PRELIMINARY OFFICIAL STATEMENT DATED APRIL 10, 2024

In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended, 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). See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Notes. The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

The Notes shall be designated as "qualified tax-exempt obligations".

New Issue **Rating: Moody's Investors Service, Inc. "A1"**

VILLAGE OF PADDOCK LAKE, WISCONSIN
(Kenosha County)

$1,465,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2024A

BID OPENING: April 17, 2024, 10:00 A.M., C.T. **CONSIDERATION**: April 17, 2024, 6:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The $1,465,000* General Obligation Promissory Notes, Series 2024A (the "Notes") are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the Village of Paddock Lake, Wisconsin (the "Village"), for public purposes including paying the cost street improvement projects and water system projects. The Notes are general obligations of the Village, and all the taxable property in the Village is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF NOTES: May 8, 2024

MATURITY: April 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2026	$75,000	2031	$100,000	2036	$120,000
2027	80,000	2032	100,000	2037	125,000
2028	85,000	2033	105,000	2038	130,000
2029	85,000	2034	110,000	2039	135,000
2030	95,000	2035	120,000		

***MATURITY ADJUSTMENTS:** The Village reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of $5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: April 1, 2025 and semiannually thereafter.

OPTIONAL REDEMPTION: Notes maturing on April 1, 2033 and thereafter are subject to call for prior optional redemption on April 1, 2032 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

MINIMUM BID: $1,446,687.50.

MAXIMUM BID: $1,567,550.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of $29,300 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation.

BOND COUNSEL AND DISCLOSURE COUNSEL: Quarles & Brady LLP.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

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

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the Village to give any information or to make any representation other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Village. ***This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Official Statement is not to be construed as a contract with the underwriter (Syndicate Manager). Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Official Statement and any addenda thereto relying on information of the Village and other sources for which there is reasonable basis for believing the information is accurate and complete. Quarles & Brady LLP will serve as Disclosure Counsel to the Village with respect to the Notes. Compensation of Ehlers and Associates, Inc., payable entirely by the Village, is contingent upon the delivery of the Notes.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over $1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

Preliminary Official Statement: This Official Statement was prepared for the Village for dissemination to potential investors. Its primary purpose is to disclose information regarding the Notes to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

Review Period: This Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Official Statement, interested bidders will be informed by an addendum prior to the sale.

Final Official Statement: Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over $1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Official Statement describes the conditions under which the Village is required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Notes, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Notes and all times subsequent thereto up to and including the time of the delivery of the Notes, this Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Notes; (3) a certificate evidencing the due execution of the Notes, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Notes, (b) neither the corporate existence or boundaries of the Village nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Notes have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the Village which indicates that the Village does not expect to use the proceeds of the Notes in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

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VILLAGE OF PADDOCK LAKE
VILLAGE BOARD

		Term Expires
Terry Burns	Village President	April 2025
Alex Attiah	Village Trustee	April 2025
Renee Brickner	Village Trustee	April 2025
Mike Jansen	Village Trustee	April 2026
John Poole	Village Trustee	April 2025
Vacant	Village Trustee	April 2026
Vacant	Village Trustee	April 2026

ADMINISTRATION

Tim Popanda, Village Administrator

Michelle Shramek, Village Clerk/Treasurer

PROFESSIONAL SERVICES

Jeffery Davison, Village Attorney, Kenosha, Wisconsin

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

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

INTRODUCTORY STATEMENT

This Official Statement contains certain information regarding the Village of Paddock Lake, Wisconsin (the "Village") and the issuance of its $1,465,000* General Obligation Promissory Notes, Series 2024A (the "Notes"). Any descriptions or summaries of the Notes, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Notes to be included in the resolution authorizing the issuance and sale of the Notes ("Authorizing Resolution") to be adopted by the Village Board on April 17, 2024.

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Waukesha, Wisconsin, (262) 785-1520, the Village's municipal advisor. A copy of this Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the Bond Sales link and following the directions at the top of the site.

THE NOTES

GENERAL

The Notes will be issued in fully registered form as to both principal and interest in denominations of $5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of May 8, 2024. The Notes will mature on April 1 in the years and amounts set forth on the cover of this Official Statement. Interest will be payable on April 1 and October 1 of each year, commencing April 1, 2025, to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). All Notes of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Notes will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Notes are held under the book-entry system, beneficial ownership interests in the Notes may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Notes shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Notes shall be payable as provided in the Authorizing Resolution.

The Village has selected Bond Trust Services Corporation, Roseville, Minnesota ("BTSC"), to act as paying agent (the "Paying Agent"). BTSC and Ehlers are affiliate companies. The Village will pay the charges for Paying Agent services. The Village reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the Village, the Notes maturing on or after April 1, 2033 shall be subject to optional redemption prior to maturity on April 1, 2032 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

*Preliminary, subject to change.

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

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

AUTHORITY; PURPOSE

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the Village, for public purposes including paying the cost street improvement projects and water system projects.

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Notes	$1,465,000	
Estimated Interest Earnings	17,940	
Fund Balance Application	1,000,000	
Total Sources		**$2,482,940**
Uses		
Estimated Underwriter's Discount	$18,313	
Cost of Issuance	68,450	
Deposit to Borrowed Money Fund	2,392,062	
Rounding Amount	4,115	
Total Uses		**$2,482,940**

*Preliminary, subject to change.

SECURITY

For the prompt payment of the Notes with interest thereon and for the levy of taxes sufficient for this purpose, the full faith, credit and resources of the Village will be irrevocably pledged. The Village will levy a direct, annual, irrepealable tax on all taxable property in the Village sufficient to pay the interest on the Notes when it becomes due and also to pay and discharge the principal on the Notes at maturity, in compliance with Article XI, Section 3 of the Wisconsin Constitution. Such tax may, under current law, be levied without limitation as to rate or amount.

RATING

The Village has received a rating of "A1" on the Notes from Moody's Investors Service, Inc. ("Moody's") and bidders were notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from Moody's.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Notes.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Notes, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the Village nor the underwriter undertake responsibility to bring to the attention of the owner of the Notes any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

CONTINUING DISCLOSURE

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Notes, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the Village shall agree to provide certain information to the Municipal Securities Rulemaking Board (MSRB) through its Electronic Municipal Market Access (EMMA) system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events. The Disclosure Undertaking includes the two new material events effective February 27, 2019 under the Rule.

On the date of issue and delivery of the Notes, the Village shall execute and deliver a Continuing Disclosure Certificate, under which the Village will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the Village are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the Village to comply with the Disclosure Undertaking will not constitute an event of default on the Notes. However, such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

In the previous five years, the Village believes it has not failed to comply in all material respects with its prior undertakings under the Rule. The Village has reviewed its continuing disclosure responsibilities, including the two new material events, to help ensure compliance in the future. Ehlers is currently engaged as dissemination agent for the Village.

LEGAL MATTERS

An opinion as to the validity of the Notes and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the Village ("Bond Counsel"), and will be available at the time of delivery of the Notes. The legal opinion will be issued on the basis of existing law and will state that the Notes are valid and binding general obligations of the Village; provided that the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding).

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

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 Village 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 Village 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 shall be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code 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.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the Village in connection with the issuance of the Notes. The Municipal Advisor cannot participate in the underwriting of the Notes. The financial information included in this Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

BTSC and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the Village, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the Village under an agreement separate from Ehlers.

INDEPENDENT AUDITORS

The basic financial statements of the Village for the fiscal year ended December 31, 2022 have been audited by KerberRose SC, Green Bay, Wisconsin, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Official Statement.

RISK FACTORS

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

Taxes: The Notes will be general obligations of the Village, the ultimate payment of which rests in the Village's ability to levy and collect sufficient taxes to pay debt service. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the Village in time to pay debt service when due.

State Actions: Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the state may affect the overall financial condition of the Village, the taxable value of property within the Village, and the ability of the Village to levy and collect property taxes.

Future Changes in Law: Various State and federal laws, regulations and constitutional provisions apply to the Village and to the Notes. The Village can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the Village or the taxing authority of the Village.

Ratings; Interest Rates: In the future, the Village's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Notes for resale prior to maturity.

Tax Exemption: If the federal government taxes all or a portion of the interest on municipal bonds or notes or if the State government increases its tax on interest on bonds and notes, directly or indirectly, or if there is a change in federal or state tax policy, then the value of these Notes may fall for purposes of resale. Noncompliance by the Village with the covenants in the Authorizing Resolution relating to certain continuing requirements of the Code may result in inclusion of interest to be paid on the Notes in gross income of the recipient for United States income tax purposes, retroactive to the date of issuance.

Continuing Disclosure: A failure by the Village to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Notes. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Notes in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Notes to the accounts of the Beneficial Owners of the Notes may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the Village to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Notes.

Depository Risk: Wisconsin Statutes direct the local treasurer to immediately deposit upon receipt thereof, the funds of the municipality in a public depository designated by the governing body. A public depository means a federal or state credit union, federal or state savings and loan association, state bank, savings and trust company, mutual savings bank or national bank in Wisconsin or the local government pooled investment fund operated by the State Investment Board. It is not uncommon for a municipality to have deposits exceeding limits of federal and state insurance programs. Failure of a depository could result in loss of public funds or a delay in obtaining them. Such a loss or delay could interrupt a timely payment of municipal debt.

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the Village, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the Village may have an adverse effect on the value of the Notes in the secondary market.

Secondary Market for the Notes: No assurance can be given that a secondary market will develop for the purchase and sale of the Notes or, if a secondary market exists, that such Notes can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Notes at the request of the owners thereof. Prices of the Notes as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Notes. Such market value could be substantially different from the original purchase price.

Bankruptcy: The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Notes will be similarly qualified. See "MUNICIPAL BANKRUPTCY" herein.

Cybersecurity: The Village is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the Village will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

Section 70.57, Wisconsin Statutes, requires the Department of Revenue to annually determine the equalized value (also referred to as full equalized value or aggregate full value) of all taxable property in each county and taxation district. The equalized value is an independent estimate of value used to equate individual local assessment policies so that property taxes are uniform throughout the various subdivisions in the State. Equalized value is calculated based on the history of comparable sales and information about value changes or taxing status provided by the local assessor. A comparison of the State-determined equalized value and the local assessed value, expressed as a percentage, is known as the assessment ratio or level of assessment. The Department of Revenue notifies each county and taxing jurisdiction of its equalized value on August 15; school districts are notified on October 1. The equalized value of each county is the sum of the valuations of all cities, villages, and towns within its boundaries. Taxing jurisdictions lying in more than one municipality, such as counties, school districts, or special taxing districts, use the equalized value of the underlying units in calculating and levying their respective levies. Equalized values are also used to apportion state aids and calculate municipal general obligation debt limits.

Assessed Value

The "assessed value" of taxable property in a municipality is determined by the local assessor, except for manufacturing properties which are valued by the State. Each city, village or town retains its own local assessor, who must be certified by the State Department of Revenue. Assessed value is used by these municipalities to determine tax levy mill rates and to apportion levies among individual property owners. Each taxing district must assess property at full value at least once in every five-year period. The State requires that the assessed values must be within 10% of State equalized values at least once every four years. The local assessor values property as of January 1 each year and submits those values to each municipality by the second Monday in June. The assessor also reports any value changes taking place since the previous year, to the Department of Revenue, by the second Monday in June.

CURRENT PROPERTY VALUATIONS

2023 Equalized Value	$387,678,000
2023 Equalized Value Reduced by Tax Increment Valuation	$360,193,700
2023 Assessed Value	$420,487,600

2023 EQUALIZED VALUE BY CLASSIFICATION

	2023 Equalized Value[1]	Percent of Total Equalized Value
Residential	$337,065,000	86.945%
Commercial	46,666,500	12.037%
Agricultural	227,000	0.059%
Undeveloped	126,200	0.033%
Ag Forest	489,500	0.126%
Forest	275,000	0.071%
Personal Property	2,828,800	0.730%
Total	$387,678,000	100.000%

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value[1]	Percent Increase/Decrease in Equalized Value
2019	$248,747,000	$258,737,500	4.98%
2020	253,701,200	283,049,600	9.40%
2021	319,383,300	306,346,700	8.23%
2022	329,404,200	364,438,100	18.96%
2023	420,487,600	387,678,000	6.38%

Source: Wisconsin Department of Revenue, Bureau of Equalization and Local Government Services Bureau.

1 Includes tax increment valuation.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2023 Equalized Value[1]	Percent of Village's Total Equalized Value
Village Plaza	Retail Center	$5,640,167	1.45%
P.L. Property	Commercial/ Senior Assisted Living Center	3,918,383	1.01%
Kwik-Trip	Convenience Store	3,001,020	0.77%
WTR Apartments	Apartments	2,483,794	0.64%
Walgreens	Retail	2,328,903	0.60%
Mobil	Convenience Store	1,784,017	0.46%
Hartnell Chevy	Auto Dealer	1,631,891	0.42%
B.P.	Convenience Store	1,556,290	0.40%
Village Commons	Retail Center	1,373,739	0.35%
Buddy Bell	Retail Restaurant	1,290,761	0.33%
Total		$25,008,965	6.45%
Village's Total 2023 Equalized Value[2]		$387,678,000	

Source: The Village.

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1 Calculated by dividing the 2023 Assessed Values by the 2023 Aggregate Ratio of assessment for the Village.

