

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 3, 2024

In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended, under existing law interest on the Notes is excludable from gross income and is not an item of tax preference for federal income tax purposes; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Notes. The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

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

New Issue

Rating Application Made: S&P Global Ratings

VILLAGE OF DOUSMAN, WISCONSIN (Waukesha County)

\$5,395,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2024A

BID OPENING: September 9, 2024, 10:00 A.M., C.T.

CONSIDERATION: September 9, 2024, 6:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$5,395,000* General Obligation Promissory Notes, Series 2024A (the "Notes") are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the Village of Dousman, Wisconsin (the "Village"), for public purposes, including paying the cost of public improvements in Tax Incremental District No. 2 pursuant to a development agreement with MLG Dousman Investment LLC regarding Talbot's Woods. The Notes are general obligations of the Village, and all the taxable property in the Village is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF NOTES: October 2, 2024

MATURITY: April 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2029	\$100,000	2035	\$325,000	2041	\$375,000
2030	100,000	2036	325,000	2042	415,000
2031	100,000	2037	325,000	2043	725,000
2032	100,000	2038	325,000	2044	780,000
2033	325,000	2039	375,000		
2034	325,000	2040	375,000		

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

TERM BONDS: See "Term Bond Option" herein.

INTEREST: April 1, 2025 and semiannually thereafter.

OPTIONAL REDEMPTION: Notes maturing on April 1, 2036 and thereafter are subject to call for prior optional redemption on April 1, 2035 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

MINIMUM BID: \$5,327,562.50.

MAXIMUM BID: \$5,934,500.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$107,900 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation.

BOND COUNSEL AND

DISCLOSURE COUNSEL: Quarles & Brady LLP.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

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

REPRESENTATIONS

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

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

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

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

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

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

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

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

CLOSING CERTIFICATES

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

TABLE OF CONTENTS

INTRODUCTORY STATEMENT.....	1	TAX LEVIES AND COLLECTIONS	17
THE NOTES.....	1	TAX LEVIES AND COLLECTIONS	17
GENERAL	1	PROPERTY TAX RATES	18
OPTIONAL REDEMPTION	1	LEVY LIMITS	18
AUTHORITY; PURPOSE	2	REVENUE FROM THE STATE	19
ESTIMATED SOURCES AND USES	2	THE ISSUER	20
SECURITY	2	VILLAGE GOVERNMENT.....	20
RATING	3	EMPLOYEES; PENSIONS	20
CONTINUING DISCLOSURE.....	3	OTHER POST EMPLOYMENT BENEFITS.....	21
LEGAL MATTERS	4	LITIGATION	22
TAX EXEMPTION.....	4	MUNICIPAL BANKRUPTCY.....	22
ORIGINAL ISSUE DISCOUNT.....	5	FUNDS ON HAND	23
BOND PREMIUM	5	ENTERPRISE FUNDS	24
QUALIFIED TAX-EXEMPT OBLIGATIONS	6	SUMMARY GENERAL FUND INFORMATION.....	25
MUNICIPAL ADVISOR	6	GENERAL INFORMATION	26
MUNICIPAL ADVISOR AFFILIATED COMPANIES..	6	LOCATION	26
INDEPENDENT AUDITORS	6	LARGER EMPLOYERS	26
RISK FACTORS.....	7	BUILDING PERMITS	27
VALUATIONS.....	9	U.S. CENSUS DATA	28
WISCONSIN PROPERTY VALUATIONS;		EMPLOYMENT/UNEMPLOYMENT DATA.....	28
PROPERTY TAXES.....	9	FINANCIAL STATEMENTS.....	A-1
CURRENT PROPERTY VALUATIONS.....	10	FORM OF LEGAL OPINION	B-1
2024 EQUALIZED VALUE BY CLASSIFICATION..	10	BOOK-ENTRY-ONLY SYSTEM	C-1
TREND OF VALUATIONS.....	10	FORM OF CONTINUING DISCLOSURE	
LARGER TAXPAYERS.....	11	CERTIFICATE	D-1
DEBT	11	NOTICE OF SALE.....	E-1
DIRECT DEBT	11	BID FORM	
DEBT PAYMENT HISTORY	12		
FUTURE FINANCING.....	12		
DEBT LIMIT	12		
SCHEDULE OF GENERAL OBLIGATION DEBT ...	13		
SCHEDULE OF SEWERAGE REVENUE DEBT.....	15		
OVERLAPPING DEBT	16		
DEBT RATIOS.....	16		

