 4K-12	105
Coupling Nut Supply-Saelens	Screw Machine Products	100
Kohl's Department Store	Retail	95
TREK	Distribution Center	75
Village of Johnson Creek	Municipal Government	66
Culver's	Restaurant	54

**Labor Force and Unemployment Statistics**

The Wisconsin Department of Workforce Development provides estimates of the unemployment rate for the Village, the State and the United States. Table 4 provides the average annual unemployment rate for the last five years and the most recent available monthly non-seasonally adjusted unemployment as of April 2024.

**Table 4**  
**Unemployment Statistics**<sup>3</sup>

<u>Year</u>	<u>Jefferson County</u>	<u>State of Wisconsin</u>	<u>United States</u>
2024*	2.9%	3.2%	3.9%
2023*	2.8%	3.0%	3.6%
2022	2.7%	2.9%	3.6%*
2021	3.4%	3.9%	5.3%
2020	5.6%	6.4%	8.1%
2019	3.0%	3.2%	3.7%

\*Preliminary

<sup>2</sup> Source: Village of Johnson Creek

<sup>3</sup> Source: Wisconsin Department of Workforce Development, <https://jobcenterofwisconsin.com>; 2020 amounts for Jefferson County and State of Wisconsin calculated based on average of monthly rates for 2020.

## Construction

New construction activity within the Village for the past ten years as illustrated by its building permit records is shown in Table 5.

**Table 5**  
**Building Permits**

Year	<u>Single Family Homes</u>		<u>Multi Family Buildings</u>		<u>Commercial/Industrial</u>		<u>Total *</u>	
	No.	Valuation	No.	Valuation	No.	Valuation	No.	Valuation
2023	13	3,509,891	--	--	1	2,200,000	14	5,709,891
2022	13	3,095,290	--	--	2	4,260,000	15	7,355,290
2021	6	1,260,110	--	--	1	900,000	7	2,160,110
2020	24	4,787,693	8	2,751,344	4	2,456,000	99	21,143,945
2019	14	2,953,860	--	--	2	11,189,306	65	15,596,724
2018	12	2,413,396	--	--	1	625,000	72	6,023,568
2017	11	2,302,260	2	\$ 652,000	6	3,410,793	64	6,792,888
2016	27	5,884,345	--	--	3	1,306,015	87	9,265,426
2015	16	3,496,612	--	--	2	3,485,000	74	25,623,989
2014	15	3,209,948	2	693,600	4	9,485,708	52	15,755,136

## FINANCIAL SUMMARY

*The following financial summary presents pertinent statistics relating to property valuations as assessed in 2023 for taxes collectible in 2024 indebtedness, population, and the indebtedness of overlapping governmental units to the Village. The information provided in the Financial Summary is subject in all respects to more complete information contained in this Official Statement.*

Equalized Value - TID Included (January 1, 2023)	\$ 546,683,800
General Obligation Debt (Including the Notes)*	\$ 9,160,000
Overlapping Debt	\$ 19,569,692
Population Estimate (January 1, 2023)	3,398

<u>Debt Statistics</u>	<u>Amount</u>	<u>Debt Per Capita</u>	<u>Debt as % of Equalized Value</u>
Direct Debt (Levy Supported)	\$ 9,160,000	\$ 2,696	1.68%
Overlapping Debt	19,569,692	5,759	3.58%
Total	<u>\$ 28,729,692</u>	<u>\$ 8,455</u>	<u>5.26%</u>

\*Preliminary, subject to change.

## INDEBTEDNESS

### *General Obligation Long-Term Debt*

The Village has never defaulted in the payment of the principal or interest on its debt obligations. Table 6 and Table 7 present the Village's general obligation debt as of the issuance of the Notes.

**Table 6**  
**Outstanding General Obligation Long-Term Debt by Issue**

Date of Issue	Type of Obligation	Original Amount Issued	Outstanding Interest Rate Range	Final Maturity	Principal Outstanding
08/15/16	G.O. Promissory Notes	\$ 1,300,000	2.00%	08/01/26	\$ 560,000
12/12/16	G.O. Promissory Notes	1,360,000	2.15%	12/01/24	165,000
03/31/21	G.O. Bonds, Series 2021	3,835,000	2.00%	03/01/40	3,595,000
08/03/22	G.O. Refunding Bonds	1,290,000	3.10%-3.85%	05/01/37	1,160,000
Total					\$ 5,480,000
08/14/24	G.O. Promissory Notes, 2024A	\$ 3,680,000*	The Notes		\$ 3,680,000*
	Existing - Total				\$ 9,160,000*

**Table 7**  
**Annual Maturity Schedule**

Year	Existing G.O. Debt		The Notes*		Total Debt Service
	Principal	Interest	Principal	Interest	
2024	\$ 350,000	\$ 63,776	\$ --	\$ --	\$ 413,776
2025	465,000	117,193	100,000	190,188	872,381
2026	450,000	107,030	100,000	176,500	833,530
2027	275,000	97,061	120,000	171,000	663,061
2028	285,000	90,473	150,000	164,250	689,723
2029	290,000	83,663	160,000	156,500	690,163
2030	300,000	76,628	165,000	148,375	690,003
2031	305,000	69,308	175,000	139,875	689,183
2032	310,000	61,763	185,000	130,875	687,638
2033	320,000	53,959	190,000	121,500	685,459
2034	330,000	45,825	205,000	111,625	692,450
2035	335,000	37,450	215,000	101,125	688,575
2036	345,000	28,830	220,000	90,250	684,080
2037	355,000	19,868	235,000	78,875	688,743
2038	250,000	12,800	245,000	66,875	574,675
2039	255,000	7,750	260,000	54,250	577,000
2040	260,000	2,600	175,000	43,375	480,975
2041	--	--	180,000	34,500	214,500
2042	--	--	190,000	25,250	215,250
2043	--	--	200,000	15,500	215,500
2044	--	--	210,000	5,250	215,250
Total	\$ 5,480,000	\$ 975,974	\$ 3,680,000	\$ 2,025,939	\$ 12,161,915

\*Preliminary, subject to change.

### ***Short-Term Debt***

The Village does not issue short-term debt for operational purposes.

### ***Revenue Debt***

Table 8 lists the Village's outstanding revenue debt as of the issuance of the Notes.

**Table 8**  
**Revenue Debt**

<u>Date of Issue</u>	<u>Type of Obligation</u>	<u>Original Amount Issued</u>	<u>Outstanding Interest Rate Range</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
05/09/18	Sewerage System Clean Water Fund Loan	\$ 2,156,245	1.87%	05/01/38	\$ 1,587,467

### ***Other Obligations***

The Village currently has a line of credit with Badger Bank. The outstanding balance on the line of credit is \$165,544.

### ***Overlapping Debt***

There are taxing jurisdictions which overlap the Village of Johnson Creek and which had general obligation debt outstanding as of the date of this issue. Table 9 sets forth the general obligation debt for each of those jurisdictions and the amount of that debt applicable to the Village as of December 31, 2023.

**Table 9**  
**Overlapping Debt**

<u>Governmental Entity</u>	<u>General Obligation Debt</u>	<u>Percent Allocable to Village</u>	<u>Portion Allocable to Village</u>
Madison Area Technical College District	\$ 199,585,000	0.40%	\$ 804,279
Jefferson County	48,750,000	4.88%	2,377,709
Johnson Creek School District	24,705,768	66.33%	<u>16,387,704</u>
Total			<u><u>\$19,569,692</u></u>

***Debt Limit***

Wisconsin Statutes, Section 67.03 and Section III, Article XI, of the Wisconsin Constitution limit the Village’s indebtedness to 5% of the equalized value of taxable property located within the Village. Table 10 shows the debt limit computation for the Village. The Village’s unused borrowing capacity as of the issuance of the Notes will be as follows:

**Table 10**  
**Debt Limit Computation**

2023 Equalized Value	\$ 546,683,800
Legal Debt Limit (5% of Equalized Value)	27,344,190
Debt Outstanding (33.5% of Capacity)*	<u>9,160,000</u>
Remaining borrowing capacity (66.5% of Capacity)	<u><u>\$ 18,174,190</u></u>

\*Includes the Notes; Preliminary, subject to change.

***Future Financings***

The Village anticipates issuing additional debt in the amount of approximately \$3,475,000 to finance a solids treatment project in late 2024 or early 2025.

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## FINANCIAL INFORMATION

### *Financial Reports*

The Village's accounts are independently audited. The draft financial statements for the year ended December 31, 2023 are attached hereto as Appendix A. The auditor was not asked to perform any additional review in connection with this Official Statement. A comparative Statement of Revenues, Expenditures and Changes in Fund Balance for the General Fund for years 2020 through 2023 is presented below.

**Table 11**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance for the General Fund**  
**(Years Ended December 31)**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023<sup>4</sup></u>
<b>Revenues</b>				
Taxes	\$ 1,405,131	\$ 1,514,000	\$ 1,501,693	\$ 2,169,350
Intergovernmental Revenues	480,028	449,156	595,348	534,408
Other Taxes	40,247	39,669	35,210	40,029
Licenses and Permits	176,448	99,604	141,650	157,291
Fines, Forefits and Penalties	40,827	46,439	50,081	57,574
Public Charges for Services	99,293	51,465	46,290	50,662
Special Assessments	28,243	11,840	17,760	19,240
Interest Income	78,302	76,770	162,775	59,131
Miscellaneous Revenues	51,023	170,981	77,766	70,944
<b>Total Revenues</b>	<b>\$ 2,399,542</b>	<b>\$ 2,459,924</b>	<b>\$ 2,628,573</b>	<b>3,158,629</b>
<b>Expenditures</b>				
General Government	401,767	402,332	500,928	440,497
Public Safety	771,676	697,939	737,764	744,075
Health and Social Services	8,034	8,034	8,452	8,578
Public Works	497,078	523,606	493,308	534,046
Culture, Recreation and Education	96,759	132,314	131,798	159,379
Conservation and Development	55,555	63,377	88,113	48,558
Capital Outlay	6,593	3,386,656	1,013,469	644,587
Debt Service	280,013	414,221	1,951,812	436,983
<b>Total Expenditures</b>	<b>\$ 2,117,475</b>	<b>\$ 5,633,479</b>	<b>\$ 4,925,644</b>	<b>3,016,703</b>
<b>Deficit of Revenues Over Expenditures Before Other Financing Sources (Uses)</b>	<b>282,067</b>	<b>(3,173,555)</b>	<b>(2,297,071)</b>	<b>141,926</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Long Term Debt	--	3,835,000	--	165,544
Proceeds from Bond Premium	--	143,165	--	372,265
Operating Transfer In	282,218	276,490	2,561,352	282,586
Operating Transfer Out	(842,203)	(492,400)	(528,734)	(1,027,482)
<b>Excess of Revenues and Other Financing Sources (Uses)</b>	<b>(559,988)</b>	<b>588,700</b>	<b>(264,453)</b>	<b>(65,161)</b>
<b>Fund Balance - January 1</b>	<b>2,055,874</b>	<b>1,704,067</b>	<b>2,292,767</b>	<b>2,028,314</b>
<b>Prior Period Adjustment</b>	<b>(73,886)</b>			
<b>Fund Balance Restated</b>	<b>1,981,988</b>			
<b>Fund Balance - December 31</b>	<b>\$ 1,704,067</b>	<b>\$ 2,292,767</b>	<b>\$ 2,028,314</b>	<b>\$ 1,963,153</b>

<sup>4</sup> Draft Audited Financial Statements

## ***Investments***

State statutes authorize the Village to invest in obligations of the United States Treasury, U.S. government agencies and instrumentalities, obligations of Wisconsin governmental units, time deposits with maturities of less than three years in any financial institution in Wisconsin, the State of Wisconsin Local Government Investment Pool, the Wisconsin Investment Trust, any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency, repurchase agreements if secured by U.S. government securities, and securities of open-end management investment companies or investment trusts if the portfolio meets certain restrictions. The Village only deposits and invests its monies in investments allowed by State statute.

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (“FDIC”) in the amount of \$250,000 for time and savings deposits and \$250,000 for interest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 for all time accounts, savings accounts, noninterest bearing transaction accounts and interest-bearing demand deposit accounts per official custodian per depository institution. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund’s total coverage, total recovery of insured losses may not be available.

A description of investment practices and investments at year-end 2023 is included in Appendix A, draft Financial Statements for the year ended December 31, 2023. A summary of the value of the Village’s investments as of December 31, 2023 is presented below.

**Table 12**  
**Cash and Investments**

	<u>Balance</u>
Deposits with Financial Institutions	\$ 9,986,698
Local Government Investment Pool	31,837
Investment Fund	170,533
Petty Cash	400
Total	<u><u>\$ 10,189,468</u></u>

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## PROPERTY VALUATIONS AND TAXES

### *Assessed and Equalized Values*

The Assessed Value is the value of taxable property upon which tax levies are allocated. With the exception of manufacturing property, it is determined annually by the local assessor as of January 1. The State Department of Revenue makes the annual assessment of all manufacturing property in the State.

The Equalized Value is determined by the Department of Revenue in order to maintain equity between municipalities and counties. The value represents the current market value of all the property in the taxing district. These certified values are used for apportioning county property taxes, public school taxes, and vocational school taxes as well as for distributing property tax relief.

Wisconsin courts have determined that the constitutional requirement for uniformity of assessment is met even though the assessment in question may be less than full value, provided all property within the tax district is assessed at the same proximate level. Beginning in 1986, all municipalities were required to assess taxable property at a minimum of 90% of State equalized values at least once every five years.

The State of Wisconsin equalizes local assessments to full values. This equalized valuation is the basis used in computing the five-percent State constitutional debt limitation. Table 13 provides Village's total equalized value as of January 1, 2023 by category. Table 14 sets forth the trend in total equalized value for the most recent ten years.

**Table 13**  
**Equalized Value by Category**

	2023 <u>Equalized Value</u>	Percent of <u>Total Value</u>
Residential	\$ 285,309,500	52.19%
Commercial	227,304,300	41.58%
Manufacturing	21,919,100	4.01%
Agriculture	83,900	0.02%
Undeveloped	112,000	0.02%
Personal Property	11,955,000	2.19%
Total	\$ 546,683,800	100.00%

**Table 14**  
**Property Value Trends**

<u>Assessment</u> <u>Year</u>	<u>Equalized</u> <u>Value</u>
2023	\$ 546,683,800
2022	515,093,200
2021	441,201,100
2020	406,917,100
2019	372,706,900
2018	352,511,200
2017	334,970,500
2016	312,986,500
2015	296,300,300
2014	294,236,400

***Property Tax Levies and Collections***

Personal property taxes, special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31. Real property taxes may be paid in full by January 31 or in two equal installments payable by January 31, and July 31.

On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. Any county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges.

Under the Wisconsin collection system, where counties absorb delinquencies of property taxes on real property, the Village collects 100% of its real estate taxes in the year when due. The Village’s property tax collections, including collections for the Village for the previous five years are summarized in the following table.

**Table 15**  
**Property Tax Levies**

<u>Levy/ Collection Year</u>	<u>Levy for Village Purposes Only</u>	<u>Percent Collected</u>	<u>Levy/Equalized Value in dollars per \$1,000</u>
2023/2024	\$ 2,380,000	In progress	\$ 4.41
2022/2023	2,169,350	100%	4.22
2021/2022	1,501,693	100%	5.12
2020/2021	1,514,000	100%	5.47
2019/2020	1,405,131	100%	5.81

***Property Tax Rates***

Table 16 presents the tax levy rates per \$1,000 of equalized value for Village residents over the past five years.

**Table 16**  
**Property Tax Rates**

<u>Levy/ Collection Year</u>	<u>School District</u>	<u>Village</u>	<u>County</u>	<u>Technical College</u>	<u>Total</u>
2023/2024	11.58	4.11	3.16	0.66	19.81
2022/2023	11.58	4.22	3.55	0.72	20.07
2021/2022	11.59	5.12	3.89	0.80	21.40
2020/2021	11.58	5.47	3.86	0.86	21.77
2019/2020	11.37	5.81	3.94	0.88	22.00

## ***Principal Taxpayers***

The ten largest taxpayers in the Village based on January 1, 2023 Assessed Values are found in Table 17.

**Table 17**  
**Largest Taxpayers**

<u>Taxpayer</u>	<u>Business</u>	<u>2023 Assessed Value</u>	<u>Percent of Total Assessed Value</u>
Johnson Creek Factory Outlets (CPG) *	Commercial	\$ 30,121,700	6.02%
Menards	Commercial	21,281,300	4.26%
Resort Drive Partners LLC (Trek Distribution)	Industrial	16,730,800	3.35%
JC Hartwig LLC	Residential Care	9,456,600	1.89%
Patio of Marshfield	Commercial	8,606,300	1.72%
Back Acres/Village Terrace	Multi-Family Residential	8,583,500	1.72%
Hunter's Glen Apartments	Multi-Family Residential	8,120,000	1.62%
Kohl's	Commercial	7,613,800	1.52%
MasterMold	Industrial	7,237,500	1.45%
5601 Lovers Lane Hotel	Commercial	<u>7,235,000</u>	<u>1.45%</u>
Total - Top 10 Village Taxpayers		<u>124,986,500</u>	<u>24.99%</u>
Total - 2023 Assessed Value		<u>\$ 500,060,200</u>	

## ***Levy Limit***

Section 66.0602 of the Wisconsin Statutes, imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of either the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current or zero percent). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. In 2018, and in each year thereafter, the base amount is the actual levy for the immediately preceding year plus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes (an amount equal to the property taxes formerly levied on certain items of personal property), and the levy limit is the base amount multiplied by the valuation factor, minus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

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

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

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other exclusions from and adjustments to the tax levy limit. Among the items excluded from the limit are amounts levied for any revenue shortfall for debt service on a revenue bond issued under Section 66.0621. Among the adjustments permitted is an adjustment applicable when a tax increment district terminates, which allows an amount equal to the prior year's allowable levy multiplied by 50% of the political subdivision's percentage growth due to the district's termination.