2 Includes tax increment valuation.

DEBT

DIRECT DEBT[1]

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Notes)*	$6,140,000

Revenue Debt (see schedules following)

Total revenue debt secured by sewer revenues	$3,769,854
Total revenue debt secured by water revenues	$4,689,800

DEBT PAYMENT HISTORY

The Village has no record of default in the payment of principal and interest on its debt.

FUTURE FINANCING

The Village has no current plans for additional financing in the next 12 months.

DEBT LIMIT

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

Equalized Value	$387,678,000
Multiply by 5%	0.05
Statutory Debt Limit	$19,383,900
Less: General Obligation Debt*	(6,140,000)
Unused Debt Limit*	$13,243,900

*Preliminary, subject to change.

1 Outstanding debt is as of the dated date of the Notes.

Village of Paddock Lake, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 05/08/2024)

	Street Improvement Bonds		Corporate Purpose Bonds Series 2012A		Corporate Purpose Bonds Series 2018A		Promissory Notes Series 2024A							
Dated	3/10/2005		11/13/2012		10/11/2018		05/08/2024							
Amount	$1,000,000		$3,630,000		$4,715,000		$1,465,000*							
Maturity	03/01		10/01		04/01		04/01							
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Estimated Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2024	0	1,645	100,000	4,573	0	72,325	0	0	100,000	78,543	178,543	6,040,000	1.63%	**2024**
2025	70,000	1,645	110,000	7,145	200,000	140,650	0	94,966	380,000	244,406	624,406	5,660,000	7.82%	**2025**
2026			115,000	4,945	225,000	132,150	75,000	66,224	415,000	203,319	618,319	5,245,000	14.58%	**2026**
2027			115,000	2,473	240,000	124,050	80,000	62,660	435,000	189,183	624,183	4,810,000	21.66%	**2027**
2028					245,000	116,775	85,000	58,928	330,000	175,703	505,703	4,480,000	27.04%	**2028**
2029					255,000	109,116	85,000	55,103	340,000	164,218	504,218	4,140,000	32.57%	**2029**
2030					255,000	100,988	95,000	51,053	350,000	152,040	502,040	3,790,000	38.27%	**2030**
2031					270,000	92,456	100,000	46,665	370,000	139,121	509,121	3,420,000	44.30%	**2031**
2032					275,000	83,428	100,000	42,165	375,000	125,593	500,593	3,045,000	50.41%	**2032**
2033					285,000	73,978	105,000	37,526	390,000	111,504	501,504	2,655,000	56.76%	**2033**
2034					295,000	64,006	110,000	32,608	405,000	96,614	501,614	2,250,000	63.36%	**2034**
2035					350,000	52,719	120,000	27,288	470,000	80,006	550,006	1,780,000	71.01%	**2035**
2036					400,000	39,344	120,000	21,678	520,000	61,021	581,021	1,260,000	79.48%	**2036**
2037					425,000	24,391	125,000	15,889	550,000	40,279	590,279	710,000	88.44%	**2037**
2038					445,000	8,344	130,000	9,768	575,000	18,111	593,111	135,000	97.80%	**2038**
2039							135,000	3,308	135,000	3,308	138,308	0	100.00%	**2039**
	70,000	3,290	440,000	19,135	4,165,000	1,234,719	1,465,000	625,824	6,140,000	1,882,968	8,022,968			

* Preliminary, subject to change.

Village of Paddock Lake, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Sewer Revenues
(As of 05/08/2024)

	Sewer System Revenue Bonds (CWFL) Series 2011								
Dated	09/28/2011								
Amount	$8,931,351								
Maturity	05/01								
Calendar Year Ending	**Principal**	**Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2024	0	45,238	0	45,238	45,238	3,769,854	.00%	**2024**
2025	501,000	84,464	501,000	84,464	585,465	3,268,853	13.29%	**2025**
2026	513,024	72,296	513,024	72,296	585,321	2,755,829	26.90%	**2026**
2027	525,337	59,836	525,337	59,836	585,173	2,230,492	40.83%	**2027**
2028	537,945	47,076	537,945	47,076	585,022	1,692,546	55.10%	**2028**
2029	550,856	34,011	550,856	34,011	584,867	1,141,691	69.72%	**2029**
2030	564,076	20,632	564,076	20,632	584,708	577,614	84.68%	**2030**
2031	577,614	6,931	577,614	6,931	584,546	0	100.00%	**2031**
	3,769,854	370,485	3,769,854	370,485	4,140,339			

Village of Paddock Lake, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Water Revenues
(As of 05/08/2024)

	Water System Mortgage Revenue Bonds							
Dated	09/28/2020							
Amount	$4,956,000							
Maturity	05/01							
Calendar Year Ending	**Principal**	**Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2024	0	43,967	0	43,967	43,967	4,689,800	.00%	**2024**
2025	92,100	87,070	92,100	87,070	179,170	4,597,700	1.96%	**2025**
2026	93,800	85,328	93,800	85,328	179,128	4,503,900	3.96%	**2026**
2027	95,600	83,552	95,600	83,552	179,152	4,408,300	6.00%	**2027**
2028	97,400	81,743	97,400	81,743	179,143	4,310,900	8.08%	**2028**
2029	99,300	79,898	99,300	79,898	179,198	4,211,600	10.20%	**2029**
2030	101,100	78,020	101,100	78,020	179,120	4,110,500	12.35%	**2030**
2031	103,000	76,106	103,000	76,106	179,106	4,007,500	14.55%	**2031**
2032	105,000	74,156	105,000	74,156	179,156	3,902,500	16.79%	**2032**
2033	106,900	72,170	106,900	72,170	179,070	3,795,600	19.07%	**2033**
2034	109,000	70,146	109,000	70,146	179,146	3,686,600	21.39%	**2034**
2035	111,100	68,082	111,100	68,082	179,182	3,575,500	23.76%	**2035**
2036	113,200	65,979	113,200	65,979	179,179	3,462,300	26.17%	**2036**
2037	115,300	63,837	115,300	63,837	179,137	3,347,000	28.63%	**2037**
2038	117,500	61,655	117,500	61,655	179,155	3,229,500	31.14%	**2038**
2039	119,700	59,431	119,700	59,431	179,131	3,109,800	33.69%	**2039**
2040	122,000	57,165	122,000	57,165	179,165	2,987,800	36.29%	**2040**
2041	124,300	54,856	124,300	54,856	179,156	2,863,500	38.94%	**2041**
2042	126,700	52,503	126,700	52,503	179,203	2,736,800	41.64%	**2042**
2043	129,000	50,106	129,000	50,106	179,106	2,607,800	44.39%	**2043**
2044	131,500	47,663	131,500	47,663	179,163	2,476,300	47.20%	**2044**
2045	134,000	45,174	134,000	45,174	179,174	2,342,300	50.06%	**2045**
2046	136,500	42,638	136,500	42,638	179,138	2,205,800	52.97%	**2046**
2047	139,000	40,056	139,000	40,056	179,056	2,066,800	55.93%	**2047**
2048	141,800	37,423	141,800	37,423	179,223	1,925,000	58.95%	**2048**
2049	144,400	34,740	144,400	34,740	179,140	1,780,600	62.03%	**2049**
2050	147,100	32,007	147,100	32,007	179,107	1,633,500	65.17%	**2050**
2051	149,900	29,223	149,900	29,223	179,123	1,483,600	68.37%	**2051**
2052	152,800	26,385	152,800	26,385	179,185	1,330,800	71.62%	**2052**
2053	155,600	23,494	155,600	23,494	179,094	1,175,200	74.94%	**2053**
2054	158,600	20,548	158,600	20,548	179,148	1,016,600	78.32%	**2054**
2055	161,600	17,546	161,600	17,546	179,146	855,000	81.77%	**2055**
2056	164,600	14,488	164,600	14,488	179,088	690,400	85.28%	**2056**
2057	167,800	11,372	167,800	11,372	179,172	522,600	88.86%	**2057**
2058	170,900	8,197	170,900	8,197	179,097	351,700	92.50%	**2058**
2059	174,200	4,961	174,200	4,961	179,161	177,500	96.22%	**2059**
2060	177,500	1,664	177,500	1,664	179,164	0	100.00%	**2060**
	4,689,800	1,803,349	4,689,800	1,803,349	6,493,149			

OVERLAPPING DEBT[1]

Taxing District	Equalized Value[2]	% In Village	Total G.O. Debt[3]	Village's Proportionate Share
Kenosha County	$24,821,374,700	1.5619%	$156,785,000	$2,448,825
Salem Joint #2 School District	1,366,089,475	28.3646%	15,347,000	4,353,115
Central-Westosha Union High School District	5,027,511,017	7.6984%	43,835,000	3,374,594
Wilmot Union High School District	3,620,789,859	0.0177%	3,560,000	630
Gateway Technical College District	72,945,616,758	0.5315%	67,750,000	360,091
Village's Share of Total Overlapping Debt				$10,537,255

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value $387,678,000	Debt/ Per Capita 3,006[4]
Total General Obligation Debt*	$6,140,000	1.58%	$2,042.58
Village's Share of Total Overlapping Debt	10,537,255	2.72%	$3,505.41
Total*	$16,677,255	4.30%	$5,547.99

*Preliminary, subject to change.

1 Overlapping debt is as of the dated date of the Notes. Only those taxing jurisdictions with general obligation debt outstanding are included in this section.

2 Includes tax increment valuation.

3 Outstanding debt based on information obtained on EMMA and the Municipal Advisor's records.

4 Estimated 2023 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Levy for Village Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per $1,000
2019/20	$1,499,258	100%	$5.85
2020/21	1,481,244	100%	5.39
2021/22	1,408,951	100%	4.75
2022/23	1,460,183	100%	4.40
2023/24	1,246,868	In Process	3.46

Property tax statements are distributed to taxpayers by the town, village, and city treasurers in December of the levy year. Current state law requires counties to pay 100% of the real property taxes levied to cities, villages, towns, school districts and other taxing entities on or about August 20 of the collection year.

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, unless the municipality, by ordinance, permits special assessments to be paid in installments. Real property taxes must be paid in full by January 31 or in two equal installments by January 31 and July 31. Alternatively, municipalities may adopt a payment plan which permits real property taxes to be paid in three or more equal installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31, are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. On or before January 15 and February 20 the town, city or village treasurer settles with other taxing jurisdictions for all collections through December and January, respectively. In municipalities which have authorized the payment of real property taxes in three or more installments, the town, city or village treasurer settles with the other taxing jurisdictions on January 15, February 20 and on the fifteenth day of each month following the month in which an installment payment is required. On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. Any county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Uncollected personal property taxes owed by an entity that has ceased operations or filed a petition for bankruptcy, or are due on personal property that has been removed from the next assessment roll are collected from each taxing entity in the year following the levy year. The personal property tax has been repealed, starting with the property tax assessments as of January 1, 2024. Beginning in 2025, the personal property tax has been replaced with a payment from the State intended to replace the amount of property taxes imposed on personal property for the property tax assessments as of January 1, 2023.

PROPERTY TAX RATES

Full value rates for property taxes expressed in dollars per $1,000 of equalized value (excluding tax increment valuation) that have been collected in recent years have been as follows:

Year Levied/ Year Collected	Schools[1]	County	Local	Other[2]	Total
2019/20	$11.59	$4.53	$5.85	$0.21	$22.18
2020/21	11.18	4.38	5.39	0.19	21.14
2021/22	10.99	4.18	4.75	0.18	20.10
2022/23	9.63	3.61	4.40	0.17	17.81
2023/24	9.10	3.36	3.46	0.16	16.08

Source: Property Tax Rates were extracted from Statement of Taxes prepared by the Wisconsin Department of Revenue, Division of State and Local Finance.

LEVY LIMITS

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

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

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1 The Schools tax rate reflects the composite rate of all local school districts and technical college district.

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

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

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

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

(a) If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally issued before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy.

(b) For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts. This adjustment is based on scheduled debt service rather than the amount actually levied for debt service (after taking into account offsetting revenues such as sales tax revenues, special assessments, utility revenues, tax increment revenues or surplus funds). Therefore, the levy limit could negatively impact political subdivisions that experience a reduction in offsetting revenues.

(c) The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005.

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

REVENUE FROM THE STATE

In addition to local property taxes described above, a number of state programs exist which provide revenue to the Village. One such program is commonly known as shared revenue which, pursuant to sec. 79.036, Wis. Stats., provides funding to the Village that can be used for any public purpose. 2023 Wisconsin Act 12 ("Act 12") created a supplement to shared revenue, with payments to the Village beginning in 2024. This supplemental shared revenue may be used only for the purposes specified in section 79.037, Wis. Stats. In 2024, the Village is expected to receive approximately $142,000 in shared revenue and supplemental shared revenue from the State, an increase from the approximately $62,000 received in 2023. In future years, the amount of supplemental shared revenue could grow if State sales tax collections grow.

THE ISSUER

VILLAGE GOVERNMENT

The Village was incorporated in 1960 and is governed by the Village President and a six other Village Board members. The President is a voting member. All members are elected to staggered two-year terms. The appointed Village Administrator and Village Clerk/Treasurer are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

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

Village employees are generally required to contribute half of the actuarially determined contributions, and the Village generally may not pay the employees' required contribution. During the fiscal year ended December 31, 2020 ("Fiscal Year 2020"), the fiscal year ended December 31, 2021 ("Fiscal Year 2021") and the fiscal year ended December 31, 2022 ("Fiscal Year 2022"), the Village's portion of contributions to WRS (not including any employee contributions) totaled $29,491, $28,617 and $29,027, respectively.