VILLAGE OF DOUSMAN VILLAGE BOARD

		<u>Term Expires</u>
Cindy Queen	Village President	April 2025
Kathy Bleecker-Piirto	Village Trustee	April 2025
Aaron Feisthammel	Village Trustee	April 2026
Mark Kliewer	Village Trustee	April 2025
Josh Marx	Village Trustee	April 2026

ADMINISTRATION

Gina L. Kozlik, Village Administrator/Clerk/Treasurer

PROFESSIONAL SERVICES

Eric Larson, Municipal Law & Litigation Group S.C., Village Attorney, Waukesha, Wisconsin

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

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

INTRODUCTORY STATEMENT

This Official Statement contains certain information regarding the Village of Dousman, Wisconsin (the "Village") and the issuance of its \$5,395,000* General Obligation Promissory Notes, Series 2024A (the "Notes"). Any descriptions or summaries of the Notes, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Notes to be included in the resolution authorizing the issuance and sale of the Notes ("Authorizing Resolution") to be adopted by the Village Board on September 9, 2024.

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

THE NOTES

GENERAL

The Notes will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of October 2, 2024. The Notes will mature on April 1 in the years and amounts set forth on the cover of this Official Statement. Interest will be payable on April 1 and October 1 of each year, commencing April 1, 2025, to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). All Notes of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

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

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

OPTIONAL REDEMPTION

At the option of the Village, the Notes maturing on or after April 1, 2036 shall be subject to optional redemption prior to maturity on April 1, 2035 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

*Preliminary, subject to change.

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

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

AUTHORITY; PURPOSE

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the Village, for public purposes, including paying the cost of public improvements in Tax Incremental District No. 2 pursuant to a development agreement with MLG Dousman Investment LLC regarding Talbot's Woods.

ESTIMATED SOURCES AND USES*

Sources

Par Amount of Notes	\$5,395,000	
Estimated Interest Earnings	<u>86,359</u>	
Total Sources		\$5,481,359

Uses

Estimated Underwriter's Discount	\$67,438	
Cost of Issuance	101,600	
Deposit to Capitalized Interest Fund	577,367	
Deposit to Project Construction Fund	4,732,000	
Rounding Amount	<u>2,954</u>	
Total Uses		\$5,481,359

*Preliminary, subject to change.

SECURITY

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

RATING

General obligation debt of the Village is currently rated "A+"/Stable by S&P Global Ratings ("S&P"). The Village has requested a rating on the Notes 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.

The Village has requested an underlying rating on the Notes from S&P Global Ratings, and bidders will be notified as to the assigned rating prior to the sale. Such rating, if any, reflects only the views of such organization and explanations of the significance of such rating may be obtained from S&P Global Ratings.

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

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

CONTINUING DISCLOSURE

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

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

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

In the previous five years, the Village believes it has not failed to comply in all material respects with its prior undertakings under the Rule. Ehlers is currently engaged as dissemination agent for the Village.

LEGAL MATTERS

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

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

TAX EXEMPTION

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

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

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

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

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

ORIGINAL ISSUE DISCOUNT

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

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

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

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

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

BOND PREMIUM

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

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Bond is calculated on a daily basis from the issue date of such Premium Bond until its stated maturity date (or call date, if any) on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the

compounding dates). An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Bonds. During each taxable year, such an owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Bond.

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the Village in connection with the issuance of the Notes. The Municipal Advisor cannot participate in the underwriting of the Notes. The financial information included in this Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor. Ehlers makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this Official Statement, and its assistance in preparing this Official Statement should not be construed as a representation that it has independently verified such information.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

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

INDEPENDENT AUDITORS

The basic financial statements of the Village for the fiscal year ended December 31, 2023 have been audited by Rotroff Jeanson, SC, Delafield, 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. The Village expects to engage KerberRose as its auditor for the fiscal year ended December 31, 2024 due to the retirement of the Village's former auditor.

