

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 9, 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 Bonds is excludable from gross income and is not an item of tax preference for federal income tax purposes; however, interest on the Bonds 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) for taxable years beginning after December 31, 2022. See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Bonds. The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

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

New Issue

Rating Application Made: S&P Global Ratings

TOWN OF LAWRENCE, WISCONSIN (Brown County)

\$3,340,000* GENERAL OBLIGATION REFUNDING BONDS, SERIES 2024A

BID OPENING: January 17, 2024, 10:00 A.M., C.T.

CONSIDERATION: Not later than 11:59 P.M., C.T. on January 17, 2024 (PARAMETERS RESOLUTION)

PURPOSE/AUTHORITY/SECURITY: The \$3,340,000* General Obligation Refunding Bonds, Series 2024A (the "Bonds") are being issued pursuant to Section 67.04, Wisconsin Statutes, by the Town of Lawrence, Wisconsin (the "Town"), for the purpose of current refunding certain outstanding general obligations of the Town as more fully described herein. The Bonds are general obligations of the Town, and all the taxable property in the Town is subject to the levy of a tax to pay the principal of and interest on the Bonds 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 BONDS: February 7, 2024

MATURITY: March 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2026	\$155,000	2032	\$195,000	2038	\$255,000
2027	160,000	2033	205,000	2039	295,000
2028	170,000	2034	215,000	2040	190,000
2029	175,000	2035	225,000	2041	245,000
2030	185,000	2036	235,000		
2031	190,000	2037	245,000		

***MATURITY ADJUSTMENTS:** The Town reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each, up to a maximum of \$65,000 per maturity. 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: March 1, 2025 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on March 1, 2034 and thereafter are subject to call for prior optional redemption on March 1, 2033 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

MINIMUM BID: \$3,298,250.

MAXIMUM BID: \$3,674,000.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$66,800 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation.

BOND COUNSEL &

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).

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

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the Town 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 Town. ***This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Bonds 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 Town 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 Town with respect to the Bonds. Compensation of Ehlers and Associates, Inc., payable entirely by the Town, is contingent upon the delivery of the Bonds.

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").

Official Statement: This Official Statement was prepared for the Town for dissemination to potential investors. Its primary purpose is to disclose information regarding the Bonds 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 Town is required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Bonds, 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 Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, 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 Bonds; (3) a certificate evidencing the due execution of the Bonds, 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 Bonds, (b) neither the corporate existence or boundaries of the Town nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the Town which indicates that the Town does not expect to use the proceeds of the Bonds 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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TOWN OF LAWRENCE TOWN BOARD

		<u>Term Expires</u>
Dr. Lanny Tibaldo	Town Board Chair	April 2025
Bill Bain	Town Supervisor	April 2025
Kevin Brien	Town Supervisor	April 2024
Lori Frigo	Town Supervisor	April 2025
Kari Vannieuwenhoven	Town Supervisor	April 2024

ADMINISTRATION

Patrick Wetzel, Town Administrator
Cindy Kocken, Town Clerk-Treasurer

PROFESSIONAL SERVICES

James Kalny, Town Attorney, Amundsen Davis Law, Green Bay, 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 Town of Lawrence, Wisconsin (the "Town") and the issuance of its \$3,340,000* General Obligation Refunding Bonds, Series 2024A (the "Bonds"). **The Town Board adopted a resolution on December 20, 2023 (the "Parameters Resolution"), which authorized the Town Administrator or the Town Clerk-Treasurer to accept a bid for the Bonds if the parameters and conditions set forth in the Parameters Resolution are met. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on January 17, 2024, then neither the Town Administrator nor the Town Clerk-Treasurer have the authority to award the sale of the Bonds, and all bids will be rejected.**

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Waukesha, Wisconsin, (262) 785-1520, the Town'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 BONDS

GENERAL

The Bonds 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 February 7, 2024. The Bonds will mature on March 1 in the years and amounts set forth on the cover of this Official Statement. Interest will be payable on March 1 and September 1 of each year, commencing March 1, 2025, to the registered owners of the Bonds 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 Bonds 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 Bonds 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 Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds 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 Bonds shall be payable as provided in the Parameters Resolution.

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

OPTIONAL REDEMPTION

At the option of the Town, the Bonds maturing on or after March 1, 2034 shall be subject to optional redemption prior to maturity on March 1, 2033 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 Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the Town. If only part of the Bonds having a common maturity date are called for redemption, then the Town 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 Bonds are being issued pursuant to Section 67.04, Wisconsin Statutes, by the Town, for the purpose of current refunding a portion of the Town's State Trust Fund Loan, dated December 6, 2019 (the "2019 STFL") and the State Trust Fund Loan, dated June 29, 2021 (the "2021 STFL") as follows:

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded
2019 STFL	12/6/2019	3/1/2024	Par	2024-2029*	3.25%	<u>\$880,102</u>
Total 2019 STFL Being Refunded						<u>\$880,102</u>

A portion of the proceeds of the Bonds will be used to call and prepay the maturities described above.

*A portion of each maturity will remain outstanding (see "DEBT" herein).

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded
2021 STFL	6/29/2021	3/1/2024	Par	2024-2031	3.00%	<u>\$2,253,882</u>
Total 2021 STFL Being Refunded						<u>\$2,253,882</u>

A portion of the proceeds of the Bonds will be used to call and prepay the maturities described above.

ESTIMATED SOURCES AND USES*

Sources

Par Amount of Bonds	\$3,340,000	
Estimated Interest Earnings	<u>5,381</u>	
Total Sources		\$3,345,381

Uses

Estimated Underwriter's Discount	\$41,750	
Costs of Issuance	73,650	
Deposit to Current Refunding Fund	3,226,777	
Rounding Amount	<u>3,204</u>	
Total Uses		\$3,345,381

*Preliminary, subject to change.

SECURITY

For the prompt payment of the Bonds with interest thereon and for the levy of taxes sufficient for this purpose, the full faith, credit and resources of the Town will be irrevocably pledged. The Town will levy a direct, annual, irrepealable tax on all taxable property in the Town sufficient to pay the interest on the Bonds when it becomes due and also to pay and discharge the principal on the Bonds 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

General obligation debt of the Town is currently rated "AA-" by S&P Global Ratings ("S&P").

The Town has requested an underlying rating on the Bonds from S&P, and bidders will be 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 S&P.

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 Bonds.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Bonds, 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 Town nor the underwriter undertake responsibility to bring to the attention of the owner of the Bonds 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 Bonds, 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 Town 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 Bonds, the Town shall execute and deliver a Continuing Disclosure Certificate, under which the Town 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 Town are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

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

The Town failed to timely file notices of the incurrence of certain financial obligations incurred in 2019, 2020, 2021 and 2023. Except to the extent that the preceding is deemed to be material, the Town believes it has not failed to comply in the previous five years in all material respects with its prior undertakings under the Rule. The Town 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 Town.

LEGAL MATTERS

An opinion as to the validity of the Bonds and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the Town ("Bond Counsel"), and will be available at the time of delivery of the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding general obligations of the Town; provided that the rights of the owners of the Bonds and the enforceability of the Bonds 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). (See "FORM OF LEGAL OPINION" found in Appendix B).

Quarles & Brady LLP has also been retained by the Town to serve as Disclosure Counsel to the Town with respect to the Bonds. Although, as Disclosure Counsel to the Town, Quarles & Brady LLP has assisted the Town 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 Bonds 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 Bonds for any investor.

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 Bonds under existing law substantially in the following form:

"The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds 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 Bonds 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) for taxable years beginning after December 31, 2022. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on

the Bonds 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 Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The Town 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 Town comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds."

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

Prospective purchasers of the Bonds should be aware that ownership of the Bonds 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 Bonds 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 Bonds. 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 Bonds may be enacted. Prospective purchasers of the Bonds 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 Bonds is less than the principal amount payable at maturity, such Bonds ("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 Bonds is more than the principal amount payable at maturity, such Bonds ("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 Bonds 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 Town in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. 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 Town, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the Town under an agreement separate from Ehlers.

INDEPENDENT AUDITORS

The basic financial statements of the Town for the fiscal year ended December 31, 2022 have been audited by CliftonLarsonAllen LLP, 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 Bonds 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 Bonds are general obligations of the Town, the ultimate payment of which rests in the Town'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 Town 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 Town, the taxable value of property within the Town, and the ability of the Town to levy and collect property taxes.

Future Changes in Law: Various State and federal laws, regulations and constitutional provisions apply to the Town and to the Bonds. The Town 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 Town or the taxing authority of the Town.

Ratings; Interest Rates: In the future, the Town'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 Bonds 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 Bonds may fall for purposes of resale. Noncompliance by the Town

with the covenants in the Parameters Resolution relating to certain continuing requirements of the Code may result in inclusion of interest to be paid on the Bonds in gross income of the recipient for United States income tax purposes, retroactive to the date of issuance.

Continuing Disclosure: A failure by the Town to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Bonds. 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 Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds 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 Town to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

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 Town, 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 Town may have an adverse effect on the value of the Bonds in the secondary market.

Secondary Market for the Bonds: No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof. Prices of the Bonds 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 Bonds. 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 Bonds will be similarly qualified. See "MUNICIPAL BANKRUPTCY" herein.

Cybersecurity: The Town 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 Town 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	\$1,136,830,900
2023 Equalized Value Reduced by Tax Increment Valuation	\$1,056,028,800
2023 Assessed Value	\$940,986,200

2023 EQUALIZED VALUE BY CLASSIFICATION

	2023 Equalized Value ¹	Percent of Total Equalized Value
Residential	\$876,485,100	77.099%
Commercial	212,962,500	18.733%
Manufacturing	32,448,800	2.854%
Agricultural	1,081,400	0.095%
Undeveloped	261,300	0.023%
Ag Forest	432,000	0.038%
Forest	174,000	0.015%
Other	6,703,700	0.590%
Personal Property	6,282,100	0.553%
Total	<u>\$1,136,830,900</u>	<u>100.000%</u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value ¹	Percent Increase/Decrease in Equalized Value
2019	\$585,732,900	\$711,478,500	10.21%
2020	614,417,700	763,420,900	7.30%
2021	876,135,500	848,199,900	11.11%
2022	907,492,900	972,417,900	14.64%
2023	940,986,200	1,136,830,900	16.91%

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 Town's Total Equalized Value
SHL LLC	Residential Properties	\$30,647,755	2.70%
SLAL LLC	Residential Properties	29,333,193	2.58%
Qpal LLC	Residential Properties	15,149,907	1.33%
Ag Properties LLC	Condo Association	9,665,013	0.85%
ISA Building LLC	Commercial Properties	6,076,756	0.53%
A6 Depere LLC	Residential Properties	5,686,652	0.50%
VHC, Inc.	Electrical Equipment	4,990,529	0.44%
Shadow Ridge	Commercial Properties	4,651,771	0.41%
Amerco Real Estate Co	Commercial Properties	4,254,176	0.37%
Grant Street Mini-Warehouses, LLC	Commercial Properties	3,717,043	0.33%
		<hr/>	<hr/>
Total		\$114,172,795	10.04%
Town's Total 2023 Equalized Value ²		\$1,136,830,900	

Source: The Town.

DEBT

DIRECT DEBT³

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Bonds and the Concurrent Obligations, as defined herein)*

\$26,431,217

*Preliminary, subject to change.

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

² Includes tax increment valuation.

³ Outstanding debt is as of the dated date of the Bonds, and excludes the obligations to be refunded by the Bonds and the Concurrent Obligations.

DEBT PAYMENT HISTORY

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

FUTURE FINANCING

Concurrently with the Bonds, the Town plans to issue \$4,270,000* Taxable General Obligation Refunding Bonds, Series 2024B (the "Concurrent Obligations"). In addition to the Concurrent Obligations, over the next 6 to 12 months, the Town plans to issue general obligation debt to finance the construction of the Little Rapids subdivision in the approximate amount of \$1,900,000, the Torchwood Trail subdivision in the approximate amount of \$1,700,000, water and sewer installation for Beck Way in the approximately amount of \$700,000 and relocating water and sewer for new I-41 interchange in the approximately amount of \$1,400,000, which may include substantial reimbursement to the Town from the Wisconsin Department of Transportation. Aside from the preceding, the Town 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	\$1,136,830,900
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit	\$56,841,545
Less: General Obligation Debt*	<u>(26,431,217)</u>
Unused Debt Limit*	<u><u>\$30,410,328</u></u>

*Preliminary, subject to change.

**Town of Lawrence, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 02/07/2024)**

	Refunding Bonds		Promissory Notes Series 2019A		State Trust Fund Loan		State Trust Fund Loan		Promissory Note		Refunding Bonds Series 2021A	
Dated	05/15/2012		12/05/2019		12/06/2019		06/29/2020		12/17/2020		02/17/2021	
Amount	\$1,600,000		\$5,760,000		\$2,500,000		\$300,000		\$466,025		\$4,655,000	
Maturity	06/01		06/01		03/15		03/15		12/17		03/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	175,000	2,100	615,000	62,650	135,150	28,682	31,481	6,605	117,861	5,822	250,000	66,698
2025			625,000	50,250	139,621	24,211	32,364	5,721	120,745	2,938	250,000	61,698
2026			265,000	41,350	144,159	19,673	33,255	4,831			255,000	56,648
2027			270,000	36,000	148,844	14,988	34,169	3,916			265,000	51,448
2028			120,000	32,100	153,653	10,178	35,100	2,985			265,000	46,148
2029			1,545,000	15,450	158,675	5,157	36,074	2,011			270,000	40,798
2030							37,066	1,019			280,000	35,298
2031											285,000	31,073
2032											285,000	28,223
2033											285,000	25,301
2034											295,000	22,109
2035											295,000	18,569
2036											300,000	14,700
2037											300,000	10,500
2038											310,000	5,923
2039											220,000	1,760
2040												
2041												
2042												
	175,000	2,100	3,440,000	237,800	880,102	102,889	239,509	27,088	238,606	8,760	4,410,000	516,889

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Town of Lawrence, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 02/07/2024)

	Taxable Refunding Bonds Series 2021B		State Trust Fund Loan		State Trust Fund Loan		State Trust Fund Loan		State Trust Fund Loan		State Trust Fund Loan	
Dated	02/17/2021		12/06/2021		08/09/2022		07/05/2023		11/17/2023		11/17/2023	
Amount	\$3,865,000		\$620,000		\$290,000		\$260,000		\$440,000		\$453,000	
Maturity	03/01		03/15		03/15		03/15		03/15		03/15	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	240,000	61,250	201,558	15,542	26,818	13,086	0	9,047	0	0	0	0
2025	245,000	56,400	206,639	10,461	28,061	11,843	23,583	13,000	0	33,548	0	34,540
2026	250,000	51,450	211,804	5,295	29,324	10,580	24,762	11,821	44,866	25,300	46,192	26,048
2027	250,000	46,450			30,643	9,261	26,001	10,583	47,446	22,720	48,848	23,391
2028	250,000	41,450			32,001	7,904	27,275	9,308	50,119	20,047	51,600	20,639
2029	255,000	36,400			33,462	6,442	28,664	7,919	53,056	17,110	54,623	17,616
2030	270,000	32,365			34,968	4,936	30,098	6,486	56,106	14,060	57,764	14,475
2031	270,000	29,193			36,542	3,363	31,602	4,981	59,333	10,833	61,086	11,153
2032	270,000	25,683			38,181	1,723	33,173	3,410	62,724	7,442	64,577	7,662
2033	270,000	21,903					34,841	1,742	66,351	3,815	68,311	3,928
2034	275,000	17,814										
2035	285,000	13,331										
2036	305,000	8,311										
2037	305,000	2,821										
2038												
2039												
2040												
2041												
2042												
	3,740,000	444,820	620,000	31,299	290,000	69,137	260,000	78,296	440,000	154,876	453,000	159,452

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Town of Lawrence, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 02/07/2024)

State Trust Fund Loan			Refunding Bonds Series 2024A		Taxable Refunding Bonds Series 2024B							
Dated Amount	11/17/2023 \$3,635,000		02/07/2024 \$3,340,000*		02/07/2024 \$4,270,000*							
Maturity	03/15		03/01		03/01							
Calendar Year Ending	Principal	Interest	Principal	Estimated Interest	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2024	0	0	0	0	0	0	1,792,868	271,481	2,064,348	24,638,349	6.78%	2024
2025	0	277,156	0	221,707	0	336,466	1,671,013	1,139,939	2,810,952	22,967,336	13.11%	2025
2026	370,654	209,013	155,000	138,609	95,000	212,253	1,925,014	812,869	2,737,883	21,042,321	20.39%	2026
2027	391,966	187,700	160,000	132,743	95,000	207,332	1,767,916	746,531	2,514,448	19,274,405	27.08%	2027
2028	414,052	165,614	170,000	126,595	105,000	202,314	1,673,801	685,282	2,359,083	17,600,605	33.41%	2028
2029	438,313	141,354	175,000	120,083	115,000	196,859	3,162,867	607,198	3,770,065	14,437,738	45.38%	2029
2030	463,515	116,151	185,000	113,196	230,000	188,355	1,644,517	526,340	2,170,857	12,793,220	51.60%	2030
2031	490,168	89,499	190,000	105,883	245,000	176,645	1,668,730	462,622	2,131,351	11,124,490	57.91%	2031
2032	518,184	61,482	195,000	98,279	255,000	164,295	1,721,840	398,198	2,120,037	9,402,651	64.43%	2032
2033	548,148	31,519	205,000	90,225	270,000	151,301	1,747,651	329,733	2,077,384	7,655,000	71.04%	2033
2034			215,000	81,400	285,000	137,522	1,070,000	258,845	1,328,845	6,585,000	75.09%	2034
2035			225,000	71,828	295,000	123,080	1,100,000	226,807	1,326,807	5,485,000	79.25%	2035
2036			235,000	61,649	310,000	107,954	1,150,000	192,614	1,342,614	4,335,000	83.60%	2036
2037			245,000	50,908	325,000	92,031	1,175,000	156,260	1,331,260	3,160,000	88.04%	2037
2038			255,000	39,658	345,000	75,197	910,000	120,777	1,030,777	2,250,000	91.49%	2038
2039			295,000	27,135	365,000	57,304	880,000	86,199	966,199	1,370,000	94.82%	2039
2040			190,000	15,933	410,000	37,633	600,000	53,565	653,565	770,000	97.09%	2040
2041			245,000	5,758	245,000	20,869	490,000	26,626	516,626	280,000	98.94%	2041
2042					280,000	7,280	280,000	7,280	287,280	0	100.00%	2042
	3,635,000	1,279,487	3,340,000	1,501,584	4,270,000	2,494,687	26,431,217	7,109,164	33,540,381			

*Preliminary, subject to change.