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

As of December 31, 2021, the total pension liability of the WRS was calculated as $133.79 billion and the fiduciary net position of the WRS was calculated as $141.85 billion, resulting in a net pension asset of $8.06 billion. As of December 31, 2022, the total pension liability of the WRS was calculated as $123.7 billion and the fiduciary net position of the WRS was calculated as $118.4 billion, resulting in a net pension liability of $5.3 billion. Accordingly, the Village will report a liability for its proportionate share of the net pension liability of the WRS in its audited financial statements for the year ended December 31, 2023.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2022, the Village reported an asset of $203,548 for its proportionate share of the net pension asset of the WRS. The net pension asset was measured as of December 31, 2021 based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. The Village's proportion was 0.00252536% of the aggregate WRS net pension asset as of December 31, 2021.

The calculation of the total pension asset and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of net pension asset of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see Note 10 in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Recognized and Certified Bargaining Units

All eligible Village personnel are covered by the Municipal Employment Relations Act ("MERA") of the Wisconsin Statutes. Pursuant to that law, employees have rights to organize and collectively bargain with municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32, which altered the collective bargaining rights of public employees in Wisconsin.

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

Under the changes to MERA, impasse resolution procedures were removed from the law for municipal employees of the type employed by the Village, including binding interest arbitration. Strikes by any municipal employee or labor organization are expressly prohibited. As a practical matter, it is anticipated that strikes will be rare. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is the base wage rates, all bargaining over items such as just cause, benefits, and terms of conditions of employment are prohibited and cannot be included in a collective bargaining agreement. Impasse resolution for public safety employees and transit employees is subject to final and binding arbitration procedures, which do not include a right to strike. Interest arbitration is available for transit employees if certain conditions are met.

The Village has no active collective bargaining units.

OTHER POST EMPLOYMENT BENEFITS

The Village participates in the Local Retiree Life Insurance Fund ("LRLIF"), which is a cost-sharing multiple-employer defined benefit plan established by Chapter 40. The ETF and the Group Insurance Board have statutory authority for program administration and oversight, including establishing contribution requirements for employers.

For Fiscal Year 2022, the Village's portion of contributions to the LRLIF totaled $375. For Fiscal Year 2022, the Village reported a liability of $101,203 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2021 based on the Village's share of contributions to the LRLIF relative to the contributions of all participating employers. The Village's proportion was 0.01712300% of the aggregate LRLIF net OPEB liability as of December 31, 2021.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the net OPEB liability of the LRLIF, which may also cause ETF to change the contribution requirements for employers and employees. For more detailed information, see Note 11 in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the Village or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Notes or otherwise questioning the validity of the Notes.

MUNICIPAL BANKRUPTCY

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

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

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

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

FUNDS ON HAND (as of January 31, 2024)

Fund	Total Cash and Investments
Checking	$1,037,835
Money Market	141,951
Replacement Fund (Sewer Plant)	1,770,841
Sewer Plant Capital Improvement	61,173
LGIP General Fund	9,735,770
CD Account Registry Service	225,000
Total Funds on Hand	$12,972,571

ENTERPRISE FUNDS

Revenues available for debt service for the Village's enterprise funds have been as follows as of December 31 each year:

	2020 Audited	2021 Audited	2022 Audited
Water			
Total Operating Revenues	$103,174	$271,372	$349,960
Less: Operating Expenses	(313,991)	(287,047)	(307,891)
Operating Income	($210,817)	($15,675)	$42,069
Plus: Depreciation	97,673	174,893	183,576
Interest Income	7,468	1,849	15,064
Revenues Available for Debt Service	($105,676)	$161,067	$240,709
Sewer			
Total Operating Revenues	$1,412,057	$1,443,574	$1,406,812
Less: Operating Expenses	(963,098)	(981,002)	(995,651)
Operating Income	$448,959	$462,572	$411,161
Plus: Depreciation	538,087	556,893	548,534
Interest Income	27,489	5,712	88,885
Revenues Available for Debt Service	$1,014,535	$1,025,177	$1,048,580

SUMMARY GENERAL FUND INFORMATION

The following are summaries of the revenues and expenditures and fund balances for the Village's General Fund. These summaries are not purported to be the complete audited financial statements of the Village, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the Village. Copies of the complete statements are available upon request. Appendix A includes the 2022 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2020 Audited	2021 Audited	2022 Audited	2023 Unaudited	2024 Adopted Budget [3]
Revenues					
Taxes	$1,155,197	$1,184,753	$1,109,677	$1,164,281	$1,173,020
Intergovernmental	257,840	232,977	225,027	198,472	287,370
Licenses and permits	145,241	159,480	231,149	161,932	103,092
Fines, forfeitures and penalties	12,981	16,973	24,914	23,102	31,000
Charges for services	303,127	403,752	435,850	299,498	331,811
Miscellaneous	49,935	62,960	197,300	156,797	203,200
Total Revenues	$1,924,321	$2,060,895	$2,223,917	$2,004,082	$2,129,493
Expenditures					
Current:					
General government	$401,259	$425,169	$428,883	$557,715	$450,383
Public safety	574,528	638,901	597,836	1,466,550	589,955
Public works	270,739	391,161	337,138	320,549	490,395
Health and human services	353,072	364,937	427,657	422,775	442,932
Culture and recreation	104,579	114,950	114,930	127,124	117,663
Conservation and development	1,224	644	1,680	88,000	38,165
Total Expenditures	$1,705,401	$1,935,762	$1,908,124	$2,982,713	$2,129,493
Excess of revenues over (under) expenditures	$218,920	$125,133	$315,793	($978,631)[2]	$0
Other Financing Sources (Uses)					
Transfers (out)	$0	$0	$0	$0	$0
Total Other Financing Sources (Uses)	0	0	0	0	0
Net changes in Fund Balances	$218,920	$125,133	$315,793	($978,631)	$0
General Fund Balance January 1	$1,430,439	$1,627,035[1]	$1,752,168	$2,067,961	
General Fund Balance December 31	$1,649,359	$1,752,168	$2,067,961	$1,089,330	
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	$4,595	$4,593	$2,188	$1,059	
Assigned	85,270	96,848	95,285	149,136	
Unassigned (Deficits)	1,559,494	1,650,727	1,970,488	939,135	
Total	$1,649,359	$1,752,168	$2,067,961	$1,089,330	

1 As restated.

2 The Village used fund balance for the purchase of fire equipment.

3 The 2024 budget was adopted on November 15, 2023.

GENERAL INFORMATION

LOCATION

The Village, with a 2020 U.S. Census population of 2,919 and a current estimated population of 3,006 comprises an area of 3.4 square miles and is located approximately 15 miles west of the City of Kenosha and 40 miles south of the City of Milwaukee, and is serviced by State Highways 75 and 83, just under 20 miles from scenic Lake Michigan.

LARGER EMPLOYERS[1]

The Village is primarily a residential community with a complement of small businesses, retail establishments and restaurants. Additional employment opportunities are available in the nearby City of Kenosha as well as throughout Kenosha County and southeastern Wisconsin. The list below is a representative list, which includes larger employers in the areas surrounding the Village in addition to those located within the Village.

Firm	Type of Business/Product	Estimated No. of Employees
Amazon	Online retail/distribution	3,750
Uline	Shipping supply distribution	3,500
Kenosha Unified Schools	Public education	3,000
Froedtert South, Inc. (Fks UHS, Inc.)	Health care	2,100
Advocate-Aurora Health Care	Health care	1,500
Kenosha County	County government and services	1,326
City of Kenosha	Municipal government	730
Central-Westosha High School	Elementary and secondary education	155
Express Market by Festival Foods	Grocery store	60
Antioch Pizza	Pizza Shop/Caterer	50

Source: Kenosha Area Business Alliance (KABA).

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[1] This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above.

BUILDING PERMITS

	2020	2021	2022	2023	2024[1]
New Single Family Homes					
No. of building permits	18	24	14	5	4
Valuation	$5,688,000	$8,998,850	$6,985,000	$2,517,500	$1,950,000
New Multiple Family Buildings					
No. of building permits	0	0	0	0	0
Valuation	$0	$0	$0	$0	$0
New Commercial/Industrial					
No. of building permits	1	0	4	3	0
Valuation	$830,000	$0	$4,508,800	$5,083,000	$0
All Building Permits *(including additions and remodelings)*					
No. of building permits	181	209	183	195	20
Valuation	$8,517,630	$12,051,019	$43,444,569	$10,684,213	$1,969,000

Source: The Village.

1 As of March 4, 2024.

U.S. CENSUS DATA

Population Trend: The Village

2010 U.S. Census Population	2,992
2020 U.S. Census Population	2,919
Percent of Change 2010 - 2020	-2.44%
2023 Estimated Population	3,006

Income and Age Statistics

	The Village	Kenosha County	State of Wisconsin	United States
2022 per capita income	$42,060	$38,720	$40,130	$41,261
2022 median household income	$80,625	$76,583	$72,458	$75,149
2022 median family income	$102,361	$94,742	$92,974	$92,646
2022 median gross rent	$1,221	$1,110	$992	$1,268
2022 median value owner occupied units	$207,300	$234,700	$231,400	$281,900
2022 median age	35.4 yrs.	38.9 yrs.	39.9 yrs.	38.5 yrs.

	State of Wisconsin	United States
Village % of 2022 per capita income	104.81%	101.94%
Village % of 2022 median family income	110.10%	110.49%

Housing Statistics

	The Village		
	2020	2022	Percent of Change
All Housing Units	1,289	1,331	3.26%

Source: 2010 and 2020 Census of Population and Housing, Wisconsin Demographic Services Center (https://doa.wi.gov/Pages/LocalGovtsGrants/Population_Estimates.aspx) and 2022 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (https://data.census.gov/cedsci).

EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities with populations under 25,000.

	Average Employment	Average Unemployment	
Year	Kenosha County	Kenosha County	State of Wisconsin
2020	83,288	7.2%	6.4%
2021	86,034	4.4%	3.9%
2022	86,978	3.3%	2.9%
2023, December	89,187	3.2%	2.9%
2024, January	87,872[1]	3.1%[1]	2.8%

Source: Wisconsin Department of Workforce Development.

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[1] Preliminary

APPENDIX A

FINANCIAL STATEMENTS

Potential purchasers should read the included 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 or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Official Statement, nor has the 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 have 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.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.

VILLAGE OF PADDOCK LAKE, WISCONSIN

Annual Financial Report

December 31, 2022

KerberRose

www.kerberrose.com

VILLAGE OF PADDOCK LAKE, WISCONSIN

Table of Contents

December 31, 2022

INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report

To the Village Board
Village of Paddock Lake
Paddock Lake, Wisconsin

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Paddock Lake, Wisconsin (Village), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Village of Paddock Lake, Wisconsin's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Paddock Lake, Wisconsin, as of December 31, 2022, 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Village of Paddock Lake, Wisconsin, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Village of Paddock Lake, 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 Village of Paddock Lake, 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 schedule of budgetary comparison - general fund, the schedules of employer's proportionate share of net pension liability (asset) and the employer contributions - Wisconsin Retirement System and schedules of employer's proportionate share of the net OPEB liability and employer contributions - other post-employment benefit other than pensions - cost-sharing plan on pages 45 through 48, 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinions on the basic financial statements are not affected by this missing information.