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

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

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

## LEGAL MATTERS

### *Pending Litigation*

There is no controversy or litigation of any nature now pending, or to the best of the Village's knowledge, threatened seeking to restrain or enjoin the issuance, sale, execution or delivery of the Notes, or in any way contesting the validity of the Notes.

### *Approval of Legal Proceedings*

Certain legal matters incident to the authorization and issuance of the Notes are subject to the approval of Quarles & Brady LLP, Bond Counsel, whose approving legal opinion will be available at the time of the delivery of the Notes. The proposed form of such opinion is attached hereto as Appendix B. Bond Counsel has not participated in the preparation of this Official Statement, except for guidance concerning the section entitled "LEGAL MATTERS - Tax Exemption" and will not pass upon its accuracy, completeness or sufficiency. Bond Counsel has not examined nor attempted to examine or verify any of the financial or statistical statements or data contained in the Official Statement and will express no opinion with respect thereto.

See Appendix B "Form of Legal Opinion" for the Notes.

### *Tax Exemption*

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

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

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

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

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

## ***Original Issue Discount***

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

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

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

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

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

## ***Bond Premium***

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

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Bond is calculated on a daily basis from the issue date of such Premium Bond until its stated maturity date (or call date, if any) on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the compounding dates). An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Bonds. During

each taxable year, such an owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Bond.

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

### ***Qualified Tax-Exempt Obligations***

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

## **MISCELLANEOUS**

### ***No Rating***

None of the outstanding indebtedness of the Village is currently rated, and the Village has not requested a rating on this issue.

### ***Financial Advisor***

The Village has retained PFM Financial Advisors LLC, of Milwaukee, Wisconsin, as financial advisor (the “Financial Advisor”) in connection with the issuance of the Notes. In preparing the Official Statement, the Financial Advisor has relied upon governmental officials, and other sources, which have access to relevant data to provide accurate information for the Official Statement, and the Financial Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Financial Advisor is not a public accounting firm and has not been engaged by the Village to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Financial Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Notes.

Requests for information concerning the Village should be addressed to PFM Financial Advisors LLC, 115 South 84<sup>th</sup> Street, Suite 315, Milwaukee, Wisconsin 53214 (414/771-2700).

### ***Underwriting***

Bids for the Notes are scheduled to be received at a competitive public sale on July 22, 2024.

\_\_\_\_\_ (the “Underwriter”) has agreed, subject to the conditions of closing set forth in the Official Notice of Sale for the Notes, to purchase the Notes at a purchase price of \$ \_\_\_\_\_ (consisting of the par amount of the Notes, less an underwriter's discount of \$ \_\_\_\_\_), plus accrued interest, if any.

The Notes will be offered at the initial public offering price which produces the yield shown on the cover page of this Official Statement. After the Notes are released for sale to the public, the initial public offering price and other selling terms may from time to time be varied by the Underwriter.

***Certificate Concerning Official Statement***

Concurrently with the delivery of the Notes , the President and the Clerk/Treasurer of the Village will deliver to the purchaser of the Notes a certificate stating, that, to the best of their knowledge, the Official Statement did not as of its date and as of the sale date and does not, as of the date of delivery of the Notes, contain an untrue statement of a material fact or omit to state a material fact required to be included therein for the purpose for which the Official Statement is to be used or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The execution and delivery of this Official Statement by its Clerk/Treasurer has been duly authorized by the Village Board.

**VILLAGE OF JOHNSON CREEK, WISCONSIN**

By /s/ \_\_\_\_\_  
Village Clerk/Treasurer

\* \* \* \* \*

## **APPENDIX A**

### **Village of Johnson Creek, Wisconsin Draft Financial Statements for the Year Ended December 31, 2023**

A copy of the Village's financial statements for the year ended December 31, 2023, including the accompanying independent auditor's report, is included as Appendix A to this Official Statement. Potential purchasers should read such financial statements in their entirety for more complete information concerning the Village's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The Village has not requested the Auditor to perform any additional examination, assessment or evaluation with respect to such financial statements since the date thereof, nor has the Village requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the Village since the date of the financial statements, in connection with the issuance of the Notes, the Village represents that there has been no material adverse change in the financial position or results of operations of the Village, nor has the Village incurred any material liabilities, which would make such financial statements misleading.

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**JOHNSON CREEK**  
Crossroads With A Future

**FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITOR'S REPORT  
For the Year Ended December 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the Village Board  
Village of Johnson Creek  
Johnson Creek, Wisconsin

### *Opinions*

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Johnson Creek, Wisconsin, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Village of Johnson Creek, Wisconsin's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Johnson Creek, Wisconsin, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Johnson Creek, Wisconsin and to meet our other ethical responsibilities, in accordance with 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 these 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 Village of Johnson Creek, Wisconsin's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 Village of Johnson Creek, Wisconsin'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 Village of Johnson Creek, Wisconsin'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 management's discussion and analysis, budgetary comparison information, the Wisconsin Retirement System schedules, and the Local Retiree Life Insurance Fund schedules as identified 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 Village of Johnson Creek, Wisconsin's basic financial statements. The combining non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining non-major financial statements 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 non-major fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Johnson Block and Company, Inc.

Date XX, 2024

The Management's Discussion and Analysis of the Village of Johnson Creek's financial performance provides an overview of the Village's financial activities for the fiscal year ended December 31, 2023. Please read it in conjunction with the Village of Johnson Creek's financial statements.

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**FINANCIAL HIGHLIGHTS**

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Total equalized value of real and personal property in the Village for 2023 is \$546,683,800 of which \$539,255,900 is non-TIF (Tax Incremental Financing) property. Total equalized value in 2022 was \$515,093,200, of which \$499,541,300 was non-TIF property and in 2021 total equalized value was \$441,201,100, of which \$293,569,000 was non-TIF property. Overall equalized value (estimate of the market value of all property) was up \$31,590,600 from 2022 to 2023. Net new construction also increased by \$10,382,100 during the same period according to figures released by the State of Wisconsin Department of Revenue.

Village assets exceeded liabilities by \$33,247,371 at the close of FY 2023, down from \$34,262,788 FY 2022 and \$33,951,231 FY 2021. Of this amount, \$3,615,894 is considered unrestricted, \$1,509,758 is restricted for specific purposes, and \$28,121,719 is invested in capital assets net of related debt.

Net position for business-type activities was \$23,484,927 at the close of FY 2023, down from \$24,113,397 at close of FY 2022 and up from \$24,346,422 at the close of FY 2021. Net position for governmental-type activities was \$9,762,444 at the close of FY 2023, down from \$10,149,391 at the close of FY 2022 and up from \$9,604,809 at the close of FY 2021.

The Village experienced a net decrease of \$1,146,135 in fixed assets during 2023 due to depreciation expense exceeding the new infrastructure and equipment added in the governmental and proprietary funds. Governmental funds fixed assets decreased by \$491,768, while proprietary funds fixed assets decreased by \$654,367.

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**OVERVIEW OF THE FINANCIAL STATEMENTS**

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The Village of Johnson Creek basic financial statements are comprised of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

Other supplementary information in addition to the basic financial statements is provided as required.

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**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

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**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of Village finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all Village assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village of Johnson Creek is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the Village of Johnson Creek that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Governmental activities of the Village include general administration; public safety; public works; health and human services; culture, recreation and education; conservation and development; and debt service. Business-type activities of the Village include a Water Utility and a Sewer Utility.

The government-wide financial statements can be found on pages 1-2 of this report.

**Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Johnson Creek, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

*Governmental Funds* – Used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Additionally, other non-financial factors may need to be considered, such as changes in the Village's property tax base and condition of infrastructure.

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**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

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**Fund Financial Statements (Continued)**

The Village of Johnson Creek maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in the fund balances for the General Fund and Fire/EMS Fund, both of which are considered to be major funds. The Library Fund, Room Tax Fund, ARPA Fund, TIF #4 Fund and Capital Projects Fund are considered non-major funds for which data is shown in a single, aggregated presentation.

The basic governmental fund financial statements are found on pages 3-6 of this report.

The Village of Johnson Creek adopts an annual appropriated budget for the General Fund and various other funds as required by state statute. Budgetary comparison statements, found on pages 52 and 53, have been provided as required supplementary information for the General Fund and Fire/EMS Fund.

*Proprietary Funds* – The Village of Johnson Creek maintains two proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its Water Utility and its Sewer Utility.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Utility and Sewer Utility as both are considered to be major funds of the Village of Johnson Creek.

The basic proprietary fund financial statements are found on pages 7-11 of this report.

*Fiduciary Funds* – Used to account for resources held for the benefit of parties outside the government or for other funds. Fiduciary funds are not reflected in the government-wide financial statements. The only fiduciary fund maintained by the Village is the tax collection fund which records the tax roll and tax collections for other taxing jurisdictions within the Village of Johnson Creek. The accounting used for fiduciary funds is much like that used for governmental funds.

The basic fiduciary fund financial statement can be found on page 12-13 of this report.

**Notes to the Financial Statements**

The notes provide additional information essential to full understanding of data provided in the government-wide and fund financial statements such as a description of the Village's accounting policies and detail of inter-fund balances, restricted cash balances, fixed asset changes and debt service. The notes to the financial statements can be found on pages 14-51 of this report.

VILLAGE OF JOHNSON CREEK  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2023

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**FINANCIAL ANALYSIS OF THE VILLAGE**

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As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Johnson Creek, assets exceeded liabilities by \$33,808,372 at the close of the most recent fiscal year and \$34,262,788 at the close of the prior fiscal year, as presented in the following tables.

<b>Village of Johnson Creek's Net Position</b>						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 6,121,756	\$ 5,937,888	\$ 3,648,511	\$ 4,049,932	\$ 9,770,267	\$ 9,987,820
Capital Assets	11,931,450	12,423,218	22,786,213	23,440,580	34,717,663	35,863,798
Total Assets	18,053,206	18,361,106	26,434,724	27,490,512	44,487,930	45,851,618
Deferred Outflows	1,034,498	765,854	377,312	315,461	1,411,810	1,081,315
Long-Term Liabilities	5,922,142	5,386,168	3,077,081	3,142,533	8,999,223	8,528,701
Other Liabilities	273,077	494,606	63,080	87,870	336,157	582,476
Total Liabilities	6,195,219	5,880,774	3,140,161	3,230,403	9,335,380	9,111,177
Deferred Inflows	3,130,041	3,096,795	186,948	462,173	3,316,989	3,558,968
Net Position:						
Net Investment in Capital Assets	8,251,378	8,446,802	19,870,341	20,368,109	28,121,719	28,814,911
Restricted	704,235	720,320	805,523	620,592	1,509,758	1,340,912
Unrestricted	806,831	982,269	2,809,063	3,124,696	3,615,894	4,106,965
Total Net Positions	\$ 9,762,444	\$ 10,149,391	\$ 23,484,927	\$ 24,113,397	\$ 33,247,371	\$ 34,262,788

The Village of Johnson Creek's net position reflects its investment in capital assets (e.g., land, building, machinery, equipment, and infrastructure), less any related debt used to acquire those assets, as a positive \$28,121,719 compared to \$28,814,911 for the year ended 2022 and \$26,774,392 for the year ended 2021. The Village uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although investment in capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village's net position, \$1,509,758 represents resources subject to external restrictions on how they may be used. These restricted assets include reserves as required by long-term debt requirements, impact fee collections, funds restricted by State law, library trust fund, and other restrictions. The remaining balance of unrestricted net position is \$3,615,894, down from \$4,106,965 in the prior year.

VILLAGE OF JOHNSON CREEK  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2023

DRAFT

**FINANCIAL ANALYSIS OF THE VILLAGE (Continued)**

<b>Village of Johnson Creek's Change in Net Position</b>						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services and fees, fines and costs	\$ 873,118	\$ 720,058	\$ 1,585,587	\$ 1,510,544	\$ 2,458,705	\$ 2,230,602
Operating grants and contributions	367,147	414,474	-	-	367,147	414,474
Capital grants and contributions	8,682	313,939	12,182	4,541	20,864	318,480
<b>General revenues:</b>						
Taxes	2,378,411	4,851,384	-	-	2,378,411	4,851,384
Special Assessments	19,240	48,258	-	-	19,240	48,258
Intergovernmental revenues not restricted to specific programs	310,761	359,780	-	-	310,761	359,780
Unrestricted Interest and Investment Earnings	117,018	48,246	44,458	6,718	161,476	54,964
Miscellaneous	40,121	27,900	7,490	15,485	47,611	43,385
<b>Total Revenues</b>	<b>4,114,498</b>	<b>6,784,039</b>	<b>1,649,717</b>	<b>1,537,288</b>	<b>5,764,215</b>	<b>8,321,327</b>
<b>Expenses:</b>						
General Government	571,638	603,764	-	-	571,638	603,764
Public Safety	1,762,477	1,508,855	-	-	1,762,477	1,508,855
Public Works	1,318,277	1,301,202	-	-	1,318,277	1,301,202
Health and Human Services	8,578	8,452	-	-	8,578	8,452
Culture, Recreation, and Education	518,124	398,215	-	-	518,124	398,215
Conservation & Development	638,186	106,836	-	-	638,186	106,836
Interest on long-term debt	95,957	183,422	-	-	95,957	183,422
Water & Sewer	-	-	2,092,859	2,042,064	2,092,859	2,042,064
<b>Total Expenses</b>	<b>4,913,237</b>	<b>4,110,746</b>	<b>2,092,859</b>	<b>2,042,064</b>	<b>7,006,096</b>	<b>6,152,810</b>
Increase (Decrease) in Net Position before transfers and special items	(798,739)	2,673,293	(443,142)	(504,776)	(1,241,881)	2,168,517
Transfers	185,328	(264,626)	(185,328)	264,626	-	-
Special Items	226,464	(1,864,085)	-	7,125	226,464	(1,856,960)
Increase (Decrease) in Net Position	(386,947)	544,582	(628,470)	(233,025)	(1,015,417)	311,557
Net Position – January 1	10,149,391	9,604,809	24,113,397	24,346,422	34,262,788	33,951,231
Net Position – December 31	<b>\$ 9,762,444</b>	<b>\$ 10,149,391</b>	<b>\$ 23,484,927</b>	<b>\$ 24,113,397</b>	<b>\$ 33,247,371</b>	<b>\$ 34,262,788</b>

Governmental activities decreased the Village of Johnson Creek's net position by \$386,947 and business-type activities decreased the Village's net position by \$628,470 for an overall decrease of net position of \$1,015,417.

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**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

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

**Governmental Funds**

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

Nonspendable fund balance includes funds either not in spendable form or required to be maintained intact. The majority of Village of Johnson Creek funds reported as nonspendable are amounts due from other funds. Restricted fund balance reports funds with restricted uses determined by outside sources such as creditors, grantors or by state law. The Village of Johnson Creek funds reported as restricted include those subject to long-term debt obligations as well as impact fee and room tax collections. Committed fund balance reports resources subject to limitations the government imposes upon itself at its highest level of decision making and that remain binding unless removed in the same manner. The Village of Johnson Creek currently does not report funds in this category. Assigned fund balance reports resources for which the local government has established an intended use. The Village of Johnson Creek's assigned fund balance includes funds designated for future capital expenditures examples of which include computer upgrades, building repairs, park improvements or squad car replacements.

The Village of Johnson Creek's General Fund (the chief operating fund of the Village of Johnson Creek) showed an unassigned fund balance of \$1,078,740 or 30% of the total General Fund's 2024 budgeted expenditures balance, including transfers. This can be compared to the Village's unassigned fund balance of \$780,391 at YE 2022. Total fund balance of the General Fund amounted to \$1,963,153, down from \$2,028,314 YE 2022 and down from \$2,292,767 YE 2021. The decrease in 2023 is primarily due to new capital outlay expenditures incurred and not financed by debt. The Village Board adopted a Fund Balance Policy in 2016 to assign unassigned fund balance in excess of 30% of expenditures. For YE 2023, \$494,397 of assigned fund balance is the excess over 30%.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 36% of total General Fund expenditures, including capital outlay, while total fund balance represents 65% of that same amount.

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**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (Continued)**

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**Proprietary Funds**

The Village of Johnson Creek's reporting on proprietary funds provide the same type of information found in the government-wide financial statements but in more detail.

Unrestricted net position of the Water Utility at the end of the year amounted to \$1,980,246 up from \$1,900,708 in 2022 and \$1,774,981 for the year ended 2021. Unrestricted net position of the Sewer Utility at the end of the year amounted to \$828,817 down from \$1,223,988 in 2022 and \$1,393,839 for the year ended 2021.

**Fiduciary Funds**

The Village of Johnson Creek's reporting on fiduciary funds provides information not reflected in the government-wide financial statements. The only fiduciary fund maintained by the Village is the Tax Collection Fund and is used to account for resources held for other funds or taxing jurisdictions.