RISK FACTORS

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

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

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

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

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

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

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

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

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

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

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

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

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

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

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

Assessed Value

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

CURRENT PROPERTY VALUATIONS

2024 Equalized Value ¹	\$322,877,800
2023 Assessed Value ²	\$267,864,706

2024 EQUALIZED VALUE BY CLASSIFICATION

	2024 Equalized Value	Percent of Total Equalized Value
Residential	\$299,537,400	92.771%
Commercial	20,244,000	6.270%
Manufacturing	1,499,400	0.464%
Agricultural	202,300	0.063%
Undeveloped	159,800	0.049%
Ag Forest	166,800	0.052%
Forest	184,000	0.057%
Other	884,100	0.274%
Personal Property ³	<u>0</u>	<u>0.000%</u>
Total	<u><u>\$322,877,800</u></u>	<u><u>100.000%</u></u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value	Percent Increase/Decrease in Equalized Value
2020	\$230,060,812	\$229,825,300	6.27%
2021	232,440,224	234,700,500	2.12%
2022	236,701,274	267,100,600	13.80%
2023	267,864,706	300,115,000	12.36%
2024	N/A ²	322,877,800	7.58%

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

¹ The Village created TID No. 2 in 2024, which values will be included beginning with the 2025 Equalized Value.

² 2024 Assessed Values are not yet available.

³ Personal property has been exempted from taxation as of January 1, 2024 (see "TAX LEVIES AND COLLECTIONS" herein).

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2023 Equalized Value ¹	Percent of Village's Total Equalized Value
Individual	Real Estate	\$5,098,931	1.70%
T&K Family LLC	Farm	3,277,164	1.09%
Cedar Creek Village LLC	Apartments	3,273,802	1.09%
Individual	Real Estate	2,703,968	0.90%
212-224 Cory Ave LLC	Apartments	2,023,438	0.67%
All One Storage LLC	Self Storage Facility	1,838,573	0.61%
Morgie Associates LLC	Apartments	1,709,727	0.57%
ORP Real Estate Holdings LLC	Real Estate	1,667,152	0.56%
Ixonia State Bank	Bank	1,611,132	0.54%
Bielinski Homes Inc	Condo and Home Builder	<u>1,560,938</u>	<u>0.52%</u>
Total		\$24,764,825	8.25%

Village's Total 2023 Equalized Value \$300,115,000

Source: The Village.

DEBT

DIRECT DEBT²

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Notes)* \$9,975,202

Revenue Debt (see schedules following)

Total revenue debt secured by sewer revenues \$2,054,476

*Preliminary, subject to change.

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

² Outstanding debt is as of the dated date of the Notes.

DEBT PAYMENT HISTORY

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

FUTURE FINANCING

The Village is in the planning stages of a project involving water, sewer, storm water, and street improvements, which project is expected to be in the aggregate amount of approximately \$2,400,000. The Village is exploring potential financing sources, which may include revenue borrowings through the State of Wisconsin Clean Water Fund Loan and Safe Drinking Water Fund Loan programs, but the amount and timing of any such borrowings are not yet known. Other than the preceding, the Village has no current plans for additional financing in the next 12 months.

DEBT LIMIT

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

Equalized Value	\$322,877,800
Multiply by 5%	0.05
Statutory Debt Limit	<u>\$16,143,890</u>
Less: General Obligation Debt*	<u>(9,975,202)</u>
Unused Debt Limit*	<u><u>\$6,168,688</u></u>

*Preliminary, subject to change.