To the Village Board
Village of Paddock Lake

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Village of Paddock Lake, Wisconsin's basic financial statements. The combining balance sheet - nonmajor governmental funds and combining schedule of revenues, expenditures and changes in fund balances - nonmajor governmental funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining balance sheet - nonmajor governmental funds and combining schedule of revenues, expenditures and changes in fund balances - nonmajor governmental funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

KerberRose SC

KerberRose SC
Certified Public Accountants
Green Bay, Wisconsin
September 5, 2023

BASIC FINANCIAL STATEMENTS

VILLAGE OF PADDOCK LAKE, WISCONSIN

Statement of Net Position

As of December 31, 2022

	Governmental Activities	Business - Type Activities	Total
ASSETS			
Current Assets			
Cash and Investments	$ 4,116,984	$ 5,563,942	$ 9,680,926
Taxes Receivable	1,164,970	-	1,164,970
Accounts Receivable	115,127	662,409	777,536
Special Assessments Receivable	-	1,207,708	1,207,708
Delinquent Property Taxes	2,188	-	2,188
Lease Receivable	65,913	-	65,913
Total Current Assets	5,465,182	7,434,059	12,899,241
Noncurrent Assets			
Restricted Cash and Investments	-	1,974,983	1,974,983
Lease Receivable	3,763,882	-	3,763,882
Net Pension Asset	138,796	64,752	203,548
Capital Assets - Nondepreciable	912,160	1,656,821	2,568,981
Capital Assets - Depreciable, Net	4,838,850	13,753,068	18,591,918
Total Noncurrent Assets	9,653,688	17,449,624	27,103,312
TOTAL ASSETS	15,118,870	24,883,683	40,002,553
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to Pension	270,444	126,171	396,615
Deferred Outflows of Resources Related to Other Post-Employment Benefits	35,957	16,776	52,733
TOTAL DEFERRED OUTFLOWS OF RESOURCES	306,401	142,947	449,348
LIABILITIES			
Current Liabilities			
Accounts Payable	70,526	42,427	112,953
Accrued and Other Current Liabilities	16,551	3,407	19,958
Due to Other Governments	21,008	-	21,008
Accrued Interest Payable	48,982	36,866	85,848
Deposits from Others	124,926	-	124,926
Compensated Absences	3,673	1,226	4,899
Current Portion of Long-Term Obligations	435,000	671,491	1,106,491
Unearned Revenue			
American Rescue Plan Act Funds	280,795	-	280,795
Total Current Liabilities	1,001,461	755,417	1,756,878
Noncurrent Liabilities			
Net Other Post-Employment Benefits Liability	69,008	32,195	101,203
Compensated Absences	14,694	4,902	19,596
Noncurrent Portion of Long-Term Obligations	4,523,624	9,471,474	13,995,098
Total NonCurrent Liabilities	4,607,326	9,508,571	14,115,897
TOTAL LIABILITIES	5,608,787	10,263,988	15,872,775
DEFERRED INFLOWS OF RESOURCES			
Taxes Levied for Subsequent Period	2,057,267	-	2,057,267
Lease Receivable	3,829,795	-	3,829,795
Deferred Inflows of Resources Related to Pension	327,359	152,723	480,082
Deferred Inflows of Resources Related to Other Post-Employment Benefits	8,115	3,786	11,901
TOTAL DEFERRED INFLOWS OF RESOURCES	6,222,536	156,509	6,379,045
NET POSITION			
Net Investment in Capital Assets	792,386	5,266,924	6,059,310
Restricted	305,398	2,013,183	2,318,581
Unrestricted	2,496,164	7,326,026	9,822,190
TOTAL NET POSITION	$ 3,593,948	$ 14,606,133	$ 18,200,081

See Accompanying Notes

VILLAGE OF PADDOCK LAKE, WISCONSIN
Statement of Activities
For the Year Ended December 31, 2022

		Program Revenues	
	Expenses	Charges for Services	Operating Grants and Contributions
GOVERNMENTAL ACTIVITIES			
General Government	$ 575,726	$ 368,212	$ -
Public Safety	595,390	17,016	-
Public Works	592,698	94,203	106,698
Health and Human Services	426,729	287,977	4,339
Culture and Recreation	118,137	33,143	-
Conservation and Development	58,589	1,771	62,354
Interest and Fiscal Charges	170,097	-	-
Total Governmental Activities	2,537,366	802,322	173,391
BUSINESS-TYPE ACTIVITIES			
Water Utility	408,580	349,960	-
Sewer Utility	1,112,981	1,406,812	-
Total Business-Type Activities	1,521,561	1,756,772	-
TOTAL VILLAGE OF PADDOCK LAKE	$ 4,058,927	$ 2,559,094	$ 173,391

GENERAL REVENUES:
Taxes:
Property Taxes, Levied for General Purposes
Other Taxes
State and Federal Aids not Restricted to Specific Functions
Interest and Investment Earnings
Miscellaneous
Total General Revenues

TRANSFERS

CHANGE IN NET POSITION

NET POSITION - BEGINNING OF YEAR

NET POSITION - END OF YEAR

See Accompanying Notes

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Totals
$ (207,514)	$ -	$ (207,514)
(578,374)	-	(578,374)
(391,797)	-	(391,797)
(134,413)	-	(134,413)
(84,994)	-	(84,994)
5,536	-	5,536
(170,097)	-	(170,097)
(1,561,653)	-	(1,561,653)
-	(58,620)	(58,620)
-	293,831	293,831
-	235,211	235,211
(1,561,653)	235,211	(1,326,442)
1,651,733	-	1,651,733
558	-	558
82,371	-	82,371
38,319	103,949	142,268
190,018	27,200	217,218
1,962,999	131,149	2,094,148
(9,930)	9,930	-
391,416	376,290	767,706
3,202,532	14,229,843	17,432,375
$ 3,593,948	$ 14,606,133	$ 18,200,081

VILLAGE OF PADDOCK LAKE, WISCONSIN

Balance Sheet
Governmental Funds
As of December 31, 2022

	General	Tax Incremental District No. 2	Debt Service Fund
ASSETS			
Cash and Investments	$ 2,570,327	$ -	$ -
Delinquent Property Taxes	2,188	-	-
Accounts Receivable	115,127	-	-
Property Taxes Levied for Subsequent Year	237,401	-	297,454
Due from Other Funds	505,456	-	-
TOTAL ASSETS	$ 3,430,499	$ -	$ 297,454
LIABILITIES			
Accounts Payable	$ 70,355	$ -	$ -
Accrued Liabilities	16,551	-	-
Due to Other Fund	-	502,573	2,883
Due to Other Governments	21,008	-	-
Deposits	124,926	-	-
Unearned Revenues			
American Rescue Plan Act Funds	-	-	-
Total Liabilities	232,840	502,573	2,883
DEFERRED INFLOWS OF RESOURCES			
Taxes Levied for Subsequent Period	1,129,698	-	297,454
FUND BALANCES (DEFICITS)			
Nonspendable	2,188	-	-
Restricted	-	-	-
Committed	-	-	-
Assigned	95,285	-	-
Unassigned (Deficits)	1,970,488	(502,573)	(2,883)
Total Fund Balances (Deficits)	2,067,961	(502,573)	(2,883)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	$ 3,430,499	$ -	$ 297,454

	Total Non Major Funds	Total Governmental Funds
	$ 1,546,657	$ 4,116,984
	-	2,188
	-	115,127
	630,115	1,164,970
	-	505,456
	$ 2,176,772	$ 5,904,725
	$ 171	$ 70,526
	-	16,551
	-	505,456
	-	21,008
	-	124,926
	280,795	280,795
	280,966	1,019,262
	630,115	2,057,267
	-	2,188
	500,092	500,092
	765,599	765,599
	-	95,285
	-	1,465,032
	1,265,691	2,828,196
	$ 2,176,772	$ 5,904,725

See Accompanying Notes

VILLAGE OF PADDOCK LAKE, WISCONSIN

Reconciliation of the Balance Sheet
Governmental Funds to the Statement of Net Position
As of December 31, 2022

Total Fund Balances - Governmental Funds		$ 2,828,196
Total net position reported for governmental activities in the statement of net position is different from the amount reported above as total governmental funds fund balance because:		
Capital assets used in government activities are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position:		
Governmental Capital Assets	$ 11,620,109	
Governmental Accumulated Depreciation	(5,869,099)	5,751,010
Net pension asset is not usable in the current period therefore not reported in the fund financial statements		138,796
The Village's proportionate share of the Wisconsin Retirement System pension plan and other post-employment benefits are not available financial resources; therefore, they are not reported in the fund financial statements.		
Deferred Outflows Related to Pension	270,444	
Deferred Outflows Related to Other Post-Employment Benefits	35,957	
Deferred Inflows Related to Pension	(327,359)	
Deferred Inflows Related to Other Post-Employment Benefits	(8,115)	(29,073)
Post-employment benefit liability not payable in the current period therefore not reported in the fund financial statements		(69,008)
Noncurrent liabilities, including bonds and notes payable, are not due in the current period and therefore not reported in the fund statements. Noncurrent liabilities reported in the statement of net position that are not reported in the funds balance sheet		
General Obligation Debt		(4,915,000)
Premium Debt Issued		(43,624)
Accrued Interest on General Obligation Debt		(48,982)
Vested Employee Benefits		(18,367)
Total Net Position - Governmental Activities		$ 3,593,948

See Accompanying Notes

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VILLAGE OF PADDOCK LAKE, WISCONSIN

Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)

Governmental Funds

For the Year Ended December 31, 2022

	General	Tax Incremental District No. 2	Debt Service Fund
REVENUES			
Taxes	$ 1,109,677	$ 139,869	$ 299,857
Intergovernmental	225,027	17,001	-
Licenses and Permits	231,149	-	-
Fines, Forfeitures and Penalties	24,914	-	-
Charges for Services	435,850	91,622	-
Miscellaneous	197,300	1,771	-
Total Revenues	2,223,917	250,263	299,857
EXPENDITURES			
Current:			
General Government	428,883	82,897	-
Public Safety	597,836	-	-
Public Works	337,138	-	-
Health and Human Services	427,657	-	-
Culture and Recreation	114,930	-	-
Conservation and Development	1,680	-	-
Debt Service:			
Principal Retirement	-	125,000	280,000
Interest and Fiscal Charges	-	160,150	20,658
Total Expenditures	1,908,124	368,047	300,658
OTHER FINANCING (USE)			
Transfers Out	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	315,793	(117,784)	(801)
FUND BALANCES (DEFICITS) - BEGINNING	1,752,168	(384,789)	(2,082)
FUND BALANCES (DEFICITS) - ENDING	$ 2,067,961	$ (502,573)	$ (2,883)

Total Non Major Funds	Total Govermental Fund
$ 102,888	$ 1,652,291
45,353	287,381
-	231,149
-	24,914
-	527,472
16,434	215,505
164,675	2,938,712
3,002	514,782
-	597,836
35,898	373,036
-	427,657
-	114,930
42,124	43,804
-	405,000
-	180,808
81,024	2,657,853
(9,930)	(9,930)
73,721	270,929
1,191,970	2,557,267
$ 1,265,691	$ 2,828,196

See Accompanying Notes

VILLAGE OF PADDOCK LAKE, WISCONSIN

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) -
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2022

Net Changes in Fund Balances (Deficits) - Total Governmental Funds		$ 270,929
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay reported in governmental fund statements	$ 19,998	
Depreciation expense reported in the statement of activities	(338,744)	
Amount by which capital outlays are less than depreciation in the current period.		(318,746)
Amounts related to the pension plan that affect the statement of activities but do not affect the fund financial statements.		30,668
Amounts related to the other post-employment benefit that affect the statement of activities but do not affect the fund financial statements.		(6,627)
Vested employee benefits are reported in the government funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. This year the accrual of these benefits was more than the amount paid.		(519)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities. The amount of long-term debt principal payments in the current year is:		405,000
Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid, in the statement of activities interest is reported as it accrues.		3,338
Premiums on debt issued are recorded as other financing sources and uses in the governmental funds but are amortized over the life of the related debt issue in the governmental activtiies financial statements		7,373
Change in Net Position - Governmental Activities		$ 391,416

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VILLAGE OF PADDOCK LAKE, WISCONSIN
Statement of Net Position
Proprietary Funds
As of December 31, 2022

	Water Utility District	Sewer Utility District	Total
ASSETS			
Current Assets:			
Cash and Investments	$ 968,799	$ 4,595,143	$ 5,563,942
Accounts Receivable	101,996	560,413	662,409
Special Assessments Receivable	1,207,708	-	1,207,708
Total Current Assets	2,278,503	5,155,556	7,434,059
Noncurrent Assets:			
Restricted Cash	221,320	1,753,663	1,974,983
Net Pension Asset	4,603	60,149	64,752
Land	-	113,182	113,182
Construction Work in Progress	1,543,639	-	1,543,639
Buildings	2,203,759	-	2,203,759
Infrastructure	5,435,549	16,572,869	22,008,418
Machinery and Equipment	38,770	363,127	401,897
Accumulated Depreciation	(880,130)	(9,980,876)	(10,861,006)
Total Noncurrent Assets	8,567,510	8,882,114	17,449,624
TOTAL ASSETS	10,846,013	14,037,670	24,883,683
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to Pension	8,969	117,202	126,171
Deferred Outflows of Resources Related to Other Post-Employment Benefits	1,193	15,583	16,776
Total Deferred Outflows of Resources	10,162	132,785	142,947
CURRENT LIABILITIES			
Accounts Payable	15,561	26,866	42,427
Accrued and Other Current Liabilities	249	3,158	3,407
Accrued Interest	17,919	18,947	36,866
Compensated Absences	90	1,136	1,226
Current Portion of Long-Term Obligations	193,700	477,791	671,491
Total Current Liabilities	227,519	527,898	755,417
NONCURRENT LIABILITIES			
Net Other Post-Employment Benefits Liability	2,289	29,906	32,195
Compensated Absences	358	4,544	4,902
Noncurrent Portion of Long-Term Obligations	5,212,362	4,259,112	9,471,474
Total Noncurrent Liabilities	5,215,009	4,293,562	9,508,571
TOTAL LIABILITIES	5,442,528	4,821,460	10,263,988
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to Pension	10,857	141,866	152,723
Deferred Inflows of Resources Related to Other Post-Employment Benefits	269	3,517	3,786
Total Deferred Inflows of Resources	11,126	145,383	156,509
NET POSITION			
Net Investment in Capital Assets	2,935,525	2,331,399	5,266,924
Restricted	224,035	1,789,148	2,013,183
Unrestricted	2,242,961	5,083,065	7,326,026
TOTAL NET POSITION	$ 5,402,521	$ 9,203,612	$ 14,606,133