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**GENERAL FUND BUDGETARY HIGHLIGHTS**

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In the 2023 budget, total expenditures were under budget by \$100,955, while total revenues collected were \$58,903 more than budgeted and net other financing uses were \$14,882 more than budgeted.

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**FIRE/EMS FUND BUDGETARY HIGHLIGHTS**

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In the 2023 budget, total expenditures were under budget by \$15,345, while total revenues collected were \$58,118 more than budgeted.

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**CAPITAL ASSET AND DEBT ADMINISTRATION**

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**Capital Assets**

The Village of Johnson Creek's investment in capital assets for its governmental and business-type activities as of December 31, 2023, amounts to \$34.7 million (net of accumulated depreciation) down from \$35.9 million at the end of 2022 and down from \$36.2 million for 2021. In years in which there are few major capital purchases and projects, the reason for the steady decline is normal depreciation. Investment in capital assets includes land, buildings, vehicles and equipment, and utility infrastructure.

VILLAGE OF JOHNSON CREEK  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2023

DRAFT

**CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)**

**Capital Assets (Continued)**

<b>Village of Johnson Creek's Capital Assets</b>						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Land	\$ 1,572,352	\$ 1,718,153	\$ 38,982	\$ 38,982	\$ 1,611,334	\$ 1,757,135
Construction Work in Progress	641,254	393,918	891,287	860,430	1,532,541	1,254,348
Land and Construction Work in Progress	2,213,606	2,112,071	930,269	899,412	3,143,875	3,011,483
Buildings & Improvements	4,405,048	4,299,623	1,552,967	1,552,967	5,958,015	5,852,590
Equipment	5,395,502	5,140,226	1,929,559	1,816,269	7,325,061	6,956,495
Infrastructure	24,778,492	24,778,492	31,940,367	31,926,740	56,718,859	56,705,232
Other Capital Assets	34,579,042	34,218,341	35,422,893	35,295,976	70,001,935	69,514,317
Accumulated Depreciation	(24,861,198)	(23,907,194)	(13,566,949)	(12,754,808)	(38,428,147)	(36,662,002)
Other Capital Assets, net of depreciation	9,717,844	10,311,147	21,855,944	22,541,168	31,573,788	32,852,315
<b>Total Capital Assets</b>	<b>\$ 11,931,450</b>	<b>\$ 12,423,218</b>	<b>\$ 22,786,213</b>	<b>\$ 23,440,580</b>	<b>\$ 34,717,663</b>	<b>\$ 35,863,798</b>

Capital asset events during the current fiscal year included the following:

- Park improvements
- Vehicle and equipment purchases
- Gosdeck Bridge design and planning costs
- Sale of land to developer

Additional information on the Village of Johnson Creek's capital assets can be found in Note 9 of this report.

**Long-Term Debt**

At the end of the current fiscal year, the Village of Johnson Creek had total debt outstanding, including unamortized debt premiums and discounts, of \$7.7 million, down from \$8.2 million FY 2022 and \$12.1 million FY 2021. Of this amount, \$5,914,821 comprises debt backed by the full faith and credit of the government. This amount is down from \$6,300,393 in 2022 and up from \$5,286,821 in 2021. The remainder of the Village of Johnson Creek's debt represents bonds secured solely by specified revenue sources.

VILLAGE OF JOHNSON CREEK  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2023

DRAFT

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**CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)**

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**Long-Term Debt (Continued)**

<b>Village of Johnson Creek's Outstanding Debt</b>						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
General Obligation Debt	\$ 4,684,821	\$ 5,010,393	\$ 1,230,000	\$ 1,290,000	\$ 5,914,821	\$ 6,300,393
Revenue Bonds	-	-	1,685,872	1,782,471	1,685,872	1,782,471
<b>Total Debt Outstanding</b>	<b>\$ 4,684,821</b>	<b>\$ 5,010,393</b>	<b>\$ 2,915,872</b>	<b>\$ 3,072,471</b>	<b>\$ 7,600,693</b>	<b>\$ 8,082,864</b>

State statutes limit the amount of general obligation debt a governmental entity may issue to five percent of its total equalized valuation. The Village's current outstanding general obligation debt of \$5,914,821 is 21.6% of its \$27.3 million debt limitation, down from 24.5% FY 2022. This is attributed to minimal new debt issued in 2023, the increase in equalized value, and the ongoing debt payments each year.

Additional information on the Village of Johnson Creek's long-term debt can be found in Note 11 of this report.

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**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

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2023 State of Wisconsin estimates indicate the current Johnson Creek population is 3,398. The most recent US Census (2020) results showed a 21.18% increase in population from 2010 to 2020.

Residential construction contributed to 13 new single-family residential buildings permits being issued with an estimated value of \$3,509,891. One new commercial building was constructed in 2023 (medical clinic/office building) with an estimated value of \$2,200,000 and approximately \$1,640,000 in commercial or industrial remodels and additions.

Assessed valuation of properties in the Village in 2023 was \$500,060,200 including properties in the TIF districts, an increase of \$9,372,500. Equalized valuation (the State of Wisconsin's estimate of the market value of property) increased by \$31,590,600 to \$546,683,800. The ratio of equalized to assessed values as determined by the State of Wisconsin was 91.53%.

Village water rates have been in effect since 1997 and a simplified rate case was completed in 2020, increasing rates by three percent. Subsequent to the 2023 fiscal year, the Village applied for a simplified rate case. This will result in a 4.1% increase in water usage rates beginning with usage on and after June 28, 2024. The Village Board also approved a phase-in rate increase for the sewer utility of 16%. The first increase of 8% is effective with usage on and after June 28, 2024 in conjunction with the simplified water rate increase. The second increase of 8% is effective one year later (June, 2025).

VILLAGE OF JOHNSON CREEK  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2023

DRAFT

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**REQUEST FOR INFORMATION**

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Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to:

Elissa Friedl, Clerk/Treasurer  
Village of Johnson Creek  
125 Depot St.  
P.O. Box 238  
Johnson Creek, Wisconsin 53038  
(920) 699-2296  
[elissaf@vi.johnsoncreek.wi.gov](mailto:elissaf@vi.johnsoncreek.wi.gov)

# DRAFT

REQUIRED SUPPLEMENTARY INFORMATION

Statement of Net Position  
December 31, 2023

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,809,271	\$ 2,641,430	\$ 6,450,701
Investments	170,533	-	170,533
Receivables			
Taxes	1,740,079	-	1,740,079
Accounts, net	276,221	147,166	423,387
Interest	-	594	594
Internal Balances	(1,620)	1,620	-
Inventories	-	39,613	39,613
Prepaid Expenses	1,179	12,565	13,744
Other Assets	4,244	-	4,244
Restricted Assets			
Restricted Cash and Investments	121,849	805,523	927,372
Capital Assets			
Land and Construction in Progress	2,213,606	930,269	3,143,875
Other Capital Assets, Net of Depreciation	9,717,844	21,855,944	31,573,788
Total Capital Assets	<u>11,931,450</u>	<u>22,786,213</u>	<u>34,717,663</u>
Total Assets	<u>18,053,206</u>	<u>26,434,724</u>	<u>44,487,930</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension Outflows	999,672	310,686	1,310,358
Deferred OPEB Outflows	34,826	10,823	45,649
Unamortized Loss on Debt Defeasance	-	55,803	55,803
Total Deferred Outflows of Resources	<u>1,034,498</u>	<u>377,312</u>	<u>1,411,810</u>
 Total Assets and Deferred Outflows of Resources	 <u>\$ 19,087,704</u>	 <u>\$ 26,812,036</u>	 <u>\$ 45,899,740</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 99,986	\$ 35,111	\$ 135,097
Accrued Expenses	141,656	15,547	157,203
Accrued Interest Payable	31,435	12,422	43,857
Long-Term Liabilities			
Due Within One Year	491,676	168,405	660,081
Due in More Than One Year	5,109,291	2,808,857	7,918,148
Net Pension Liability	264,056	82,066	346,122
Net OPEB Liability	57,119	17,753	74,872
Total Liabilities	<u>6,195,219</u>	<u>3,140,161</u>	<u>9,335,380</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2023 Tax Levy	2,528,514	-	2,528,514
Deferred Pension Inflows	557,301	173,203	730,504
Deferred OPEB Inflows	44,226	13,745	57,971
Total Deferred Inflows of Resources	<u>3,130,041</u>	<u>186,948</u>	<u>3,316,989</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	8,251,378	19,870,341	28,121,719
Restricted:			
Developer Fees	3,622	-	3,622
Tree Planting	6,592	-	6,592
Library	231,159	-	231,159
Impact Fees	86,506	51,178	137,684
Room Tax	376,356	-	376,356
Debt Service Redemption	-	10,828	10,828
Equipment Replacement	-	743,517	743,517
Unrestricted	806,831	2,809,063	3,615,894
Total Net Position	<u>9,762,444</u>	<u>23,484,927</u>	<u>33,247,371</u>
 Total Liabilities, Deferred Inflows of Resources, and Net Position	 <u>\$ 19,087,704</u>	 <u>\$ 26,812,036</u>	 <u>\$ 45,899,740</u>

See accompanying notes to the basic financial statements.

Village of Johnson Creek  
Johnson Creek, Wisconsin

Statement of Activities  
For the Year Ended December 31, 2023

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities</b>						
General Government	\$ 571,638	\$ -	\$ -	\$ (449,451)	\$ -	\$ (449,451)
Public Safety	1,762,477	75,360	-	(976,056)	-	(976,056)
Public Works	1,318,277	160,496	-	(1,149,895)	-	(1,149,895)
Health and Human Services	8,578	-	-	(8,578)	-	(8,578)
Culture, Recreation, and Education	518,124	72,350	8,682	(419,848)	-	(419,848)
Conservation and Development	638,186	58,941	-	(564,505)	-	(564,505)
Interest on Long-term Debt	95,957	-	-	(95,957)	-	(95,957)
Total Governmental Activities	4,913,237	367,147	8,682	(3,664,290)	-	(3,664,290)
<b>Business-type Activities</b>						
Water	664,662	-	8,881	-	\$ 43,018	\$ 43,018
Sewer	1,428,197	-	3,301	-	(538,108)	(538,108)
Total Business-type Activities	2,092,859	-	12,182	-	(495,090)	(495,090)
Total Governmental and Business-Type Activities	\$ 7,006,096	\$ 367,147	\$ 20,864	(3,664,290)	(495,090)	(4,159,380)
<b>General Revenues:</b>						
<b>Taxes:</b>						
Property taxes				2,198,362	-	2,198,362
Other taxes				180,049	-	180,049
Special assessments				19,240	-	19,240
Shared taxes from state				310,761	-	310,761
Interest income				117,018	44,458	161,476
Miscellaneous				40,121	7,490	47,611
Special item - Gain on sale of asset				226,464	-	226,464
Transfers				185,328	(185,328)	-
Total general revenues, transfers and special item				3,277,343	(133,380)	3,143,963
Change in net position				(386,947)	(628,470)	(1,015,417)
Net position - Beginning				10,149,391	24,113,397	34,262,788
Net position - Ending				\$ 9,762,444	\$ 23,484,927	\$ 33,247,371

See accompanying notes to the basic financial statements.

Village of Johnson Creek  
Johnson Creek, Wisconsin

Balance Sheet  
Governmental Funds  
December 31, 2023

	<u>General Fund</u>	<u>Fire/EMS Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 2,612,951	\$ 376,872	\$ 819,448	\$ 3,809,271
Investments	-	-	170,533	170,533
Receivables:				
Taxes	1,626,505	-	100,412	1,726,917
Delinquent Personal Property Taxes	13,162	-	-	13,162
Accounts	31,375	-	26,583	57,958
Developer Loan	107,143	-	-	107,143
Other, Net	1,289	109,831	-	111,120
Other Assets	4,244	-	-	4,244
Prepaid Expenses	1,179	-	-	1,179
Restricted Cash	96,720	-	25,129	121,849
Advances Receivable	150,700	-	-	150,700
Total Assets	<u>\$ 4,645,268</u>	<u>\$ 486,703</u>	<u>\$ 1,142,105</u>	<u>\$ 6,274,076</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 76,484	\$ 22,323	\$ 1,179	\$ 99,986
Accrued Liabilities	113,197	22,315	5,263	140,775
Advances Payable	-	-	150,700	150,700
Due to Other Funds	1,620	-	-	1,620
Payable to Other Governments	881	-	-	881
Total Liabilities	<u>192,182</u>	<u>44,638</u>	<u>157,142</u>	<u>393,962</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>2,489,933</u>	<u>59,376</u>	<u>147,194</u>	<u>2,696,503</u>
<b>FUND BALANCES</b>				
Nonspendable	169,285	-	-	169,285
Restricted	96,720	-	607,515	704,235
Assigned	618,408	382,689	404,453	1,405,550
Unassigned (Deficit)	1,078,740	-	(174,199)	904,541
Total Fund Balances	<u>1,963,153</u>	<u>382,689</u>	<u>837,769</u>	<u>3,183,611</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,645,268</u>	<u>\$ 486,703</u>	<u>\$ 1,142,105</u>	<u>\$ 6,274,076</u>

See accompanying notes to the basic financial statements.

**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
December 31, 2023**

Total fund balance, governmental funds	\$ 3,183,611
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	11,931,450
Fire and EMS charges and other fees are reported as revenue in the Statement of Net Position when earned, but they are recorded as deferred inflows of resources in the fund financial statements.	60,846
Developer loan receivables set up for installment are reported as revenue in the Statement of Net Position when earned, but they are recorded as deferred inflows of resources in the fund financial statements.	107,143
The net pension liability is not a current financial obligation and is, therefore, not reported in the fund financial statements.	(264,056)
The net OPEB liability is not a current financial obligation and is, therefore, not reported in the fund financial statements.	(57,119)
Pension and OPEB deferred outflows of resources and deferred inflows of resources are actuarially determined by the defined benefit pension and OPEB plans. These items are reflected in the Statement of Net Position and are being amortized with pension and OPEB expense in the Statement of Activities. The deferred outflows of resources and deferred inflows of resources are not financial resources or uses and therefore are not reported in the fund statements.	
Deferred outflows of resources	1,034,498
Deferred inflows of resources	(601,527)
Some liabilities (such as General Obligation Debt and Accrued Interest) are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.	
Accrued Interest	(31,435)
Long-term Debt - Current portion	(491,676)
Long-term Debt	(4,193,145)
Unamortized Debt Premium	(121,691)
Developer Commitments	(561,000)
Compensated Absences	(233,455)
Total	<u>(5,632,402)</u>
Net Position of Governmental Activities in the Statement of Net Position	\$ <u>9,762,444</u>

See accompanying notes to the basic financial statements.

Village of Johnson Creek  
Johnson Creek, Wisconsin

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
Governmental Funds  
For the Year Ended December 31, 2023

	General Fund	Fire/EMS Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 2,169,350	\$ -	\$ -	\$ 2,169,350
Other Taxes	40,029	-	170,102	210,131
Special Assessment Revenue	19,240	-	-	19,240
Intergovernmental	534,408	71,150	72,350	677,908
License and Permits	157,291	-	-	157,291
Fines, Forfeits and Penalties	57,574	-	649	58,223
Public Charges for Services	50,662	284,166	-	334,828
Intergovernmental Charges for Services	-	259,285	-	259,285
Interest and Investment Income	59,131	28,607	28,298	116,036
Miscellaneous Income	70,944	53,753	13,498	138,195
Total Revenues	3,158,629	696,961	284,897	4,140,487
<b>EXPENDITURES</b>				
Current:				
General Government	440,497	91,043	14,908	546,448
Public Safety	744,075	811,575	-	1,555,650
Public Works	534,046	-	-	534,046
Health and Human Services	8,578	-	-	8,578
Culture, Recreation and Education	159,379	-	251,537	410,916
Conservation and Development	48,558	-	26,012	74,570
Capital Outlay	644,587	20,486	-	665,073
Debt Service:				
Principal Repayment	343,227	147,889	-	491,116
Interest Expense	93,756	12,516	-	106,272
Total Expenditures	3,016,703	1,083,509	292,457	4,392,669
Excess (Deficiency) of Revenues Over Expenditures	141,926	(386,548)	(7,560)	(252,182)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Village Property	372,265	-	-	372,265
Proceeds from Long-Term Debt	165,544	-	-	165,544
Transfers In	282,586	432,079	595,403	1,310,068
Transfers Out	(1,027,482)	(2,318)	(94,940)	(1,124,740)
Total Other Financing Sources and Uses	(207,087)	429,761	500,463	723,137
Net Change in Fund Balances	(65,161)	43,213	492,903	470,955
Fund Balances - Beginning	2,028,314	339,476	344,866	2,712,656
Fund Balances - Ending	\$ 1,963,153	\$ 382,689	\$ 837,769	\$ 3,183,611

See accompanying notes to the basic financial statements.