OVERLAPPING DEBT¹

Taxing District	Equalized Value ²	% In Town	Total G.O. Debt ³	Town's Proportionate Share
Brown County	\$33,973,319,500	3.3462%	\$49,940,000	\$1,671,092
School District of West Pere	3,769,143,769	28.2642%	61,095,000	17,268,013
Wrightstown Community School District	1,222,090,248	5.8517%	21,015,000	1,229,735
Northeast Wisconsin Technical College District	65,581,386,402	1.7335%	93,220,000	1,615,969
Green Bay Metro Sewer District	30,865,958,993	3.6831%	164,785,021	<u>6,069,197</u>
Town's Share of Total Overlapping Debt				<u><u>\$27,854,006</u></u>

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$1,136,830,900	Debt/ Per Capita 6,834 ⁴
Total General Obligation Debt*	\$26,431,217	2.33%	\$3,867.61
Town's Share of Total Overlapping Debt	<u>27,854,006</u>	<u>2.45%</u>	<u>\$4,075.80</u>
Total*	\$54,285,223	4.78%	\$7,943.40

*Preliminary, subject to change.

¹ Overlapping debt is as of the dated date of the Bonds. 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 Town Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2019/20	\$1,697,325	100%	\$2.40
2020/21	1,743,700	100%	2.35
2021/22	1,809,661	100%	2.21
2022/23	1,860,942	100%	2.06
2023/24	1,927,385	[- - - - - In Process - - - - -]	1.83

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	Schools¹	County	Local	Total
2019/20	\$10.37	\$4.36	\$2.40	\$17.13
2020/21	10.38	4.15	2.35	16.88
2021/22	9.83	3.85	2.21	15.89
2022/23	8.67	3.44	2.06	14.17
2023/24	7.63	3.16	1.83	12.62

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%.

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

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

REVENUE FROM THE STATE

In addition to local property taxes described above, a number of state programs exist which provide revenue to the Town. One such program is commonly known as shared revenue which, pursuant to sec. 79.036, Wis. Stats., provides funding to the Town that can be used for any public purpose. 2023 Wisconsin Act 12 ("Act 12") created a supplement to shared revenue, with payments to the Town beginning in 2024. This supplemental shared revenue may be used only for the purposes specified in section 79.037, Wis. Stats. In 2024, the Town is expected to receive approximately \$196,000 in shared revenue and supplemental shared revenue from the State, an increase from the approximately \$18,000 received in 2023. In future years, the amount of supplemental shared revenue could grow if State sales tax collections grow.

THE ISSUER

TOWN GOVERNMENT

The Town was incorporated in 1847 and is governed by a five-member Town Board. All Board Members are elected to overlapping two-year terms. The appointed Town Administrator and Town Clerk-Treasurer are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The Town employs a staff of 10 full-time, one part-time, and two seasonal employees. All eligible employees in the Town 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.

Town employees are generally required to contribute half of the actuarially determined contributions, and the Town 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 Town's portion of contributions to WRS (not including any employee contributions) totaled \$37,849, \$36,630 and \$43,158, 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 Town 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 Town reported an asset of \$261,679 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 Town's share of contributions to the pension plan relative to the contributions of all participating employers. The Town's proportion was 0.00324657% 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 3.G. in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Recognized and Certified Bargaining Units

All eligible Town 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 Town 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 Town 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 Town were to seek approval for a higher increase through a referendum). Ultimately, the Town 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 Town, 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.

There are currently no bargaining units that represent employees of the Town.

OTHER POST EMPLOYMENT BENEFITS

The Town 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 Town's portion of contributions to the LRLIF totaled \$481. For Fiscal Year 2022, the Town reported a liability of \$116,913 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 Town's share of contributions to the LRLIF relative to the contributions of all participating employers. The Town's proportion was 0.01978100% 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 3.H. in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the Town 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 Bonds or otherwise questioning the validity of the Bonds.

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 Bonds are outstanding, in a way that would allow the Town 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 Town to file for relief under Chapter 9. If, in the future, the Town were to file a bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the Town could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the Town is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the Town 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 Bonds could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Bonds, and there could ultimately be no assurance that holders of the Bonds would be paid in full or in part on the Bonds. Further, under such circumstances, there could be no assurance that the Bonds would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Bonds could be viewed as having no priority (a) over claims of other creditors of the Town; (b) to any particular assets of the Town, or (c) to revenues otherwise designated for payment to holders of the Bonds.

Moreover, if the Town 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 Bonds would not occur.

FUNDS ON HAND (as of November 30, 2023)

Fund	Total Cash and Investments
Operating Checking	\$500,323
Sweep Account	4,796,026
LGIP	<u>1,456,413</u>
Total Funds on Hand	<u><u>\$6,752,762</u></u>

ENTERPRISE FUNDS

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

	2020 Audited	2021 Audited	2022 Audited
Water			
Total Operating Revenues	\$831,806	\$851,333	\$995,192
Less: Operating Expenses	<u>(1,060,321)</u>	<u>(1,024,609)</u>	<u>(1,076,013)</u>
Operating Income	(\$228,515)	(\$173,276)	(\$80,821)
Plus: Depreciation	168,218	179,431	184,904
Interest Income	<u>5,085</u>	<u>411</u>	<u>15,270</u>
Revenues Available for Debt Service	<u><u>(\$55,212)</u></u>	<u><u>\$6,566</u></u>	<u><u>\$119,353</u></u>
Sanitary Sewer			
Total Operating Revenues	\$1,047,998	\$1,139,012	\$1,234,176
Less: Operating Expenses	<u>(1,211,367)</u>	<u>(1,243,224)</u>	<u>(1,393,463)</u>
Operating Income	(\$163,369)	(\$104,212)	(\$159,287)
Plus: Depreciation	170,644	206,165	220,469
Interest Income	<u>1,893</u>	<u>311</u>	<u>2,228</u>
Revenues Available for Debt Service	<u><u>\$9,168</u></u>	<u><u>\$102,264</u></u>	<u><u>\$63,410</u></u>
Storm Sewer			
Total Operating Revenues	\$198,754	\$201,973	\$216,391
Less: Operating Expenses	<u>(487,077)</u>	<u>(309,453)</u>	<u>(419,494)</u>
Operating Income	(\$288,323)	(\$107,480)	(\$203,103)
Plus: Depreciation	142,313	163,249	170,784
Interest Income	<u>0</u>	<u>0</u>	<u>0</u>
Revenues Available for Debt Service	<u><u>(\$146,010)</u></u>	<u><u>\$55,769</u></u>	<u><u>(\$32,319)</u></u>

SUMMARY GENERAL FUND INFORMATION

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

FISCAL YEAR ENDING DECEMBER 31						
COMBINED STATEMENT	2019 Audited	2020 Audited	2021 Audited	2022 Audited	2023 Adopted Budget	2024 Adopted Budget 1)
Revenues						
Taxes and special assessments	\$1,257,385	\$1,361,668	\$1,354,737	\$1,450,879	\$1,470,942	\$1,537,385
Intergovernmental	304,587	933,558	414,988	504,476	482,555	642,032
Licenses and permits	202,504	131,984	157,571	109,778	180,700	166,000
Fines and forfeits	87,101	68,063	45,476	38,369	74,776	97,368
Public charges for services	363,101	309,605	364,110	339,827	377,848	477,442
Miscellaneous	82,277	141,075	100,374	104,694	109,500	559,737
Total Revenues	<u>\$2,296,955</u>	<u>\$2,945,953</u>	<u>\$2,437,256</u>	<u>\$2,548,023</u>	<u>\$2,696,321</u>	<u>\$3,479,965</u>
Expenditures						
Current:						
General government	\$369,594	\$535,253	\$530,858	\$537,692	\$458,557	\$513,599
Public safety	782,381	856,937	893,263	986,394	1,129,027	1,370,346
Public works	470,586	420,020	434,042	549,696	882,204	1,067,028
Health and human services	2,336	950	646	6,401	0	0
Culture and recreation	32,605	34,068	32,328	45,714	38,163	70,254
Conservation and development	1,599	18,383	2,234	7,106	27,870	6,500
Capital outlay	468,546	576,937	582,569	577,072	160,500	452,237
Total Expenditures	<u>\$2,127,647</u>	<u>\$2,442,548</u>	<u>\$2,475,940</u>	<u>\$2,710,075</u>	<u>\$2,696,321</u>	<u>\$3,479,965</u>
Excess of revenues over (under) expenditures	\$169,308	\$503,405	(\$38,684)	(\$162,052)	\$0	\$0
Other Financing Sources (Uses)						
Proceeds from sale of capital assets	\$27,192	\$6,800	\$236,935	\$0	\$25,000	
Total Other Financing Sources (Uses)	<u>27,192</u>	<u>6,800</u>	<u>236,935</u>	<u>0</u>	<u>25,000</u>	
Net changes in Fund Balances	\$196,500	\$510,205	\$198,251	(\$162,052)	\$25,000	
General Fund Balance January 1	\$948,500	\$1,145,000	\$1,655,205	\$1,853,456	\$1,691,404	
Prior Period Adjustment	0	0	0	0	0	
Residual Equity Transfer in (out)	0	0	0	0	0	
General Fund Balance December 31	<u>\$1,145,000</u>	<u>\$1,655,205</u>	<u>\$1,853,456</u>	<u>\$1,691,404</u>	<u>\$1,716,404</u>	
DETAILS OF DECEMBER 31 FUND BALANCE						
Nonspendable	\$7,412	\$16,703	\$15,508	\$680,915		
Restricted	112,558	28,587	196,648	146,451		
Unassigned	1,025,030	1,609,915	1,641,300	864,038		
Total	<u>\$1,145,000</u>	<u>\$1,655,205</u>	<u>\$1,853,456</u>	<u>\$1,691,404</u>		

¹ The 2024 budget was adopted on November 13, 2023.

GENERAL INFORMATION

LOCATION

The Town, with a 2020 U.S. Census population of 6,306 and a current estimated population of 6,834 comprises an area of 16 square miles and is located approximately seven miles southwest of De Pere and 13 miles southwest of Green Bay.

LARGER EMPLOYERS¹

Larger employers in the Town and surrounding area include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Brown County	County government and services	1,730
West De Pere School District	Elementary and secondary education	473
Robinson Metal	Metal fabrication	471
The Foth Companies	Science and engineering company	300
Green Bay Packaging Inc.	Corrugated and solid fiber boxes manufacturer	234
Jones Sign Co.	Sign manufacturing and installation	150
Gardaworld Cash	Security guard service	139
Prevea Support Services	Support services building	100
PDQ Manufacturing	Car washing and polishing equipment manufacturer	100
Trudell Trailers of Green Bay	Trailer manufacturer	70

Source: ReferenceUSA, written and telephone survey, Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development.

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 PERMITS¹

	2019	2020	2021	2022	2023
<u>New Residential</u>					
No. of building permits	62	63	76	54	38
Valuation	\$18,062,668	\$19,450,223	\$27,507,295	\$24,158,825	\$17,167,148
<u>New Commercial/Industrial</u>					
No. of building permits	1	3	4	2	4
Valuation	\$1,438,633	\$9,150,000	\$5,364,520	\$2,574,000	\$47,153,113
<u>New Multiple Family</u>					
No. of building permits	0	2	3	2	1
Valuation	\$0	\$670,000	\$2,437,414	\$1,019,835	\$800,000
<u>All Building Permits</u>					
<i>(including additions and remodelings)</i>					
No. of building permits	208	251	285	234	258
Valuation	\$24,543,430	\$32,417,008	\$39,667,496	\$32,876,295	\$69,875,516

Source: The Town.

¹ As of December 14, 2023

U.S. CENSUS DATA

Population Trend: The Town

2010 U.S. Census Population	4,284
2020 U.S. Census Population	6,306
Percent of Change 2010 - 2020	47.20%
2023 Estimated Population	6,834

Income and Age Statistics

	The Town	Brown County	State of Wisconsin	United States
2022 per capita income	\$59,961	\$39,091	\$40,130	\$41,261
2022 median household income	\$114,592	\$74,066	\$72,458	\$75,149
2022 median family income	\$144,141	\$94,436	\$92,974	\$92,646
2022 median gross rent	\$1,146	\$935	\$992	\$1,268
2022 median value owner occupied units	\$317,000	\$226,500	\$231,400	\$281,900
2022 median age	35.6 yrs.	37.8 yrs.	39.9 yrs.	38.5 yrs.
		State of Wisconsin	United States	
Town % of 2022 per capita income		149.42%	145.32%	
Town % of 2022 median family income		155.03%	155.58%	

Housing Statistics

	<u>The Town</u>		
	2020	2022	Percent of Change
All Housing Units	2,548	2,876	12.87%

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.

Year	<u>Average Employment</u>	<u>Average Unemployment</u>	
	Brown County	Brown County	State of Wisconsin
2019	137,618	3.0%	3.2%
2020	132,694	6.1%	6.4%
2021	136,228	3.5%	3.8%
2022	137,547	2.6%	2.9% ¹
2023, October	141,740 ¹	2.8% ¹	3.0%

Source: Wisconsin Department of Workforce Development.

¹ Preliminary.

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the Town's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The Town 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 Town 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 Town since the date of the financial statements, in connection with the issuance of the Bonds, the Town represents that there have been no material adverse change in the financial position or results of operations of the Town, nor has the Town 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.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

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BROWN COUNTY, WISCONSIN
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INDEPENDENT AUDITORS' REPORT

Town Board
Town of Lawrence
Brown County, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lawrence, Brown County, Wisconsin (the Town), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town'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 Town, as of December 31, 2022, and the respective changes in financial position, and where applicable, cash flows thereof, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1.G. to the financial statements, effective January 1, 2022, the Town adopted new accounting guidance for leases. The guidance requires lessors to recognize a lease receivable and a corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules relating to pensions on page 69 and other postemployment benefits on page 70 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.


Supplementary Information

Our audit for the year ended December 31, 2022, was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The detailed comparison of general fund budgeted and actual revenues, general fund detailed comparison of budgeted and actual expenditures, the combining balance sheet and combining statement of revenues, expenditures, and changes in fund balance for nonmajor funds for the year ended December 31, 2022 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 for the year ended December 31, 2022, 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 GAAS. In our opinion, the detailed comparison of general fund budgeted and actual revenues, general fund detailed comparison of budgeted and actual expenditures, the combining balance sheet and combining statement of revenues, expenditures, and changes in fund balance for nonmajor funds is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2022.

We also previously audited, in accordance with GAAS, the basic financial statements of the Town of Lawrence as of and for the year ended December 31, 2021 (not presented herein), and have issued our report thereon dated June 29, 2022 which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The detailed comparison of general fund budgeted and actual revenues, general fund detailed comparison of budgeted and actual expenditures, the combining balance sheet and combining statement of revenues, expenditures, and changes in fund balance for nonmajor funds as of and for the year ended December 31, 2021 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 related directly to the underlying accounting and other records used to prepare the 2021 financial statements. The information was subjected to the audit procedures applied in the audit of the 2021 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the detailed comparison of general fund budgeted and actual revenues, general fund detailed comparison of budgeted and actual expenditures, the combining balance sheet and combining statement of revenues, expenditures, and changes in fund balance for nonmajor funds is fairly stated in all material respects in relation to the basic financial statements as a whole as of and for the year ended December 31, 2021.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2023, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Green Bay, Wisconsin
May 11, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS



Management's Discussion and Analysis December 31, 2022

General accepted accounting principles (GAAP) requires management of the Town of Lawrence, Wisconsin to provide the readers of the Town's basic financial statements a narrative introduction, overview, and analysis of the financial activities of the Town for the fiscal year ended December 31, 2022, in the form of a Management's Discussion and Analysis (MD&A). Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the Town of Lawrence has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the Town of Lawrence's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town of Lawrence's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town of Lawrence's financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Lawrence for the fiscal year ended December 31, 2022, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that the Town of Lawrence's financial statements for the fiscal year ended December 31, 2022, present fairly, in all material respects, the respective financial position of the government in conformity with GAAP. The independent auditor's report is presented on pages 1-4 of this report.