See Accompanying Notes

VILLAGE OF PADDOCK LAKE, WISCONSIN

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

For the Year Ended December 31, 2022

	Water Utility District	Sewer Utility District	Total
OPERATING REVENUES			
Charges for Services	$ 349,960	$ 1,406,812	$ 1,756,772
OPERATING EXPENSES			
Operation and Maintenance	124,315	447,117	571,432
Depreciation	183,576	548,534	732,110
Total Operating Expenses	307,891	995,651	1,303,542
OPERATING INCOME	42,069	411,161	453,230
NONOPERATING REVENUES (EXPENSE)			
Investment Earnings	15,064	88,885	103,949
Interest Expense	(100,689)	(117,330)	(218,019)
Miscellaneous	-	27,200	27,200
Total Nonoperating Revenues (Expense)	(85,625)	(1,245)	(86,870)
INCOME (LOSS) BEFORE TRANSFER	(43,556)	409,916	366,360
TRANSFERS IN	9,930	-	9,930
CHANGE IN NET POSITION	(33,626)	409,916	376,290
NET POSITION - BEGINNING	5,436,147	8,793,696	14,229,843
NET POSITION - ENDING	$ 5,402,521	$ 9,203,612	$ 14,606,133

VILLAGE OF PADDOCK LAKE, WISCONSIN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2022

	Water Utility District	Sewer Utility District	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from User Charges	$ 328,075	$ 1,485,982	$ 1,814,057
Paid to Suppliers for Goods and Services	(127,935)	(167,652)	(295,587)
Paid to Employees for Wages and Benefits	(666)	(335,919)	(336,585)
Net Cash Flows From Operating Activities	199,474	982,411	1,181,885
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Merchandising, Jobbing, and Other Nonoperating Income	-	27,200	27,200
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(97,472)	(6,206)	(103,678)
Capital Contributions	341,180	-	341,180
Principal Payments on Long-Term Debt	(197,099)	(466,594)	(663,693)
Proceeds from Long-Term Debt	7,731	-	7,731
Interest and Fiscal Charges	(107,065)	(119,284)	(226,349)
Net Cash Flows From Capital and Related Financing Activities	(52,725)	(592,084)	(644,809)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Income	15,064	88,885	103,949
CHANGE IN CASH AND INVESTMENTS	171,743	506,412	678,155
CASH AND INVESTMENTS - BEGINNING	1,018,376	5,842,394	6,860,770
CASH AND INVESTMENTS - ENDING	$ 1,190,119	$ 6,348,806	$ 7,538,925
RECONCILIATION OF CASH ACCOUNTS			
Cash and Investments	$ 968,799	$ 4,595,143	$ 5,563,942
Restricted Cash and Investment	221,320	1,753,663	1,974,983
Total Reconciliation of Cash Accounts	$ 1,190,119	$ 6,348,806	$ 7,538,925

See Accompanying Notes

	Water Utility District	Sewer Utility District	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income	$ 42,069	$ 411,161	$ 453,230
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:			
Depreciation	183,576	548,534	732,110
Changes in Assets and Liabilities:			
Customer Accounts Receivable	(21,885)	79,170	57,285
Prepayments	-	2,012	2,012
Net Pension Asset	(990)	(18,533)	(19,523)
Deferred Outflows Related to Pension	(2,930)	(46,983)	(49,913)
Deferred Outflows Related to OPEB	(373)	(6,131)	(6,504)
Accounts Payable	(3,620)	(49,219)	(52,839)
Accrued Liabilities	16	(58)	(42)
Net OPEB Liability	613	10,594	11,207
Deferred Inflows Related to Pension	2,939	50,654	53,593
Deferred Inflows Related to OPEB	12	553	565
Net Cash Flows From Operating Activities	$ 199,474	$ 982,411	$ 1,181,885

VILLAGE OF PADDOCK LAKE, WISCONSIN

Statement of Fiduciary Net Position
Fiduciary Fund
As of December 31, 2022

	Custodial Tax Collection Fund
ASSETS	
Cash and Investments	$ 1,801,663
Taxes Receivable	2,593,374
Total Assets	4,395,037
LIABILITIES	
Due to Other Taxing Entities	4,395,037
NET POSITION	$ -

See Accompanying Notes

VILLAGE OF PADDOCK LAKE, WISCONSIN
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2022

	Custodial Fund Tax Collection Fund
ADDITIONS	
Taxes Collected on Behalf of Other Taxing Entities	$ 3,221,792
DEDUCTIONS	
Taxes Remitted to Other Taxing Entities	3,221,792
CHANGE IN NET POSITION	-
NET POSITION - BEGINNING	-
NET POSITION - ENDING	$ -

See Accompanying Notes

Note 1 - Summary of Significant Accounting Policies

This summary of significant accounting policies of the Village of Paddock Lake, Wisconsin (Village) is presented to assist in understanding the Village's financial statements. The financial statements and notes are representations of the Village's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to generally accepted accounting principles in the United States of America (GAAP) and have been consistently applied in the preparation of the financial statements. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies established in GAAP and used by the Village is discussed below.

Reporting Entity

The reporting entity for the Village is based upon criteria set forth by the Governmental Accounting Standards Board. All functions of the Village for which it exercises oversight responsibility are included. The oversight responsibility includes, but is not limited to, financial interdependency between the Village and the governmental entity; control by the Village over selection of entity's governing authority or designation of management; the ability of the Village to significantly influence operations of the entity; and whether the Village is responsible for the accountability for fiscal matters.

Accounting principles generally accepted in the United States of America require that these financial statements include the primary government and its component units. Component units are separate organizations that are included in the Village's reporting entity because of the significance of their operational or financial relationship with the Village. All significant activities and organizations with which the Village exercises oversight responsibility have been considered for inclusion in the basic financial statements. The Village has not identified any component units to report.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Note 1 - Summary of Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements

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

Fund financial statements of the reporting entity are organized into individual funds each of which are considered to be separate accounting entities. 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, fund equity, revenues, and expenditures/expenses.

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

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

b. The same element that met the 10 percent criterion in (a) is at least 5 percent of the corresponding element total for all governmental and proprietary funds combined.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Measurement Focus, Basis of Accounting and Financial Statements Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Note 1 - Summary of Significant Accounting Policies (Continued)

Governmental Funds

Governmental funds are identified as either general, special revenue, capital projects, or debt service funds based upon the following guidelines.

General Fund

The general fund is the primary operating fund of the Village and is always classified as a major fund. 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 (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Project Funds

Capital project funds are used to account for property tax, bond proceeds, and other financial resources available to implement the Village's capital improvement plans.

Debt Service Funds

Debt service funds are used to account for resources accumulated to meet the Village's principal and interest expenditure annual requirements.

Proprietary Funds

Proprietary funds may be used to account for activities where a fee is charged to external users for goods and services. Enterprise activities must include operations (a) that are financed with debt that is secured solely by the pledge of the net revenues of the fund, or (b) where laws or regulations require that the costs of the activity be recovered with fees and charges, or (c) where the fees and charges are priced in a way designed to recover the costs of the activity.

Fiduciary Fund

The Village follows the presentation requirements of accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. This statement revised the criteria on whether the government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. Four types of fiduciary funds that should be reported, if applicable, include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The Village reports the Tax Collection Fund as a custodial fund.

Note 1 - Summary of Significant Accounting Policies (Continued)

Major Funds

The Village reports the following major governmental funds:

The *General Fund,* which accounts for the Village's primary operating activities.

The *Tax Incremental Districts No. 2*, which accounts for the Village's resources accumulated to support development and improvement costs in a designated area funded from the property taxes generated on the increased value of the property after the creation date of the districts.

The *Debt Service Fund,* which account for resources accumulated and payments made for principal and interest on long-term debt other than proprietary fund debt.

The Village reports the following major proprietary funds:

The *Water Utility District*, which operates the water distribution system.

The *Sewer Utility District,* accounts for the activities of operating the Village's sewer activities.

Non-Major Funds

Capital Projects, which accounts for resources accumulated for general capital projects throughout various departments of the Village that are grant or debt financed.

The *Tax Incremental Districts No. 1*, which accounts for the Village's resources accumulated to support development and improvement costs in a designated area funded from the property taxes generated on the increased value of the property after the creation date of the districts.

Lake Rehabilitation District, which accounts for resources accumulated for lake rehabilitation projects of the Village that are grant or debt financed.

Cash and Investments

Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. For purpose of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

Accounts Receivable

Accounts receivable and due from other governments have not been shown net of an allowance for uncollectible accounts. No provision for uncollectible accounts receivable has been made for the water and sewer utilities because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items.

Prepaid items of governmental fund types in the fund financial statements are offset by a nonspendable fund balance to indicate that they do not represent spendable available resources.

Note 1 - Summary of Significant Accounting Policies (Continued)

Inventories

Proprietary fund inventories are generally used for construction and for operation and maintenance work and are not for resale. They are valued at cost based on first-in, first-out method, which approximates market value. Governmental fund inventory items are charged to expenditure accounts when purchased.

Special Assessments

Special assessments consist of capital projects constructed through non-special assessment debt. In governmental fund financial statements, special assessments are recorded as receivables and deferred inflows of resources when the related capital outlays are made and are recorded as revenues when due and payable. In the government-wide financial statements and proprietary funds, special assessments are recorded as receivables and capital contributions when the capital outlays are made. All special assessments are due when billed and may be paid on an installment basis with interest. Special assessment receivables that become delinquent are added to the general tax roll. The method of enforcing collections is the same as for general Village taxes. The Village also records special assessment charges for its garbage on the tax roll for its subsequent year operations.

Capital Assets

Government-Wide Statements

Capital assets, which include land, buildings, land improvements, machinery and equipment, and infrastructure are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of $5,000 or higher and an estimated useful life in excess of two years, except for certain assets of the water and sewer utilities which may be capitalized at a lower cost. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Fund Financial Statements

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

Land improvements, buildings, machinery and equipment, and infrastructure of the Village are depreciated using the straight-line method over the following estimated useful lives:

	Years	
Assets	**Governmental Activities**	**Business-Type Activities**
Buildings and Improvements	25 – 50	25 – 50
Land Improvements	20	20
Machinery and Equipment	5 – 40	5 – 40
Infrastructure/Utility System	15 – 50	15 – 50

Note 1 - Summary of Significant Accounting Policies (Continued)

Compensated Absences

The Village generally does not allow the carrying over of vacation time. Sick leave is accrued up to 480 hours. Upon leaving employment, the employee will get paid out the number of hours accrued at 50% of their current wage rate. Compensatory time is accrued up to 40 hours at any one time. Employees shall have the option to carry over banked time from year to year. Any hours in excess of 40 are paid in wages.

Vested compensatory time and sick days are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense) until then. The Village reports two categories of deferred outflows of resources related to the pension plan and cost-sharing OPEB plan on the statement of net position. The deferred outflows related to the pension plan and cost-sharing OPEB plan are explained in more detail in Note 10 and Note 11, respectively.

In addition to liabilities, the statement of net position and balance sheet report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until then. The Village reports three categories of deferred inflows of resources related to taxes levied for subsequent year, the pension plan, and cost-sharing OPEB plan on either the statement of net position or balance sheet. The deferred inflows related to the pension plan and cost-sharing plan are explained in more detail in Note 10, and Note 11, respectively.

Pension and Other Post-Employment Benefits

Pensions. For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (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 Post-Employment Benefits (OPEB). The fiduciary net position of the Village's Local Retiree Life Insurance Fund has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

Long-Term Obligations

The accounting treatment of long-term debt depends on whether it is reported in the government-wide or fund financial statements.

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 of general obligation bonds and revenue bonds.

Long-term debt for governmental funds is not reported as a liability in the governmental fund financial statements. The debt proceeds are reported as an other financing source and payment of principal and interest reported as expenditures. The accounting in proprietary funds is the same in the fund statements as it is in the government-wide statements.

Leases Receivable

The government as a lessor recognizes lease receivables and deferred inflows of resources at the commencement of the lease term, with certain exceptions for leases of assets held as investments, certain regulated leases; unless the lease is short-term, or ownership is transferred of the underlying asset as the Village adopted GASB Statement No. 87, leases for the year ended. As the lessor the government continues to recognize assets underlying leases to others. The lease receivables are measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources should be measured at the value of the lease receivables plus any payments received at or on before the commencement of the lease term that relate to future periods.

Equity Classifications

Government-Wide and Proprietary Fund Statements

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

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

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

Fund Financial Statements

Fund balance is classified as either 1) nonspendable, 2) restricted, 3) committed, 4) assigned, or 5) unassigned.

Nonspendable fund balance represents amounts that cannot be spent due to form (such as inventories and prepaid amounts), or amounts that must be maintained intact legally or contractually (such as the principal of a permanent fund).

Restricted fund balance represents amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation.

Committed fund balance represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority. It would require action by the same group to remove or change the constraints placed on the resources. The action to constrain resources must occur prior to year-end; however, the amount can be determined in the subsequent period. The Village Board is the decision-making authority that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance.

Note 1 - Summary of Significant Accounting Policies (Continued)

Equity Classifications (Continued)

Assigned fund balance in the general fund represents amounts constrained by the Village Board for a specific intended purpose. The Village has not delegated that authority to others. Assigned fund balance in all other governmental funds, represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance.

Unassigned fund balance represents amounts not classified as nonspendable, restricted, committed or assigned. The general fund is the only fund that would report a positive amount in the unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) resources are available, it is the Village's general policy to use restricted resources first.

When expenditures are incurred for purposes for which unrestricted (committed, assigned, or unassigned) resources are available, and amounts in any of these unrestricted classification could be used, it is the Village's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts and disclosures. Actual results may differ from these estimates.