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to  
the Statement of Activities  
For the Year Ended December 31, 2023**

Net change in fund balances - total governmental funds: \$ 470,955

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

This is the amount of capital outlays (\$654,168) net of depreciation (\$1,000,135) in the current period. (345,967)

Gain on disposal of capital asset, net trade-in value received (145,801)

Governmental funds record charges and fees revenue when available and collectible. In contrast, such revenues are reported in the Statement of Activities when earned. This represents charges and fees revenue accrued on the government-wide statements but not on the fund statements. (25,988)

Governmental funds report debt proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount of \$165,544 in debt proceeds during the year, net of principal payments of \$491,116. 325,572

Proceeds from bond premiums are recorded as current financial resources in the fund statements. In contrast, the Statement of Activities treats premiums as a liability and amortized and recognized over the life of the issuance. This is the net activity during the current year. 7,158

This is the amount of current year developer commitments reported as an accrued liability. (561,000)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Change in accrued interest not reflected on governmental funds 3,157

Change in compensated absences not reflected on governmental funds (60,573)

Pension and OPEB expenses reported in the governmental funds represents current year required contributions into the defined benefit pension and OPEB plans. Pension and OPEB expenses in the Statement of Activities are actuarially determined by the defined benefit pension and OPEB plans as the differences between the net pension liability and net OPEB liability (asset) from the prior year to the current year, with some adjustments. (54,460)

Change in net position of governmental activities \$ (386,947)

See accompanying notes to the basic financial statements.

Village of Johnson Creek  
Johnson Creek, Wisconsin

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Statement of Net Position  
Proprietary Funds  
December 31, 2023

	<u>Enterprise Funds</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 1,863,112	\$ 778,318	\$ 2,641,430
Receivables			
Interest	296	298	594
Accounts	47,744	99,422	147,166
Due from Other Funds	635	985	1,620
Inventories	39,613	-	39,613
Prepaid Expenses	3,033	9,532	12,565
Total Current Assets	<u>1,954,433</u>	<u>888,555</u>	<u>2,842,988</u>
Restricted Assets:			
Restricted Cash and Cash Equivalents	42,876	762,647	805,523
Total Restricted Assets	<u>42,876</u>	<u>762,647</u>	<u>805,523</u>
Capital Assets:			
Land	21,004	17,978	38,982
Construction Work in Progress	860,430	30,857	891,287
Other Capital Assets	10,804,075	24,618,818	35,422,893
Less Accumulated Depreciation	<u>(3,556,313)</u>	<u>(10,010,636)</u>	<u>(13,566,949)</u>
Net Capital Assets	<u>8,129,196</u>	<u>14,657,017</u>	<u>22,786,213</u>
Total Assets	<u>10,126,505</u>	<u>16,308,219</u>	<u>26,434,724</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized Loss on Debt Defeasance	55,803	-	55,803
Deferred Pension Outflows	143,484	167,202	310,686
Deferred OPEB Outflows	4,998	5,825	10,823
Total Deferred Outflows of Resources	<u>204,285</u>	<u>173,027</u>	<u>377,312</u>
Total Assets and Deferred Outflows of Resources	<u>\$10,330,790</u>	<u>\$ 16,481,246</u>	<u>\$ 26,812,036</u>

See accompanying notes to the basic financial statements.

Village of Johnson Creek  
Johnson Creek, Wisconsin

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Statement of Net Position  
Proprietary Funds  
December 31, 2023

	<u>Enterprise Funds</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	\$ 8,741	\$ 26,370	\$ 35,111
Accrued Liabilities	6,599	8,948	15,547
Accrued Interest Payable	-	12,422	12,422
Current Portion of Long-Term Liabilities:			
Revenue Bonds Payable	-	168,405	168,405
Total Current Liabilities	<u>15,340</u>	<u>216,145</u>	<u>231,485</u>
Non-Current Liabilities:			
Long-Term Debt			
Revenue Bonds Payable	-	2,747,467	2,747,467
Total Long-Term Debt	<u>-</u>	<u>2,747,467</u>	<u>2,747,467</u>
Total Non-Current Liabilities	<u>-</u>	<u>2,747,467</u>	<u>2,747,467</u>
Other Liabilities:			
Compensated Absences	30,695	30,695	61,390
Net Pension Liability	37,900	44,166	82,066
Net OPEB Liability	8,199	9,554	17,753
Total Other Liabilities	<u>76,794</u>	<u>84,415</u>	<u>161,209</u>
Total Liabilities	<u>92,134</u>	<u>3,048,027</u>	<u>3,140,161</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Pension Inflows	79,990	93,213	173,203
Deferred OPEB Inflows	6,348	7,397	13,745
Total Deferred Inflows of Resources	<u>86,338</u>	<u>100,610</u>	<u>186,948</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	8,129,196	11,741,145	19,870,341
Restricted:			
Impact Fees	42,876	8,302	51,178
Debt Service Redemption	-	10,828	10,828
Equipment Replacement	-	743,517	743,517
Unrestricted	<u>1,980,246</u>	<u>828,817</u>	<u>2,809,063</u>
Total Net Position	<u>10,152,318</u>	<u>13,332,609</u>	<u>23,484,927</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 10,330,790</u>	<u>\$ 16,481,246</u>	<u>\$ 26,812,036</u>

See accompanying notes to the basic financial statements.

**Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended December 31, 2023**

	<u>Enterprise Funds</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 690,951	\$ 883,646	\$ 1,574,597
Other Operating Revenues	7,848	3,142	10,990
Total Operating Revenues	<u>698,799</u>	<u>886,788</u>	<u>1,585,587</u>
<b>OPERATING EXPENSES</b>			
Operation and Maintenance	429,503	730,219	1,159,722
Depreciation	221,209	622,308	843,517
Total Operating Expenses	<u>650,712</u>	<u>1,352,527</u>	<u>2,003,239</u>
Operating Income (Loss)	<u>48,087</u>	<u>(465,739)</u>	<u>(417,652)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest and Investment Revenue	23,905	20,553	44,458
Miscellaneous Non-Operating Revenue	7,216	274	7,490
Interest Expense	-	(75,670)	(75,670)
Amortization Expense	(13,950)	-	(13,950)
Total Non-Operating Revenues (Expenses)	<u>17,171</u>	<u>(54,843)</u>	<u>(37,672)</u>
Income (Loss) Before Capital Contributions, Transfers, and Special Items	65,258	(520,582)	(455,324)
Capital Contributions	8,881	3,301	12,182
Transfers Out	<u>(181,530)</u>	<u>(3,798)</u>	<u>(185,328)</u>
Change in Net Position	(107,391)	(521,079)	(628,470)
Total Net Position - Beginning	<u>10,259,709</u>	<u>13,853,688</u>	<u>24,113,397</u>
Total Net Position - Ending	<u>\$ 10,152,318</u>	<u>\$ 13,332,609</u>	<u>\$ 23,484,927</u>

See accompanying notes to the basic financial statements.

**Village of Johnson Creek  
Johnson Creek, Wisconsin**

# DRAFT

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2023**

	<b>Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<u>Cash Flows from Operating Activities:</u>			
Receipts from customers	\$ 698,235	\$ 880,238	\$ 1,578,473
Payments to suppliers	(198,109)	(501,109)	(699,218)
Payments to employees	(210,625)	(239,509)	(450,134)
Taxes paid	(177,732)	-	(177,732)
Net cash provided (used) by operating activities	111,769	139,620	251,389
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and construction of plant assets	(84,488)	(102,062)	(186,550)
Capital contributions - impact fees	8,081	1,501	9,582
Principal payments on long-term debt	-	(156,599)	(156,599)
Interest paid	-	(75,670)	(75,670)
Net cash provided (used) by capital and related financing activities	(76,407)	(332,830)	(409,237)
<u>Cash Flows from Investing Activities:</u>			
Interest income	23,905	20,553	44,458
Net cash provided (used) by investing activities	23,905	20,553	44,458
Net increase (decrease) in cash and equivalents	59,267	(172,657)	(113,390)
<u>Cash and Equivalents, Beginning of Year</u>	1,846,721	1,713,622	3,560,343
<u>Cash and Equivalents, End of Year</u>	\$ 1,905,988	\$ 1,540,965	\$ 3,446,953
<u>Reconciliation to Statement of Net Position:</u>			
Current cash and cash equivalents	\$ 1,863,112	\$ 778,318	\$ 2,641,430
Restricted cash and cash equivalents	42,876	762,647	805,523
Cash and Equivalents, End of Year	\$ 1,905,988	\$ 1,540,965	\$ 3,446,953

See accompanying notes to the basic financial statements.

**Village of Johnson Creek  
Johnson Creek, Wisconsin**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2023**

	<b>Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>			
Operating Income (Loss)	\$ 48,087	\$ (465,739)	\$ (417,652)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Miscellaneous	3,418	(3,524)	(106)
Tax equivalent transfer	(177,732)	-	(177,732)
Joint meter allocation	7,562	(7,562)	-
Depreciation	221,209	622,308	843,517
Pension expense	8,026	9,274	17,300
OPEB expense (revenue)	589	707	1,296
Lease	4,656	-	4,656
Changes in Assets and Liabilities:			
Customer accounts receivable	(268)	(6,252)	(6,520)
Taxes receivable	(296)	(298)	(594)
Due from/to other funds	24	312	336
Prepayments	296	(3,702)	(3,406)
Accounts payable	(12,774)	(4,370)	(17,144)
Accrued liabilities	8,972	10,037	19,009
Accrued interest	-	(11,571)	(11,571)
Net cash provided (used) by operating activities	\$ 111,769	\$ 139,620	\$ 251,389
<b>Noncash Capital and Related Financing</b>			
Plant contributed by Developer	\$ 800	\$ 1,800	\$ 2,600

See accompanying notes to the basic financial statements.

**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2023**

	<b>Tax Custodial Fund</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 2,640,862
Receivables:	
Taxes Receivable	5,665,252
Total Assets	<u>\$ 8,306,114</u>
<b>LIABILITIES</b>	
Due to Other Governments	\$ 8,306,114
Total Liabilities	<u>\$ 8,306,114</u>

See accompanying notes to the basic financial statements.

Village of Johnson Creek  
Johnson Creek, Wisconsin

Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended December 31, 2023

	<u>Tax Custodial Fund</u>
<b>ADDITIONS</b>	
Property tax collections for other governments	\$ 6,247,821
Total additions	<u>6,247,821</u>
<b>DEDUCTIONS</b>	
Payments of taxes to other governments	<u>6,247,821</u>
Total deductions	<u>6,247,821</u>
Net increase (decrease) in fiduciary net position	-
Net position - Beginning	-
Net position - Ending	<u>\$ -</u>

See accompanying notes to the basic financial statements.

## 1. Nature of Operations

The Village of Johnson Creek (“Village”) is a local government municipality incorporated under the Wisconsin State Statutes as a village. The Village provides the following services to its residents: water service, sewer service, police, fire and EMS, public works, parks, library, administration and others.

## 2. Summary of Significant Accounting Policies

The accounting policies of the Village conform to accounting principles generally accepted in the United States as established by the Governmental Accounting Standards Board (“GASB”). The Village grants credit to its customers, substantially all of whom are its utility customers, its residents or other municipalities.

The following is a summary of the more significant policies:

### A. Reporting Entity

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

#### *Community Development Authority*

This report includes the Community Development Authority (“CDA”) as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the board of the Village of Johnson Creek. The CDA meets the criteria of a component unit of the Village. The CDA was included as a blended component unit because it provides services exclusively, or almost exclusively, to the Village. The CDA itself did not have any financial transactions other than the issuance of CDA debt, which were fully paid off in 2022. The CDA activity was blended with the TIF districts.

### B. Government-Wide and Fund Financial Statements

#### Government-Wide Statements

The Statement of Net Position and the Statement of Activities present financial information about the Village’s governmental and business type activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. These statements distinguish between the governmental and business-type activities of the Village. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in part by the fees charged to external parties.

**2. Summary of Significant Accounting Policies (Continued)**

**B. Government-Wide and Fund Financial Statements (Continued)**

**Government-Wide Statements (Continued)**

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

**Fund Financial Statements**

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

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

1. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
2. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

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

The Village reports the following major funds:

- General Fund
- Fire/EMS Fund
- Water Fund
- Sewer Fund

## 2. Summary of Significant Accounting Policies (Continued)

### B. Government-Wide and Fund Financial Statements (Continued)

The following fund types are used by the Village:

#### **Governmental Fund Types**

##### *General Fund*

The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

##### *Special Revenue Funds*

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains seven such funds:

- TIF #4 – This fund is specifically funded for community improvements within a specific Tax Incremental Financing District (“TIF”). The Village currently maintains one TIF.
- Fire/EMS Fund – This fund is specifically funded for operating and maintaining the Fire and EMS Department.
- Room Tax Fund – This fund is specifically funded by hotel tax revenues and the related expenditures.
- Library Fund – This fund is specifically funded for operating and maintaining the Village library.
- APRA Fund – This fund is specifically funded for tracking the American Rescue Plan Act (“ARPA”) funding received by the Village.

##### *Capital Projects Funds*

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). The Village maintains one such fund:

- Capital Project Fund

#### **Proprietary Fund Types**

##### *Enterprise Funds*

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private enterprises - where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**2. Summary of Significant Accounting Policies (Continued)**

**B. Government-Wide and Fund Financial Statements (Continued)**

**Proprietary Fund Types (Continued)**

*Enterprise Funds (Continued)*

The Village maintains two enterprises funds as listed below:

- Water Fund – This fund represents the self-sustaining activity of water service provided to the Village residences and businesses. The Water Fund is a regulated municipal utility and operates under service rules which are established by the Public Service Commission of Wisconsin (“PSC”). The accounting records are maintained in accordance with the uniform system of accounts prescribed by the PSC.
- Sewer Fund – This fund represents the self-sustaining activity of sewer service provided to the Village residences and businesses. The Sewer Fund is a non-regulated municipal utility which operates under service rules established by the Village Board.

**Fiduciary Fund Type**

Fiduciary funds consist of pension (and other employee benefit) trust funds, private-purpose trust funds, investment trust funds, and custodial funds. Fiduciary funds should be used only to report resources held for individuals, private organizations, or other governments. A fund is presented as a fiduciary fund when all of the following criteria are met: a) The government *controls* the assets that finance the activity, b) Assets are *not* generated from the *government’s own-source revenues* or from government-mandated or voluntary nonexchange transactions, and c) Assets are administered through a *qualifying trust* or the government does *not* have *administrative involvement* and the assets are *not* generated from the *government’s delivery of goods or services* to the beneficiaries, *or* the assets are for the benefit of *entities that are not part of the government’s reporting entity*.

The Village reports the following fiduciary funds:

Custodial Funds – Used to account for assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. The Village accounts for tax collections payable to overlying taxing jurisdictions in a custodial fund.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Measurement focus refers to what is being measured, basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

**2. Summary of Significant Accounting Policies (Continued)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**Government-Wide Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the Village gives or receives value without directly receiving or giving equal value in exchange, include grants, entitlements and donations. On an accrual basis, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Village's Water and Sewer Utilities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**Fund Financial Statements**

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Village considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

Intergovernmental aids and grants are recognized as revenues in the period the Village is entitled to the resources and the amounts are available. Amounts owed to the Village, which are not available, are recorded as receivables and deferred inflows of resources. Amounts received prior to the entitlement period are also recorded as deferred inflows of resources.

**2. Summary of Significant Accounting Policies (Continued)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**Fund Financial Statements (Continued)**

Special assessments are recognized as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred inflows of resources. Delinquent special assessments being held for collection by the county are reported as receivables and nonspendable fund balance in the General Fund.

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

The Village reports deferred inflows of resources on its balance sheet. Deferred inflows of resources arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred inflows of resources also arise when resources are received before the Village has a legal claim to them, as when grant monies are received prior to the period in which the funds are first permitted to be used. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the deferred inflow of resources is removed from the balance sheet and revenue is recognized. Resources that are received prior to incurring qualifying expenditures are reported as a liability and recognized as revenue in subsequent periods when eligibility requirements have been met.

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

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 expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**D. Assets, Liabilities, and Net Position or Equity**

**Deposits and Investments**

The Village is required to invest its funds in accordance with Section 66.04(2) of the Wisconsin Statutes. Such statute authorizes the Village to invest any of its funds not immediately needed in:

- (1) Deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in this State.
- (2) Bonds or securities issued or guaranteed as to principal and interest by the federal government, or by a commission, board or other instrumentality of the federal government.
- (3) Bonds or securities of any county, drainage district, VTAE district, village, city, town, or school district of this State.

**2. Summary of Significant Accounting Policies (Continued)**

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**Deposits and Investments (Continued)**

- (4) Any security which matures or which 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 Investor Service or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating.
- (5) Bonds or securities issued under the authority of the municipality.
- (6) The local government pooled-investment fund as established under Section 25.50 of the Wisconsin Statutes.
- (7) Agreements in which a public depository agrees to repay funds advanced to it by the Village plus interest, if the agreement is secured by bonds or securities issued or guaranteed as to principal and interest by the federal government.
- (8) Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- (9) Repurchase agreements with public depositories, with certain conditions.
- (10) Bonds issued by the University of Wisconsin Hospital and Clinics Authority, the Wisconsin Aerospace Authority, a local exposition district, a local professional baseball park district, a local professional football stadium district, or a local cultural arts district.

The Village has pooled the cash resources of its funds in order to maximize investment opportunities. Each fund's portion of total cash and investments is reported as cash and cash equivalents/investments by the Village's individual major funds, and in the aggregate for non-major and custodial funds.

All deposits of the Village are made in board designated official depositories. The Village may designate, as an official depository, any bank or savings association. Also, the Village may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

See Note 3 for additional information.

**Temporary Cash Investments**

Temporary cash investments consist of certificates of deposit with local banks. These are stated at cost, which approximates market value.

**Enterprise Funds Statement of Cash Flows**

For purposes of the statement of cash flows, for the enterprise funds, all money market deposits and time deposits with original maturities of three months or less are considered cash equivalents. Any cash investment with an original maturity of over three months and less than one year is reported as temporary cash investments. Restricted assets have been considered cash equivalents.