Village of Dousman, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 10/02/2024)

	Sewerage System Promissory Notes Series 2009 (CWF)		Refunding Bonds Series 2015		Promissory Note		Promissory Note		State Trust Fund	
Dated	11/12/2009		10/26/2015		12/13/2019		11/16/2020		06/28/2021	
Amount	\$3,123,689		\$5,000,000		\$170,000		\$129,107		\$93,300	
Maturity	05/01		05/01		12/13		11/16		03/15	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	0	14,504	0	45,910	34,000	1,187	25,821	1,802	0	0
2025	188,098	26,271	260,000	87,920			25,821	901	8,820	2,027
2026	193,572	20,718	265,000	80,045					9,084	1,763
2027	199,205	15,003	275,000	71,945					9,357	1,490
2028	205,002	9,122	280,000	63,620					9,634	1,213
2029	210,967	3,070	290,000	55,288					9,927	920
2030			300,000	46,880					10,224	623
2031			310,000	37,645					10,531	316
2032			320,000	27,565						
2033			330,000	16,918						
2034			340,000	5,695						
2035										
2036										
2037										
2038										
2039										
2040										
2041										
2042										
2043										
2044										
	996,844	88,688	2,970,000	539,430	34,000	1,187	51,643	2,704	67,577	8,352

--Continued on next page

Village of Dousman, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 10/02/2024)

	State Trust Fund		State Trust Fund		State Trust Fund		Promissory Notes Series 2024A							
Dated Amount	07/06/2021 \$265,485		12/28/2021 \$460,921		4/24/2023 \$45,000		10/02/2024 \$5,395,000*							
Maturity	03/15		03/15		03/15		04/01							
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2024	0	0	0	0	0	0	0	0	59,821	63,403	123,224	9,915,380	.60%	2024
2025	25,080	5,765	117,223	5,934	14,907	1,606	0	223,116	639,950	353,542	993,491	9,275,431	7.02%	2025
2026	25,833	5,013	120,154	3,004	15,690	824	0	223,738	629,332	335,103	964,435	8,646,099	13.32%	2026
2027	26,608	4,238					0	223,738	510,169	316,413	826,582	8,135,930	18.44%	2027
2028	27,396	3,449					0	223,738	522,032	301,141	823,173	7,613,898	23.67%	2028
2029	28,228	2,617					100,000	221,938	639,121	283,832	922,954	6,974,776	30.08%	2029
2030	29,074	1,771					100,000	218,338	439,299	267,611	706,910	6,535,478	34.48%	2030
2031	29,947	898					100,000	214,738	450,478	253,597	704,075	6,085,000	39.00%	2031
2032							100,000	211,138	420,000	238,703	658,703	5,665,000	43.21%	2032
2033							325,000	203,455	655,000	220,373	875,373	5,010,000	49.78%	2033
2034							325,000	191,641	665,000	197,336	862,336	4,345,000	56.44%	2034
2035							325,000	179,454	325,000	179,454	504,454	4,020,000	59.70%	2035
2036							325,000	166,941	325,000	166,941	491,941	3,695,000	62.96%	2036
2037							325,000	154,104	325,000	154,104	479,104	3,370,000	66.22%	2037
2038							325,000	140,941	325,000	140,941	465,941	3,045,000	69.47%	2038
2039							375,000	126,391	375,000	126,391	501,391	2,670,000	73.23%	2039
2040							375,000	110,454	375,000	110,454	485,454	2,295,000	76.99%	2040
2041							375,000	94,235	375,000	94,235	469,235	1,920,000	80.75%	2041
2042							415,000	76,855	415,000	76,855	491,855	1,505,000	84.91%	2042
2043							725,000	51,413	725,000	51,413	776,413	780,000	92.18%	2043
2044							780,000	17,550	780,000	17,550	797,550	0	100.00%	2044
	192,165	23,750	237,377	8,938	30,597	2,430	5,395,000	3,273,912	9,975,202	3,949,391	13,924,593			

* Preliminary, subject to change.