Note 2 - Cash and Investments

The Village is authorized to invest its funds in accordance with Wisconsin Statutes. Allowable investments are as follows:

- Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
- Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, local professional baseball park district, local professional football stadium district, local cultural arts district or by the University of Wisconsin Hospitals and Clinics Authority.
- Bonds or securities guaranteed by the federal government.
- The Local Government Pooled Investment Fund and 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.
- Securities of an open end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.

Additional restrictions could arise from local charters, ordinances, resolutions and grant regulations of the Village.

At December 31, 2022, the Village's bank balance of cash was $2,120,908. The Village maintains its cash accounts at one financial institution. The institution provides the Village with a program whereby it deposits amounts in certificates of deposit in other institutions to obtain FDIC insurance. Custodial credit risk for deposits is the risk that in the event of a bank failure, the Village's deposits may not be returned. The Village does not have a deposit policy for custodial credit risk.

Deposits in each bank are insured by the FDIC up to $250,000 for the combined amounts of all time and savings accounts (including NOW accounts) and up to $250,000 for the combined amount of all interest and non-interest bearing demand deposit accounts. The Village participates in a program IntraFi network deposits, whereby deposits are made in several institutions to obtain full FDIC insurance coverage.

Note 2 - Cash and Investments (Continued)

Any losses caused by failure of public depositories are also covered by the State Deposit Guarantee Fund. The fund provides coverage of $400,000 in each financial institution above the applicable insurance coverage provided by the FDIC. However, although the fund had reserves available at December 31, 2022, the future availability of resources to cover the losses cannot be projected because provisions of the 1985 Wisconsin Act 25 provided that the amount in the fund will be used to repay public depositors for losses until the appropriation is exhausted, at which time the fund will be abolished; therefore, the State Deposit Guarantee Fund is not considered in covered amounts noted below.

The following represents a summary of deposits as of December 31, 2022:

Fully Insured Deposits	$	1,635,724
Uninsured and Uncollateralized		485,184
Total	$	2,120,908

The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit at December 31, 2022.

The Local Government Investment Pool (LGIP) is not registered with the U.S. Securities and Exchanges Commission and does not publish credit quality ratings. An investment in the LGIP is not a deposit with any bank and is neither insured nor guaranteed by the Federal Deposit Insurance Corporation, the United States Government or any state governmental agency of the LGIP. Upon demand, cash can be withdrawn with interest from the Local Government Investment Pool. Investments in the Local Government Investment Pool are valued at amortized cost. The balance in the Local Government Investment Pool at December 31, 2022 was $10,346,732.

Note 3 - Restricted Assets

Restricted assets on December 31, 2022 consisted of cash totaling $1,974,983 held for the following purposes:

Proprietary Funds:		
Water Utility		
Debt Reserve	$	221,320
Sewer Utility		
Sewer Replacement Fund		57,917
Reserve Account		1,695,746
Total		1,753,663
Total Restricted Assets	$	1,974,983

Note 4 - Property Taxes

The Village bills and collects its own property taxes and also levies for the Paddock Lake Pub Inland Lake Project and Rehab District, Hooker Lake Management District, School District of Brighton #1, United High School District of Central-Westosha Union High, School District of Salem, United High School District of Wilmot (Salem) Union High, Kenosha County, and Gateway Technical College.

Property taxes consist of taxes on real estate and personal property. They are levied during December and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes are payable on or before January 31 in full. Real estate taxes are payable in full by January 31, or in two equal installments on or before January 31 and July 31. Real estate taxes not paid by July 31 are assumed by the County as part of the August tax settlement. Delinquent personal property taxes remain the collection responsibility of the Village.

Under Wisconsin Act 32, a municipality is allowed to increase its levy over the amount it levied in the prior year by the percentage increase in equalized value from net new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit.

Note 5 - Capital Assets

Capital asset activity for the year ended December 31, 2022 was as follows:

	Beginning Balances	Additions	Deductions	Ending Balances
Governmental Activities				
Capital Assets not Being Depreciated				
Land and Improvements	$ 912,160	$ -	$ -	$ 912,160
Capital Assets Being Depreciated				
Land Improvements	574,120	-	-	574,120
Buildings and Improvements	1,164,877	-	-	1,164,877
Machinery and Equipment	1,329,216	19,998	-	1,349,214
Infrastructure	7,619,738	-	-	7,619,738
Total Capital Assets Being Depreciated	10,687,951	19,998	-	10,707,949
Less Accumulated Depreciation	(5,530,355)	(338,744)	-	(5,869,099)
Total Capital Assets Being Depreciated, Net of Depreciation	5,157,596	(318,746)	-	4,838,850
Governmental Activities Capital Assets, Net of Accumulated Depreciation	$ 6,069,756	$ (318,746)	$ -	$ 5,751,010

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General Government	$ 17,074
Public Works	302,810
Culture and Recreation	14,785
Conservation and Development	4,075
Total Depreciation Expense - Governmental Activities	$ 338,744

Note 5 - Capital Assets (Continued)

	Beginning Balances	Additions	Deductions	Ending Balances
Business-Type Activities				
Capital Assets not Being Depreciated				
Land	$ 113,182	$ -	$ -	$ 113,182
Construction in Progress	1,543,639	-	-	1,543,639
Total Capital Assets Not Being Depreciated	1,656,821	-	-	1,656,821
Capital Assets Being Depreciated				
Water System	7,580,606	97,472	-	7,678,078
Sewer System	16,929,790	6,206	-	16,935,996
Subtotal	24,510,396	103,678	-	24,614,074
Less Accumulated Depreciation	(10,128,896)	(732,110)	-	(10,861,006)
Total Capital Assets Being Depreciated, Net of Depreciation	14,381,500	(628,432)	-	13,753,068
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	$ 16,038,321	$ (628,432)	$ -	$ 15,409,889

Depreciation expense was charged to functions of the Village as follows:

Business-Type Activities:	
Water Utility	$ 183,576
Sewer Utility	548,534
Total Depreciation Expense - Business-Type Activities	$ 732,110

Note 6 - Interfund Receivables, Payables and Transfers

Interfund receivables and payables between individual funds of the Village are as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Tax Incremental District No. 2	$ 502,573	Year End Cash Flow Timing
General Fund	Debt Service Fund	2,883	Year End Cash Flow Timing
		$ 505,456	

There was an interfund transfer in which the water utility district received $9,930 from the capital projects fund for a reimbursement of capital expenditures.

Note 7 - Long-Term Obligations

The following is a summary of changes in long-term obligations of the Village for the year ended December 31, 2022:

	Beginning Balances	Increase	Decrease	Ending Balances	Due Within One Year
Governmental Activities					
General Obligation Debt:					
Direct Borrowing and Placement:					
G.O. Bonds	$ 280,000	$ -	$ 70,000	$ 210,000	$ 70,000
G.O. Bonds	5,040,000	-	335,000	4,705,000	365,000
Total General Obligation Debt	5,320,000	-	405,000	4,915,000	435,000
Adjustments For					
Issuance Premium	50,997	-	7,373	43,624	-
Compensated Absences	17,848	18,367	17,848	18,367	3,673
Total Governmental Activity Long-Term Liabilities	$ 5,388,845	$ 18,367	$ 430,221	$ 4,976,991	$ 438,673

	Beginning Balances	Increase	Decrease	Ending Balances	Due Within One Year
Business-Type Activities					
Direct Borrowings and Placements:					
G.O. Bonds	$ 655,000	$ -	$ 110,000	$ 545,000	$ 105,000
Revenue Bonds	10,132,944	7,731	553,693	9,586,982	566,491
Total Direct Placement Borrowings:	10,787,944	7,731	663,693	10,131,982	671,491
Adjustments For					
Issuance Premium	13,179	-	2,196	10,983	-
Compensated Absences	5,424	6,128	5,424	6,128	1,226
Total Business Activity Long-Term Liabilities	$ 10,806,547	$ 13,859	$ 671,313	$ 10,149,093	$ 672,717

	Date of Issuance	Final Maturity	Interest Rate	Original Indebtedness	Balances 12/31/22
Governmental Activities Long-Term Obligations					
General Obligation Bond	03/01/05	03/01/25	4.50 - 4.70%	$ 1,000,000	$ 210,000
General Obligation Bond	11/13/12	10/01/27	2.00 - 2.15%	820,000	215,000
General Obligation Bond	11/11/18	04/01/38	3.00 - 4.00%	4,715,000	4,490,000
Total Governmental Activities Long-Term Obligations					$ 4,915,000

Note 7 - Long-Term Obligations (Continued)

	Date of Issuance	Final Maturity	Interest Rate	Original Indebtedness	Balances 12/31/22
Business Type Activities					
Long-Term Obligations					
Revenue Bond	09/28/11	05/01/31	2.40%	$ 8,931,351	$ 4,736,903
General Obligation Bond	11/13/12	10/01/27	2.00 - 2.150%	1,415,000	545,000
Revenue Bond	09/28/20	05/01/60	1.88%	618,000	607,100
Revenue Bond	09/28/20	05/01/60	1.88%	4,338,000	4,242,979
Total Business Type Activities Long-Term Obligations					$ 10,131,982

Principal and maturities for long-term obligations at December 31, 2022 are as follows:

	Governmental Activities		Business-Type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	$ 435,000	$ 167,105	$ 671,491	$ 209,651	$ 1,106,491	$ 376,756
2024	245,000	153,068	679,658	194,512	924,658	347,580
2025	270,000	142,295	703,100	178,673	973,100	320,968
2026	225,000	132,150	721,824	162,561	946,824	294,711
2027	240,000	124,050	735,937	145,853	975,937	269,903
2028-2032	1,300,000	503,163	2,736,292	498,967	4,036,292	1,002,129
2033-2037	1,755,000	254,438	555,500	340,355	2,310,500	594,792
2038-2042	445,000	16,687	610,200	285,722	1,055,200	302,409
2043-2047	-	-	670,000	225,720	670,000	225,720
2048-2052	-	-	736,000	159,904	736,000	159,904
2053-2057	-	-	808,200	87,430	808,200	87,430
2058-2060	-	-	503,780	14,791	503,780	14,791
	$ 4,915,000	$ 1,492,955	$ 10,131,982	$ 2,504,138	$ 15,046,982	$ 3,997,093

The 2022 equalized valuation of the Village as certified by the Wisconsin Department of Revenue is $364,438,100. The legal debt limit and margin of indebtedness as of December 31, 2022, in accordance with Wisconsin Statutes follows:

Equalized valuation of the Village	$ 364,438,100
Statutory limitation percentage	5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	18,221,905
Total outstanding general obligation debt applicable to debt limitation	(5,460,000)
Legal margin for new debt	$ 12,761,905

Utility Revenues Pledged

The Village has pledged future sewer customer revenues, net of specified operating expenses, to repay sewer system revenue bonds issued in 2011. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used within the utility. The bonds are payable from sewer customer net revenues and are payable through 2031. The total principal and interest remaining to be paid on the bonds is $5,266,450. Principal and interest paid for the current year total customer net revenues were $585,878 and $1,145,599, respectively. The Village is in compliance with the Sewer Revenue Bonds net revenue requirement for the year ended December 31, 2022.

Note 7 - Long-Term Obligations (Continued)

Utility Revenues Pledged (Continued)

The Village has pledged future Water customer revenues, net of specified operating expenses, to repay Water system revenue bonds issued in 2020. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used within the utility. The bonds are payable from water customer net revenues and are payable through 2060. The total principal and interest remaining to be paid on the bonds is $6,789,718. Principal and interest paid for the current year total customer net revenues were $179,202 and $239,904 respectively. The Village is in compliance with the Water Revenue Bonds net revenue requirement for the year ended December 31, 2022.

Other Debt Information

The Village's outstanding debt from direct borrowings and direct placements related to governmental and business-type activities contain events of default and/or termination provisions with possible finance-related consequences. Village management has evaluated the event of default and/or termination provisions with possible finance-related consequences and in the opinion of Village management, the likelihood is remote that these provisions will have a significant effect on the Village's financial position or results of operations.

Note 8 - Fund Equity

Government-Wide Statements

Net position reported on the government-wide statement of net position at December 31, 2022 includes the following:

	Governmental Activities	Business-Type Activities	Total
Net Investment in Capital Assets			
Net Capital Assets	$ 5,751,010	$ 15,409,889	$ 21,160,899
Less: Related Long-Term Debt	(4,915,000)	(10,131,982)	(15,046,982)
Less: Issuance Premium	(43,624)	(10,983)	(54,607)
Total Net Investment in Capital Assets	792,386	5,266,924	6,059,310
Restricted			
Water Utility			
Debt Reserve	-	221,320	221,320
Sewer Utility			
Equipment Replacement	-	57,917	57,917
Debt Reserve	-	1,695,746	1,695,746
Pension	81,881	38,200	120,081
Lake Rehabilitation Projects	223,517	-	223,517
Total Restricted	305,398	2,013,183	2,318,581
Unrestricted	2,496,164	7,326,026	9,822,190
Total Government-Wide Activities Net Position	$ 3,593,948	$ 14,606,133	$ 18,200,081

Note 8 - Fund Equity (Continued)

Fund balances reported on the governmental fund balance sheet at December 31, 2022 are classified as follows:

Nonspendable		
General Fund		
Delinquent Property Taxes	$	2,188
Restricted		
Capital Projects:		
Tax Incremental District Development		276,575
Lake Rehabilitation District		223,517
Total Restricted Fund Balance	$	500,092
Committed		
Capital Projects Fund:		
Capital Projects	$	765,599
Assigned		
General Fund		
Shared Revenue Reduction	$	95,285

Note 9 - Individual Fund Balance Disclosures

The following governmental funds have a deficit fund balance at December 31, 2022:

Tax Incremental District No. 2	$	502,573
Debt Service Fund	$	2,883

The deficits will be funded with future property taxes.