**2. Summary of Significant Accounting Policies (Continued)**

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**Property Taxes**

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

Property tax calendar – 2023 tax roll:

Lien date and levy date	January 1, 2024
Tax bills mailed	December, 2023
Payment in full, or	January 31, 2024
First installment due	January 31, 2024
Second installment due	July 31, 2024
Personal property taxes due in full	January 31, 2024

**Accounts Receivable**

The Village’s management charges off all general accounts considered to be uncollectable prior to year end. The Village had an allowance for uncollectible accounts in 2023 as follows:

Fire/EMS Fund	\$41,373
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**Inventory**

Inventory is valued at the lower of cost or market.

**Capital Assets**

*Fund Financial Statements*

General fixed assets acquired for governmental purposes are recorded as current year expenditures in the governmental funds. Capital outlay items in the enterprise funds are recorded as fixed assets on the appropriate statement of net position.

Accounting principles generally accepted in the United States of America do not require depreciation to be recorded on capital assets for governmental fund financial reporting.

**2. Summary of Significant Accounting Policies (Continued)**

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**Capital Assets (Continued)**

*Government-Wide Statements*

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and for infrastructure assets, and an estimated useful life in excess of 2 years for general capital assets and for infrastructure assets. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets are recorded at original cost, which includes material, labor, and overhead.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, while accumulated depreciation is reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of assets is as follows:

Buildings	40 Years
Improvements	10-35 Years
Equipment	3-10 Years
Infrastructure	25-50 Years

**Compensated Absences**

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements. The amount of accumulated sick leave that will not be repaid with expendable available resources is not material to these financial statements.

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

In accordance with Village policies, employees may not carry over vacation, other than a select number of employees, or personal time if unused at year end. Employees may accumulate sick leave, to specified maximum amounts, and then convert the accumulated sick leave to paid health care benefits upon retirement.

**Long-Term Obligations/Conduit Debt**

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

**2. Summary of Significant Accounting Policies (Continued)**

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**Long-Term Obligations/Conduit Debt (Continued)**

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds and notes payable. Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as “Other Financing Sources” and payment of principal and interest reported as “Expenditures.” The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

The Village may approve the issuance of industrial revenue bonds (“IRB”) for the benefit of private business enterprises. IRB’s are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the Village. Accordingly, the bonds would not be reported as liabilities in the accompanying financial statements. There are no IRB’s outstanding at year-end.

**Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenditure) until then. The Village has three items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until then. The Village has three items that qualify for reporting in this category.

**Equity Classifications**

*Government-Wide Statements*

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

1. Net Investment of Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted – Consists of net position with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, (b) law through constitutional provisions or enabling legislation.
3. Unrestricted – All other net position that does not meet the definition of “restricted” or “net investment of capital assets.”

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

**2. Summary of Significant Accounting Policies (Continued)**

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**Equity Classifications (Continued)**

*Fund Financial Statements*

Government fund equity is classified as fund balance.

In the fund financial statements, governmental fund balance is presented in five possible categories:

1. Nonspendable – Resources which cannot be spent because they are either (a) not in spendable form; or (b) legally or contractually required to be maintained intact.
2. Restricted – Resources with constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
3. Committed – Resources which are subject to limitation the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner.
4. Assigned – Resources neither restricted nor committed for which a government has a stated intended use as established by the Village Board or a body or official to which the Village Board has delegated the authority to assign amounts for specific purposes.
5. Unassigned – Resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

When restricted and other fund balance resources are available for use, it is the Village's policy to use restricted resources first, followed by committed, assigned, and unassigned amounts, respectively.

Any excess of revenues and other financing sources over expenditures and other financing uses at the end of the fiscal year will be added to the fund balance. The Village will work to achieve and then maintain an unreserved balance in the General Fund to provide for unanticipated expense of a non-recurring nature. It is the goal of the Village to achieve and maintain a General Fund unassigned fund balance at a minimum of 25% of the ensuing year's budgeted General Fund expenditures. It shall be used for either working capital, to help cover revenue shortfalls, unanticipated emergency expenditures, stabilize the tax rate, and provide liquidity. An amount in excess of 30% is to be considered for assignment.

The Village's long-term goal for fund balance is to achieve and then maintain a General Fund balance that would alleviate the need to borrow short-term for operational cash flow needs. The General Fund balance shall not be used for recurring costs in the operating budget.

**2. Summary of Significant Accounting Policies (Continued)**

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**Utility Rates**

Current water rates were approved by the Village and the Public Service Commission of Wisconsin (“PSC”) and effective August 2020. Current sewer rates were approved by the Village and effective May 2023.

**Claims and Judgments**

Claims and judgments are recorded as liabilities if all the conditions of GASB pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, a liability is recorded in the government-wide financial statements. The related expenditure is recognized with the liability and is liquidated.

There were no significant claims or judgments at year end that were not covered by insurance.

**Pensions**

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

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

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

**Other Postemployment Benefits**

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

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

**2. Summary of Significant Accounting Policies (Continued)**

**E. Limitations on the Village’s Tax Levy**

The State has passed current legislation that limits the Village’s future tax levies. Generally, the Village is limited to its prior tax levy dollar amount (excluding TIF districts), increased by the greater of the percentage change in the Village’s equalized value due to new construction, or 0% for the 2022-2023 tax year. Changes in debt service from one year to the next are generally exempt from this limit.

**F. Change in Accounting Principle**

Effective January 1, 2023, the Village adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements (“SBITA”). The Village determines if an arrangement contains a SBITA at inception based on whether the Village has the right to control the information technology during the contract period and other facts and circumstances. The adoption of GASB Statement No. 96 did not have a material impact on the Village’s financial statements. No material SBITA were included in this report.

**3. Cash and Temporary Cash Investments**

Cash for all Village funds are pooled for investment purposes. At December 31, 2023, the cash and investments consist of the following:

Petty Cash	\$ 400
Deposits with Financial Institutions	9,986,698
Local Government Investment Pool	31,837
Investment Fund Held at South Central	
Library System Foundation	170,533
Total Cash and Investments	\$ 10,189,468

Cash and investments as of December 31, 2023, are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and Cash Equivalents	\$ 6,450,701
Investments	170,533
Restricted Cash	927,372
Statement of Fiduciary Net Position	
Tax Collections Cash	2,640,862
Total Cash and Investments	\$ 10,189,468

**A. Credit Risk**

Generally, credit JC risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The Village has no investment policy that would further limit its investments choices.

**3. Cash and Temporary Cash Investments (Continued)**

**A. Credit Risk (Continued)**

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board (SWIB). The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. All investments are valued at amortized cost by the SIF for purposes of calculating earnings to each participant. Specifically, the SIF distributes income to pool participants monthly, based on their average daily share balance. Distributions include interest income based on stated rates (both paid and accrued), amortization of discounts and premiums on a straight-line basis, realized investment gains and losses calculated on an amortized cost basis, and investment expenses. This method does not distribute to participants any unrealized gains or losses generated by the pool's investments. Detailed information about the SIF is available in separately issued financial statements available at <https://doa.wi.gov/Pages/StateFinances/LGIP.aspx>. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2023, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount reported above. Information on derivatives was not available to the Village.

SWIB may invest in obligations of the U.S. Treasury and its agencies, Commercial Paper, Bank Time Deposits/Certificates of Deposit, Bankers' Acceptances, Asset Backed Securities and Repurchase Agreements secured by the U.S. Government or its agencies and other instruments authorized under State Investment Fund investment guidelines.

Investment allocation in the LGIP as of December 31, 2023, was: 94% in U.S. Government Securities and 6% in Commercial Paper, Certificates of Deposit and Bankers Acceptance and Time Deposits. The Wisconsin State Treasurer updates the investment allocations on a monthly basis.

**B. Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Village would not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial risk for investments is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to a transaction, the Village would not be able to recover the value of its investment of collateral securities that are in the possession of another party. The Village does not have an investment policy for custodial credit risk.

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for demand deposit accounts and \$250,000 for time and savings deposit accounts. Bank accounts and the local government investment pool are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may be significant to individual organizations.

**3. Cash and Temporary Cash Investments (Continued)**

**B. Custodial Credit Risk (Continued)**

As of December 31, 2023, the Village had \$9,533,136 on deposit with financial institutions. Of this amount the Village had deposits in excess of federal and state depository insurance limits that were exposed to custodial credit risk as follows:

Collateralized in the Financial Institutions Name	\$	7,686,124
Uninsured/Uncollateralized		-
Total Deposits with Financial Institutions	\$	7,686,124

**C. Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure of fair value losses arising from increasing interest rates.

As of December 31, 2023, the Village has the following investments and maturities:

	Fair Value	Weighted Average Maturity (Days)
Local Government Investment Pool	\$ 31,837	17
Investment Fund Held at South Central Library System Foundation	170,533	Not Available
Total	\$ 397,709	

**4. Fair Value Measurement**

Financial assets required to be measured on a recurring basis are classified under a three-tier hierarchy for fair value investments. Fair value is the amount that would be received to sell an asset, or paid to settle a liability, in an orderly transaction between market participants at the measurement date.

The Village uses the following hierarchical disclosure framework:

Level 1 – Measurement based upon quoted prices for identical assets in an active market as of the reporting date.

Level 2 – Measurement based upon marketplace inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Measurement based on the Village’s assumptions about a hypothetical marketplace because observable market inputs are not available as of the reporting date.

**4. Fair Value Measurement (Continued)**

The Village uses appropriate valuation techniques based on the available inputs to measure the fair values of its assets and liabilities. When available, the Village measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs have the lowest priority.

	Assets at Fair Value as of December 31, 2023			
	Fair Value	Level 1	Level 2	Level 3
Investment Fund Held at South Central Library System Foundation	\$ 170,533	\$ 170,533	\$ -	\$ -
	\$ 170,533	\$ 170,533	\$ -	\$ -

The Village’s investment fund held by the South Central Library System Foundation (“Foundation”) represents an agreement between the Village and the Foundation in which the Village transfers assets to the Foundation to be invested in the Foundation’s investment portfolio. The investment funds remain the property of the Village and are available for withdrawal to fund the Village library’s projects or programs.

**5. Receivables and Deferred Inflows of Resources**

All of the Village’s receivables are expected to be collected within one year except \$107,143 in the General Fund.

As of December 31, 2023, the various components of deferred inflows of resources reported in the governmental funds were as follows:

	Unavailable	Unearned	Total
Property taxes receivable	\$ -	\$ 2,528,514	\$ 2,528,514
Rental fees	1,470	-	1,470
EMS charges	59,376	-	59,376
Developer loan	107,143	-	107,143
Total Deferred Inflows of Resources for Governmental Funds	\$ 167,989	\$ 2,528,514	\$ 2,696,503

**7. Interfund Advances and Transfers**

**A. Advances**

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Interest Rate</u>	<u>Principal Amount</u>	<u>Accrued Interest</u>	<u>Balance 12/31/23</u>	<u>Amount Due Within One Year</u>
General Fund	TIF #4	3.00%	\$ 150,700	\$ -	<u>\$ 150,700</u>	<u>\$ -</u>
Total All Funds					<u><u>\$ 150,700</u></u>	<u><u>\$ -</u></u>

The Village approved this interfund loan from the General Fund to TIF #4 to be repaid from the increment generated in TIF #4 with interest of three percent for payment of construction and engineering costs of the water and sewer extension project. No repayment schedule has been approved.

**B. Transfers**

The following is a schedule of interfund transfers:

<u>Transferred To</u>	<u>Transferred From</u>	<u>Per Government-Wide Statements</u>	<u>Per Fund Statements</u>	<u>Purpose</u>
General Fund	Room Tax Fund	Eliminated	\$ 68,192	Operations
General Fund	Fire/EMS Fund	Eliminated	2,318	Operations
General Fund	Library Fund	Eliminated	22,097	Operations
General Fund	TIF #4	Eliminated	4,521	Operations
General Fund	ARPA Fund	Eliminated	130	Close Fund
Library Fund	General Fund	Eliminated	190,950	Levy
Fire/EMS Fund	General Fund	Eliminated	432,079	Levy
Capital Projects Fund	General Fund	Eliminated	404,453	Levy
General Fund	Sewer Fund		3,798	Operations
General Fund	Water Fund		3,798	Operations
General Fund	Water Fund		177,732	Tax Equivalent
Total Transfers - Fund Financials			<u><u>\$ 1,310,068</u></u>	
General Fund	Water Fund	\$ (177,732)	\$ -	Tax Equivalent
General Fund	Water Fund	(3,798)	-	Operations
General Fund	Sewer Fund	(3,798)	-	Operations
Total Transfers - Government-Wide Statement of Activities			<u><u>\$ (185,328)</u></u>	<u><u>\$ -</u></u>

Generally, transfers are used to move revenues from the fund that collects them to the fund that the budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**8. Restricted Cash**

The Village reports various restricted cash accounts on the Statement of Net Position and the governmental fund financial statements. Restricted cash as of December 31, 2023, is as follows:

Fund	Amount	Purpose
<b>General Fund</b>		
Impact Fees	\$ 86,506	The Village collected impact fees from new developments. These fees are restricted in use by State Statutes. The impact fees can be used for public infrastructure improvements, public safety improvements and for parks.
Developer Fees	3,622	The Village collected Westside Development fees that are restricted by Village ordinance for public infrastructure improvements to certain areas within the Village. These fees were set by Village ordinances.
Tree Planting Fees	<u>6,592</u>	The Village is also collecting fees to plant trees from homeowners. These fees were set by Village ordinances.
<b>Total General Fund</b>	<u><u>96,720</u></u>	
<b>Library Fund</b>		
Restricted Contributions	<u>25,129</u>	The Village library has received contributions which, according to the contributors, are restricted in use. These funds can only be used for library books and equipment.
<b>Total Governmental Funds</b>	<u><u>\$ 121,849</u></u>	

**8. Restricted Cash (Continued)**

Fund	Amount	Purpose
<b>Water</b>		
Impact Fees	\$ 42,876	Collection of impact fees noted above.
<b>Sewer</b>		
Impact Fees	8,302	Collection of impact fees noted above.
Debt Service Redemption	10,828	The 2018 CWFL restricts an amount equal to one-sixth of the next installment of interest coming due and an amount equal to one-twelfth of the installment of principal coming due in the next fiscal year.
Equipment Replacement	743,517	The 2018 CWFL restricts amounts sufficient to meet equipment replacement.
<b>Total Sewer</b>	<b>762,647</b>	
<b>Total Proprietary Funds</b>	<b>\$ 805,523</b>	

**9. Capital Assets**

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

	<b>Balance 1/1/2023</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance 12/31/2023</b>
<b>Governmental Activities</b>				
Non-depreciable Capital Assets:				
Land	\$ 1,718,153	\$ -	\$ 145,801	\$ 1,572,352
Construction in Progress	393,918	247,336	-	641,254
<b>Total Non-depreciable Capital Assets</b>	<b>2,112,071</b>	<b>247,336</b>	<b>145,801</b>	<b>2,213,606</b>
Capital Assets Being Depreciated:				
Buildings and Improvements	4,299,623	105,425	-	4,405,048
Equipment	5,140,226	301,407	46,131	5,395,502
Infrastructure	24,778,492	-	-	24,778,492
<b>Total Capital Assets Being Depreciated</b>	<b>34,218,341</b>	<b>406,832</b>	<b>46,131</b>	<b>34,579,042</b>
<b>Total Capital Assets</b>	<b>36,330,412</b>	<b>654,168</b>	<b>191,932</b>	<b>36,792,648</b>
Less: Accumulated Depreciation	23,907,194	1,000,135	46,131	24,861,198
<b>Capital Assets Net of Depreciation</b>	<b>\$ 12,423,218</b>	<b>\$ (345,967)</b>	<b>\$ 145,801</b>	<b>\$ 11,931,450</b>

**9. Capital Assets (Continued)**

Depreciation expense was charged to governmental activities as follows:

<b>Governmental Activities</b>	
General Government	\$ 16,480
Public Safety	119,793
Public Works	776,333
Culture, Recreation, and Education	<u>87,529</u>
Total Governmental Activities Depreciation Expense	<u><u>\$ 1,000,135</u></u>

Capital asset activity in the business-type activities for the year ended December 31, 2023, was as follows:

<u>Water</u>	<u>Balance</u> <u>1/1/2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/2023</u>
Non-Depreciable Capital Assets:				
Land	\$ 21,004	\$ -	\$ -	\$ 21,004
Construction in Process	<u>860,430</u>	<u>-</u>	<u>-</u>	<u>860,430</u>
Total Non-Depreciable Capital Assets	<u>881,434</u>	<u>-</u>	<u>-</u>	<u>881,434</u>
Capital Assets Being Depreciated:				
Buildings	757,987	-	-	757,987
Equipment	1,515,079	57,086	-	1,572,165
Infrastructure	<u>8,462,096</u>	<u>28,202</u>	<u>16,375</u>	<u>8,473,923</u>
Total Capital Assets Being Depreciated	<u>10,735,162</u>	<u>85,288</u>	<u>16,375</u>	<u>10,804,075</u>
Total Capital Assets	<u>11,616,596</u>	<u>85,288</u>	<u>16,375</u>	<u>11,685,509</u>
Less: Accumulated Depreciation	<u>(3,343,917)</u>	<u>(228,771)</u>	<u>(16,375)</u>	<u>(3,556,313)</u>
Capital Assets Net of Depreciation	<u><u>\$ 8,272,679</u></u>	<u><u>\$ (143,483)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 8,129,196</u></u>

Construction work in progress for the Water Utility reported above includes \$860,430 related to the costs of starting construction of a potential new well. Current regulatory and environmental standards may make this site not suitable for a future well. The Village intends to pursue using this location and will assess if the regulatory, environmental, and costs factors may result in this asset being impaired. As of December 31, 2023, no adjustment has been made in the financial statements related to potential impairment.