Profile of the Government

The Town of Lawrence is in northeast Wisconsin in Brown County, located approximately 7 miles southwest of DePere and 13 miles southwest of Green Bay. Interstate 41 runs through the middle of our community and provides ready access to both Appleton to the south and Green Bay to the north. The beautiful and picturesque Fox River forms the Town's eastern border. The Town of Lawrence was incorporated in 1847. The Town comprises an area of 16 square miles. With a 2022 Wisconsin Department of Administration population estimate of 6,724, the Town is one of the fastest growing municipalities in Wisconsin. The population of Lawrence has increased 6.6% since the 2020 Federal Census report of 6,306, and 57.0% since the 2010 Federal Census report of 4,284. The population and square mile statistics combine to produce a population density of 420 persons per square mile. This indicates ample land for future growth and orderly development. The Town of Lawrence is empowered to levy a property tax on both real and personal property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing board.

The Town of Lawrence operates under the board-administrator form of government. Policy making, and legislative authority are vested in a governing Town Board consisting of a Town Chairperson, elected for a two-year term, and

four Town Supervisors, elected at-large for two-year, staggered terms. The Town Board is elected on a non-partisan basis and is responsible, among other things, for passing ordinances, adopting the budget, appointing certain department directors, and member appointments to various boards, committees, and commissions. An appointed Town Administrator and Town Clerk/Treasurer are responsible for carrying out the policies and ordinances of the Town Board, for overseeing the day-to-day operations of the government, economic development, monitoring and lobbying on state and federal legislation affecting the Town, elections, and annually compiling an executive budget recommendation, among other responsibilities.

The Town offers a high quality of both urban and rural lifestyles and excellent opportunities for residential, commercial and industrial growth. The Town provides a full range of municipal services contemplated by statute or charter, including public safety, streets, sanitation, parks/recreation/culture, public improvements, building safety and code compliance, neighborhood services, planning and zoning, water, sewer and storm water systems, and general administrative services. Public safety is provided with two fire stations and 29 volunteer firefighters. The town shared the police department with the Village of Hobart. It consists of 14.5 FTEs, which includes the Police Chief, Police Captain and Police/Administrative Clerk. The Public Works Division, in consultation with a contracted engineering firm, is responsible for the engineering, designing and inspection of Town construction projects, maintenance of public roadways within the Town, and a variety of other public works services throughout the year. The Town also provides refuse and garbage disposal for its residents through an outside contract for services. Total full time equivalent (FTE) municipal employment numbers 10. The Town is served by the highly regarded West De Pere School District and Hemlock Elementary School is located in the burgeoning northwest side of the community. Higher education is provided by the University of Wisconsin-Green Bay and Northeast Wisconsin Technical College, both located in Green Bay, and St. Norbert College, located in DePere, Wisconsin.

The annual operating budget serves as the foundation for the Town of Lawrence's financial planning and control. The operating budget includes proposed expenditures and the means of financing them and is legally enacted by Town Board action no later than December 1 each calendar year. The budget as enacted includes total expenditures at the organization level. An organization can be a department, division, fund, or other activity. Expenditures cannot legally exceed appropriations at this level. The general fund, debt service fund, and tax incremental districts funds have legally adopted budgets and associated levies. For the general fund, the budget-to-actual comparison is presented as part of the supplemental information section of this report.

The Town Board and staff work at length to achieve its budget priorities, and to move the Town further toward its started mission, which is as follows:

The Town of Lawrence officials and employees will lead the community in the delivery of the finest municipal services in the most cost-responsible manner to ensure a high quality of life and safe neighborhoods while maintaining flexibility to respond to the needs of citizens in our ever-changing community. Actions taken in pursuit of our mission will be in accordance with democratic principles and the Constitution of the United States of America.

Overview of the Basic Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains supplemental information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all the Town's assets, liabilities, and deferred outflows/inflows of resources with the difference between as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, public safety, public works, health and human services, culture and recreation, conservation and development, and interest and fiscal charges. The business-type activities of the Town include water, sanitary sewer, and storm water utilities.

The government-wide financial statements can be found on pages 20-22 of this report.

The Town has adopted Statement of Governmental Accounting Standards Board (GASB) No. 68, Accounting and Financial Reporting for Pensions and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. The standards recognize pension costs as employment services are provided, rather than when the pensions are funded. The statement of net position reflects the Town's proportionate share of the Wisconsin Retirement System pension plan and is deferred and amortized over the expected remaining service lives of the pension plan participants. For purposes of measuring the net pension asset, deferred outflow/inflows of resources related to pension, 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 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.

The Town has adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement revised and established new financial reporting requirements for governments that provide their employees with postemployment benefits.

Required supplementary information found on pages 69-72 of this report recognizes GASB No. 68, No. 71, and No. 75 schedules.

In June 2017, GASB Statement No. 87 Leases was issued. The standard required the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It established a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Town adopted the requirements of the guidance effective January 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption. As a result of the implementation of this standard, the Town determines if an arrangement is a lease at inception. The Town recorded a lease receivable and deferred inflow of resources of \$297,686 for a water tower lease in the statement of net position business-type activities and the water fund financial statements.

More detailed information on the Village's lease activity may be found in Note 1 E(11) on pages 39-40 and Note 3(D) on page 48 of the notes to the financial statements.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

It is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, debt service fund, tax increment district #1 fund, and tax increment district #2 fund which are all considered to be major funds. The other governmental funds are non-major governmental funds for a fire department special revenue fund, and a capital projects fund.

The Town adopts an annual appropriated budget for its governmental funds. As part of the basic governmental fund financial statements, budgetary comparison statements have been provided for the general fund to demonstrate compliance with the budget.

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

Supplementary information found on pages 74-79 of this report provides general fund budget comparison statements and financial statements for non-major funds fire department special revenue fund, and capital projects fund.

Proprietary funds. The Town maintains a single type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for its water, sanitary sewer, and storm water utilities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sanitary sewer, and storm water utilities funds, all of which are considered to be major funds of the Town.

The basic proprietary fund financial statements can be found on pages 28-30 of this report.

Fiduciary funds. The Town has adopted GASB Statement No. 84, Fiduciary Activities, and established a single type of fiduciary fund. The *tax collection custodial fund* is used to account for property taxes and specials collected on behalf of other governments.

The basic fiduciary fund financial statements can be found on pages 31-32 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 33 – 67 of this report.

Other information. Supplemental schedules can be found on pages 74-79.

Factors Affecting Financial Condition.

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town of Lawrence operates. The basic financial statements focus on Lawrence's financial position (existing resources and claims to those resources). Users of financial statements also desire information useful in assessing whether Lawrence's financial position is likely to improve or deteriorate in the future (a government's economic condition). This letter provides relevant information for Lawrence relating to each of the following:

Long-term Financial Planning. The Town of Lawrence is developing a Five-Year Capital Improvement Plan (CIP). The plan will contain capital and infrastructure costs of \$5,000 or more based on the Town's capitalization policy. The CIP will detail annual funding sources, expenditures and narrative descriptions for proposed capital improvements. The CIP will be reviewed and updated on an annual basis and will be used as a planning document during the annual budget process.

Relevant Financial Policies. The Town of Lawrence has adopted a comprehensive set of financial policies as guidelines for the annual budget process. The adopted policies consist of the following: General Fund Balance; Debt Management; Cash Management; Credit Card; Sewer Utility Fund Balance-Retained Earnings; and Green Bay Metropolitan Sewerage District Local Annual Rate Adjustment.

Economic Information/Outlook. The Town of Lawrence is one of the fastest growing municipalities in Wisconsin with an estimated 2022 population of 6,724 and a 2022 equalized valuation of \$972,417,900 which is a 14.64 increase over 2021 and follows an 11.10% increase from 2020 to 2021. Between 2021 and 2022, the Town's largest actual dollar increase in full value for real and personal property was in residential properties.

The Town of Lawrence has continued a pattern of strong economic growth in 2022. The area's economic prosperity has translated into increased wages for the community and more spendable income to support new business development and growth. In 2022, the Town's top business employer is Robinson Metal, a metal fabrication company with 507 employees. Cellcom Corporation, a communications company/call center with 350 employees is the Town's second largest business employer. Jones Sign Co., a sign and manufacturing and installation company has 150 employees. Prevea Support Services, a support services building has a workforce of 125, and PDQ Manufacturing, a car wash and polishing equipment manufacturer has a workforce of 100.

For the past several years, the Town of Lawrence has ranked near the top for new housing starts among all cities, Towns, and towns in the state of Wisconsin. In 2022, Lawrence experienced 54 new single-family housing starts with a total residential permit valuation equaling \$24,158,825.

The Town has established two tax increment districts (TIDs); TID 1 and TID 2 in 2018. The focused economic development of the Town within these two TIDs has resulted in \$68,068,900 in equalized incremental value. TID 1 had \$37,901,600 in equalized incremental value upon updated assessments as of January 1, 2022, and TID 2 had \$30,167,300 equalized incremental value.

Recent development in Tax Increment District (TID) 1 consisted of continued growth of numerous single family residential subdivisions: Hidden Ackers, Carpenter South and Lawrence Parkway Estates. In 2021, Impact Sports Academy, a state-of-the-art indoor baseball/softball training facility, opened its doors as an anchor business in the Lawrence Parkway development corridor. The Town's section of American Boulevard was started as well, with new businesses underway in the light industrial business park, including Trinks, Inc. a hydraulic press equipment manufacturing company.

In TID 2, Sand Lake, a large multi-family development, finalized its last phase of development, a total project that has resulted in a new taxable value of nearly \$24 million for this development district. Additional residential development has begun with Autumn Heights Subdivision First Addition adding 30+ new single family lots to the Town and TID #2 district.

Despite a strong focus of the Town's recent economic development strategy utilizing tax increment financing, housing starts elsewhere in the Town also remain strong, including Hemlock Creek subdivisions surrounding the Hemlock Creek Elementary School.

Due to the Town's population being under 25,000, a non-seasonal adjusted unemployment rate is not compiled for the Town. Brown County's non-seasonal unemployment rate as of December 2022 was 2.0%. The state's non-seasonal adjusted December unemployment rate was 2.3%, and the U.S. non-seasonal unemployment rate was 3.9%.

The Town continues to update the Town's homepage and website, (www.lawrencewi.gov), including the compilation and coordination of website information for all Town departments and services.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources as of December 31, 2022, by \$22,450,729 (*net position*);
- The Town's change in net position decreased by \$661,910;
- As of December 31, 2022, the Town's governmental funds reported combined ending fund balances of \$9,070,299, a decrease of \$378,638 in comparison with the prior year. The decrease resulted from fund balance usage for tax increment district #2 capital development projects. Approximately 0.2%, \$17,423 is nonspendable for prepaid items and 7.3%, \$663,492 is nonspendable for an advance to tax increment district #1. Approximately, 1.6%, \$146,451 is restricted for park capital projects. Approximately, 0.2%, \$23,042 is restricted for fire department equipment/outlay. Approximately, 20.5%, \$1,856,106 is restricted for tax levy supported debt relief. Approximately, 63.8%, \$5,785,782 is restricted for land held for resale in the tax incremental district #1. Approximately 6.4%, \$578,003 is unassigned in various governmental funds and *available for spending* at the Town's discretion;
- As of December 31, 2022, the unassigned general fund balance of \$864,038 was approximately 33.82% of total general fund expenditures;
- The Town's total debt increased by \$793,286. On August 9, 2022, a \$290,000 Wisconsin Board of Commissioner of Public Lands State Trust Fund loan was approved for the purpose of financing the purchase of a fire truck. The loan is for a term of 10 years with a fixed annual interest rate of 4.5%. On December 16, 2022, a \$2,400,000 Wisconsin Board of Commissioner of Public Lands State Trust Fund loan was approved for the purpose of financing the purchase of land within TID#1 for a new recreational park and future commercial development. The loan is for a term of 20 years with a fixed annual interest rate of 5.75%. The Town had the following 2022 principal debt retirement: \$170,000 in business-type activity general obligation bonds debt, \$265,000 in governmental activity general obligation notes debt, \$335,000 in business-type activity general obligation note debt, \$50,842 in general activity general obligation notes-direct borrowings debt, \$61,500 in business-type activity general obligation notes-direct borrowings debt, and \$1,014,372 in governmental activity state trust fund loans debt.
- The Town's 2022 long-term debt credit rating issued by Standard and Poor's was AA- with a stable outlook.

Government-wide Financial Analysis

Net position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. In the case of the Town, assets exceeded liabilities and deferred outflows/inflows of resources by \$22,450,729 at the close of 2022.

The following chart details the Town of Lawrence's Net Position.

Town of Lawrence's Net Position						
(in thousands of dollars)						
	Governmental		Business-type		Totals	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Assets						
Current and other assets	\$ 6,887	\$ 8,381	\$ 1,507	\$ 1,779	\$ 8,394	\$ 10,160
Land held for resale	6,997	4,969	-	-	6,997	4,969
Lease receivable	-	-	298	-	298	-
Interceptor, capacity. Net	-	-	189	378	189	378
Net pension asset	165	201	96	-	261	201
Capital assets	15,580	14,753	19,821	19,325	35,401	34,078
Total Assets	29,629	28,304	21,911	21,482	51,540	49,786
Deferred Outflows of Resources						
Related to pension	299	335	218	-	517	335
Related to other postemployment	53	88	31	-	84	88
Total Deferred Outflows of Resources	352	423	249	-	601	423
Liabilities						
Long-term liabilities outstanding	21,659	20,347	200	2,430	21,859	22,777
Other postemployment benefits	74	97	43	-	117	97
Other liabilities	1,581	846	1,863	170	3,444	1,016
Total Liabilities	23,314	21,290	2,106	2,600	25,420	23,890
Deferred Inflows of Resources						
Property taxes	3,344	2,755	-	-	3,344	2,755
Lease related amounts	-	-	298	-	298	-
Related to pension	390	440	227	-	617	440
Related to other postemployment	7	11	4	-	11	11
Total Deferred Inflows of Resources	3,741	3,206	529	-	4,270	3,206
Net Position						
Net investment in capital assets	2,026	2,273	18,008	17,015	20,034	19,288
Restricted	8,914	7,244	96	-	9,010	7,244
Unrestricted	(8,014)	(5,286)	1,421	1,867	(6,593)	(3,420)
Total Net Position	\$ 2,926	\$ 4,231	\$ 19,525	\$ 18,882	\$ 22,451	\$ 23,113

The Town reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, etc.), less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although, the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The Town's governmental activities unrestricted net position of (\$8,014,096) results from the issuance of debt for noncapital items relating to development projects in Tax Increment Districts.

The Town adopted Statement of Governmental Accounting Standards Board (GASB) No. 68, Accounting and Financial Reporting for Pensions and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. The new standards recognize pension costs as employment services are provided, rather than when the pensions are funded. The statement of net position reflects the Town's proportionate share of the Wisconsin Retirement System pension plan and is deferred and amortized over the expected remaining service lives of the pension plan participants. For purposes of measuring the net pension asset, deferred outflow/inflows of resources related to pension, 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 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.

The Town adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement revised and established new financial reporting requirements for governments that provide their employees with postemployment benefits.

In June 2017, GASB Statement No. 87 Leases was issued. The standard required the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It established a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Town adopted the requirements of the guidance effective January 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption. As a result of the implementation of this standard, the Town determines if an arrangement is a lease at inception. The Town recorded a lease receivable and deferred inflow of resources of \$297,686 for a water tower lease in the statement of net position business-type activities and the water fund financial statements.

Change in net position. The Town's governmental activities net position at the end of the year amounted to \$2,926,192. The change in net position during 2022 was a decrease of \$1,304,749 because the Town has issued debt for noncapital items relating to development projects in Tax Increment Districts. Total general revenues and transfers of \$3,603,498 less \$4,908,247 governmental activities resulted in the net position decrease.

Net position of the water utility enterprise fund at the end of the year amounted to \$7,024,929. The change in net position during 2022 was an increase of \$168,499. Operating loss of \$80,821, nonoperating revenue of \$15,270, nonoperating expenses of \$15,268 and capital contributions of \$249,318 resulted in an increased change in net position. The 2022 operating loss of \$80,821 resulted from operating expenses of \$1,076,013 exceeding operating revenues of \$995,192.

Net position of the sanitary sewer utility enterprise fund at the end of the year amounted to \$7,205,115. The change in net position during 2022 was an increase of \$151,424. Operating loss of \$159,287, nonoperating revenue of \$2,228, nonoperating expenses of \$23,546, and capital contributions of \$332,029 resulted in the increase change in net position. The 2022 operating loss of \$159,287 resulted from operating expenditures of \$1,393,463 exceeding operating revenues of \$1,234,176.