Note 10 - Defined Benefit Pension Plan

General Information about the 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, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

Note 10 - 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 December 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
2012	(7.0)%	(7)%
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17
2019	0.0	(10)
2020	1.7	21
2021	5.1	13

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized $29,027 in contributions from the Village.

Note 10 - Defined Benefit Pension Plan (Continued)

Contribution rates as of December 31, 2022 were:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.50%	6.50%

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2022 the Village reported an asset of $203,548 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension 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, 2021 the Village's proportion was 0.00252536%, which was an increase of 0.00000560% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Village recognized a reduction of pension expense of $17,651.

At December 31, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experiences	$ 328,822	$ 23,711
Changes in assumptions	37,975	-
Net differences between projected and actual earnings on pension plan investments	-	455,356
Changes in proportion and differences between employer contributions and proportionate share of contributions	791	1,015
Employer contributions subsequent to the measurement date	29,027	-
Total	$ 396,615	$ 480,082

Note 10 - Defined Benefit Pension Plan (Continued)

The $29,027 reported as deferred outflows related to pension resulting from the Village's contributions subsequent to the measurement date will be recognized as an adjustment of the net pension liability (asset) in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31,	Net Deferred Outflows (Inflows) of Resources
2023	$ (9,568)
2024	(55,125)
2025	(24,368)
2026	(23,433)
	$ (112,494)

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2020
Measurement Date of Net Pension Liability (Asset):	December 31, 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:	
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. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The total pension liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

Note 10 - Defined Benefit Pension Plan (Continued)

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

Asset Allocation Targets and Expected Returns[1]
As of December 31, 2021

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %[2]
Global Equities	52%	6.8%	4.2%
Fixed Income	25	4.3	1.8
Inflation Sensitive Assets	19	2.7	0.2
Real Estate	7	5.6	3.0
Private Equity/Debt	12	9.7	7.0
Total Core Fund[3]	115% *	6.6%	4.0%
Variable Fund Asset Class			
U.S. Equities	70%	6.3%	3.7%
International Equities	30	7.2	4.6
Total Variable Fund	100%	6.8%	4.2%

[1]Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations.
[2]New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%.
[3]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, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 1.84% (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, 2021. 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.

Note 10 - 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 proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80 percent, as well as what the Village 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 (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
Village's proportionate share of the net pension liability (asset)	$ 144,432	$ (203,548)	$ (454,030)

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.

Payables to the Pension Plan. The Village is required to remit the monthly required contribution for both the employee and Village's portions by the last day of the following month. The Village had no amount due to the plan at December 31, 2022.

Note 11 - Post-Employment Benefits Other Than Pension Benefits

General Information About the OPEB Plan

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

Note 11 - Post-Employment Benefits Other Than Pension Benefits (Continued)

Contribution rates as of December 31, 2022 are:

Coverage Type	Employee
50% Post Retirement Coverage	40% of Member Contribution
25% Post Retirement Coverage	20% of Member Contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per $1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2021 are as listed below:

Life Insurance
Member Contribution Rates *
For the Year Ended December 31, 2021

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

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

During the reporting period, the Plan recognized $375 in contributions from the Village.

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

At December 31, 2022, the Village reported a liability of $101,203 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2021 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village’s proportion of the net OPEB liability was based on the Village’s share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2021, the Village’s proportion was 0.01712300%, which was an increase of 0.00385200% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Village recognized OPEB expense of $16,060.

Note 11 - Post-Employment Benefits Other Than Pension Benefits (Continued)

At December 31, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experiences	$ -	$ 5,149
Changes in assumptions	30,577	4,905
Net differences between projected and actual earnings on plan investments	1,317	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	20,464	1,847
Employer contributions subsequent to the measurement date	375	-
Total	$ 52,733	$ 11,901

The $375 reported as deferred outflows related to OPEB resulting from the Village's contributions subsequent to the measurement date will be recognized as an adjustment of the net OPEB liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	Net Deferred Outflows (Inflows) of Resources
2022	$ 8,441
2023	8,288
2024	7,596
2025	8,371
2026	5,618
Thereafter	2,143
	$ 40,457

Note 11 - Post-Employment Benefits Other Than Pension Benefits (Continued)

Actuarial Assumptions. The total OPEB liability in the January 1 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2021
Measurement Date of Net OPEB Liability:	December 31, 2021
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:	2.06%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.17%
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. Based on this experience study, actuarial assumptions used to measure the total OPEB liability changed from the prior year, including the price inflation, mortality and separation rates. The total OPEB liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the January 1, 2021 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.

State OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2021

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interim Credit	45%	1.68%
U.S. Long Credit Bonds	Bloomberg U.S. Long Credit	5	1.82
U.S. Mortgages	Bloomberg U.S. MBS	50	1.94
Inflation			2.30
Long-Term Expected Rate of Return			4.25

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 increased from 2.20% as of December 31, 2020 to 2.30% as of December 31, 2021.

Note 11 - Post-Employment Benefits Other Than Pension Benefits (Continued)

Single Discount Rate. A single discount rate of 2.17% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.25% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.12% as of December 31, 2020 to 2.06% as of December 31, 2021. 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 to Changes in the Discount Rate. The following presents the Village's proportionate share of the net OPEB liability calculated using the discount rate of 2.17 percent, as well as what the Village's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.17 percent) or 1-percentage-point higher (3.17 percent) than the current rate:

	1% Decrease to Discount Rate (1.17%)	Current Discount Rate (2.17%)	1% Increase to Discount Rate (3.17%)
Village's proportionate share of the net OPEB liability	$ 137,296	$ 101,203	$ 74,045

Payables to the OPEB Plan

As of December 31, 2022, the Village had no outstanding payables to the OPEB plan.

Note 12 - Leases

The Village leases building space to USPS for the purpose of office space and operation. This lease has an initial lease term of ten years. The initial monthly payment was $2,452. The Village leases tower space to Spectrum for the purpose of transmission and reception of communication signals. This lease has an initial lease term of five years with four additional five-year terms. The initial monthly payment was $2,383 and increases 2.50% annually. Lastly, the Village leases land and tower space to Verizon for the purpose of transmission and reception of communication signals. This lease has an initial lease term of five years with nine additional five-year terms. The initial monthly payment was $1,849 and increases about 5.00% annually. For the year end December 31, 2022, the water utility recognized $62,149 in lease revenue related to these agreements. At December 31, 2022, the Village recorded $3,829,795 in lease receivables and deferred inflows of resources for these arrangements.

Note 12 - Leases (Continued)

Leases Receivable		Beginning Balances		Additions		Reductions		Ending Balances
USPS Building Lease	$	263,476	$	-	$	27,195	$	236,281
Spectrum Land and Tower Lease		659,923		-		10,964		648,959
Verizon Tower Lease		2,968,545		-		23,990		2,944,555
'Total	$	3,891,944	$	-	$	62,149	$	3,829,795

Remaining amounts to be received associated with these leases at December 31, 2022 are as follows:

Year Ending December 31,		
2023	$	65,913
2024		67,213
2025		68,544
2026		69,908
2027		73,132
2028-2032		357,503
2033-2037		328,423
2038-2042		406,042
2043-2047		491,594
2048-2052		364,230
2053-2057		444,360
2058-2062		542,119
2063-2067		550,814
Total	$	3,829,795

Note 13 - Tax Incremental Financing Districts

The Village has established tax incremental financing (TIF) district Nos. 1 and 2 pursuant to a law enacted to provide a process by which local units of government could finance public works or improvements in blighted areas from taxes levied by county, village, schools and other local jurisdictions based on the increase in property values within a designated geographic area. When a tax incremental district is established, the state determines the aggregate value of taxable property located within the district (the base value). Taxes derived from levies by all local jurisdictions on property values exceeding the base value determined by the state are allocated to the Village for financing improvements within the district. These costs have been financed by the issuance of general obligation notes and advances from other funds.

The intent of the Village is to recover the above amounts from future TID surplus funds, if any, prior to termination of the respective Districts. Unless terminated by the Village prior thereto; TID No. 1 and TID No. 2 have statutory termination years of 2032 and 2038, respectively.

Note 14 - Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee health claims; unemployment compensation claims; and environmental damage for which the Village purchases commercial insurance. There has been no reduction in insurance coverage from the prior year. Insurance settlements for claims resulting from the risks covered by commercial insurance have not exceeded the insurance coverage in past three years.

Note 15 - Contingencies

From time to time the Village is involved in legal actions and claims, most of which normally occur in governmental operations. In the opinion of Village management, these issues, and any other proceedings known to exist at December 31, 2022, are not likely to have a material adverse impact on the Village’s financial position.

Funds for the operating budget of the Village comes from many sources, including property taxes, grants, and aids from other units of government, user fees, fines and permits, and other miscellaneous revenues. The State of Wisconsin provides a variety of aid and grant programs which benefit the Village. Those aid and grant programs are dependent on continued approval and funding by the Wisconsin governor and legislature, through their budget processes. Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on the future operating results of the Village.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF PADDOCK LAKE, WISCONSIN

Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset)
Wisconsin Retirement System (WRS)

WRS Fiscal Year End Date (Measurement Date)	Village's Proportion of the Net Pension Asset/Liability	Village's Proportionate Share of the Net Pension (Asset)/Liability	Village's Covered Payroll	Village's Proportionate Share of the Net Pension Asset/Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2021	0.00252536%	$ (203,548)	$ 420,856	48.37%	106.02%
12/31/2020	0.00251976%	(157,313)	436,898	36.01%	105.26%
12/31/2019	0.00247356%	(79,758)	403,943	19.74%	102.96%
12/31/2018	0.00246869%	87,828	370,570	23.70%	96.45%
12/31/2017	0.00243974%	(72,438)	369,271	19.62%	102.93%
12/31/2016	0.00241458%	41,469	363,220	11.42%	99.12%
12/31/2015	0.00255199%	19,901	329,423	6.04%	98.20%
12/31/2014	0.00287885%	(70,712)	337,801	20.93%	102.74%

Schedule of Employer Contributions
Wisconsin Retirement System (WRS)

Village Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2022	$ 29,027	$ 29,027	$ -	$ 446,575	6.50%
12/31/2021	28,617	28,617	-	420,856	6.80%
12/31/2020	29,491	29,491	-	436,898	6.75%
12/31/2019	26,482	26,482	-	403,943	6.56%
12/31/2018	24,804	24,804	-	370,570	6.69%
12/31/2017	25,110	25,110	-	369,271	6.80%
12/31/2016	22,401	22,401	-	363,220	6.17%
12/31/2015	23,647	23,647	-	329,423	7.18%

See Accompanying Notes to Required Supplementary Information

VILLAGE OF PADDOCK LAKE, WISCONSIN

Schedule of Employer's Proportionate Share of the Net OPEB Liability
Other Post-Employment Benefits Other Than Pensions - Cost-Sharing Plan

OPEB Fiscal Year End Date (Measurement Date)	Village's Proportion of the Net OPEB Liability	Village's Proportionate Share of the Net OPEB Liability	Village's Covered Payroll	Village's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/2021	0.01712300%	$ 101,203	$ 443,000	22.84%	29.57%
12/31/2020	0.01327100%	73,000	411,000	17.76%	31.36%
12/31/2019	0.01067100%	45,439	382,000	11.90%	37.58%
12/31/2018	0.01175100%	30,322	291,000	10.42%	48.69%
12/31/2017	0.01158300%	34,848	487,098	7.15%	44.81%

Schedule of Employer Contributions
Other Post-Employment Benefits Other Than Pensions - Cost-Sharing Plan

Village Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2022	$ 375	$ 375	$ -	$ 443,000	0.08%
12/31/2021	347	347	-	443,000	0.08%
12/31/2020	274	274	-	411,000	0.07%
12/31/2019	192	192	-	382,000	0.05%
12/31/2018	226	226	-	291,000	0.08%
12/31/2017	219	219	-	487,098	0.04%

VILLAGE OF PADDOCK LAKE, WISCONSIN

Schedule of Budgetary Comparison

Budget and Actual

General Fund

For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final Amounts	Amounts	(Negative)
REVENUES				
Taxes	$ 1,193,191	$ 1,193,191	$ 1,109,677	$ (83,514)
Intergovernmental	207,795	207,795	225,027	17,232
Licenses and Permits	144,392	144,392	231,149	86,757
Fines, Forfeitures and Penalties	31,000	31,000	24,914	(6,086)
Public Charges for Services	291,413	291,413	435,850	144,437
Investment Income	5,500	5,500	-	(5,500)
Miscellaneous	92,700	92,700	197,300	104,600
Total Revenues	1,965,991	1,965,991	2,223,917	257,926
EXPENDITURES				
Current:				
General Government	451,017	451,017	428,883	22,134
Public Safety	609,991	609,991	597,836	12,155
Public Works	417,767	417,767	337,138	80,629
Health and Human Services	363,079	363,079	427,657	(64,578)
Culture and Recreation	110,059	110,059	114,930	(4,871)
Conservation and Development	4,560	4,560	1,680	2,880
Total Expenditures	1,956,473	1,956,473	1,908,124	48,349
NET CHANGE IN FUND BALANCE	9,518	9,518	315,793	306,275
FUND BALANCE - BEGINNING	1,752,168	1,752,168	1,752,168	-
FUND BALANCE - ENDING	$ 1,761,686	$ 1,761,686	$ 2,067,961	$ 306,275

Budgetary Process

The Village reviews and adopts its annual budget by December or earlier of the preceding year. The budgetary information included in the accompanying financial statements is comprised of the originally approved budget plus or minus approved revisions of budget revenues and expenditures. These budgets are adopted on a basis consistent with GAAP. Management control of the budgetary process has been established at the departmental level of expenditures. A department can be a fund, cost center, program or other activity for which control of expenditures is considered desirable. Budget appropriations for certain capital projects funds are project oriented, often possessing multi-year lives; consequently, budgeted capital projects expenditures are controlled through fund balances. Budget changes require a two-thirds approval by the Village council.