Village of Dousman, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Sewerage Revenues
(As of 10/02/2024)

Sewerage System Revenue Bonds Series 2019 (CWF)								
Dated	04/10/2019							
Amount	\$2,661,858							
Maturity	05/01							
Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2024	0	20,339	0	20,339	20,339	2,054,476	.00%	2024
2025	128,786	39,404	128,786	39,404	168,190	1,925,690	6.27%	2025
2026	131,336	36,828	131,336	36,828	168,165	1,794,354	12.66%	2026
2027	133,937	34,202	133,937	34,202	168,139	1,660,417	19.18%	2027
2028	136,589	31,524	136,589	31,524	168,113	1,523,828	25.83%	2028
2029	139,293	28,793	139,293	28,793	168,086	1,384,535	32.61%	2029
2030	142,051	26,007	142,051	26,007	168,059	1,242,484	39.52%	2030
2031	144,864	23,167	144,864	23,167	168,031	1,097,620	46.57%	2031
2032	147,732	20,270	147,732	20,270	168,002	949,888	53.76%	2032
2033	150,657	17,316	150,657	17,316	167,974	799,230	61.10%	2033
2034	153,640	14,304	153,640	14,304	167,944	645,590	68.58%	2034
2035	156,682	11,232	156,682	11,232	167,914	488,908	76.20%	2035
2036	159,785	8,099	159,785	8,099	167,883	329,123	83.98%	2036
2037	162,948	4,903	162,948	4,903	167,852	166,175	91.91%	2037
2038	166,175	1,645	166,175	1,645	167,820	0	100.00%	2038
	2,054,476	318,034	2,054,476	318,034	2,372,510			

OVERLAPPING DEBT¹

Taxing District	Equalized Value ²	% In Village	Total G.O. Debt ³	Village's Proportionate Share
Waukesha County	\$88,230,894,000	0.3659%	\$87,115,000	\$318,754
Kettle Moraine School District	5,645,022,216 ⁴	5.3044%	20,965,000	1,112,067
Oconomowoc Area School District	9,482,264,061 ⁴	0.0072%	83,060,000	5,980
Waukesha Area Technical College District ⁵	86,973,761,741 ⁴	0.3451%	25,130,000	86,724
Village's Share of Total Overlapping Debt				<u>\$1,523,525</u>

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$322,877,800	Debt/ Per Capita 2,493 ⁶
Total General Obligation Debt*	\$9,975,202	3.09%	\$4,001.28
Village's Share of Total Overlapping Debt	<u>1,523,525</u>	<u>0.47%</u>	<u>\$611.12</u>
Total*	\$11,498,727	3.56%	\$4,612.41

*Preliminary, subject to change.

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

² Includes tax increment valuation.

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

⁴ 2023 equalized values. 2024 equalized values are expected to be certified October 2024.

⁵ Includes the \$5,750,000 General Obligation Promissory Notes, Series 2024C, anticipated to close October 1, 2024.

⁶ Preliminary estimated 2024 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Levy for Village Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2019/20	\$1,256,391	100%	\$5.81
2020/21	1,278,272	100%	5.56
2021/22	1,281,293	100%	5.46
2022/23	1,622,090	100%	6.07
2023/24	1,262,722	100%	4.21

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	\$9.99	\$2.06	\$5.81	\$17.86
2020/21	9.79	2.00	5.56	17.35
2021/22	9.28	1.91	5.46	16.65
2022/23	8.05	1.74	6.07	15.86
2023/24	7.47	1.59	4.21	13.27

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%.

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

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

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

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

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

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

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

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

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

REVENUE FROM THE STATE

In addition to local property taxes described above, a number of state programs exist which provide revenue to the Village. One such program is commonly known as shared revenue which, pursuant to sec. 79.036, Wis. Stats., provides funding to the Village that can be used for any public purpose. Chapter 79, Wis. Stats. includes other revenue sharing programs, which each have their own requirements. 2023 Wisconsin Act 12 ("Act 12") created a supplement to shared revenue, with payments to the Village beginning in 2024. This supplemental shared revenue may be used only for the purposes specified in section 79.037, Wis. Stats. In 2024, the Village is expected to receive approximately \$227,000 in shared revenue under Chapter 79, Wis. Stats., an increase from the approximately \$156,000 received in 2023. In future years, the amount of supplemental shared revenue could grow if State sales tax collections grow.