**9. Capital Assets (Continued)**

<u>Sewer</u>	<u>Balance 1/1/2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/2023</u>
Non-Depreciable Capital Assets:				
Land	\$ 17,978	\$ -	\$ -	\$ 17,978
Construction in Process	-	30,857	-	30,857
Total Non-Depreciable Capital Assets	<u>17,978</u>	<u>30,857</u>	<u>-</u>	<u>48,835</u>
Capital Assets Being Depreciated:				
Buildings	794,980	-	-	794,980
Equipment	301,190	71,204	15,000	357,394
Infrastructure	23,464,644	1,800	-	23,466,444
Total Capital Assets Being Depreciated	<u>24,560,814</u>	<u>73,004</u>	<u>15,000</u>	<u>24,618,818</u>
Total Capital Assets	<u>24,578,792</u>	<u>103,861</u>	<u>15,000</u>	<u>24,667,653</u>
Less: Accumulated Depreciation	<u>(9,410,891)</u>	<u>(614,745)</u>	<u>(15,000)</u>	<u>(10,010,636)</u>
Capital Assets Net of Depreciation	<u>\$ 15,167,901</u>	<u>\$ (510,884)</u>	<u>\$ -</u>	<u>\$ 14,657,017</u>
<b>Total Business-Type Capital Assets</b>	<b><u>\$ 23,440,580</u></b>	<b><u>\$ (654,367)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 22,786,213</u></b>

Depreciation expense was charged to business-type activities as follows:

<b>Business-Type Activities</b>	
Water-Depreciation	\$ 221,209
Sewer-Depreciation	<u>622,308</u>
Total Business-Type Activities Depreciation Expense	<u>\$ 843,517</u>

**10. Long-Term Receivables**

The Village approved an agreement with a developer for the development of an assisted living facility. In 2019, the developer completed the first of two phases. The Village agreed to provide a loan to the developer in the amount of \$250,000. The developer will repay the Village over seven years based upon an agreed upon amortization schedule for the loan. The receivable balance outstanding as of December 31, 2023 is \$107,143.

**VILLAGE OF JOHNSON CREEK**  
**Notes to the Financial Statements**  
**December 31, 2023**

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**11. Long-Term Obligations**

All general obligation notes and bonds payable are backed by the full faith and credit of the municipality. Notes and bonds will be retired by future property tax levies. Proprietary fund debt is payable by revenues from user fees of those funds, or if the revenues are not sufficient, by future tax levies. The following is a summary of long-term debt transactions of the Village for the year ended December 31, 2023:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
Bonds and Notes Payable					
General Obligation Notes and Bonds	\$ 4,910,000	\$ -	\$ 470,000	\$ 4,440,000	\$ 470,000
Direct Borrowings or Direct Placements	100,393	165,544	21,116	244,821	21,676
Plus Unamortized Debt Premium	128,849	-	7,158	121,691	-
Developer Commitments	-	561,000	-	561,000	-
Total Bonds and Notes Payable	<u>5,139,242</u>	<u>726,544</u>	<u>498,274</u>	<u>5,367,512</u>	<u>491,676</u>
Other Liabilities					
Compensated Absences	172,882	60,573	-	233,455	-
Total Other Liabilities	<u>172,882</u>	<u>60,573</u>	<u>-</u>	<u>233,455</u>	<u>-</u>
Total Governmental Activities Long-Term Liabilities					
	<u>\$ 5,312,124</u>	<u>\$ 787,117</u>	<u>\$ 498,274</u>	<u>\$ 5,600,967</u>	<u>\$ 491,676</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Bonds and Notes Payable					
Direct Borrowings - Revenue Bonds	\$ 1,782,471	\$ -	\$ 96,599	\$ 1,685,872	\$ 98,405
General Obligation Notes and Bonds	1,290,000	-	60,000	1,230,000	70,000
Total Bonds and Notes Payable	<u>3,072,471</u>	<u>-</u>	<u>156,599</u>	<u>2,915,872</u>	<u>168,405</u>
Other Liabilities					
Compensated Absences	45,304	16,086	-	61,390	-
Total Other Liabilities	<u>45,304</u>	<u>16,086</u>	<u>-</u>	<u>61,390</u>	<u>-</u>
Total Business-type Activities Long-Term Liabilities					
	<u>\$ 3,117,775</u>	<u>\$ 16,086</u>	<u>\$ 156,599</u>	<u>\$ 2,977,262</u>	<u>\$ 168,405</u>

The compensated absences liability attributed to governmental activities will be liquidated primarily by the General Fund.

The Village has a developer agreement that specifies that the Village is to provide a municipal revenue obligation of \$561,000 upon the developer meeting conditions. The conditions of the agreement were met in 2023 and an accrual was included in the government-wide financial statements. Payment amounts are based on 70% of the project increment revenue generated in the TIF district. No interest rate is to be applied to the annual payments. No payments were made in 2023.

**VILLAGE OF JOHNSON CREEK**  
**Notes to the Financial Statements**  
**December 31, 2023**

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**11. Long-Term Obligations (Continued)**

**A. Governmental Debt**

Long-term debt issues outstanding at December 31, 2023, and total debt outstanding were as follows:

	Date Of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/23	Current Portion
<b>Governmental Activities</b>						
<u>General Obligation</u>						
2016 A Fire and Capital GO Notes	8/15/2016	8/1/2026	1.75-2%	\$ 1,300,000	\$ 560,000	\$ 185,000
2016 B General and Fire GO Refunding Notes	12/12/2016	12/1/2024	2.0-2.15%	\$ 1,360,000	165,000	165,000
2019 Fire GO Notes	3/29/2019	1/31/2026	2.47%	\$ 170,000	79,277	21,676
2021 General GO Bonds	3/1/2021	3/1/2040	2.00%	\$ 3,835,000	3,715,000	120,000
2023 Public Works GO Notes	1/11/2023	12/31/2028	3.95%	\$ 165,544	165,544	-
Total Governmental Activities -- General Obligation Debt					4,684,821	491,676
<b>Total Governmental Activities</b>					<b>\$ 4,684,821</b>	<b>\$ 491,676</b>

Debt service requirements to maturity are as follows:

	Total GO Principal	Total GO Interest	Total Direct Borrowing Principal	Total Direct Borrowing Interest	Total Governmental Activities Debt Service
2024	\$ 470,000	\$ 87,847	\$ 21,676	\$ 8,597	\$ 588,120
2025	390,000	77,450	22,207	8,048	497,705
2026	375,000	69,650	35,394	7,495	487,539
2027	200,000	62,100	-	6,630	268,730
2028	205,000	58,050	165,544	6,648	435,242
2029-2033	1,085,000	226,450	-	-	1,311,450
2034-2038	1,200,000	112,500	-	-	1,312,500
2039-2040	515,000	10,350	-	-	525,350
	\$ 4,440,000	\$ 704,397	\$ 244,821	\$ 37,418	\$ 5,426,636

The Village's general obligation debt limit is equal to 5% of the Village's total equalized value. The Village's debt limit as of December 31, 2023 is \$27,334,190. Debt subject to the limit is \$5,914,821 including \$1,230,000 in Business-Type general obligations noted on the next page.

**VILLAGE OF JOHNSON CREEK**  
**Notes to the Financial Statements**  
**December 31, 2023**

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**11. Long-Term Obligations (Continued)**

**B. Business-Type Debt**

Long-term debt issues outstanding at December 31, 2023, and total debt outstanding were as follows:

	Date Of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/23	Current Portion
<b>Business-Type Activities</b>						
<u>Sewer Utility</u>						
2018 Clean Water Fund Loan	5/9/2018	5/1/2038	1.87%	\$ 2,156,245	\$ 1,685,872	\$ 98,405
2022 GO Refunding Bonds	8/3/2022	5/1/2037	2.9-3.85%	\$ 1,290,000	1,230,000	70,000
<b>Total Business-Type Activities</b>					<u>\$ 2,915,872</u>	<u>\$ 168,405</u>

Debt service requirements to maturity are as follows:

	Direct Borrowings - Revenue Bonds			General Obligation		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 98,405	\$ 30,606	\$ 129,011	\$ 70,000	\$ 41,955	\$ 111,955
2025	100,246	28,748	128,994	75,000	39,743	114,743
2026	102,120	26,856	128,976	75,000	37,380	112,380
2027	104,030	24,929	128,958	75,000	34,961	109,961
2028	105,975	22,965	128,940	80,000	32,423	112,423
2029-2033	560,353	84,063	644,417	440,000	118,869	558,869
2034-2038	614,743	29,165	643,908	415,000	32,273	447,273
	<u>\$ 1,685,872</u>	<u>\$ 247,332</u>	<u>\$ 1,933,205</u>	<u>\$ 1,230,000</u>	<u>\$ 337,603</u>	<u>\$ 1,567,603</u>

**C. Bond Covenant Disclosures**

**Insurance**

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

**11. Long-Term Obligations (Continued)**

**C. Bond Covenant Disclosures (Continued)**

**Debt Coverage**

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.10 times the highest annual debt service of the bonds. The coverage only includes revenue debt and does not include general obligation or other debt. The Village met the coverage requirement for 2023 as noted below:

	Sewer Utility
<u>Bond Reserves</u>	
Replacement Account	\$ 743,517
Debt Service Redemption Account	10,828
Total	\$ 754,345
<u>Coverage Covenant Calculation</u>	
Gross Revenue	\$ 886,788
Other Revenues	20,827
Operation and Maintenance Expenses - (Excluding Depreciation)	(730,219)
Net Revenues	\$ 177,396
Maximum annual debt service	\$ 129,011
Percent Coverage	138%
Percent Coverage Required	110%

**12. Defined Benefit Pension Plan**

**Plan Description.** The Wisconsin Retirement System (“WRS”) is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (“ETF”). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 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.

**12. Defined Benefit Pension Plan (Continued)**

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

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

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

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

The WRS also provides death and disability benefits for employees.

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

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

**12. Defined Benefit Pension Plan (Continued)**

**Contributions.** Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and executives and elected officials. Starting on January 1, 2016, the 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 \$82,827 in contributions from the municipality.

Contribution rates as of December 31, 2023 are:

Employee Category	Employee	Employer
General (including teachers, executives and elected officials)	6.80%	6.80%
Protective with Social Security	6.80%	13.20%
Protective without Social Security	6.80%	18.10%

**Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** At December 31, 2023, the Village reported a liability (asset) of \$346,122 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2022, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2021, rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village’s proportion of the net pension liability (asset) was based on the Village’s share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the Village’s proportion was 0.00653345%, which was an increase of 0.00036149% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Village recognized pension expense (revenue) of 174,104.

**12. Defined Benefit Pension Plan (Continued)**

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 551,266	\$ (724,239)
Net differences between projected and actual earnings on pension plan investments	587,982	-
Changes in assumptions	68,062	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,581	(6,265)
Employer contributions subsequent to the measurement date	101,467	-
<b>Total</b>	<b>\$ 1,310,358</b>	<b>\$ (730,504)</b>

\$101,467 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense (revenue) as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2024	\$ 18,395
2025	98,897
2026	101,421
2027	259,674
<b>Total</b>	<b>\$ 478,387</b>

**12. Defined Benefit Pension Plan (Continued)**

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

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability (Asset):	December 31, 2022
	January 1, 2018 - December 31, 2020 Published
Experience Study:	November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Post-Retirement Adjustments	1.7%

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

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

**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.

**12. Defined Benefit Pension Plan (Continued)**

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the table below.

Asset Allocation Targets and Expected Returns<sup>1</sup>  
As of December 31, 2022

<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %<sup>2</sup></u>
Global Equities	48	7.6	5.0
Fixed Income	25	4.3	2.7
Inflation Sensitive Assets	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Total Core Fund <sup>3</sup>	115	7.4	4.8
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	7.2	4.6
International Equities	30	8.1	5.5
Total Variable Fund	100	7.7	5.1

<sup>1</sup>Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

<sup>2</sup>New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

<sup>3</sup>The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

**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 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**12. Defined Benefit Pension Plan (Continued)**

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

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
Village's proportionate share of the net pension liability (asset)	\$ 1,148,770	\$ 346,122	\$ (206,029)

**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>

**Allocation of Pension Plan.** Pension amounts are allocated between the proprietary funds and governmental activities based on the percentage of required contributions of each fund to the whole.

**13. Other Postemployment Benefits**

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

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

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can also be found using the link above.

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

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

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

**13. Other Postemployment Benefits (Continued)**

Contribution rates as of December 31, 2023 are:

Coverage Type	Employer Contribution
25% Post Retirement Coverage	20% of Member Contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2022 are as listed below:

Life Insurance		
Employee Contribution Rates*		
For the year ended December 31, 2022		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

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

During the reporting period, the LRLIF recognized \$394 in contributions from the employer.

***OPEB Liabilities, OPEB Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs.*** At December 31, 2023, the Village reported a liability (asset) of \$74,872 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2022, rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village’s proportion of the net OPEB liability (asset) was based on the Village’s share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2022, the Village’s proportion was 0.019652%, which was an increase of 0.003105% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Village recognized OPEB expense (revenue) of \$7,808.

**13. Other Postemployment Benefits (Continued)**

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (7,329)
Net differences between projected and actual earnings on plan investments	1,404	-
Changes in actuarial assumptions	26,900	(44,196)
Changes in proportion and differences between employer contributions and proportionate share of contributions	17,345	(6,446)
Employer contributions subsequent to the measurement date	-	-
Totals	\$ 45,649	\$ (57,971)

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

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2024	\$ (1,212)
2025	(1,584)
2026	1,473
2027	(1,318)
2028	(4,849)
Thereafter	(4,832)
Total	\$ (12,322)

**13. Other Postemployment Benefits (Continued)**

**Actuarial Assumptions.** The total OPEB liability in the January 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2022
Measurement Date of Net OPEB Liability (Asset)	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	3.72%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.76%
Salary Increases	
Wage Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

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

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

Local OPEB Life Insurance  
Asset Allocation Targets and Expected Returns  
As of December 31, 2022

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Intermediate Credit Bonds	Bloomberg US Interim Credit	50%	2.45%
US Credit Bonds	Bloomberg US Long Credit	0%	0.00%
US Mortgages	Bloomberg US MBS	50%	2.83%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

**13. Other Postemployment Benefits (Continued)**

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate remained unchanged from the prior year at 2.30%.

**Single Discount Rate.** A single discount rate of 3.76% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.17% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 2.06% as of December 31, 2021 to 3.72% as of December 31, 2022. The Plan’s fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan’s fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan’s fiduciary net position is projected to be insufficient. The plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

**Sensitivity of the Village’s Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate.** The following presents the Village’s proportionate share of the net OPEB liability (asset) calculated using the discount rate of 3.76 percent, as well as what the Village’s proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.76 percent) or 1-percentage-point higher (4.76 percent) than the current rate:

	1% Decrease to Discount Rate (2.76%)	Current Discount Rate (3.76%)	1% Increase to Discount Rate (4.76%)
Village's proportionate share of the net OPEB liability (asset)	\$ 102,078	\$ 74,872	\$ 54,019

**Allocation of Other Postemployment Benefits Plan.** OPEB amounts are allocated between the proprietary funds and governmental activities based on the percentage of required contributions of each fund to the whole.

**14. Fund Balances**

Fund balances on the fund financial statements as of December 31, 2023 include the following:

**Nonspendable Fund Balance**

<u>General Fund</u>	
Delinquent Personal Property Taxes	\$ 13,162
Advances to Other Funds	150,700
Prepaid Expenses	5,423
Total General Fund	169,285
Total Nonspendable Fund Balance	\$ 169,285

**Restricted Fund Balance**

<u>General Fund</u>	
Impact / Developer Fees	\$ 90,128
Other	6,592
Total General Fund	96,720
 <u>Library Fund</u>	
Library Expenditures	231,159
 <u>Room Tax Fund</u>	
Operations	376,356
Total Restricted Fund Balance	\$ 704,235

**Assigned Fund Balance**

<u>General Fund</u>	
Capital Purchases	\$ 124,011
Fund Balance Policy Unassigned Excess	494,397
Total General Fund	618,408
 <u>Fire/EMS Fund</u>	
Capital Purchases	382,689
 <u>Capital Projects Fund</u>	
Future Capital Purchases	404,453
Total Assigned Fund Balance	\$ 1,405,550

**Unassigned Fund Balance (Deficit)**

<u>General Fund</u>	\$ 1,078,740
<u>TIF District #4</u>	(174,199)
Total Unassigned Fund Balance (Deficit)	\$ 904,541

The TIF District #4 deficit is intended to be replenished by future tax increment revenues.

**15. Commitments and Contingencies**

**A. Developer Commitments**

In 2019, the Village approved an agreement with a developer for the development of an assisted living facility. As mentioned in Note 10, the Village agreed to provide a loan to the developer in the amount of \$250,000. In addition, the Village agreed to convey land parcels to the developer with conditions of minimum tax base development. As of December 31, 2023, the developer had not met the development conditions on the property. In turn, the developer will pay the Village \$60,000 per land parcel.