The general fund had the following expenditures in excess of the budget for the year ended December 31, 2022:

	Excess Expenditures
General Fund	
Health and Human Services	$ 64,578
Culture and Recreation	4,871

Defined Benefit Pension Plan

Changes in benefit terms. There were no changes in 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.

Post-Employment Benefits Other Than Pension Benefits – Cost-Sharing Plan

Changes of benefit terms. There were no changes of benefit terms for any participating employer in LRLIF.

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.

SUPPLEMENTARY INFORMATION

VILLAGE OF PADDOCK LAKE, WISCONSIN

Combining Balance Sheet
Nonmajor Governmental Funds
As of December 31, 2022

	Capital Projects Funds		Special Revenue Fund	
	Capital Projects Fund	Tax Incremental District No. 1	Lake Rehabilitation District	Total Nonmajor Funds
ASSETS				
Cash and Investments	$ 1,046,394	$ 276,575	$ 223,688	$ 1,546,657
Receivables:				
Taxes	-	574,849	55,266	630,115
TOTAL ASSETS	$ 1,046,394	$ 851,424	$ 278,954	$ 2,176,772
LIABILITIES				
Accounts Payable	$ -	$ -	$ 171	$ 171
Unearned Revenues	280,795	-	-	280,795
Total Liabilities	280,795	-	171	280,966
DEFERRED INFLOWS OF RESOURCES				
Taxes Levied for Subsequent Period	-	574,849	55,266	630,115
FUND BALANCES				
Restricted	-	276,575	223,517	500,092
Committed	765,599	-	-	765,599
Total Fund Balances	765,599	276,575	223,517	1,265,691
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 1,046,394	$ 851,424	$ 278,954	$ 2,176,772

VILLAGE OF PADDOCK LAKE, WISCONSIN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2022

	Capital Projects Funds		Special Revenue Fund	
	Capital Projects Fund	**Tax Incremental District No. 1**	**Lake Rehabilitation District**	**Total Nonmajor Funds**
REVENUES				
Taxes	$ -	$ 50,406	$ 52,482	$ 102,888
Intergovernmental	45,353	-	-	45,353
Miscellaneous	14,934	-	1,500	16,434
Total Revenues	60,287	50,406	53,982	164,675
EXPENDITURES				
Current:				
General Government	2,852	150	-	3,002
Public Works	35,898	-	-	35,898
Conservation and Development	-	-	42,124	42,124
Total Expenditures	38,750	150	42,124	81,024
EXCESS OF REVENUES OVER EXPENDITURES	21,537	50,256	11,858	83,651
OTHER FINANCING USE				
Transfers Out	(9,930)	-	-	(9,930)
NET CHANGE IN FUND BALANCES	11,607	50,256	11,858	73,721
FUND BALANCES - BEGINNING	753,992	226,319	211,659	1,191,970
FUND BALANCES - ENDING	$ 765,599	$ 276,575	$ 223,517	$ 1,265,691

APPENDIX B

FORM OF LEGAL OPINION

(See following pages)

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

May 8, 2024

Re: Village of Paddock Lake, Wisconsin ("Issuer")
$1,465,000 General Obligation Promissory Notes, Series 2024A,
dated May 8, 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 April 1 of each year, in the years and principal amounts as follows:

Year	Principal Amount	Interest Rate
2026	$ 75,000	___%
2027	80,000	___
2028	85,000	___
2029	85,000	___
2030	95,000	___
2031	100,000	___
2032	100,000	___
2033	105,000	___
2034	110,000	___
2035	120,000	___
2036	120,000	___
2037	125,000	___
2038	130,000	___
2039	135,000	___

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

The Notes maturing on April 1, 2033 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on April 1, 2032 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.

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[The Notes maturing in the years _______________ are subject to mandatory redemption by lot as provided in the Notes, at the redemption price of par plus accrued interest to the date of redemption and without premium.]

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

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

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

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

3. The interest on the Notes is 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

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

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

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

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

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

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

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.

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

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

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Village believes to be reliable, but the Village takes no responsibility for the accuracy thereof.

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Village of Paddock Lake, Kenosha County, Wisconsin (the "Issuer") in connection with the issuance of $1,465,000 General Obligation Promissory Notes, Series 2024A, dated May 8, 2024 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on April 17, 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 annually 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). The Issuer is an obligated person with respect to not more than $10,000,000 in aggregate amount of outstanding municipal securities (including the Securities but excluding obligations exempt from the Rule). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

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

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

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

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

"Final Official Statement" means the Final Official Statement dated April 17, 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 Paddock Lake, Kenosha County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Village Administrator of the Issuer who can be contacted at 6969 236th Avenue, Paddock Lake, Wisconsin 53168, phone (262) 843-2713, fax (262) 843-3409.

"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.

<u>Section 3. Provision of Annual Report and Audited Financial Statements</u>.

(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; <u>provided</u> 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.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference financial information and operating data that is customarily prepared and publicly available, to wit:

1. Audited Financial Statements; and
2. The Issuer's adopted annual budget.

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.

<u>Section 6. Termination of Reporting Obligation</u>. 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.

<u>Section 7. Issuer Contact; Agent</u>. 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 8th day of May, 2024.

____
Terry Burns
President

(SEAL)

____
Michelle Shramek
Village Clerk

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APPENDIX E

NOTICE OF SALE

$1,465,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2024A
VILLAGE OF PADDOCK LAKE, WISCONSIN

Bids for the purchase of $1,465,000* General Obligation Promissory Notes, Series 2024A (the "Notes") of the Village of Paddock Lake, Wisconsin (the "Village") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the Village, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via bondsale@ehlers-inc.com or **PARITY**, in the manner described below, until 10:00 A.M. Central Time, on April 17, 2024, at which time they will be opened, read and tabulated. The bids will be presented to the Village Board for consideration for award by resolution at a meeting to be held at 6:00 P.M., Central Time, on the same date. The bid offering to purchase the Notes upon the terms specified herein and most favorable to the Village will be accepted unless all bids are rejected.

AUTHORITY; PURPOSE; SECURITY

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the Village, for public purposes including of paying the cost street improvement projects and water system projects. The Notes are general obligations of the Village, and all the taxable property in the Village is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount.

DATES AND MATURITIES

The Notes will be dated May 8, 2024, will be issued as fully registered Notes in the denomination of $5,000 each, or any integral multiple thereof, and will mature on April 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2026	$75,000	2031	$100,000	2036	$120,000
2027	80,000	2032	100,000	2037	125,000
2028	85,000	2033	105,000	2038	130,000
2029	85,000	2034	110,000	2039	135,000
2030	95,000	2035	120,000		

ADJUSTMENT OPTION

The Village reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of $5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

TERM BOND OPTION

Bids for the Notes may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on April 1 and October 1 of each year, commencing April 1, 2025, to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. All Notes of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Notes will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Notes, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Notes. So long as Cede & Co. is the registered owner of the Notes, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Notes.

PAYING AGENT

The Village has selected Bond Trust Services Corporation, Roseville, Minnesota ("BTSC"), to act as paying agent (the "Paying Agent"). BTSC and Ehlers are affiliate companies. The Village will pay the charges for Paying Agent services. The Village reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the Village, the Notes maturing on or after April 1, 2033 shall be subject to optional redemption prior to maturity on April 1, 2032 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

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

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

DELIVERY

On or about May 8, 2024, the Notes will be delivered without cost to the winning bidder at DTC. On the day of closing, the Village will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Notes is then pending or, to the best knowledge of officers of the Village, threatened. Payment for the Notes must be received by the Village at its designated depository on the date of closing in immediately available funds.

LEGAL MATTERS

An opinion as to the validity of the Notes and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the Village ("Bond Counsel"), and will be available at the time of delivery of the Notes. The legal opinion will be issued on the basis of existing law and will state that the Notes are valid and binding general obligations of the Village; provided that the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding).

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

SUBMISSION OF BIDS

Bids must not be for less than $1,446,687.50 nor more than $1,567,550 plus accrued interest on the principal sum of $1,465,000 from date of original issue of the Notes to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

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

2) Electronically via **PARITY** in accordance with this Notice of Sale until 10:00 A.M. Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact IHS Markit (now part of S&P Global) at https://ihsmarkit.com/products/municipal-issuance.html or via telephone (844) 301-7334.

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

A good faith deposit ("Deposit") in the amount of $29,300 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The Village reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the Village may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the Village as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

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

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

AWARD

The Notes will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The Village's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Notes will be awarded by lot. The Village reserves the right to reject any and all bids and to waive any informality in any bid.

BOND INSURANCE

If the Notes are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the Village requested and received a rating on the Notes from a rating agency, the Village will pay that rating fee. Any rating agency fees not requested by the Village are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Notes are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Notes.

CUSIP NUMBERS

The Village will assume no obligation for the assignment or printing of CUSIP numbers on the Notes or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Notes shall be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CONTINUING DISCLOSURE

In order to assist the Underwriter (Syndicate Manager) in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the Village will enter into an undertaking for the benefit of the holders of the Notes. A description of the details and terms of the undertaking is set forth in Appendix D of the Official Statement.

NEW ISSUE PRICING

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Notes pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the Village in establishing the issue price of the Notes and shall execute and deliver to the Village at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Notes, together with the supporting pricing wires or equivalent communications. All actions to be taken by the Village under this Notice of Sale to establish the issue price of the Notes may be taken on behalf of the Village by the Village's municipal advisor identified herein and any notice or report to be provided to the Village may be provided to the Village's municipal advisor.

(b) 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 Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential investors;

(2) all bidders shall have an equal opportunity to bid;

(3) the Village may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(4) the 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 Notice of Sale.

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

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

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

(1) the close of the fifth (5^{th}) 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 offering price to the public.

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

The Village acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Notes, as set forth in an agreement among underwriters and the related pricing wires,

(ii) in the event a selling group has been created in connection with the initial sale of the Notes to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, as set forth in a selling group agreement and the related pricing wires, and

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

(e) <u>If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the 10% test</u>, the winning bidder agrees to promptly report to the Village, Bond Counsel and Ehlers the prices at which the Notes have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Notes of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Notes, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Village or bond counsel.

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

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

(A) report the prices at which it sells to the public the unsold Notes of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Notes of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Village or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

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

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

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

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

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

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the 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 third-party distribution agreement participating in the initial sale of the Notes to the public),

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

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

PRELIMINARY OFFICIAL STATEMENT

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

Information for bidders and bid forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the Village Board

Michelle Shramek, Village Clerk/Treasurer
Village of Paddock Lake, Wisconsin

BID FORM

The Village Board **April 17, 2024**
Village of Paddock Lake, Wisconsin (the "Village")

RE: **$1,465,000* General Obligation Promissory Notes, Series 2024A (the "Notes")**
DATED: **May 8, 2024**

For all or none of the above Notes, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you $__________________ (not less than $1,446,687.50 nor more than $1,567,550) plus accrued interest to date of delivery for fully registered Notes bearing interest rates and maturing in the stated years as follows:

________	% due	2026	________	% due	2031	________	% due	2036
________	% due	2027	________	% due	2032	________	% due	2037
________	% due	2028	________	% due	2033	________	% due	2038
________	% due	2029	________	% due	2034	________	% due	2039
________	% due	2030	________	% due	2035			

The Village reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of $5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

All Notes of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of $29,300 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The Village reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the Village may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the Village as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Notes to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about May 8, 2024.

This bid is subject to the Village's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Official Statement for the Notes.

We have received and reviewed the Official Statement, and any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Underwriter (Syndicate Manager), we agree to provide the Village with the reoffering price of the Notes within 24 hours of the bid acceptance.

This bid is a firm offer for the purchase of the Notes identified in the Notice of Sale, on the terms set forth in this bid form and the Notice of Sale, and is not subject to any conditions, except as permitted by the Notice of Sale.

By submitting this bid, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds. YES: ____ NO: ____.

If the competitive sale requirements are not met, we elect to use either the: _____10% test, or the _____hold-the-offering-price rule to determine the issue price of the Notes.

Account Manager: ______________________ By: ______________________
Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from May 8, 2024 of the above bid is $_______________and the true interest cost (TIC) is __________%.

The foregoing offer is hereby accepted by and on behalf of the Village Board of the Village of Paddock Lake, Wisconsin, on April 17, 2024.

By: ______________________ By: ______________________

Title: ______________________ Title: ______________________