THE ISSUER

VILLAGE GOVERNMENT

The Village was incorporated in 1917 and is governed by a Village President and four other Village Board members. All board members are elected to two-year terms. The appointed Village Administrator/Clerk/Treasurer is responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

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

Village employees are generally required to contribute half of the actuarially determined contributions, and the Village generally may not pay the employees' required contribution. During the fiscal year ended December 31, 2021 ("Fiscal Year 2021"), the fiscal year ended December 31, 2022 ("Fiscal Year 2022") and the fiscal year ended December 31, 2023 ("Fiscal Year 2023"), the Village's portion of contributions to WRS (not including any employee contributions) totaled \$20,126, \$20,601, and \$20,579, 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, 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.

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 2023, the Village reported a liability of \$88,095 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2022 based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. The Village's proportion was 0.0016629% of the aggregate WRS net pension liability as of December 31, 2022.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of net pension liability 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 4.A. in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Recognized and Certified Bargaining Units

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

As a result of the 2011 amendments to MERA, the Village is prohibited from bargaining collectively with municipal employees, other than public safety and transit employees, with respect to any factor or condition of employment except total base wages. Even then, the Village is limited to increasing total base wages beyond any increase in the consumer price index since 180 days before the expiration of the previous collective bargaining agreement (unless Village were to seek approval for a higher increase through a referendum). Ultimately, the Village can unilaterally implement the wages for a collective bargaining unit.¹

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

The Village's employees are currently not represented by any collective bargaining units.

OTHER POST EMPLOYMENT BENEFITS

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

For Fiscal Year 2023, the Village's portion of contributions to the LRLIF totaled \$390. For Fiscal Year 2023, the Village reported a liability of \$74,105 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2022 based on the Village's share of contributions to the LRLIF relative to the contributions of all participating employers. The Village's proportion was 0.019451% of the aggregate LRLIF net OPEB liability as of December 31, 2022.

¹ On July 3, 2024, a Wisconsin circuit court judge issued a decision in the case *Abbotsford Education Association vs. Wisconsin Employment Relations Commission, Case No. 2023CV152*, denying the Wisconsin State Legislature's intervening motion to dismiss the plaintiffs' challenge to the different classifications the Act created regarding collective bargaining rights. The court's order denying the motion to dismiss states that the Act violates the equal protection clause of the Wisconsin Constitution and declares those provisions of the Act relating to collective bargaining modifications unconstitutional and void. The decision further instructs the parties to make additional filings to the court as to whether the court should issue judgment on the pleadings in light of the court's order or take some other action to bring the case to a final judgment. In the event that a final judgment is entered to the same effect, it is expected that the decision would be appealed. No guarantee can be made regarding the future outcome of the case or any subsequent appeals.

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 4.B. in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

LITIGATION

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

MUNICIPAL BANKRUPTCY

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

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

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

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

FUNDS ON HAND (as of June 1, 2024)

Fund	Total Cash and Investments
Water Utility Account	\$559,708
Village Admin Investment Account SWEEP	478,404
Water Utility Investment Account SWEEP	392,856
Impact fee (water impact fee)	283,215
Sewer Assessment (sewer impact fee)	253,020
Ixonia Bank Tax Collection Account Checking	189,890
SUA Investment Account	176,075
General	111,364
Sewer Utility Account	109,236
Sewer Utility	64,965
Park Impact Fee	57,036
ARPA	51,748
Main Village Checking	48,433
Water Utility	10,102
Sewer Impact Fee	<u>1,167</u>
Total Funds on Hand	<u><u>\$2,787,219</u></u>

ENTERPRISE FUNDS

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

	2021 Audited	2022 Audited	2023 Audited
Water			
Total Operating Revenues	\$350,750	\$343,725	\$351,405
Less: Operating Expenses	<u>(243,727)</u>	<u>(268,954)</u>	<u>(283,503)</u>
Operating Income	\$107,023	\$74,771	\$67,902
Plus: Depreciation	109,479	110,749	110,819
Interest Income	<u>2,594</u>	<u>5,678</u>	<u>22,147</u>
Revenues Available for Debt Service	<u><u>\$219,096</u></u>	<u><u>\$191,198</u></u>	<u><u>\$200,868</u></u>
Sewer			
Total Operating Revenues	\$451,106	\$653,513	\$699,900
Less: Operating Expenses	<u>(776,513)</u>	<u>(804,209)</u>	<u>(734,248)</u>
Operating Income	(\$325,407)	(\$150,696)	(\$34,348)
Plus: Depreciation	374,054	375,390	376,400
Interest Income	<u>6,379</u>	<u>9,718</u>	<u>35,095</u>
Revenues Available for Debt Service	<u><u>\$55,026</u></u>	<u><u>\$234,412</u></u>	<u><u>\$377,147</u></u>