In 2021, the Village approved a developer agreement that included the sale of a land parcel to a developer at a discounted cost as an incentive for development with the following conditions:

- The land must be developed within a specified period of time from the date of the purchases, otherwise, the Village will have the right to purchase the land back from the developers.
- The agreements include developer guarantees whereas the developer must pay the Village if the assessed value does not meet the terms outlined in the developer agreements.

In 2023, the Village entered into another developer incentive agreement that specifies that the Village is to provide a municipal revenue obligation of \$2,000,000 upon the developer meeting conditions. Any future payment would be based on actual TIF increment values above the agreed base valuation at the time of the agreement. As of December 31, 2023, the conditions of this agreement had not been met and no liability has been recognized in the financial statements.

**B. Construction Commitments**

As of December 31, 2023, the Village had contract commitments in place for engineering services related to bridge repairs and replacement. There is not a set amount associated with this contract. Total costs incurred through year-end were \$641,254, which are reported as construction in progress on the statement of financial position.

**C. Legal Contingencies**

From time to time, the Village may be party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, no provision has been made in the financial statements.

**16. Status of Tax Incremental Financing Districts**

The Village has created Tax Incremental Financing Districts (TIF District or TID) in accordance with Section 66.1105 of the Wisconsin Statutes. The purpose of that section is to allow a municipality to recover development and improvement costs in a designed area from the property taxes generated on the increased value of the property after creation of the district. The tax on the increased value is called a tax increment. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date. The District is allowed to collect tax increments until its termination date. Any over-collections are returned to the various taxing entities of the District. The Village becomes liable for any cost not recovered by the termination date. As of December 31, 2023, the Village had one active TIF District.

TIF #4 was created by the Village effective July 12, 2021 with a termination date of July 12, 2041.

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**17. Effect of New Accounting Standards on Current Period Financial Statements**

The GASB has adopted GASB Statement No. 100, Accounting Changes and Error Corrections, effective for periods beginning after June 15, 2023 and GASB Statement No 101, Compensated Absences, effective for periods beginning after December 15, 2023. When these become effective, application of these standards may restate portions of these financial statements.

**18. Subsequent Events**

Subsequent to year-end, the Village approved bridge construction and other capital project costs totaling \$2,409,789. Additionally, the Village approved the purchase of a new fire engine at a total cost of \$846,444.

# DRAFT

BASIC FINANCIAL STATEMENTS

Village of Johnson Creek

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (with Variances)  
General Fund  
For the Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property Taxes	\$ 2,169,350	\$ 2,169,350	\$ 2,169,350	\$ -
Other Taxes	38,600	38,600	40,029	1,429
Special Assessment Revenue	-	-	19,240	19,240
Intergovernmental	451,751	537,691	534,408	(3,283)
License and Permits	101,050	140,050	157,291	17,241
Fines, Forfeits and Penalties	27,000	52,000	57,574	5,574
Public Charges for Services	36,300	36,300	50,662	14,362
Interest Income	9,870	57,870	59,131	1,261
Miscellaneous Income	27,400	67,865	70,944	3,079
Total Revenues	<u>2,861,321</u>	<u>3,099,726</u>	<u>3,158,629</u>	<u>58,903</u>
<b>EXPENDITURES</b>				
Current:				
General Government	457,397	486,297	440,497	45,800
Public Safety	806,003	763,003	744,075	18,928
Public Works	558,938	545,938	534,046	11,892
Health and Human Services	8,500	8,600	8,578	22
Culture, Recreation and Education	175,968	159,968	159,379	589
Conservation and Development	97,997	62,997	48,558	14,439
Capital Outlay	7,500	652,855	644,587	8,268
Debt Service:				
Principal Repayment	375,000	344,000	343,227	773
Interest Expense	114,000	94,000	93,756	244
Total Expenditures	<u>2,601,303</u>	<u>3,117,658</u>	<u>3,016,703</u>	<u>100,955</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>260,018</u>	<u>(17,932)</u>	<u>141,926</u>	<u>159,858</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Capital Assets	-	372,265	372,265	-
Proceeds from Long-Term Debt	-	165,000	165,544	544
Transfers In	363,011	298,011	282,586	(15,425)
Transfers Out	(623,029)	(1,027,481)	(1,027,482)	(1)
Total Other Financing Sources and Uses	<u>(260,018)</u>	<u>(192,205)</u>	<u>(207,087)</u>	<u>(14,882)</u>
Net Change in Fund Balance	-	(210,137)	(65,161)	144,976
Fund Balance - Beginning	2,028,314	2,028,314	2,028,314	-
Fund Balance - Ending	<u>\$ 2,028,314</u>	<u>\$ 1,818,177</u>	<u>\$ 1,963,153</u>	<u>\$ 144,976</u>

See accompanying notes to the required supplementary information

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (with Variances)  
Fire/EMS Fund  
For the Year Ended December 31, 2023**

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 23,679	\$ 55,129	\$ 71,150	\$ 16,021
Public Charges for Services	228,612	268,612	284,166	15,554
Intergovernmental Charges for Services	252,924	259,224	259,285	61
Interest Income	1,078	28,078	28,607	529
Miscellaneous Income	27,800	27,800	53,753	25,953
Total Revenues	<u>534,093</u>	<u>638,843</u>	<u>696,961</u>	<u>58,118</u>
<b>EXPENDITURES</b>				
Current:				
General Government	72,058	92,058	91,043	1,015
Public Safety	715,461	825,461	811,575	13,886
Capital Outlay	15,000	20,000	20,486	(486)
Debt Service:				
Principal Repayment	148,472	148,472	147,889	583
Interest Expense	12,863	12,863	12,516	347
Total Expenditures	<u>963,854</u>	<u>1,098,854</u>	<u>1,083,509</u>	<u>15,345</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(429,761)</u>	<u>(460,011)</u>	<u>(386,548)</u>	<u>73,463</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	432,079	432,079	432,079	-
Transfers Out	(2,318)	(2,318)	(2,318)	-
Total Other Financing Sources and Uses	<u>429,761</u>	<u>429,761</u>	<u>429,761</u>	<u>-</u>
Net Change in Fund Balance	-	(30,250)	43,213	73,463
Fund Balance - Beginning	339,476	339,476	339,476	-
Fund Balance - Ending	<u>\$ 339,476</u>	<u>\$ 309,226</u>	<u>\$ 382,689</u>	<u>\$ 73,463</u>

See accompanying notes to the required supplementary information

**VILLAGE OF JOHNSON CREEK  
WISCONSIN RETIREMENT SYSTEM SCHEDULES  
December 31, 2023**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)  
AS OF THE MEASUREMENT DATE**

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Collective net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2022	0.00653345%	\$ 346,122	\$ 1,049,156	32.99%	95.72%
2021	-0.00617196%	(497,470)	957,686	(51.95%)	106.02%
2020	-0.00609099%	(380,268)	879,053	(43.26%)	105.26%
2019	-0.00626922%	(202,148)	841,583	(24.02%)	102.96%
2018	0.00647614%	230,400	845,401	27.25%	96.45%
2017	-0.00654522%	(194,335)	863,070	(22.52%)	102.93%
2016	0.00645396%	53,196	862,316	6.17%	99.12%
2015	0.00662708%	107,689	850,888	12.66%	98.20%
2014	-0.00676213%	(166,051)	795,592	(20.87%)	102.74%

**SCHEDULE OF VILLAGE'S CONTRIBUTIONS  
FOR THE YEAR ENDED**

Year ended December 31,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered- employee payroll
2023	\$ 101,467	\$ (101,467)	\$ -	\$ 1,164,231	8.72%
2022	82,827	(82,827)	-	1,049,156	7.89%
2021	76,003	(76,003)	-	957,686	7.94%
2020	66,209	(66,209)	-	879,053	7.53%
2019	62,555	(62,555)	-	841,583	7.43%
2018	65,058	(65,058)	-	845,401	7.70%
2017	65,710	(65,710)	-	863,070	7.61%
2016	62,734	(62,734)	-	862,316	7.28%
2015	63,185	(63,185)	-	850,888	7.43%

See accompanying notes to the required supplementary information

**VILLAGE OF JOHNSON CREEK  
LOCAL RETIREE LIFE INSURANCE FUND SCHEDULE  
December 31, 2023**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)  
AS OF THE MEASUREMENT DATE**

Year ended December 31,	Proportion of the net OPEB liability (asset)	Proportionate share of the net OPEB liability (asset)	Covered- employee payroll	Collective net OPEB liability (asset) as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability (asset)
2022	0.01965200%	\$ 74,872	\$ 899,000	8.33%	38.81%
2021	0.01654700%	97,800	765,000	12.78%	29.57%
2020	0.01598400%	87,925	850,000	10.34%	31.36%
2019	0.01414000%	60,211	786,000	7.66%	37.58%
2018	0.01555600%	40,140	737,000	5.45%	48.69%
2017	0.02056000%	61,856	864,607	7.15%	44.81%

**SCHEDULE OF CONTRIBUTIONS  
FOR THE YEAR ENDED**

Year ended December 31,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
2023	\$ 496	\$ (496)	\$ -	\$ 1,149,609	0.04%
2022	394	(394)	-	899,000	0.04%
2021	338	(338)	-	765,000	0.04%
2020	318	(318)	-	850,000	0.04%
2019	279	(279)	-	786,000	0.04%
2018	299	(299)	-	737,000	0.04%

See accompanying notes to the required supplementary information

**1. Annual Operation Budget**

The operation budget for all funds is prepared annually by the Village Board. The budget is prepared and presented on the same basis of accounting as the financial statements.

The budget was passed in November 2022. For each fund, total fund expenditures disbursed may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year.

The Village follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Tentative budget is prepared and made available for public inspection before November 1.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to December 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Village Board may make transfers between the various items in any fund not exceeding the 10% of the total of such fund as set forth in the budget.
6. The Village Board may amend the budget (in other ways) by the same procedures required of its original adoption.

Excess Expenditures over Appropriations

The Village controls expenditures at the department level. Some individual line items experienced expenditures which exceeded appropriations as follows

Fund	Department	Final Budget	Actual Expenditures	Variance
Fire/EMS Fund	Capital Outlay	\$ 20,000	\$ 20,486	\$ (486)

Revenues and other financing sources were available to fund the excess expenditures.

## 2. Wisconsin Retirement System Schedules

Governmental Accounting Standards Board Statement No. 68 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the next preceding year.

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

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

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

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

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

**VILLAGE OF JOHNSON CREEK**  
**Notes to the Required Supplementary Information**  
**December 31, 2023**

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**2. Wisconsin Retirement System Schedules (Continued)**

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

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Valuation Date:	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.4%	5.4%	5.4%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.0%	7.0%	7.0%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.0%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.9%	1.9%	1.9%	2.1%	2.1%
Retirement Age:	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015 - 2017.	Experience -based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.
Mortality:	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).

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

**VILLAGE OF JOHNSON CREEK**  
**Notes to the Required Supplementary Information**  
**December 31, 2023**

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**2. Wisconsin Retirement System Schedules (Continued)**

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

	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Valuation Date:	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
<b>Actuarial Assumptions</b>					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
<b>Salary Increases</b>					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%	2.1%
Retirement Age:	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2006 - 2008.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin Projected Experience Table - 2005 for women and 90% of the Wisconsin Projected Experience Table - 2005 for men.

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

### 3. Local Retiree Life Insurance Fund Schedule

Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 4 preceding years.

*Changes in benefit terms:* There were no recent changes in benefit terms.

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

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

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

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

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

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SUPPLEMENTARY INFORMATION

**Village of Johnson Creek  
Johnson Creek, Wisconsin**

**Combining Balance Sheet  
Non-Major Governmental Funds  
December 31, 2023**

	<b>Special Revenue Funds</b>				<b>Capital Projects Fund</b>	<b>Non-Major Governmental Funds</b>
	<b>Library Fund</b>	<b>Room Tax Fund</b>	<b>TIF #4</b>			
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 41,939	\$ 349,773	\$ 23,283		\$ 404,453	\$ 819,448
Investments	170,533	-	-		-	170,533
Receivables:						
Taxes	-	-	100,412		-	100,412
Accounts	-	26,583	-		-	26,583
Restricted Cash	25,129	-	-		-	25,129
Total Assets	<u>\$ 237,601</u>	<u>\$ 376,356</u>	<u>\$ 123,695</u>		<u>\$ 404,453</u>	<u>\$ 1,142,105</u>
<b>LIABILITIES</b>						
Accounts Payable	\$ 1,179	-	-		-	\$ 1,179
Accrued Liabilities	5,263	-	-		-	5,263
Advances Payable	-	-	150,700		-	150,700
Total Liabilities	<u>6,442</u>	<u>-</u>	<u>150,700</u>		<u>-</u>	<u>157,142</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
	-	-	147,194		-	147,194
<b>FUND BALANCES (DEFICIT)</b>						
Restricted	231,159	376,356	-		-	607,515
Assigned	-	-	-		404,453	404,453
Unassigned (Deficit)	-	-	(174,199)		-	(174,199)
Total Fund Balances (Deficit)	<u>231,159</u>	<u>376,356</u>	<u>(174,199)</u>		<u>404,453</u>	<u>837,769</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)	<u>\$ 237,601</u>	<u>\$ 376,356</u>	<u>\$ 123,695</u>		<u>\$ 404,453</u>	<u>\$ 1,142,105</u>

Village of Johnson Creek  
Johnson Creek, Wisconsin

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Year Ended December 31, 2023**

	Special Revenue Funds						Capital Projects Fund	Non-Major Governmental Funds
	Library Fund	Room Tax Fund	ARPA Fund	TIF #4	Capital Projects Fund	Non-Major Governmental Funds		
<b>REVENUES</b>								
Other Taxes	\$ -	\$ 141,090	\$ -	\$ 29,012	\$ -	\$ -	\$ 170,102	
Intergovernmental	72,350	-	-	-	-	-	72,350	
Fines, Forfeits and Penalties	649	-	-	-	-	-	649	
Interest and Investment Income	23,760	4,451	-	87	-	-	28,298	
Miscellaneous Income	13,498	-	-	-	-	-	13,498	
Total Revenues	110,257	145,541	-	29,099	-	-	284,897	
<b>EXPENDITURES</b>								
Current:								
General Government	-	-	-	14,908	-	-	14,908	
Culture, Recreation and Education	251,537	-	-	-	-	-	251,537	
Conservation and Development	-	1,923	-	24,089	-	-	26,012	
Total Expenditures	251,537	1,923	-	38,997	-	-	292,457	
Excess (Deficiency) of Revenues Over Expenditures	(141,280)	143,618	-	(9,898)	-	-	(7,560)	
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In	190,950	-	-	-	404,453	-	595,403	
Transfers Out	(22,097)	(68,192)	(130)	(4,521)	-	-	(94,940)	
Total Other Financing Sources and Uses	168,853	(68,192)	(130)	(4,521)	404,453	-	500,463	
Net Change in Fund Balances	27,573	75,426	(130)	(14,419)	404,453	-	492,903	
Fund Balances (Deficit) - Beginning	203,586	300,930	130	(159,780)	-	-	344,866	
Fund Balances (Deficit) - Ending	\$ 231,159	\$ 376,356	\$ -	\$ (174,199)	\$ 404,453	\$ -	\$ 837,769	

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**APPENDIX B**

**Form of Legal Opinion**

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

August 14, 2024

Re: Village of Johnson Creek, Wisconsin ("Issuer")  
\$3,680,000 General Obligation Promissory Notes, Series 2024A,  
dated August 14, 2024 ("Notes")

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

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

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

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2025	\$100,000	___%
2026	100,000	___
2027	120,000	___
2028	150,000	___
2029	160,000	___
2030	165,000	___
2031	175,000	___
2032	185,000	___
2033	190,000	___
2034	205,000	___
2035	215,000	___
2036	220,000	___
2037	235,000	___
2038	245,000	___
2039	260,000	___
2040	175,000	___
2041	180,000	___
2042	190,000	___
2043	200,000	___
2044	210,000	___

Interest is payable semi-annually on March 1 and September 1 of each year commencing on March 1, 2025.

The Notes maturing on March 1, 2035 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on March 1, 2034 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

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

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

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

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

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

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

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

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

QUARLES & BRADY LLP

**APPENDIX C**

**Form of Continuing Disclosure Certificate**

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## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Village of Johnson Creek, Jefferson County, Wisconsin (the "Issuer") in connection with the issuance of \$3,680,000 General Obligation Promissory Notes, Series 2024A, dated August 14, 2024 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on July 22, 2024 (the "Resolution") and delivered to \_\_\_\_\_ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at [www.emma.msrb.org](http://www.emma.msrb.org) in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

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

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the Official Statement dated July 22, 2024 delivered in connection with the Securities, which is available from the MSRB.

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

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the Village Board of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means the Village of Johnson Creek, Jefferson County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Village Clerk/Treasurer of the Issuer who can be contacted at Village Hall, 125 Depot Street, Johnson Creek, Wisconsin 53038, phone (920) 699-2296, fax (920) 699-2292.

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

"SEC" means the Securities and Exchange Commission.

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

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year ending December 31, 2023, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

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

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

1. INDEBTEDNESS
2. FINANCIAL INFORMATION
3. PROPERTY VALUATIONS AND TAXES - Assessed and Equalized Values

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

Section 5. Reporting of Listed Events.

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

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

13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 14th day of August, 2024.