Net position of the storm water utility enterprise fund at the end of the year amounted to \$5,294,493. The change in net position during 2022 was an increase of \$322,916. Operating loss of \$203,103, nonoperating expenses of \$7,640, nonoperating revenues of \$2,967, and capital contributions of \$530,692 resulted in an increase change in net position. The 2022 operating loss of \$203,103 resulted from operating expenditures of \$419,494 exceeding operating revenues of \$216,391.

The Town is in the process of analyzing each utility for potential rate increases to address the annual Operating loss. The Town approved a 13.8% increase to the sanitary sewer volumetric rate in December 2022, to become effective in fiscal year 2023, to address an otherwise projected operating loss. The Town Board of Supervisors has initiated water rate study/analysis to address water utility operations as well.

Key elements of the Town's change in net position are shown in the following chart.

Town of Lawrence's Change in Net Position						
(In thousands of dollars)						
	Governmental		Business-type		Totals	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues						
Charges for services	\$ 487	\$ 559	\$ 2,449	\$ 2,192	\$ 2,936	\$ 2,751
Operating grants and contributions	439	350	-	-	439	350
Capital grants and contributions	10	49	1,112	1,830	1,122	1,879
General Revenues						
Property taxes	2,302	1,947	-	-	2,302	1,947
Other taxes	55	25	-	-	55	25
Grants and contributions not restricted to specific programs	66	66	-	-	66	66
Gain or (Loss) on sale of assets	-	3	-	-	-	3
Other	244	188	18	1	262	189
Total Revenues	3,603	3,187	3,579	4,023	7,182	7,210
Expenses						
General government	582	570	-	-	582	570
Public safety	773	1,055	-	-	773	1,055
Public works	2,048	1,305	-	-	2,048	1,305
Health and human services	6	1	-	-	6	1
Culture and recreation	122	55	-	-	122	55
Conservation and development	949	1,800	-	-	949	1,800
Interest on long-term debt	428	613	-	-	428	613
Water utility	-	-	1,092	1,044	1,092	1,044
Sewer utility	-	-	1,417	1,272	1,417	1,272
Storm Water utility	-	-	427	316	427	316
Total Expenses	4,908	5,399	2,936	2,632	7,844	8,031
Change in Net Position	(1,305)	(2,212)	643	1,391	(662)	(821)
Net Position - January 1, as restated	4,231	6,443	18,882	17,491	23,113	23,934
Net Position - December 31	\$ 2,926	\$ 4,231	\$ 19,525	\$ 18,882	\$ 22,451	\$ 23,113

Financial Analysis of the Town's Funds

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

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

As of December 31, 2022, the Town's governmental funds reported combined ending fund balances of \$9,070,299, a decrease of \$378,638 in comparison with the prior year. The decrease resulted from fund balance usage for tax increment district #2 capital development projects. Approximately 6.4% of this amount \$578,003 constitutes *unassigned fund balance*, which is available for spending at the Town's discretion. The remainder of fund balance is not available for new spending because it has already been committed for the following: nonspendable for prepaid items \$17,423, nonspendable for an advance to tax increment district #1 \$663,492, restricted for park capital projects \$146,451, restricted for fire department equipment/outlay \$23,042, restricted for tax levy supported debt relief \$1,856,106, and restricted for land held for resale in tax incremental district #1 \$5,785,782.

The general fund is the main operating fund of the Town. At the end of the current year, the unassigned fund balance of the general fund was \$864,038. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 33.82% of total general fund expenditures.

The fund balance of the Town's general fund on December 31, 2022, was \$1,691,404 a \$162,052 decrease from the December 31, 2021, general fund balance. The \$162,052 decrease in fund balance resulted from 2022 expenditures of \$2,710,075 exceeding 2022 revenues of \$2,548,023. The general fund balance is comprised of the unassigned fund balance of \$864,038 discussed in the previous paragraph, \$146,451 restricted for park capital projects, \$17,423 nonspendable for prepaid items, and \$663,492 nonspendable for an advance to tax increment district #1.

The debt service fund has a total fund balance of \$1,856,106 which represents proceeds available for tax levy supported debt relief.

Tax increment finance (TIF) district #1 fund balance \$5,785,782 represents unspent revenues related towards future development in the district. TIF district #2 fund balance of (\$26,741) represents a deficit resulting from excess project costs paid that will be recovered by future tax increment. District #1 and District #2 were created in 2018.

The other governmental funds are a fire department special revenue fund with a total fund balance of \$23,042 which represents unspent funds for future fire department needs and a capital projects fund balance of (\$259,294) to be offset by future long-term debt issuance.

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

Net position of the water utility enterprise fund at the end of the year amounted to \$7,024,929. The change in net position during 2022 was an increase of \$168,499. Operating loss of \$80,821, nonoperating revenue of \$15,270, nonoperating expenses of \$15,268 and capital contributions of \$249,318 resulted in an increased change in net position. The 2022 operating loss of \$80,821 resulted from operating expenses of \$1,076,013 exceeding operating revenues of \$995,192.

Net position of the sanitary sewer utility enterprise fund at the end of the year amounted to \$7,205,115. The change in net position during 2022 was an increase of \$151,424. Operating loss of \$159,287, nonoperating revenue of \$2,228, nonoperating expenses of \$23,546, and capital contributions of \$332,029 resulted in the increase change in net position. The 2022 operating loss of \$159,287 resulted from operating expenditures of \$1,393,463 exceeding operating revenues of \$1,234,176.

Net position of the storm water utility enterprise fund at the end of the year amounted to \$5,294,493. The change in net position during 2022 was an increase of \$322,916. Operating loss of \$203,103, nonoperating expenses of \$7,640, nonoperating revenues of \$2,967, and capital contributions of \$530,692 resulted in an increase change in net position. The 2022 operating loss of \$203,103 resulted from operating expenditures of \$419,494 exceeding operating revenues of \$216,391.

Other factors concerning the finances of these funds have already been addressed in the discussion of the Town's business-type activities.

Fiduciary funds. The Town has adopted GASB Statement No. 84, Fiduciary Activities, and established a single type of fiduciary fund. The *tax collection custodial fund* is used to account for property taxes and specials collected on behalf of other governments.

General Fund Budget Highlights

The Town Board and administration monitors the General Fund Budget on a monthly basis during the year. The Board did not adopt any amendments to the 2022 original adopted General Fund Budget of \$2,554,878.

December 31, 2022, General Fund Budget realized a deficit of revenues over expenditures of \$162,052. Actual year-end expenditures of \$2,710,075 exceeded actual year-end revenues of \$2,548,023 resulting in the deficit variance of \$198,251. Actual 2022 revenues compared to budgeted revenues were impacted due to the COVID pandemic.

Supplementary information found on pages 74-77 of this report provides general fund budget comparison statements.

Capital Asset and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2022, amounts to \$35,401,241 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, machinery and equipment, infrastructure, and construction in progress. The total increase in the Town's investment in capital assets for the current year was \$1,323,226.

Town of Lawrence's Capital Assets						
	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Land	\$ 458,283	\$ 458,283	\$ 55,485	\$ 55,485	\$ 513,768	\$ 513,768
Land improvements	296,009	270,799	-	-	296,009	270,799
Buildings and improvements	1,751,593	1,751,593	557,940	557,940	2,309,533	2,309,533
Machinery and equipment	2,868,296	2,479,246	139,874	129,883	3,008,170	2,609,129
Infrastructure	22,141,741	20,182,705	26,344,241	25,286,904	48,485,982	45,469,609
Construction in progress	-	883,113	-	-	-	883,113
Less accumulated depreciation	(11,936,118)	(11,272,790)	(7,276,103)	(6,705,146)	(19,212,221)	(17,977,936)
Total	\$ 15,579,804	\$ 14,752,949	\$ 19,821,437	\$ 19,325,066	\$ 35,401,241	\$ 34,078,015

During 2022, land improvements increased \$25,210 for governmental activities. machinery and equipment capital assets increased \$389,050 for governmental activities and \$9,991 for business-type activities, infrastructure capital assets increased \$1,959,036 for governmental activities and \$1,057,337 for business-type activities, and construction in progress decreased \$883,113 for governmental activities.

In 2022, Land improvement increases are for baseball field improvement and concrete replacement projects in Quarry Park within the Town, a TID 2 Derouin storm water pond, and a Spring Meadows storm water pond within the Town. Machinery and equipment increases were for a new fire truck, a fire chief replacement vehicle, and a Fire Department washer/extractor; Police sergeant vehicle equipment; a riding lawnmower for Parks and DPW, a second riding lawn mower for Parks and Cemeteries, and a Chevrolet 2500 Van for Parks; a DPW 7x16 trailer; and water utility meter replacements. Infrastructure increases are in relation to the completion of utility street and construction projects for commercial, and single, multi-family, and condo housing projects within TID 1 and 2.

An increase of \$1,234,285 was recognized in accumulated depreciation for the Town's capital assets. The Town's estimate of the depreciable life of capital assets is based upon analysis of the expected useful life of the capital assets. The Town evaluated key factors and assumptions used to develop the depreciable life of the assets and determined they are reasonable in relation to the financial statements.

More detailed information on the Town's capital asset activity may be found in Note 3(E) on pages 49-50 of the notes to the financial statements.

Long-term debt. At the end of the current fiscal year, the Town had a total outstanding general obligation debt of \$23,284,251 backed by the full faith and credit of the government.

Town of Lawrence's Outstanding Debt						
General Obligation Debt						
	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
General obligation debt						
Bonds	\$ 8,520,000	\$ 8,520,000	\$ 345,000	\$ 515,000	\$ 8,865,000	\$ 9,035,000
Notes	2,715,000	2,980,000	1,325,000	1,660,000	4,040,000	4,640,000
Notes-Direct Borrowings	160,183	211,025	193,500	255,000	353,683	466,025
State Trust Fund Loans	10,025,568	8,349,940		-	10,025,568	8,349,940
Total general obligation debt	\$ 21,420,751	\$ 20,060,965	\$ 1,863,500	\$ 2,430,000	\$ 23,284,251	\$ 22,490,965

During 2022 the Town's total debt increased by \$793,286. On August 9, 2022, a \$290,000 Wisconsin Board of Commissioner of Public Lands State Trust Fund loan was approved for the purpose of financing the purchase of a fire truck. The loan is for a term of 10 years with a fixed annual interest rate of 4.5%. On December 16, 2022, a \$2,400,000 Wisconsin Board of Commissioner of Public Lands State Trust Fund loan was approved for the purpose of financing the purchase of land within TID#1 for a new recreational park and future commercial development. The loan is for a term of 20 years with a fixed annual interest rate of 5.75%. The Town had the following 2022 principal debt retirement: \$170,000 in business-type activity general obligation bonds debt, \$265,000 in governmental activity general obligation notes debt, \$335,000 in business-type activity general obligation note debt, \$50,842 in general activity general obligation notes-direct borrowings debt, \$61,500 in business-type activity general obligation notes-direct borrowings debt, and \$1,014,372 in governmental activity state trust fund loans debt.

State statutes limit the amount of general obligation debt the Town may issue to 5% of its total equalized valuation. The current debt limitation for the Town is \$48,620,895, which is significantly more than the Town's \$23,284,251 net outstanding general obligation debt applicable to the limit. The total net outstanding general obligation debt applicable to the debt limit is 47.89% which meets the percentage requirement of the Debt Management Policy adopted by the Town Board.

The Town's 2022 long-term debt credit rating issued by Standard and Poor's was AA- with a stable outlook. Factors cited for the rating were: very strong reserves and liquidity; dependence on relatively-stable property taxes for operations; very strong economy; adequate management; strong budget performance; very strong budgetary flexibility; weak debt and contingent liability position; and adequate institutional framework.

More detailed information on the Town's long-term debt activity may be found in Note 3(F) on pages 51-52 of the notes to the financial statements.

The Town is experiencing growth in its tax base, with a mix of the growth occurring within the two Tax Increment Districts. The Town is also experiencing population growth that, by percentage, is among the fastest rates of population growth in the state. State Department of Administration projections show Lawrence to be one of the fastest growing town's over the next 20 years.

Acknowledgements/Contacting the Town's Financial Management

The preparation of this report could not have been accomplished without the efficient and dedicated services of all Town Departments. Management would like to express our appreciation to Town team members who assisted and contributed to the preparation of this report. We would also like to thank the Town Board for their unfailing support for maintaining the highest standards of professionalism in the management of the Town of Lawrence's finances.

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Patrick Wetzel, Town Administrator, 2400 Shady Court, DePere, Wisconsin 54115.

BASIC FINANCIAL STATEMENTS

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2022**

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and Investments	\$ 3,237,430	\$ 924,527	\$ 4,161,957
Receivables:			
Taxes and Special Charges	3,344,076	-	3,344,076
Delinquent Taxes	3,587	-	3,587
Accounts	-	399,079	399,079
Special Assessments	161,791	286,713	448,504
Internal Balances	123,264	(123,264)	-
Due from Other Governments	-	18,338	18,338
Prepaid Items	17,423	1,250	18,673
Assets Held for Resale	6,996,614	-	6,996,614
Lease Receivable	-	297,686	297,686
Interceptor Capacity, Net	-	189,000	189,000
Net Pension Asset	165,293	96,386	261,679
Capital Assets, Nondepreciable	458,283	55,485	513,768
Capital Assets, Depreciable	15,121,521	19,765,952	34,887,473
Total Assets	<u>29,629,282</u>	<u>21,911,152</u>	<u>51,540,434</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	298,968	217,765	516,733
Other Postemployment Related Amounts	53,263	31,059	84,322
Total Deferred Outflows of Resources	<u>352,231</u>	<u>248,824</u>	<u>601,055</u>
LIABILITIES			
Accounts Payable	777,742	185,008	962,750
Accrued and Other Current Liabilities	14,427	7,055	21,482
Accrued Interest Payable	273,138	2,845	275,983
Special Deposits	40,000	-	40,000
Unearned Revenues	475,668	4,673	480,341
Long-Term Obligations:			
Due Within One Year	1,617,841	567,958	2,185,799
Due in More Than One Year	20,041,206	1,295,542	21,336,748
Net Other Postemployment Benefit Liability	73,850	43,063	116,913
Total Liabilities	<u>23,313,872</u>	<u>2,106,144</u>	<u>25,420,016</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	3,344,258	-	3,344,258
Lease Related Amounts	-	297,686	297,686
Pension Related Amounts	389,854	227,331	617,185
Other Postemployment Related Amounts	7,337	4,278	11,615
Total Deferred Inflows of Resources	<u>3,741,449</u>	<u>529,295</u>	<u>4,270,744</u>
NET POSITION			
Net Investment in Capital Assets	2,025,920	18,007,747	20,033,667
Restricted for:			
Debt Service	1,582,968	-	1,582,968
Parks Capital Projects	146,451	-	146,451
Economic Development	6,996,614	-	6,996,614
Fire Department Equipment/Outlay	23,042	-	23,042
Pension Benefits	165,293	96,386	261,679
Unrestricted	(8,014,096)	1,420,404	(6,593,692)
Total Net Position	<u>\$ 2,926,192</u>	<u>\$ 19,524,537</u>	<u>\$ 22,450,729</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 582,139	\$ 12,675	\$ 67,335	\$ -
Public Safety	772,431	135,375	46,198	9,987
Public Works	2,048,076	282,077	325,396	-
Health and Human Services	6,401	7,526	-	-
Culture and Recreation	122,415	45,615	-	-
Conservation and Development	948,982	3,656	-	-
Interest and Fiscal Charges	427,803	-	-	-
Total Governmental Activities	4,908,247	486,924	438,929	9,987
BUSINESS-TYPE ACTIVITIES				
Water Utility	1,091,281	995,192	-	249,318
Sanitary Sewer Utility	1,417,009	1,234,176	-	332,029
Storm Sewer Utility	427,134	219,358	-	530,692
Total Business-Type Activities	2,935,424	2,448,726	-	1,112,039
Total	\$ 7,843,671	\$ 2,935,650	\$ 438,929	\$ 1,122,026

GENERAL REVENUES

Taxes:

Property Taxes

Other Taxes

Federal and State Grants and Other Contributions
not Restricted to Specific Functions

Interest and Investment Earnings

Miscellaneous

Total General Revenues

CHANGE IN NET POSITION

Net Position - January 1

NET POSITION - DECEMBER 31

See accompanying Notes to Basic Financial Statements.