SUMMARY GENERAL FUND INFORMATION

The following are summaries of the revenues and expenditures and fund balances for the Village's General Fund. These summaries are not purported to be the complete audited financial statements of the Village, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the Village. Copies of the complete statements are available upon request. Appendix A includes the 2023 audited financial statements.

FISCAL YEAR ENDING DECEMBER 31					
COMBINED STATEMENT	2020 Audited	2021 Audited	2022 Audited	2023 Audited	2024 Adopted Budget ¹
Revenues					
Taxes & special assessments	\$829,222	\$841,441	\$851,195	\$865,159	\$813,461
Intergovernmental	355,395	335,759	321,528	336,554	422,343
Licenses and permits	80,245	216,174	78,617	88,685	69,670
Fines and forfeitures and penalties	12,438	13,737	13,552	19,519	10,100
Charges for services	33,542	56,937	108,360	124,480	738,863 ²
Interfund charges for services	159,918	178,960	191,626	172,584	216,000
Interest	4,908	1,849	10,578	32,081	0
Miscellaneous	4,424	5,865	6,033	8,129	30,205
Total Revenues	\$1,480,092	\$1,650,722	\$1,581,489	\$1,647,191	\$2,300,642
Expenditures					
Current:					
General government	\$427,687	\$462,234	\$499,783	\$545,108	\$514,607
Public safety	875,903	1,018,908	967,436	1,213,985	1,297,598
Public works	221,443	383,638	393,456	335,487	382,459
Health and sanitation	120,392	120,571	140,864	144,854	148,278
Parks and recreation	22,664	10,208	9,216	31,759	11,700
Total Expenditures	\$1,668,089	\$1,995,559	\$2,010,755	\$2,271,193	\$2,354,642
Excess of revenues over (under) expenditures	(\$187,997)	(\$344,837)	(\$429,266)	(\$624,002)	(\$54,000)
Other Financing Sources (Uses)					
Sale of assets	\$1,000	\$0	\$0	\$2,000	\$0
Transfers in	84,926	84,579	79,314	258,134	54,000
Transfers (out)	0	0	0	(946)	0
Face value of long-term debt	129,107	554,221	0	280,000	0
Total Other Financing Sources (Uses)	215,033	638,800	79,314	539,188	54,000
Net changes in Fund Balances	\$27,036	\$293,963	(\$349,952)	(\$84,814)	\$0
General Fund Balance January 1	\$618,479	\$645,515	\$939,478	\$589,526	
General Fund Balance December 31	\$645,515	\$939,478	\$589,526	\$504,712	
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	\$24,904	\$29,765	\$37,331	\$31,492	
Restricted	17,954	350,728	0	0	
Assigned	114,004	154,662	170,156	29,903	
Unassigned	488,653	404,323	382,039	443,317	
Total	\$645,515	\$939,478	\$589,526	\$504,712	

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

² The Village implemented a fire protection service fee (the "Fee") via Village Ordinance to be included as a special charge on property tax bills. The Village received a Notice of Claim in March 2024 from the Wisconsin Manufacturers and Commerce Inc. claiming that the Fee is unlawful under Wisconsin Statutes and the Wisconsin Constitution. The Village received a letter in August 2024 from an owner of certain parcels in the Village claiming that the imposed Fee for the taxpayer was out of proportion with its need for and use of such services and demanding recalculation of the Fee for the taxpayer and alleging similar State statutory and constitutional concerns. The Village intends to defend these matters vigorously, but can make no representation regarding their outcome.

GENERAL INFORMATION

LOCATION

The Village, with a 2020 U.S. Census population of 2,419 and a current preliminary estimated population of 2,493 comprises an area of 2.68 square miles, and is located approximately 35 miles west of Milwaukee.