(SEAL)

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John L. Swisher  
President

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Elissa Friedl  
Village Clerk/Treasurer

**APPENDIX D**

**Official Notice of Sale**

OFFICIAL NOTICE OF SALE

\$3,680,000\* General Obligation Promissory Notes, Series 2024A  
Village of Johnson Creek  
Jefferson County, Wisconsin  
Dated Date of Delivery

Date, Time and Place. ELECTRONIC BIDS will be received by PFM Financial Advisors LLC, 115 South 84<sup>th</sup> Street, Suite 315, Milwaukee, Wisconsin 53214, financial advisor acting on behalf of the Village of Johnson Creek, Wisconsin (the “Village”), for all but not part of the Village’s \$3,680,000\* General Obligation Promissory Notes, Series 2024A, dated the Date of Delivery (the “Notes ”), until 10:00 a.m. (Central Time) on:

July 22, 2024

at which time electronic bids received, and all bids publicly read. Electronic bids must be submitted through Parity®. A meeting of the Village Board will be held on said date for the purpose of taking action on such bids as may be received.

Terms of the Notes. The Notes will be dated the Date of Delivery and will mature March 1 in the years and amounts as follows:

MATURITY SCHEDULE

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2025	\$ 100,000	2035	\$ 215,000
2026	100,000	2036	220,000
2027	120,000	2037	235,000
2028	150,000	2038	245,000
2029	160,000	2039	260,000
2030	165,000	2040	175,000
2031	175,000	2041	180,000
2032	185,000	2042	190,000
2033	190,000	2043	200,000
2034	205,000	2044	210,000

Interest on said Notes will be payable semi-annually on each March 1 and September 1, commencing March 1, 2025.

No Term Notes Option. Proposals for the Notes may not contain a maturity schedule providing for term Notes.

Adjustments To Principal Amount. The aggregate principal amount of the Notes is subject to reduction by the Village or its designee after the determination of the successful bidder. Such adjustments shall be in the sole discretion of the Village provided that the Village or its designee shall only make such adjustments in order to size the Notes to provide enough funds to effect the project fund deposit.

Call Feature. The Notes maturing on or after March 1, 2035, are subject to redemption prior to maturity at the option of the Village on March 1, 2034 or on any date thereafter at a price of par plus accrued interest.

Registration. The Notes will be issued as fully registered Notes without coupons and, when issued, will be registered only in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). Utilization of DTC is required. Bids for the Notes may not provide for the Notes to be issued on a non-DTC basis. The Village will assume no liability for failure of DTC, its participants or other nominees to promptly transfer payments to beneficial owners of the Notes. In the event that the securities depository relationship with DTC for the Notes is terminated and the Village does not appoint a successor depository, the Village will prepare, authenticate and deliver, at its expense, fully registered certificated Notes in the denomination of \$5,000 or any integral multiple thereof in the aggregate principal amount of Notes of the same maturities and with the same interest rate or rates then outstanding to the beneficial owners of the Notes.

Security and Purpose. The Notes are general obligations of the Village. The principal of and interest on the Notes will be payable from ad valorem taxes, which shall be levied without limitation as to rate or amount upon all taxable property located in the territory of the Village.

The Notes will be issued for the public purposes, including paying the cost of the Gosdeck Crossing bridge project and the acquisition of a firetruck paying capitalized interest on a portion of the issue and the costs of issuing the notes.

Bank Qualified. The Notes will be designated as “qualified tax-exempt obligations” pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Bid Specifications. Bids shall be received on an interest rate basis in an integral multiple of One-Twentieth (1/20) or One-Eighth (1/8) of One Percent (1%). Any number of rates may be bid, but no interest rate specified for any maturity may be lower than the interest rate specified for any earlier maturity. All Notes of the same maturity shall bear the same interest rate. A rate of interest must be named for each maturity; a zero rate of interest shall not be named; and the premium, if any, must be paid in cash as part of the purchase price. No supplemental interest shall be specified. Each bid shall offer to purchase all of the Notes and shall offer a price (payable in federal or other immediately available funds) which is not less than \$3,643,200 (99.0% of par), nor more than \$3,753,600 (102.0% of par), plus accrued interest to the date of delivery.

Good Faith Deposit. A good faith deposit in the amount of THIRTY-SIX THOUSAND EIGHT HUNDRED dollars (\$36,800) is only required to be submitted by the successful bidder for the Notes. The successful bidder for the Notes is required to submit such Good Faith Deposit payable to the order of the Village in the form of a wire transfer in federal funds. Instructions for wiring the Good Faith Deposit are as follows:

Amount:	\$36,800
Details:	Email PFM for details at <a href="mailto:hansonk@pfm.com">hansonk@pfm.com</a>

The successful bidder shall submit the Good Faith Deposit within two hours after verbal award is made. The successful bidder should provide as quickly as it is available, evidence of wire transfer by providing the Village the federal funds reference number. If the Good Faith Deposit is not received in the time allotted, the bid of the successful bidder may be rejected and the Village may direct the next lowest bidder to submit a Good Faith Deposit and thereafter may award the sale of the Notes to the same. If the successful bidder fails to comply with the Good Faith Deposit requirement as described herein, that bidder is nonetheless obligated to pay to the Village the sum of \$36,800 as liquidated damages due to the failure of the successful bidder to timely deposit the Good Faith Deposit.

**Submission of a bid to purchase the Notes serves as acknowledgement and acceptance of the terms of the Good Faith Deposit requirement.**

The Good Faith Deposit so wired will be retained by the Village until the delivery of the Notes, at which time the Good Faith Deposit will be applied against the purchase price of the Notes or the good faith deposit will be retained by the Village as partial liquidated damages in the event of the failure of the successful bidder to take up and pay for such Notes in compliance with the terms of the Official Notice of Sale and of its bid. No interest on the good faith deposit will be paid by the Village. The balance of the purchase price must be wired in federal funds to the account detailed in the closing memorandum, simultaneously with delivery of the Notes.

Insurance on Notes. In the event the successful bidder obtains a bond insurance policy for all or a portion of the Notes, by or on behalf of it or any other member of its underwriting group, the successful bidder is responsible for making sure that disclosure information is provided about the credit enhancement provider (for example, through a wrapper to the Official Statement). The Village will cooperate with the successful bidder in this manner. The costs of obtaining any bond insurance policy and the costs of providing disclosure information about the credit enhancement provider shall be paid by the successful bidder. In addition, the successful bidder will be required, as a condition for delivery of the Notes, to certify that the premium will be less than the present value of the interest expected to be saved as a result of such insurance.

Electronic Bidding. The Village assumes no responsibility or liability for electronic bids. If any provisions in this Official Notice of Sale conflict with information provided by Parity®, this Official Notice of Sale shall control. Further information about the electronic bidding service providers, including any fee charged and applicable requirements, may be obtained from:

Parity®/IPREO  
1359 Broadway, 2<sup>nd</sup> Floor  
New York, New York 10018  
(212) 849-5021 phone

Award. All bids received shall be considered at a meeting of the Village Board of Trustees to be held on the bidding date and, unless all bids are rejected, the Notes shall be awarded during the Village Board meeting on said date to the best bidder whose proposal shall result in the lowest true interest cost rate to the Village. The true interest cost is computed as the discount rate which, when used with semiannual compounding to determine the present worth of

the principal and interest payments as of the date of the Notes, produces an amount equal to the purchase price. If two or more bids provide the same lowest true interest rate, the Village shall determine which proposal shall be accepted, and such determination shall be final. A computation by the bidder of such true interest cost rate contained in any bid shall be for information only and shall not constitute a part of the bid. The purchaser shall pay accrued interest from the date of the Notes to the date of delivery and payment of the purchase price.

Establishment of the Issue Price. The successful bidder shall assist the Village in establishing the issue price of the Notes and shall execute and deliver to the Village prior to Closing a certificate acceptable to Bond Counsel setting forth the reasonably expected initial public offering price to the public (the “Initial Public Offering Price”), or the sales price or prices of the Notes, together with the supporting pricing wires or equivalent communications.

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

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

In the event the Village receives less than three bids that conform to the parameters contained herein such that the competitive sale requirements are not satisfied, the Village intends to treat the initial public offering price to the public of each maturity of the Notes as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). Consequently, bidders should assume for purposes of making its bid that, if the competitive sale requirements described above are not met, and less than 10% of any maturity has been sold to the public at the initial public offering price, as of the sale date, the bidder will be required to comply with the hold-the offering-price rule described below. The Village will advise the apparent winning bidder within one hour of receipt of bids if the hold-the-offering-price rule will apply as to any maturities for which less than 10% has been sold to the public on the sale date at the initial public offering price to the public (“the 10% test”). The winning bidder shall notify the Village on the sale date as to any maturities for which the 10% test has been met, and shall apply the hold-the-offering-price rule to all other maturities. In the event that the competitive sale requirements are not satisfied, the issue price certificate shall be modified as necessary in the reasonable judgment of Bond Counsel and the Village.

By submitting a bid, the successful bidder shall, on behalf of the underwriters participating in the purchase of the Notes, (i) confirm that the underwriters have offered or will

offer each maturity of the Notes to the public on or before the date that the Notes are awarded by the Village to the successful bidder (“Sale Date”) at the initial public offering price set forth in the bid submitted by the winning bidder, and (ii) agree, on behalf of the underwriters participating in the purchase of the Notes, that, if the competitive sale requirements are not met, the underwriters will neither offer nor sell any maturity of the Notes to any person at a price that is higher than the initial public offering price for such maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth business day after the Sale Date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Notes to the public at a price that is no higher than the initial public offering price for such maturity.

The winning bidder shall promptly advise the Village when the underwriters have sold 10% of that maturity of the Notes to the public at a price that is no higher than the initial public offering price if that occurs prior to the close of the fifth (5<sup>th</sup>) business day after the Sale Date.

The Village acknowledges that, in making the representation set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Notes to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Notes to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Village further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Notes.

By submitting a bid, each bidder confirms that:

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

(A) report the prices at which it sells to the public the Notes of each maturity allotted to it until it is notified by the successful bidder that either the 10% test has been satisfied as to the Notes of that maturity or all Notes of that maturity have been sold to the public, and

(B) comply with the hold-the-offering-price rule, if and for so long as directed by the successful bidder and in the related pricing wires; and

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

(A) report the prices at which it sells to the public the unsold Notes of each maturity allotted to it until it is notified by the successful bidder or such underwriter that either the 10% test has been satisfied as to the Notes of that maturity or all Notes of that maturity have been sold to the public, and

(B) comply with the hold-the-offering-price rule, if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Notes to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Official Notice of Sale. Further, for purposes of this Official Notice of Sale:

(i) “public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter or a related party,

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

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

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

Undertakings of the Successful Bidder. The successful bidder shall make a bona fide public offering of all of the Notes to the general public (excluding bond houses, brokers, or similar persons acting in the capacity of underwriters or wholesalers who are not purchasing for their own account as ultimate purchasers without a view to resell) and will, within 30 minutes

after being notified that such firm is the apparent winning bidder of the Notes, advise the Village in writing of the initial public offering price to the public of each maturity of the Notes. Prior to the delivery of the Notes, the successful bidder will furnish a certificate acceptable to Bond Counsel as to the “issue price” of the Notes within the meaning of the Internal Revenue Code of 1986, as amended. It will be the responsibility of the successful bidder to institute such syndicate reporting requirements, to make such investigation, or otherwise to ascertain the facts necessary to enable it to make such certification with reasonable certainty.

Delivery. The Notes will be delivered in typewritten form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, securities depository of the Notes for the establishment of book-entry accounts at the direction of the successful bidder, within approximately 45 days after the award. Payment at the time of delivery must be made in federal or other immediately available funds. In the event delivery is not made within 45 days after the date of the sale of the Notes, the successful bidder may, prior to tender of the Notes, at its option, be relieved of its obligation under the contract to purchase the Notes and its good faith check shall be returned, but no interest shall be allowed thereon. Delivery of the Notes is currently anticipated to be on or about August 14, 2024.

Legal Opinion. The successful bidder will be furnished without cost, the unqualified approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel. A Continuing Disclosure Certificate will be delivered at closing setting forth the details and terms of the Village’s undertaking and such Continuing Disclosure Certificate is a condition of closing.

CUSIP Numbers. The Village will assume no obligation for the assignment of CUSIP numbers on the Notes or for the correctness of any numbers printed thereon. The Village will permit such numbers to be assigned and printed at the expense of the original purchaser, but neither the failure to print such numbers on any Notes nor any error with respect thereto will constitute cause for failure or refusal by the original purchaser to accept delivery of the Notes.

Official Statement. Upon the sale of the Notes, the Village will publish an Official Statement in substantially the same form as the Preliminary Official Statement subject to minor additions, deletions and revisions as required to complete the Preliminary Official Statement. Promptly after the sale date, but in no event later than seven business days after such date, the Village will provide the successful bidder with an electronic copy of the final Official Statement without cost. The successful bidder agrees to supply to the Village all necessary pricing information and any underwriter identification necessary to complete the final Official Statement within 24 hours after the award of the Notes.

Certification Regarding Official Statement. The Village will deliver, at closing, a certificate, executed by appropriate officers of the Village acting in their official capacities, to the effect that the facts contained in the Official Statement relating to the Village and the Notes are true and correct in all material respects, and that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Undertaking to Provide Continuing Disclosure. In order to assist bidders in complying with SEC Rule 15c2-12, as amended, the Village will covenant to undertake (pursuant to a Resolution to be adopted by the Board of the Trustees), to provide annual reports and timely

notice of certain events for the benefit of holders of the Notes. The details and terms of the undertaking are set forth in a Continuing Disclosure Certificate to be executed and delivered by the Village, a form of which is included in the Preliminary Official Statement and in the final Official Statement.

Transcript of Proceedings. A transcript of the proceedings relative to the issuance of the Notes will be furnished to the successful bidder without cost, including a Closing Certificate stating that there is no litigation pending or threatened affecting the validity of or the security for the Notes.

Irregularities. The Village Board of Trustees reserves the right to reject any and all bids and to waive any and all irregularities.

Information. The Preliminary Official Statement can be viewed electronically at <https://www.muniplatform.com/calendar> or electronic copies of the Preliminary Official Statement and additional information may be obtained by addressing inquiries to the Village's financial advisor, PFM Financial Advisors LLC, 115 South 84th Street, Suite 315, Milwaukee, Wisconsin 53214, Attention: Kristin Hanson, phone (414) 771-2700, email [hansonk@pfm.com](mailto:hansonk@pfm.com) or the undersigned.

Elissa Friedl, Village Clerk/Treasurer  
Village of Johnson Creek  
125 Depot St.  
Johnson Creek, WI 53038  
(920) 699-2296 phone  
(920) 699-2292 fax

\* \* \* \* \*

**BID FORM**

**Village of Johnson Creek, Wisconsin  
\$3,680,000\*  
General Obligation Promissory Notes, Series 2024A**

**Village of Johnson Creek, Wisconsin  
c/o PFM Financial Advisors LLC**

**Sale Date: July 22, 2024**

For all or none of the principal amount of Creek \$3,680,000\* General Obligation Promissory Notes, Series 2024A, legally issued and as described in the Official Notice of Sale, we will pay the Village \$ \_\_\_\_\_ plus accrued interest on the total principal amount of the Notes to date of delivery, provided the Notes bear the following interest rate:

<u>Year</u>	<u>Amount*</u>	<u>Rate*</u>	<u>Yield*</u>	<u>Year</u>	<u>Amount*</u>	<u>Rate*</u>	<u>Yield*</u>
2025	\$ 100,000	___ %	___ %	2035	\$ 215,000	___ %	___ %
2026	100,000	___ %	___ %	2036	220,000	___ %	___ %
2027	120,000	___ %	___ %	2037	235,000	___ %	___ %
2028	150,000	___ %	___ %	2038	245,000	___ %	___ %
2029	160,000	___ %	___ %	2039	260,000	___ %	___ %
2030	165,000	___ %	___ %	2040	175,000	___ %	___ %
2031	175,000	___ %	___ %	2041	180,000	___ %	___ %
2032	185,000	___ %	___ %	2042	190,000	___ %	___ %
2033	190,000	___ %	___ %	2043	200,000	___ %	___ %
2034	205,000	___ %	___ %	2044	210,000	___ %	___ %

\* Preliminary, subject to change.

The Notes mature on March 1 in each of the years as indicated above and interest is payable March 1 and September 1 of each year, commencing March 1, 2025. The Notes are subject to optional redemption as described in the Official Statement.

In making this offer, we accept the terms and conditions as defined in the Official Notice of Sale published in the Preliminary Official Statement dated July 12, 2024. All blank spaces of this offer are intentional and are not to be construed as an omission. If we are the successful bidder for the Notes our good faith deposit in the amount of \$36,800 will be wired within two hours of verbal notification in accordance with the Official Notice of Sale.

**NOT PART OF THE BID**

Explanatory Note: According to our computation this bid involves the following:

\$ \_\_\_\_\_

Net Interest Cost

% \_\_\_\_\_

True Interest Rate (TIC)

Respectfully submitted,

\_\_\_\_\_  
Account Manager

\_\_\_\_\_

The foregoing offer is hereby accepted by and on behalf of the Village of Johnson Creek, Wisconsin, this 22<sup>nd</sup> day of July, 2024.

\_\_\_\_\_  
John L. Swisher, Village President

\_\_\_\_\_  
Elissa Friedl, Village Clerk/Treasurer