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Totals
\$ (502,129)	\$ -	\$ (502,129)
(580,871)	-	(580,871)
(1,440,603)	-	(1,440,603)
1,125	-	1,125
(76,800)	-	(76,800)
(945,326)	-	(945,326)
(427,803)	-	(427,803)
(3,972,407)	-	(3,972,407)
-	153,229	153,229
-	149,196	149,196
-	322,916	322,916
-	625,341	625,341
(3,972,407)	625,341	(3,347,066)
2,302,536	-	2,302,536
55,467	-	55,467
65,547	-	65,547
35,733	17,498	53,231
208,375	-	208,375
2,667,658	17,498	2,685,156
(1,304,749)	642,839	(661,910)
4,230,941	18,881,698	23,112,639
<u>\$ 2,926,192</u>	<u>\$ 19,524,537</u>	<u>\$ 22,450,729</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	General	Debt Service	Tax Incremental District No. 1	Tax Incremental District No. 2	Other Governmental Funds	Totals
ASSETS						
Cash and Investments	\$ 1,308,850	\$ 1,856,106	\$ -	\$ 49,432	\$ 23,042	\$ 3,237,430
Receivables:						
Taxes and Special Charges	1,993,535	390,000	534,841	425,700	-	3,344,076
Delinquent Taxes	3,587	-	-	-	-	3,587
Special Assessments	-	-	161,791	-	-	161,791
Due from Other Funds	1,037,193	-	-	-	-	1,037,193
Prepaid Items	17,423	-	-	-	-	17,423
Assets Held for Resale	-	-	6,996,614	-	-	6,996,614
Total Assets	<u>\$ 4,360,588</u>	<u>\$ 2,246,106</u>	<u>\$ 7,693,246</u>	<u>\$ 475,132</u>	<u>\$ 23,042</u>	<u>\$ 14,798,114</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 145,372	\$ -	\$ 547,340	\$ 76,173	\$ 8,857	\$ 777,742
Accrued and Other Current Liabilities	14,427	-	-	-	-	14,427
Due to Other Funds	-	-	663,492	-	250,437	913,929
Special Deposits	40,000	-	-	-	-	40,000
Unearned Revenues	475,668	-	-	-	-	475,668
Total Liabilities	<u>675,467</u>	<u>-</u>	<u>1,210,832</u>	<u>76,173</u>	<u>259,294</u>	<u>2,221,766</u>
DEFERRED INFLOWS OF RESOURCES						
Property Taxes Levied for Subsequent Year	1,993,717	390,000	534,841	425,700	-	3,344,258
Unavailable Revenue - Special Assessments	-	-	161,791	-	-	161,791
Total Deferred Inflows of Resources	<u>1,993,717</u>	<u>390,000</u>	<u>696,632</u>	<u>425,700</u>	<u>-</u>	<u>3,506,049</u>
FUND BALANCES						
Nonspendable	680,915	-	-	-	-	680,915
Restricted	146,451	1,856,106	5,785,782	-	23,042	7,811,381
Unassigned	864,038	-	-	(26,741)	(259,294)	578,003
Total Fund Balances	<u>1,691,404</u>	<u>1,856,106</u>	<u>5,785,782</u>	<u>(26,741)</u>	<u>(236,252)</u>	<u>9,070,299</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,360,588</u>	<u>\$ 2,246,106</u>	<u>\$ 7,693,246</u>	<u>\$ 475,132</u>	<u>\$ 23,042</u>	<u>\$ 14,798,114</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances as shown on previous page	\$ 9,070,299
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	15,579,804
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.	161,791
Long-term assets are not current financial resources; therefore, are not reported in the funds.	
Net Pension Asset	165,293
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.	
Deferred Outflows Related to Pensions	298,968
Deferred Inflows Related to Pensions	(389,854)
Deferred Outflows Related to Other Postemployment Benefits	53,263
Deferred Inflows Related to Other Postemployment Benefits	(7,337)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and Notes Payable	(21,420,751)
Premium on Debt	(238,296)
Net Other Postemployment Benefit Liability	(73,850)
Accrued Interest on Long-Term Obligations	(273,138)
Net Position of Governmental Activities as Reported on the Statement of Net Position	<u><u>\$ 2,926,192</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

	General	Debt Service	Tax Incremental District No. 1	Tax Incremental District No. 2	Other Governmental Funds	Total
REVENUES						
Taxes	\$ 1,450,879	\$ 390,000	\$ 214,253	\$ 278,622	\$ -	\$ 2,333,754
Excess Stadium District Sales Tax	-	69	-	-	-	69
Special Assessments	-	423,357	-	-	-	423,357
Intergovernmental	504,476	-	-	-	-	504,476
Licenses and Permits	109,778	-	-	-	-	109,778
Fines and Forfeits	38,369	-	-	-	-	38,369
Public Charges for Services	339,827	-	-	-	-	339,827
Interdepartmental Charges for Services	-	-	-	-	8,503	8,503
Miscellaneous	104,694	4,395	154,389	-	-	263,478
Total Revenues	<u>2,548,023</u>	<u>817,821</u>	<u>368,642</u>	<u>278,622</u>	<u>8,503</u>	<u>4,021,611</u>
EXPENDITURES						
Current:						
General Government	537,692	-	-	-	-	537,692
Public Safety	986,394	-	-	-	6,674	993,068
Public Works	549,696	-	-	-	119	549,815
Health and Human Services	6,401	-	-	-	-	6,401
Culture and Recreation	45,714	-	-	-	-	45,714
Conservation and Development	7,106	-	54,647	780,888	-	842,641
Debt Service:						
Principal	-	525,864	241,314	563,036	-	1,330,214
Interest and Fiscal Charges	-	137,114	360,382	12,302	-	509,798
Capital Outlay	577,072	-	1,158,745	-	539,089	2,274,906
Total Expenditures	<u>2,710,075</u>	<u>662,978</u>	<u>1,815,088</u>	<u>1,356,226</u>	<u>545,882</u>	<u>7,090,249</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	(162,052)	154,843	(1,446,446)	(1,077,604)	(537,379)	(3,068,638)
OTHER FINANCING SOURCES						
Long-Term Debt Issued	-	-	2,400,000	-	290,000	2,690,000
NET CHANGE IN FUND BALANCES	(162,052)	154,843	953,554	(1,077,604)	(247,379)	(378,638)
Fund Balances - January 1	<u>1,853,456</u>	<u>1,701,263</u>	<u>4,832,228</u>	<u>1,050,863</u>	<u>11,127</u>	<u>9,448,937</u>
FUND BALANCES - DECEMBER 31	<u>\$ 1,691,404</u>	<u>\$ 1,856,106</u>	<u>\$ 5,785,782</u>	<u>\$ (26,741)</u>	<u>\$ (236,252)</u>	<u>\$ 9,070,299</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances as shown on previous page \$ (378,638)

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 Assets Reported as Capital Outlay in Governmental Fund Statements	1,544,333
Depreciation Expense Reported in the Statement of Activities	(717,478)
Net Book Value of Disposals	

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.	(446,944)
---	-----------

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Long-Term Debt Issued	(2,690,000)
Principal Repaid	1,330,214

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Accrued Interest on Long-Term Debt	34,686
Amortization of Premium	47,309
Net Pension Asset	(35,478)
Deferred Outflows of Resources Related to Pensions	(35,859)
Deferred Inflows of Resources Related to Pensions	50,260
Net Other Postemployment Benefit Liability	23,331
Deferred Outflows of Resources Related to Other Postemployment Benefits	(34,454)
Deferred Inflows of Resources Related to Other Postemployment Benefits	3,969

Change in Net Position of Governmental Activities as Reported in the Statement of Activities	<u><u>\$ (1,304,749)</u></u>
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See accompanying Notes to Basic Financial Statements.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2022**

	Budget			Variance Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 1,419,678	\$ 1,419,678	\$ 1,450,879	\$ 31,201
Special Assessments	25,300	25,300	-	(25,300)
Intergovernmental	466,860	466,860	504,476	37,616
Licenses and Permits	199,800	199,800	109,778	(90,022)
Fines and Forfeits	66,735	66,735	38,369	(28,366)
Public Charges for Services	322,000	322,000	339,827	17,827
Miscellaneous	54,500	54,500	104,694	50,194
Total Revenues	2,554,873	2,554,873	2,548,023	(6,850)
EXPENDITURES				
Current:				
General Government	473,550	473,550	537,692	(64,142)
Public Safety	1,014,108	1,014,108	986,394	27,714
Public Works	467,473	467,473	549,696	(82,223)
Health and Human Services	-	-	6,401	(6,401)
Culture and Recreation	36,657	36,657	45,714	(9,057)
Conservation and Development	6,900	6,900	7,106	(206)
Capital Outlay	556,190	556,190	577,072	(20,882)
Total Expenditures	2,554,878	2,554,878	2,710,075	(155,197)
NET CHANGE IN FUND BALANCE	(5)	(5)	(162,052)	(162,047)
Fund Balance - January 1	1,853,456	1,853,456	1,853,456	-
FUND BALANCE - DECEMBER 31	<u>\$ 1,853,451</u>	<u>\$ 1,853,451</u>	<u>\$ 1,691,404</u>	<u>\$ (162,047)</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Water Utility	Sanitary Sewer Utility	Storm Sewer Utility	Totals
ASSETS				
Current Assets:				
Cash and Investments	\$ -	\$ 872,546	\$ 51,981	\$ 924,527
Receivables:				
Customer Accounts	180,923	236,494	-	417,417
Special Assessments	122,212	3,684	-	125,896
Lease Receivable due within one year	14,559	-	-	14,559
Prepaid Items	-	-	1,250	1,250
Total Current Assets	317,694	1,112,724	53,231	1,483,649
Other Assets:				
Deferred Special Assessments	-	160,817	-	160,817
Interceptor Capacity, Net of Amortization	-	189,000	-	189,000
Lease Receivable	283,127	-	-	283,127
Net Pension Asset	51,074	27,038	18,274	96,386
Total Other Assets	334,201	376,855	18,274	729,330
Capital Assets:				
Nondepreciable	55,485	-	-	55,485
Depreciable	7,512,540	6,821,033	5,432,379	19,765,952
Total Capital Assets	7,568,025	6,821,033	5,432,379	19,821,437
Total Assets	8,219,920	8,310,612	5,503,884	22,034,416
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Amounts	115,391	61,088	41,286	217,765
Other Postemployment Related Amounts	16,458	8,713	5,888	31,059
Total Deferred Outflows of Resources	131,849	69,801	47,174	248,824
LIABILITIES				
Current Liabilities:				
Accounts Payable	115,928	59,404	9,676	185,008
Accrued and Other Current Liabilities	3,648	2,093	1,314	7,055
Due to Other Funds	123,264	-	-	123,264
Unearned Revenue	4,673	-	-	4,673
Accrued Interest	1,095	1,750	-	2,845
Current Portion of Long-Term Debt	235,000	270,000	62,958	567,958
Total Current Liabilities	483,608	333,247	73,948	890,803
Long-Term Obligations, Less Current Portion:				
General Obligation Debt	400,000	765,000	130,542	1,295,542
Other Postemployment Benefits	22,819	12,080	8,164	43,063
Total Long-Term Liabilities	422,819	777,080	138,706	1,338,605
Total Liabilities	906,427	1,110,327	212,654	2,229,408
DEFERRED INFLOWS OF RESOURCES				
Lease Related Amounts	297,686	-	-	297,686
Pension Related Amounts	120,460	63,771	43,100	227,331
Other Postemployment Related Amounts	2,267	1,200	811	4,278
Total Deferred Inflows of Resources	420,413	64,971	43,911	529,295
NET POSITION				
Net Investment in Capital Assets	6,933,025	5,786,033	5,288,689	18,007,747
Unrestricted	91,904	1,419,082	5,804	1,516,790
Total Net Position	\$ 7,024,929	\$ 7,205,115	\$ 5,294,493	\$ 19,524,537

See accompanying Notes to Basic Financial Statements.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Water Utility	Sanitary Sewer Utility	Storm Sewer Utility	Totals
OPERATING REVENUES				
Unmetered Sales:				
Residential	\$ 10,272	\$ 4,298	\$ -	\$ 14,570
Public Authority	2,081	-	-	2,081
Metered or Measured Sales:				
Residential	517,210	732,697	-	1,249,907
Multi-Family Residential	104,861	169,730	-	274,591
Commercial	44,387	67,214	-	111,601
Industrial	15,228	23,089	-	38,317
Public Authority	4,501	7,303	-	11,804
Storm Water Special Charges	-	-	189,255	189,255
Hookup Fees	-	116,300	-	116,300
Private Fire Protection	14,473	-	-	14,473
Public Fire Protection, Retail General Service	61,775	-	-	61,775
Public Fire Protection, Town	84,872	-	-	84,872
Rental of Property	11,668	-	-	11,668
Utility Repair Fee	300	-	-	300
Forfeited Discounts	2,451	2,921	-	5,372
Miscellaneous	121,113	110,624	27,136	258,873
Total Operating Revenues	995,192	1,234,176	216,391	2,445,759
OPERATING EXPENSES				
Operation	136,083	107,936	248,710	492,729
Purchased Water	572,903	-	-	572,903
Payments to Green Bay Metropolitan Sewerage District	-	711,900	-	711,900
Repairs and Maintenance	35,098	7,273	-	42,371
Administration and General Salaries	65,332	47,050	-	112,382
Office Supplies and Expenses	9,760	21,620	-	31,380
Outside Services Employed	47,146	80,508	-	127,654
Miscellaneous General Expenses	11,359	43	-	11,402
Depreciation	184,904	220,469	170,784	576,157
Amortization	-	189,000	-	189,000
Taxes	13,428	7,664	-	21,092
Total Operating Expenses	1,076,013	1,393,463	419,494	2,888,970
OPERATING LOSS	(80,821)	(159,287)	(203,103)	(443,211)
NONOPERATING REVENUES (EXPENSES)				
Property Taxes	-	-	-	-
Interest Income	15,270	2,228	-	17,498
Interest on Long-Term Debt	(15,268)	(23,546)	(6,190)	(45,004)
Intergovernmental	-	-	2,967	2,967
Loss on disposal of asset	-	-	(1,450)	(1,450)
Total Nonoperating Revenues (Expenses)	2	(21,318)	(4,673)	(25,989)
Loss Before Contributions and Transfers	(80,819)	(180,605)	(207,776)	(469,200)
Capital Contributions	249,318	332,029	530,692	1,112,039
CHANGE IN NET POSITION	168,499	151,424	322,916	642,839
Net Position - January 1	6,856,430	7,053,691	4,971,577	18,881,698
NET POSITION - DECEMBER 31	<u>\$ 7,024,929</u>	<u>\$ 7,205,115</u>	<u>\$ 5,294,493</u>	<u>\$ 19,524,537</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Water Utility	Sanitary Sewer Utility	Storm Sewer Utility	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 925,238	\$ 1,204,681	\$ 216,391	\$ 2,346,310
Cash Paid for Employee Wages and Benefits	(176,203)	(137,400)	(93,043)	(406,646)
Cash Paid to Suppliers	(632,553)	(903,664)	(165,822)	(1,702,039)
Net Cash Provided (Used) by Operating Activities	116,482	163,617	(42,474)	237,625
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Due to/from Other Funds	92,073	-	-	92,073
Transfer In	-	31,191	-	31,191
Net Cash Provided by Noncapital Financing Activities	92,073	31,191	-	123,264
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(35,101)	(2,490)	-	(37,591)
Collection of Special Assessments	26,048	26,293	-	52,341
Lease payments received	11,668	-	-	11,668
Water Tower Impact Fees Received	24,225	-	-	24,225
Principal Paid on Long-Term Debt	(235,000)	(270,000)	(61,500)	(566,500)
Interest Paid on Long-Term Debt	(15,665)	(23,995)	(6,190)	(45,850)
Net Cash Used by Capital and Related Financing Activities	(223,825)	(270,192)	(67,690)	(561,707)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	15,270	2,228	-	17,498
CHANGE IN CASH AND INVESTMENTS	-	(73,156)	(110,164)	(183,320)
Cash and Investments - January 1	-	945,702	159,178	1,104,880
CASH AND INVESTMENTS - DECEMBER 31	<u>\$ -</u>	<u>\$ 872,546</u>	<u>\$ 49,014</u>	<u>\$ 921,560</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Loss	\$ (80,821)	\$ (159,287)	\$ (203,103)	\$ (443,211)
Adjustments to Reconcile Operating Loss				
Net Cash Provided (Used) by Operating Activities:				
Depreciation	184,904	220,469	170,784	576,157
Depreciation Charged to Sewer Utility	9,461	(9,461)	-	-
Amortization	-	189,000	-	189,000
Change in Liability (Asset) and Deferred				
Outflows and Inflows of Resources:				
Pension	(46,005)	(24,355)	(16,460)	(86,820)
Other Postemployment Benefits	8,628	4,567	3,087	16,282
(Increase) Decrease in Assets:				
Accounts Receivables	(7,212)	(29,495)	-	(36,707)
Lease Receivables	(11,668)	-	-	(11,668)
Prepaid Items	2,972	1,486	(35)	4,423
Increase (Decrease) in Liabilities:				
Accounts Payable	54,473	(30,335)	2,286	26,424
Accrued and Other Current Liabilities	1,750	1,028	967	3,745
Net Cash Provided (Used) by Operating Activities	<u>\$ 116,482</u>	<u>\$ 163,617</u>	<u>\$ (42,474)</u>	<u>\$ 237,625</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Contributed Capital	<u>\$ 218,853</u>	<u>\$ 286,842</u>	<u>\$ 530,692</u>	<u>\$ 1,036,387</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
STATEMENT OF NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2022**

ASSETS

Receivables:

Taxes and Special Charges	\$ 10,956,310
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DEFERRED INFLOW

Property Taxes Levied for Subsequent Year	10,956,310
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NET POSITION

Restricted for Other Governments	\$ -
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See accompanying Notes to Basic Financial Statements.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
YEAR ENDED DECEMBER 31, 2022**

ADDITIONS

Taxes and Special Charges Collected	\$ 11,177,188
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DEDUCTIONS

Payments to Other Taxing Districts	11,177,188
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CHANGE IN FIDUCIARY NET POSITION

-

Fiduciary Net Position - Beginning of Year

-

FIDUCIARY NET POSITION - END OF YEAR

\$ -

See accompanying Notes to Basic Financial Statements.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Town of Lawrence, Brown County, Wisconsin (the Town), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the Town are described below:

A. Reporting Entity

The Town is a municipal corporation governed by an elected five-member board. In accordance with GAAP, the basic financial statements are required to include the Town and any separate component units that have a significant operational or financial relationship with the Town. The Town has not identified any component units that are required to be included in the basic financial statements in accordance with standards.

B. Joint Venture

The Town of Lawrence is a Charter Member of the Central Brown County Water Authority with five other Brown County communities. The Authority was formed under Wisconsin statutes in 1998 to provide a long-term solution to water quantity and quality concerns. In 2004, the Authority entered into a contract to purchase Lake Michigan water from the City of Manitowoc, Wisconsin. In 2007, the Authority completed construction of a 30-mile water transmission main from the Town of Manitowoc and a 35-mile long spoke transmission system to distribute the water to its individual members. To provide funds to complete construction projects, the Authority issued \$136,625,000 of revenue bonds in June of 2005.

Each Charter Member has entered into a water sales contract under which they agree to purchase wholesale water from the Authority. Rates charged to each member are billed monthly and are based on (1) operation and maintenance costs, (2) fixed costs, including debt service on the revenue bonds and (3) required Security Fund deposits. During 2022, the Town paid the Authority \$548,535 in accordance with the water purchase contract.

The contract requires each Charter member to purchase water through 2040 or when the revenue bonds are retired, whichever is sooner. The contract also requires the members to fund the revenue bond Security Fund to provide additional funds for Authority debt service if sufficient funds are not available from the monthly billings.

Financial statements for the Central Brown County Water Authority can be obtained from their office at 3100 Eaton Road, Bellevue, Wisconsin 54311.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. 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 Town. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function 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. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise funds. The Town has no internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

General Fund

This is the Town's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Debt Service Fund

This fund is used to account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of government funds.

Tax Incremental District No. 1

This capital projects fund is used to account for financial activity of TID No. 1.

Tax Incremental District No. 2

This capital projects fund is used to account for financial activity of TID No. 2.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-Wide and Fund Financial Statements (Continued)

The Town reports the following major enterprise funds:

Water Utility Fund

This fund is used to account for the operations of the Town's water utility.

Sanitary Sewer Utility Fund

This fund is used to account for the operations of the Town's sanitary sewer utility.

Storm Sewer Utility Fund

This fund accounts for operations of the Town's storm sewer utility.

Additionally, the Town reports the following fund type:

Custodial Fund

The custodial fund accounts for property taxes and special charges collected on behalf of other governments.

D. Measurement Focus and Basis of Accounting

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 Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal. 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.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues such as licenses and permits, fines and forfeits and miscellaneous revenues are recognized when received in cash or when measurable and available.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the Town's water, sanitary sewer, and storm sewer functions and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 Town's proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance

1. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes 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.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

2. Property Taxes and Special Charges/Receivable

Property taxes and special charges consist of taxes on real estate and personal property and user charges assessed against Town properties. They are levied during December of the prior year 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 and special charges 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 January 31 are purchased by the County as part of the February tax settlement. Delinquent personal property taxes remain the collection responsibility of the Town. Special charges not paid by January 31 are held in trust by the County and remitted to the Town, including interest, when collected by the County.

The Town bills its own property taxes and also levies taxes for the West De Pere and Wrightstown School Districts, Brown County and Northeast Wisconsin Technical College. The Town contracts with Brown County to collect taxes.

3. Accounts Receivable

Accounts receivable are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements.

4. Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. (Installments placed on the 2021 tax roll are recognized as revenue in 2022.)

5. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

6. Prepaid Items

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

Prepaid items of governmental funds in the fund financial statements are classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

7. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$1,000 or higher and an estimated useful life in excess of a year. Such assets are recorded at historical cost or estimated 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.

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

Assets	Governmental Activities	Business-Type Activities
	Years	
Buildings and Improvements	10 - 40	10 - 50
Land Improvements	10 - 30	10 - 40
Vehicles	5 - 25	10
Machinery and Equipment	5	3 - 10
Infrastructure	15 - 40	25 - 100

8. Land Held for Resale

Land held for resale consists of land and improvements and is valued at cost of acquisition, demolition, and site improvements. Land held for resale is recorded at lower of cost or market value.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

9. Deferred Outflows/Inflows of Resources

Deferred outflows of resources are a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

Governmental funds may report deferred inflows of resources for unavailable revenues. The Town reports unavailable revenues for special assessments. These inflows are recognized as revenues in the government-wide financial statements.

10. Long-Term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

11. Leases

The Town is a lessor for space usage.

Lessor

The Town determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statement of net position and fund financial statements

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

11. Leases (Continued)

Lessor (Continued)

Leases receivables represent the Town's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guarantee payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

The Town recognizes payments received for short-term leases with a lease term of 12 months or less, including options to extend, as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statements of net position and fund financial statements.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Town has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

The Town accounts for contracts containing both lease and nonlease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and nonlease components, and it is impractical to estimate the price of such components, the Town treats the components as a single lease unit.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

12. Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense (revenue), 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 WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

13. Other Postemployment Benefits Other Than Pensions (OPEB)

Local Retiree Life Insurance Fund

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the Net OPEB Liability, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Postemployment Benefits, OPEB expense (revenue), and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

14. Fund Equity

Governmental Fund Financial Statements

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable Fund Balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- **Restricted Fund Balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

14. Fund Equity (Continued)

Governmental Fund Financial Statements (Continued)

- **Committed Fund Balance.** Amounts that are constrained for specific purposes by action of the Town Board. These constraints can only be removed or changed by the Town Board using the same action that was used to create them.
- **Assigned Fund Balance.** Amounts that are constrained for specific purposes by action of the Town Board. The Town has not authorized a specific employee to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- **Unassigned Fund Balance.** Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The Town has adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. Where applicable, the policy requires restricted funds to be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

Government-Wide and Proprietary Fund Statements

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

- **Net Investment in Capital Assets.** Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- **Restricted Net Position.** Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position.** Net position that is neither classified as restricted nor as net investment in capital assets.

F. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Adoption of New Accounting Standards

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

NOTE 2 STEWARDSHIP AND COMPLIANCE

A. Budgets and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. During October, Town management submits to the Town Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by Town Board action.
2. Budgets are adopted on a basis consistent with GAAP for the governmental funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
3. During the year, formal budgetary integration is employed as a management control device for the governmental funds.
4. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the Town. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the Town Board.
5. Encumbrance accounting is not used by the Town to record commitments related to unperformed contracts for goods or services.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

Total general fund expenditures exceeded budget by \$155,197 for the fiscal year ended December 31, 2022.

B. Excess of Expenditures Over Budget Appropriations

The following expenditure accounts of the general fund had actual expenditures in excess of budget appropriations for the year ended December 31, 2022 as follows:

Fund	Excess Expenditures
General Fund:	
General Government:	
Board	\$ 716
Clerk/Administration	33,411
Treasurer Salaries and Supplies	5,197
Professional Services	17,100
Miscellaneous	53,300
Public Safety:	
Ambulance	1,113
Inspection	6,970
Public Works:	
Road Maintenance/Construction	3,089
Engineering	6,967
Street Lighting and Utilities	5,681
Recycling	18,099
Brush Collection	11,130
Refuse	24,752
Town Shop	14,889
Health and Human Services:	
Cemetery	6,401
Culture and Recreation:	
Parks - General	9,057
Conservation and Development:	
Zoning	300
Capital Outlay:	
Public Works Equipment	6,361
Road Construction	16,070

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

C. Deficit Fund Equity

The following funds had a deficit fund balance as of December 31, 2022:

Fund	Deficit Fund Balance
Capital Projects	\$ 259,294
Tax Incremental District No. 2	26,741

D. Property Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2021 and 2022 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the Town's January 1 equalized value as a result of net new construction. The actual limit for the Town for the 2021 budget was 3.92%. The actual limit for the Town for the 2022 budget was 4.66%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The Town maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed on the financial statements as "Cash and investments".

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities.

The carrying amount of the Town's cash and investments totaled \$4,161,957 on December 31, 2022 as summarized below:

Deposits with Financial Institutions	\$ 3,016,991
Investments:	
Wisconsin Local Government Investment Pool	1,144,966
Total	<u>\$ 4,161,957</u>

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:

Cash and Investments	<u>\$ 4,161,957</u>
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Fair Value Measurements

The Town categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The Town currently has no investments that are subject to fair value measurement.

Deposits and investments of the Town are subject to various risks. Presented below is a discussion of the Town's deposits and investments and the related risks.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The Town does not have an additional custodial credit policy.

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

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Custodial Credit Risk (Continued)

As of December 31, 2022, \$2,494,483 of the Town's deposits with financial institutions were in excess of federal and state depository insurance limits. No amounts were collateralized.

Investment in Wisconsin Local Government Investment Pool

The Town has investments in the Wisconsin Local Government Investment Pool of \$1,144,966 at year-end. The LGIP is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2022, the fair value of the Town's share of the LGIP's assets was substantially equal to the carrying value.

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. The Town does not have an additional credit risk policy. The Town's investment in the Wisconsin local government investment pool is not rated.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. As of December 31, 2022, the Wisconsin local government investment pool had a weighted average maturity of 74 days.

B. Special Assessments Receivable

The Town has assessed property owners for a portion of the cost of constructing a water distribution system, a sanitary sewer collection system, a storm water drainage system, and curb and gutter installation. Various assessments have not been collected and are deferred without interest because the properties are not currently developed. The balances of the assessments are normally due on an installment basis.

A total of \$448,504 of special assessments receivable remained outstanding on December 31, 2022. Of this amount, \$280,250 is deferred and collectible upon development or sale of the property. The balance of \$168,254 represents installment special assessments receivable, which are due in installments up to 10 years.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Deferred Charge - GBMSD Interceptor Capacity

The deferred charge of \$189,000 on December 31, 2022 represents the value of the Green Bay Metropolitan Sewerage District interceptor capacity owned by the District. The interceptor capacity is offset by a note payable and is being amortized on a straight-line basis over the note repayment period. The amount reported is net of amortization.

D. Leases Receivable

A summary of the Town's lease terms and interest rates is as follows:

Business-Type Activities

Water tower lease. Monthly installments ranging from \$1,197 to \$2,343 including interest at 0.25%, due dates ranging from 2023-2027.

The lease provides for increases in future minimum annual rental payments.

For the year ended December 31, 2022, the Town received \$14,411 in lease revenue and \$9,876 in interest on the leases receivable.

The future minimum lease payments to be received under lease agreements are as follows:

Year Ending December 31,	Business-Type Activities		
	Principal	Interest	Total
2023	\$ 14,559	\$ 8,673	\$ 23,232
2024	15,001	8,231	23,232
2025	15,458	7,774	23,232
2026	15,923	7,304	23,227
2027	17,979	6,802	24,781
2028 - 2032	104,383	25,097	129,480
2033 - 2037	114,383	7,434	121,817
Total	<u>\$ 297,686</u>	<u>\$ 71,315</u>	<u>\$ 369,001</u>

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Nondepreciable:				
Land	\$ 458,283	\$ -	\$ -	\$ 458,283
Construction in Progress	883,113	1,075,923	1,959,036	-
Total Capital Assets, not Being Depreciated	1,341,396	1,075,923	1,959,036	458,283
Capital Assets, Depreciable:				
Land Improvements	270,799	25,210	-	296,009
Buildings and Improvements	1,751,593	-	-	1,751,593
Machinery and Equipment	2,479,246	443,200	54,150	2,868,296
Infrastructure	20,182,705	1,959,036	-	22,141,741
Subtotals	24,684,343	2,427,446	54,150	27,057,639
Less Accumulated Depreciation for:				
Land Improvements	109,278	14,704	-	123,982
Buildings and Improvements	581,821	39,855	-	621,676
Machinery and Equipment	1,301,585	237,607	54,150	1,485,042
Infrastructure	9,280,106	425,312	-	9,705,418
Subtotals	11,272,790	717,478	54,150	11,936,118
Total Capital Assets, Depreciable, Net	13,411,553	1,709,968	-	15,121,521
Governmental Activities Capital Assets, Net	<u>\$ 14,752,949</u>	<u>\$ 2,785,891</u>	<u>\$ 1,959,036</u>	15,579,804
Less: Capital Related Debt				12,729,086
Less: Debt Premium				238,296
Less: Retainage				586,502
Net Investment in Capital Assets				<u>\$ 2,025,920</u>
Business-Type Activities:				
Capital Assets, Nondepreciable:				
Land	\$ 55,485	\$ -	\$ -	\$ 55,485
Capital Assets, Depreciable:				
Buildings and Improvements	557,940	-	-	557,940
Machinery and Equipment	129,883	9,991	-	139,874
Infrastructure	25,286,904	1,063,987	6,650	26,344,241
Subtotals	25,974,727	1,073,978	6,650	27,042,055
Less: Accumulated Depreciation	6,705,146	576,157	5,200	7,276,103
Total Capital Assets, Depreciable, Net	19,269,581	497,821	1,450	19,765,952
Business-Type Activities Capital Assets, Net	<u>\$ 19,325,066</u>	<u>\$ 497,821</u>	<u>\$ 1,450</u>	19,821,437
Less: Capital Related Debt				1,813,690
Net Investment in Capital Assets				<u>\$ 18,007,747</u>

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Capital Assets (Continued)

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

Governmental Activities:	
General Government	\$ 46,069
Public Safety	95,898
Public Works	558,180
Culture and Recreation	17,331
Total Depreciation Expense - Governmental Activities	<u>\$ 717,478</u>
Business-Type Activities:	
Water Utility	\$ 184,904
Sanitary Sewer Utility	220,469
Storm Sewer Utility	170,784
Total Depreciation Expense - Business-Type Activities	<u>\$ 576,157</u>

F. Long-Term Obligations

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

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Bonds	\$ 8,520,000	\$ -	\$ -	\$ 8,520,000	\$ 370,000
Notes from Direct Borrowings	211,025	-	50,842	160,183	52,118
Notes	2,980,000	-	265,000	2,715,000	265,000
State Trust Fund Loans from Direct Borrowings	8,349,940	2,690,000	1,014,372	10,025,568	930,723
Total General Obligation Debt	20,060,965	2,690,000	1,330,214	21,420,751	1,617,841
Debt Premium	285,605	-	47,309	238,296	-
Governmental Activities Long-Term Obligations	<u>\$ 20,346,570</u>	<u>\$ 2,690,000</u>	<u>\$ 1,377,523</u>	<u>\$ 21,659,047</u>	<u>\$ 1,617,841</u>
Business-Type Activities:					
General Obligation Debt:					
Bonds	\$ 515,000	\$ -	\$ 170,000	\$ 345,000	\$ 170,000
Notes from Direct Borrowings	255,000	-	61,500	193,500	62,958
Notes	1,660,000	-	335,000	1,325,000	335,000
Business-Type Activities Long-Term Obligations	<u>\$ 2,430,000</u>	<u>\$ -</u>	<u>\$ 566,500</u>	<u>\$ 1,863,500</u>	<u>\$ 567,958</u>

Total interest paid during the year on long-term debt totaled \$548,729.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations (Continued)

State Trust Fund Loan

The Town's outstanding notes for direct borrowings related to the governmental activities of \$10,025,568 are subject to a statutory provision that in an event of late payment or non-payment, a one percent per month penalty will be charged and the payment will be collected through a reduction in payments from the State of Wisconsin.

Bank Notes

The Town's outstanding notes from direct borrowings related to governmental and business type activities of \$160,183 contain a provision that in an event of default, outstanding amounts become immediately due if the Town is unable to make payment.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/2022
General Obligation Bonds	5/15/12	6/1/24	1.75 - 2.40%	\$ 1,600,000	\$ 345,000
General Obligation Bonds	2/17/21	3/1/39	1.00 - 2.00%	4,655,000	4,655,000
General Obligation Bonds	2/17/21	3/1/37	1.85 - 2.00%	3,865,000	3,865,000
State Trust Fund Loan from Direct Borrowings	12/23/19	3/15/23	3.25%	500,000	173,256
State Trust Fund Loan from Direct Borrowings	12/6/19	3/15/29	3.50%	2,500,000	2,022,148
State Trust Fund Loan from Direct Borrowings	6/29/20	3/15/30	2.75%	300,000	270,165
State Trust Fund Loan from Direct Borrowings	12/10/20	3/15/20	3.00%	1,750,000	1,750,000
State Trust Fund Loan from Direct Borrowings	12/6/21	3/15/26	2.50%	620,000	620,000
State Trust Fund Loan from Direct Borrowings	6/29/21	3/15/31	3.00%	2,500,000	2,500,000
State Trust Fund Loan from Direct Borrowings	7/19/22	3/15/32	4.50%	290,000	290,000
State Trust Fund Loan from Direct Borrowings	12/16/22	3/15/42	5.75%	2,400,000	2,400,000
Notes from Direct Borrowings	12/17/20	12/17/25	2.40%	465,025	353,682
General Obligation Notes	11/15/19	6/1/37	2.00%	5,760,000	4,040,000
Total Outstanding General Obligation Debt					<u>\$ 23,284,251</u>

Annual principal and interest maturities of the outstanding general obligation debt of \$23,284,251 on December 31, 2022 are detailed below:

Year Ending December 31,	Governmental Activities					
	Notes		Notes from Direct Borrowings		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 635,000	\$ 188,198	\$ 982,841	\$ 248,362	\$ 1,617,841	\$ 436,560
2024	760,000	174,248	1,055,602	388,357	1,815,602	562,605
2025	775,000	158,898	1,160,408	318,820	1,935,408	477,718
2026	620,000	108,098	1,134,524	315,324	1,754,524	423,422
2027	635,000	132,398	947,230	242,106	1,582,230	374,504
2027 - 2032	4,365,000	400,255	3,284,917	746,088	7,649,917	1,146,343
2033 - 2037	2,915,000	155,359	697,573	390,256	3,612,573	545,615
2038 - 2042	530,000	7,683	922,656	96,646	1,452,656	104,329
Total	<u>\$ 11,235,000</u>	<u>\$ 1,325,137</u>	<u>\$ 10,185,751</u>	<u>\$ 2,745,959</u>	<u>\$ 21,420,751</u>	<u>\$ 4,071,096</u>

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations (Continued)

Year Ending December 31,	Business-Type Activities					
	Bonds and Notes		Notes from Direct Borrowings		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 505,000	\$ 29,262	\$ 62,958	\$ 4,708	\$ 567,958	\$ 33,970
2024	520,000	18,450	64,482	3,185	584,482	21,635
2025	345,000	9,450	66,060	1,607	411,060	11,057
2026	150,000	4,500	-	-	150,000	4,500
2027	150,000	1,500	-	-	150,000	1,500
Total	<u>\$ 1,670,000</u>	<u>\$ 63,162</u>	<u>\$ 193,500</u>	<u>\$ 9,500</u>	<u>\$ 1,863,500</u>	<u>\$ 72,662</u>

For governmental activities, the other long-term liabilities are generally funded by the general fund.

Legal Margin for New Debt

The Town's legal margin for creation of additional general obligation debt on December 31, 2022 was \$25,336,664 as follows:

Equalized Valuation of the Town	\$ 972,417,900
Statutory Limitation Percentage	(x) 5%
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	48,620,895
Total Outstanding General Obligation Debt Applicable to Debt Limitation	<u>23,284,251</u>
Legal Margin for New Debt	<u><u>\$ 25,336,644</u></u>

G. Pension Plan

1. 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 <http://etf.wi.gov/reports-and-studies/financial-reports-and-statements>.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

1. Plan Description (Continued)

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

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.

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 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.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

2. Postretirement Adjustments

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, 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:

<u>Year</u>	<u>Core Fund Adjustment Percent</u>	<u>Variable Fund Adjustment Percent</u>
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%

3. 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 year ending December 31, 2022, the WRS recognized \$43,158 in contributions from the Town.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

3. Contributions (Continued)

Contribution rates for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Including Executives and Elected Officials)	6.50%	6.50%
Protective with Social Security	6.50%	12.00%
Protective without Social Security	6.50%	16.40%

4. Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2022, the Town reported an asset of \$261,679 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 Town's proportion of the net pension asset was based on the Town's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the Town's proportion was 0.00324657%, which was an increase of 0.00003069% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Town recognized pension revenue of \$22,527.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 422,728	\$ 30,483
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	585,397
Changes in Assumptions	48,819	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	2,028	1,305
Employer Contributions Subsequent to the Measurement Date	43,158	-
Total	<u>\$ 516,733</u>	<u>\$ 617,185</u>

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

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

\$43,158 reported as deferred outflows related to pension resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 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:

<u>Year Ending December 31,</u>	<u>Expense</u>
2023	\$ (11,541)
2024	(70,553)
2025	(31,348)
2026	(30,168)
Total	<u>\$ (143,610)</u>

5. Actuarial Assumptions

The total pension liability in the December 31, 2020 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:	December 31, 2021
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Postretirement Adjustments*	1.7%

* *No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.*

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

5. Actuarial Assumptions (Continued)

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, postretirement 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.

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:

	Current Asset Allocation Percent	Long-Term Expected Nominal Rate of Return Percent	Long-Term Expected Real Rate of Return Percent
<u>Core Fund Asset Class</u>			
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%
Multi-Asset	4%	5.8%	3.3%
Cash	-15%	0.9%	N/A
Total Core Fund	100%	6.6%	4.0%
<u>Variable Fund Asset Class</u>			
U.S. Equities	70%	6.3%	3.7%
International Equities	30%	7.2%	4.6%
Total Variable Fund	100%	6.8%	4.2%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

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

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%.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

5. Actuarial Assumptions (Continued)

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 6.8% and a municipal bond rate of 1.84%. (Source: Fixed-income municipal bonds with 20 years maturity that include only federal 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 members 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.

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

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
Town's Proportionate Share of the Net Pension Liability (Asset)	\$ 185,680	\$ (261,679)	\$ (583,695)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

6. Payables to the Pension Plan

At December 31, 2022, the Town did not report a payable for the outstanding amount of contributions to the pension plan for the year ended December 31, 2022.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits

Local Retiree Life Insurance Fund

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 postemployment 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 <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

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

Benefits Provided

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

Contributions

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

Contribution rates as of December 31, 2022 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Postretirement Coverage	40% of Member Contribution
25% Postretirement Coverage	20% of Member Contribution

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

Local Retiree Life Insurance Fund (Continued)

Contributions (Continued)

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 listed below:

Life Insurance Member Contribution Rates For the Year Ended December 31, 2021		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30 - 34	0.06	0.06
35 - 39	0.07	0.07
40 - 44	0.08	0.08
45 - 49	0.12	0.12
50 - 54	0.22	0.22
55 - 59	0.39	0.39
60 - 64	0.49	0.49
65 - 69	0.57	0.57

During the year ended December 31, 2022, the LRLIF recognized \$481 in contributions from the employer.

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

At December 31, 2022, the Town reported a liability of \$116,913 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 benefits terms occurred between the actuarial valuation date and the measurement date. The Town's proportion of the net OPEB liability was based on the Town's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2021, the Town's proportion was 0.01978100%, which was a increase of .00211400% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2021, the Town recognized OPEB expense of \$23,840.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

Local Retiree Life Insurance Fund (Continued)

OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ -	\$ 5,948
Net Differences between Projected and Actual		
Earnings on OPEB Plan Investments	1,521	-
Changes in Assumptions	35,323	5,667
Changes in Proportion and Differences between		
Employer Contributions and Proportionate Share		
of Contributions	47,478	-
Total	<u>\$ 84,322</u>	<u>\$ 11,615</u>

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

<u>Year Ended December 31,</u>	<u>Expense</u>
2023	\$ 15,037
2024	14,861
2025	14,329
2026	15,588
2027	11,376
Thereafter	1,516
Total	<u>\$ 72,707</u>

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

Local Retiree Life Insurance Fund (Continued)

OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (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, unless otherwise specified:

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.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

Local Retiree Life Insurance Fund (Continued)

OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Long-Term Expected Return on Plan Assets (Continued)

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return Percent
U.S. Intermediate Credit Bonds	Bloomberg US Interim Credit	45%	1.68%
U.S. Long Credit Bonds	Bloomberg US Long Credit	5%	1.82%
U.S. Mortgages	Bloomberg US	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.

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 employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

Local Retiree Life Insurance Fund (Continued)

OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of the Town's Proportionate Share of Net OPEB Liability to Changes in the Discount Rate. The following presents the Town's proportionate share of the net OPEB liability calculated using the discount rate of 2.17%, as well as what the Town'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%) or 1-percentage-point higher (3.17%) than the current rate:

	1% Decrease to Discount Rate (1.17%)	Current Discount Rate (2.17%)	1% Increase to Discount Rate (3.17%)
Town's Proportionate Share of the Net OPEB Liability	\$ 158,609	\$ 116,913	\$ 85,539

Payable to the OPEB Plan

At December 31, 2022, the Town did not report a payable for the outstanding amount of contributions to the OPEB plan for the year ended December 31, 2022.

I. Fund Equity

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31, 2022, nonspendable fund balance was as follows:

General Fund:

Nonspendable:

Prepaid Items	\$ 17,423
Advance to Tax Incremental District #1	663,492
Total General Fund Nonspendable Fund Balance	<u><u>\$ 680,915</u></u>

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Fund Equity (Continued)

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2022, restricted fund balance was as follows:

General Fund:

Restricted for:

Parks Capital Projects	\$ 146,451
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Special Revenue Funds:

Restricted for:

Fire Department Equipment/Outlay	23,042
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Debt Service Fund:

Restricted for:

Debt Service	1,856,106
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Capital Projects Funds:

Restricted for:

Tax Incremental District No. 1 Land Held for Resale	<u>5,785,782</u>
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Total Restricted Fund Balance	<u><u>\$ 7,811,381</u></u>
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Minimum General Fund Balance Policy

The Town has also adopted a minimum fund balance policy that states "the Town will maintain a minimum unassigned general fund balance of 40% and not more than 50% of the current year's budgeted expenditures less the Debt Service Fund". The minimum fund balance is maintained for cash flow and working capital purposes. The minimum fund balance amount is calculated as follows:

Budgeted 2022 General Fund Expenditures	\$ 2,554,878
Minimum Fund Balance %	(x) 40 - 50%
Minimum Fund Balance Amount	<u><u>\$ 1,021,951 - \$ 1,277,439</u></u>

The Town's unassigned general fund balance of \$864,038 is 33.82% of budgeted general fund expenditures.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION

A. Tax Incremental Financing Districts

The Town has established separate capital projects funds for Tax Incremental District (TID) No. 1 and No. 2 which were created by the Town in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the District was created, the property tax base within the District was “frozen” and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the Town to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date. The Town’s Districts are still eligible to incur project costs.

The intent of the Town is to recover any unreimbursed project costs from future TID surplus funds, if any, prior to termination of the respective Districts. Unless terminated by the Town prior thereto, the TIDs have a statutory termination year as follows:

	Termination Year
Tax Incremental District No. 1	2039
Tax Incremental District No. 2	2039

B. Tax Abatement

The Town has created tax incremental financing districts (the Districts) in accordance with Wisconsin State Statute 66.1105, *Tax Increment Law*. As part of the project plan for District No. 2, the Town entered into an agreement with a developer for a creation of a tax base within the District. The agreement requires the Town to make annual repayments of property taxes collected within the District to the developer, based upon the terms of the agreements. As tax abatements, those developer payments and the related property tax revenues are not reported as revenues or expenditures in the financial statements.

For the year ended December 31, 2022, the Town abated property taxes totaling \$230,386 in Tax Incremental District No. 2.

C. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The Town completes an annual review of its insurance coverage to ensure adequate coverage. Settled claims have not exceeded coverage in any of the past three years.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Contingencies

From time to time, the Town is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Town's financial position or results of operations.

REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
WISCONSIN RETIREMENT SYSTEM
LAST 10 MEASUREMENT PERIODS**

<u>Plan Year Ending</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll (Plan Year)</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)</u>
12/31/14	0.00255453%	\$ (62,739)	\$ 365,566	17.16 %	102.74 %
12/31/15	0.00266195%	43,256	407,974	10.60	98.20
12/31/16	0.00287921%	23,732	457,003	5.19	99.12
12/31/17	0.00287445%	(85,345)	411,643	20.73	102.93
12/31/18	0.00293102%	104,276	466,788	22.34	96.45
12/31/19	0.00296450%	(95,589)	518,607	(18.43)	102.96
12/31/20	0.00321588%	(200,771)	560,729	(35.81)	105.26
12/31/21	0.00324657%	(261,679)	542,664	(48.22)	106.02

**SCHEDULE OF CONTRIBUTIONS
WISCONSIN RETIREMENT SYSTEM
LAST 10 FISCAL YEARS**

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll (Fiscal Year)</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/15	\$ 27,743	\$ 27,743	\$ -	\$ 407,974	6.80 %
12/31/16	30,162	30,162	-	457,003	6.60
12/31/17	26,316	26,316	-	411,643	6.39
12/31/18	31,271	31,271	-	466,788	6.70
12/31/19	33,969	33,969	-	518,607	6.55
12/31/20	37,849	37,849	-	560,729	6.75
12/31/21	36,630	36,630	-	542,664	6.75
12/31/22	43,158	43,158	-	663,954	6.50

See accompanying Notes to Required Supplementary Information.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
LOCAL RETIREE LIFE INSURANCE FUND
LAST 10 MEASUREMENT PERIODS**

<u>Plan Fiscal Year Ending</u>	<u>Proportion of the Net OPEB Liability (Asset)</u>	<u>Proportionate Share of the Net OPEB Liability (Asset)</u>	<u>Covered-Employee Payroll</u>	<u>Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)</u>
12/31/19	0.00151000%	\$ 6,430	\$ 459,000	1.40%	37.58%
12/31/20	0.01766700%	97,181	486,000	20.00%	31.36%
12/31/21	0.01978100%	116,913	537,000	21.77%	29.57%

**SCHEDULE OF CONTRIBUTIONS
LOCAL RETIREE LIFE INSURANCE FUND
LAST 10 FISCAL YEARS**

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered-Employee Payroll</u>	<u>Contributions as a Percentage of Covered-Employee Payroll</u>
12/31/20	\$ 363	\$ 363	\$ -	\$ 459,000	0.08%
12/31/21	435	435	-	486,000	0.09%
12/31/22	481	481	-	663,954	0.07%

See accompanying Notes to Required Supplementary Information.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022**

NOTE 1 WISCONSIN RETIREMENT SYSTEM

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

Changes of benefit terms: There were no changes of benefit terms for any participating employer in 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 postretirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

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

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

NOTE 2 OTHER POSTEMPLOYMENT BENEFITS

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

Benefit Terms: There were no recent changes in benefit terms.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022**

NOTE 2 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

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

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

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

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

SUPPLEMENTARY INFORMATION

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES
YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021)**

	Budget			Variance Final Budget - Positive (Negative)	2021 Actual
	Original	Final	Actual		
Taxes:					
General Property	\$ 1,419,661	\$ 1,419,661	\$ 1,419,661	\$ -	\$ 1,353,700
Agriculture Use Penalty Tax	-	-	31,130	31,130	-
Payments in Lieu of taxes	17	17	67	50	17
Interest and Taxes	-	-	21	21	20
Total Taxes	1,419,678	1,419,678	1,450,879	31,201	1,353,737
Special Assessments:					
Street Improvements	25,300	25,300	-	(25,300)	1,000
Intergovernmental:					
State:					
State Shared Taxes	53,136	53,136	59,223	6,087	59,760
Fire Insurance Dues	34,000	34,000	35,473	1,473	32,710
Recycling	1,300	1,300	1,292	(8)	1,296
Tax Exempt Computer Aid	6,300	6,300	6,324	24	6,324
Law Enforcement	-	-	10,725	10,725	7,182
Transportation	325,004	325,004	324,104	(900)	284,357
Other Local Government Aid	47,120	47,120	67,335	20,215	23,359
Total Intergovernmental	466,860	466,860	504,476	37,616	414,988
Licenses and Permits:					
Licenses:					
Liquor and Malt Beverage	3,700	3,700	4,005	305	3,460
Cable Television Fees	32,000	32,000	24,180	(7,820)	25,073
Permits:					
Building	156,500	156,500	73,699	(82,801)	117,951
Other Licenses and Permits	7,600	7,600	7,894	294	11,087
Total Licenses and Permits	199,800	199,800	109,778	(90,022)	157,571
Fines and Forfeits:					
Court Fines and Penalties	66,735	66,735	38,369	(28,366)	45,476
Public Charges for Services:					
General Government	5,000	5,000	4,901	(99)	5,325
Fire	3,000	3,000	613	(2,387)	750
Trash	253,000	253,000	187,162	(65,838)	183,235
Recycling	10,000	10,000	93,960	83,960	91,667
Parks	4,000	4,000	4,715	715	5,500
Park Impact Fees	40,000	40,000	40,900	900	75,000
Cemetery	7,000	7,000	7,576	576	2,633
Total Public Charges for Services	322,000	322,000	339,827	17,827	364,110

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES (CONTINUED)
YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021)**

	Budget			Variance Final Budget - Positive (Negative)	2021 Actual
	Original	Final	Actual		
Miscellaneous:					
Interest on Bank Accounts	\$ 32,000	\$ 32,000	\$ 31,323	\$ (677)	\$ 21,864
Interest on Special Assessments	500	500	230	(270)	327
Rents	1,000	1,000	-	(1,000)	-
Developer Admin Fee	6,000	6,000	676	(5,324)	5,930
Due from Developer	-	-	9,987	9,987	-
Private Donations	-	-	14,000	14,000	979
Miscellaneous	15,000	15,000	48,478	33,478	71,274
Total Miscellaneous	54,500	54,500	104,694	50,194	100,374
 Total Revenues	 \$ 2,554,873	 \$ 2,554,873	 \$ 2,548,023	 \$ (6,850)	 \$ 2,437,256

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES
YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021)**

	Budget			Variance Final Budget - Positive (Negative)	2021 Actual
	Original	Final	Actual		
General Government:					
Board	\$ 37,600	\$ 37,600	\$ 38,316	\$ (716)	\$ 36,356
Legal	18,000	18,000	5,838	12,162	23,966
Municipal Court	30,930	30,930	29,656	1,274	27,969
Clerk/Administration	232,026	232,026	265,437	(33,411)	211,300
Assessor	39,250	39,250	17,013	22,237	84,008
Elections	7,100	7,100	5,045	2,055	2,059
Treasurer Salaries and Supplies	3,550	3,550	8,747	(5,197)	3,736
Professional Services	13,000	13,000	30,100	(17,100)	22,429
Municipal Building	50,200	50,200	49,489	711	52,598
Insurance	20,000	20,000	13,052	6,948	25,742
State Assessment	1,850	1,850	1,655	195	1,670
Miscellaneous	20,044	20,044	73,344	(53,300)	39,025
Total General Government	473,550	473,550	537,692	(64,142)	530,858
Public Safety:					
Police Department	582,418	582,418	551,543	30,875	467,822
Fire Department	223,670	223,670	218,748	4,922	252,416
Ambulance	82,050	82,050	83,163	(1,113)	76,093
Inspection	125,970	125,970	132,940	(6,970)	96,932
Total Public Safety	1,014,108	1,014,108	986,394	27,714	893,263
Public Works:					
Road Maintenance/Construction	54,681	54,681	57,770	(3,089)	78,546
Street Lighting and Utilities	41,000	41,000	46,681	(5,681)	33,917
County Bridge Fund	2,500	2,500	236	2,264	678
Engineering	3,000	3,000	9,967	(6,967)	5,101
Recycling	68,269	68,269	86,368	(18,099)	66,915
Refuse	192,691	192,691	217,443	(24,752)	182,095
Brush Collection	7,500	7,500	18,630	(11,130)	11,015
Animal Control	1,000	1,000	880	120	1,190
Town Shop	96,832	96,832	111,721	(14,889)	54,585
Total Public Works	467,473	467,473	549,696	(82,223)	434,042
Health and Human Services:					
Cemetery	-	-	6,401	(6,401)	646
Culture and Recreation:					
Parks - General	36,657	36,657	45,714	(9,057)	32,328

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES (CONTINUED)
YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021)**

	Budget			Variance Final Budget - Positive (Negative)	2021 Actual
	Original	Final	Actual		
Conservation and Development:					
Economic Development	\$ 6,000	\$ 6,000	\$ 5,906	\$ 94	\$ 1,049
Zoning	900	900	1,200	(300)	1,185
Total Conservation and Development	6,900	6,900	7,106	(206)	2,234
Capital Outlay:					
Town Building	20,000	20,000	-	20,000	-
Public Safety	114,190	114,190	66,544	47,646	115,387
Public Works Equipment	20,000	20,000	26,361	(6,361)	115,552
Road Construction	377,000	377,000	393,070	(16,070)	344,542
Parks Outlay	25,000	25,000	91,097	(66,097)	7,088
Total Capital Outlay	556,190	556,190	577,072	(20,882)	582,569
Total Expenditures	<u>\$ 2,554,878</u>	<u>\$ 2,554,878</u>	<u>\$ 2,710,075</u>	<u>\$ (155,197)</u>	<u>\$ 2,475,940</u>

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	<u>Special Revenue</u> Fire Department	<u>Capital Projects</u> Capital Projects	<u>Total</u>
ASSETS			
Cash and Investments	\$ 23,042	\$ -	\$ 23,042
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ -	\$ 8,857	\$ 8,857
Due to Other Funds	-	250,437	250,437
Total Liabilities	-	259,294	259,294
FUND BALANCES			
Restricted	23,042	-	23,042
Unassigned	-	(259,294)	(259,294)
Total Fund Balances	23,042	(259,294)	(236,252)
Total Liabilities and Fund Balances	\$ 23,042	\$ -	\$ 23,042

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

	<u>Special Revenue</u> Fire Department	<u>Capital Projects</u> Capital Projects	<u>Total</u>
REVENUES			
Miscellaneous	\$ 8,503	\$ -	\$ 8,503
Total Revenues	<u>8,503</u>	<u>-</u>	<u>8,503</u>
EXPENDITURES			
Current:			
Public Safety	6,674	-	6,674
Public Works	-	119	119
Capital Outlay	-	539,089	539,089
Total Expenditures	<u>6,674</u>	<u>539,208</u>	<u>545,882</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	1,829	(539,208)	(537,379)
OTHER FINANCING SOURCES			
Long-Term Debt Issued	<u>-</u>	<u>290,000</u>	<u>290,000</u>
NET CHANGE IN FUND BALANCES	1,829	(249,208)	(247,379)
Fund Balances - January 1	<u>21,213</u>	<u>(10,086)</u>	<u>11,127</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 23,042</u></u>	<u><u>\$ (259,294)</u></u>	<u><u>\$ (236,252)</u></u>

**ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR BASIC FINANCIAL STATEMENTS**



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Town Board
Town of Lawrence
Brown County, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Lawrence, Brown County, Wisconsin (the Town), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated May 11, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town's internal control. Accordingly, we do not express an opinion on the effectiveness of Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters


As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Town of Lawrence's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Green Bay, Wisconsin
May 11, 2023

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2022**

Section I – Internal Control Over Financial Reporting

FINDING NO.	CONTROL DEFICIENCIES
2022-001	Adjustments to the Town's Financial Records Repeat of Finding 2021-001
Type of Finding:	Material Weakness in Internal Control over Financial Reporting
Condition:	As part of our audit, we proposed adjusting journal entries that were material to the Town's financial statements.
Criteria or Specific Requirement:	Material adjusting journal entries proposed by the auditors are considered to be an internal control deficiency.
Cause:	While Town staff maintains financial records which accurately report revenues and expenditures throughout the year, preparing year-end adjusting and closing entries requires additional expertise that would entail additional training and staff time to develop.
Effect:	Year-end financial records prepared by the Town may contain material misstatements.
Recommendation:	We recommend the Town Clerk-Treasurer continue to obtain additional training in order to prepare the adjusting and closing entries. We are available to assist the individual in obtaining the understanding to prepare these entries.
Views of Responsible Officials:	Management is obtaining additional training and has contracted with an experienced governmental finance professional to review the adjusting, closing and GASB 34 conversion entries proposed by CLA. We will continue to review previous year's journal entries made during the audit with the goal of eliminating material adjustments in the future.

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

Section I – Internal Control Over Financial Reporting (Continued)

FINDING NO.	CONTROL DEFICIENCIES
2022-002	Preparation of Annual Financial Report Repeat of Finding 2021-002
Type of Finding:	Material Weakness in Internal Control over Financial Reporting
Condition:	<p>Management and the Board of the Town share the ultimate responsibility for the Town's internal control system. While it is acceptable to outsource various accounting functions, the responsibility for internal control cannot be outsourced.</p> <p>The Town's personnel have not monitored recent accounting developments to the extent necessary to enable them to prepare the Town's financial statements and related disclosures, to provide a high level of assurance that potential omissions or other errors that are material would be identified and corrected on a timely basis.</p>
Context:	<p>The Town engages CliftonLarsonAllen LLP (CLA) to assist in preparing its financial statements and accompanying disclosures. However, as independent auditors, CLA cannot be considered part of the Town's internal control system. As part of its internal control over the preparation of its financial statements, including disclosures, the Town has implemented a comprehensive review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such review procedures should be performed by an individual possessing a thorough understanding of accounting principles generally accepted in the United States of America and knowledge of the Town's activities and operations.</p>
Criteria or Specific Requirement:	<p>The preparation and review of the annual financial report by staff with expertise in financial reporting is an internal control intended to prevent, detect, and correct a potential omission or misstatement in the financial statements or notes.</p>
Cause:	<p>Town management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.</p>
Effect:	<p>Without our involvement, the Town may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.</p>

**TOWN OF LAWRENCE
BROWN COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

Section I – Internal Control Over Financial Reporting (Continued)

Recommendation:	We recommend the Town continue reviewing the annual financial report. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the Town is necessary to obtain a complete and adequate understanding of the Town's annual financial report, Municipal Financial Report, and Public Service Commission Report.
View of Responsible Officials:	The Town has contracted with an experienced governmental finance professional to provide oversight and review of Town transactions and financial reports. Management will continue to review and approve financial reports prior to issuance.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

FORM OF LEGAL OPINION

(See following pages)

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

February 7, 2024

Re: Town of Lawrence, Wisconsin ("Issuer")
\$3,340,000 General Obligation Refunding Bonds, Series 2024A,
dated February 7, 2024 ("Bonds")

We have acted as bond counsel to the Issuer in connection with the issuance of the Bonds. 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 Bonds are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on March 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2026	\$155,000	___%
2027	160,000	___
2028	170,000	___
2029	175,000	___
2030	185,000	___
2031	190,000	___
2032	195,000	___
2033	205,000	___
2034	215,000	___
2035	225,000	___
2036	235,000	___
2037	245,000	___
2038	255,000	___
2039	295,000	___
2040	190,000	___
2041	245,000	___

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

The Bonds maturing on March 1, 2034 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on March 1, 2033 or on any date thereafter. Said Bonds 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.

【The Bonds maturing in the years _____ are subject to mandatory redemption by lot as provided in the Bonds, 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 Bonds 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 Bonds 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 Bonds, 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 Bonds 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 Bonds.

3. The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds 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 Bonds 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) for taxable years beginning after December 31, 2022. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds 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 Bonds to be included in gross income retroactively to the date of issuance of the Bonds. 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 Bonds.

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

The rights of the owners of the Bonds 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

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 Town 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 Town 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 Town, 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 Town 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 Town 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 Town 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 Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Town of Lawrence, Brown County, Wisconsin (the "Issuer") in connection with the issuance of \$3,340,000 General Obligation Refunding Bonds, Series 2024A, dated February 7, 2024 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on December 20, 2023, as supplemented by an Approving Certificate, dated _____, 2024 (collectively, the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

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

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org 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 January __, 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 Town Board of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means the Town of Lawrence, Brown County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Town Clerk-Treasurer of the Issuer who can be contacted at 2400 Shady Court, De Pere, Wisconsin 54115, phone (920) 347-3719, fax (920) 336-9193.

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

"SEC" means the Securities and Exchange Commission.

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

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

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

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

1. DEBT - Direct Debt
2. DEBT - Debt Limit
3. VALUATIONS - Current Property Valuations
4. TAX LEVIES AND COLLECTIONS - Tax Levies and Collections

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

Section 5. Reporting of Listed Events.

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

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

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

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

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

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

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

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist

it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 7th day of February, 2024.

(SEAL)

Lanny J. Tibaldo
Chairperson

Cindy Kocken
Town Clerk-Treasurer

NOTICE OF SALE

\$3,340,000* GENERAL OBLIGATION REFUNDING BONDS, SERIES 2024A TOWN OF LAWRENCE, WISCONSIN

Bids for the purchase of \$3,340,000* General Obligation Refunding Bonds, Series 2024A (the "Bonds") of the Town of Lawrence, Wisconsin (the "Town") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the Town, 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 January 17, 2024, at which time they will be opened, read and tabulated. **The Town Board adopted a resolution on December 20, 2023 (the "Parameters Resolution"), which authorized the Town Administrator or the Town Clerk-Treasurer to accept a bid for the Bonds if the parameters and conditions set forth in the Parameters Resolution are met. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on January 17, 2024, then neither the Town Administrator nor the Town Clerk-Treasurer have the authority to award the sale of the Bonds, and all bids will be rejected.**

AUTHORITY; PURPOSE; SECURITY

The Bonds are being issued pursuant to Section 67.04, Wisconsin Statutes, by the Town, for the purpose of current refunding certain outstanding general obligations of the Town. The Bonds are general obligations of the Town, and all the taxable property in the Town is subject to the levy of a tax to pay the principal of and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount.

DATES AND MATURITIES

The Bonds will be dated February 7, 2024, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on March 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2026	\$155,000	2032	\$195,000	2038	\$255,000
2027	160,000	2033	205,000	2039	295,000
2028	170,000	2034	215,000	2040	190,000
2029	175,000	2035	225,000	2041	245,000
2030	185,000	2036	235,000		
2031	190,000	2037	245,000		

ADJUSTMENT OPTION

The Town reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each, up to a maximum of \$65,000 per maturity. 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 Bonds 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 March 1 and September 1 of each year, commencing March 1, 2025, to the registered owners of the Bonds 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 Bonds 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 Bonds 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 Bonds, 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 Bonds. So long as Cede & Co. is the registered owner of the Bonds, 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 Bonds.

PAYING AGENT

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

OPTIONAL REDEMPTION

At the option of the Town, the Bonds maturing on or after March 1, 2034 shall be subject to optional redemption prior to maturity on March 1, 2033 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 Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the Town. If only part of the Bonds having a common maturity date are called for redemption, then the Town 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 February 7, 2024, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the Town 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 Bonds is then pending or, to the best knowledge of officers of the Town, threatened. Payment for the Bonds must be received by the Town at its designated depository on the date of closing in immediately available funds.

LEGAL MATTERS

An opinion as to the validity of the Bonds and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the Town ("Bond Counsel"), and will be available at the time of delivery of the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding general obligations of the Town; provided that the rights of the owners of the Bonds and the enforceability of the Bonds 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). (See "FORM OF LEGAL OPINION" found in Appendix B of the Preliminary Official Statement).

Quarles & Brady LLP has also been retained by the Town to serve as Disclosure Counsel to the Town with respect to the Bonds. Although, as Disclosure Counsel to the Town, Quarles & Brady LLP has assisted the Town 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 Bonds 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 Bonds for any investor.

SUBMISSION OF BIDS

Bids must not be for less than \$3,298,250, nor more than \$3,674,000, plus accrued interest on the principal sum of \$3,340,000 from date of original issue of the Bonds 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 Town nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit ("Deposit") in the amount of \$66,800 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 Town reserves the right to award the Bonds 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 Town may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the Town as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

The Town 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 Town scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The Town'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 Bonds will be awarded by lot. The Town reserves the right to reject any and all bids and to waive any informality in any bid. **The Bonds will not be awarded if the TIC (taking the purchaser's compensation into account) exceeds 5.90% or if the other conditions set forth in the Parameters Resolution are not satisfied.**

BOND INSURANCE

If the Bonds 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 Town requested and received a rating on the Bonds from a rating agency, the Town will pay that rating fee. Any rating agency fees not requested by the Town are the responsibility of the winning bidder.

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

CUSIP NUMBERS

The Town will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds 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 Bonds 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 Town will enter into an undertaking for the benefit of the holders of the Bonds. 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 Bonds 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 Town in establishing the issue price of the Bonds and shall execute and deliver to the Town 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 Bonds, together with the supporting pricing wires or equivalent communications. All actions to be taken by the Town under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the Town by the Town's municipal advisor identified herein and any notice or report to be provided to the Town may be provided to the Town's municipal advisor.

(b) The Town 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 Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- (1) The Town 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 Town 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 Town anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds 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 Bonds, as specified in this bid.

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

(d) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds 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 Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

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

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

The Town 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 Bonds, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Bonds, 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 Bonds 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 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, 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 Bonds 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 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Town 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 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, 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 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Bonds.

(e) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the 10% test, the winning bidder agrees to promptly report to the Town, Bond Counsel and Ehlers the prices at which the Bonds have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Bonds, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Town 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 Bonds 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 Bonds 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 Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Town 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 Bonds 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 Bonds 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 Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds 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 Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds 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 Town (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds 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 Bonds 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 Bonds to the public),
- (iii) a purchaser of any of the Bonds 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 Bonds are awarded by the Town to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Official Statement relating to the Bonds 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 Town Board

Cindy Kocken, Town Clerk-Treasurer
Town of Lawrence, Wisconsin

BID FORM

January 17, 2024

Town of Lawrence, Wisconsin (the "Town")

RE: \$3,340,000* General Obligation Refunding Bonds, Series 2024A (the "Bonds")

DATED: February 7, 2024

For all or none of the above Bonds, 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 \$3,298,250, nor more than \$3,674,000) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____ % due 2026	_____ % due 2032	_____ % due 2038
_____ % due 2027	_____ % due 2033	_____ % due 2039
_____ % due 2028	_____ % due 2034	_____ % due 2040
_____ % due 2029	_____ % due 2035	_____ % due 2041
_____ % due 2030	_____ % due 2036	
_____ % due 2031	_____ % due 2037	

The Town reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each, up to a maximum of \$65,000 per maturity. 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 Bonds 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 \$66,800 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 Town reserves the right to award the Bonds 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 Town may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the Town 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 Bonds to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about February 7, 2024.

This bid is subject to the Town'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 Bonds.

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 Town with the reoffering price of the Bonds within 24 hours of the bid acceptance.

This bid is a firm offer for the purchase of the Bonds 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 Bonds.

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 February 7, 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 Town of Lawrence, Wisconsin, on January 17, 2024.

By: _____
Title: _____