LARGER EMPLOYERS¹

Larger employers in the Village include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Three Pillars	Retirement communities and homes	200
Kettle Moraine Middle School	Elementary and secondary education	109
Dousman Elementary School	Elementary and secondary education	79
Dousman Transport Co. Inc.	Buses/School transportation service	72
Wolf Paving	Asphalt paving	71
St. Bruno Church and Parish School	Church and school	53
Wide Effect	Staffing talent solutions	51
Western Lakes Fire District, Station 2	Fire department	45
Alternative Machine Tool	Metal machinery supplier	11-50
Thorsten Consulting Group	Consults/Business NEC	20

Source: The Village, Data Axle Reference Solutions, 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 PERMITS

	2020	2021	2022	2023	2024 ¹
<u>New Single Family Homes</u>					
No. of building permits	9	6	6	14	21
Valuation	\$2,247,000	\$1,747,000	\$3,631,000	\$1,477,000	\$5,403,000
<u>New Multiple Family Buildings</u>					
No. of building permits	0	0	0	0	0
Valuation	\$0	\$0	\$0	\$0	\$0
<u>New Commercial/Industrial</u>					
No. of building permits	0	9	9	6	0
Valuation	\$0	\$494,000	\$15,000	\$90,000	\$0
<u>All Building Permits</u>					
<i>(including additions and remodelings)</i>					
No. of building permits	47	48	45	37	36
Valuation	\$2,353,000	\$2,293,000	\$3,702,000	\$1,648,000	\$5,763,000

Source: The Village.

¹ As of June 30, 2024.

U.S. CENSUS DATA

Population Trend: The Village

2010 U.S. Census Population	2,302
2020 U.S. Census Population	2,419
Percent of Change 2010 - 2020	5.08%
2024 Preliminary Estimated Population	2,493

Income and Age Statistics

	The Village	Waukesha County	State of Wisconsin	United States
2022 per capita income	\$40,610	\$55,573	\$40,130	\$41,261
2022 median household income	\$85,909	\$101,639	\$72,458	\$75,149
2022 median family income	\$98,750	\$126,010	\$92,974	\$92,646
2022 median gross rent	\$1,354	\$1,235	\$992	\$1,268
2022 median value owner occupied units	\$365,700	\$352,600	\$231,400	\$281,900
2022 median age	42.6 yrs.	43.3 yrs.	39.9 yrs.	38.5 yrs.

	State of Wisconsin	United States
Village % of 2022 per capita income	101.20%	98.42%
Village % of 2022 median family income	106.21%	106.59%

Housing Statistics

	<u>The Village</u>		
	2020	2022	Percent of Change
All Housing Units	838	877	4.65%

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.

	<u>Average Employment</u>	<u>Average Unemployment</u>	
Year	Waukesha County	Waukesha County	State of Wisconsin
2020	211,048	5.7%	6.4%
2021	216,841	3.2%	3.9%
2022	218,866	2.5%	2.9%
2023 ¹	220,851	2.6%	3.0%
2024, July ¹	221,805	3.0%	3.3%

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 Village's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The Village has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Official Statement, nor has the Village requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the Village since the date of the financial statements, in connection with the issuance of the Notes, the Village represents that there have been no material adverse changes in the financial position or results of operations of the Village, nor has the Village incurred any material liabilities, which would make such financial statements misleading.

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



ROTROFF
JEANSON, sc

Certified Public Accountants & Consultants

April 23, 2024

Village Board
Village of Dousman
Waukesha County, Wisconsin

Dear Board Members:

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Dousman as of and for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Village's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented or detected and corrected on a timely basis. We consider the following deficiency in the Village of Dousman's internal control to be a material weakness:

- Internal Control Environment

Internal Control Environment

Segregation of Duties

A fundamental element of internal control is the segregation of certain key duties. The basic idea underlying segregation of duties is that no employee or group should be in a position both to perpetrate and to conceal errors or fraud in the normal course of their duties. In general, the principal incompatible duties to be segregated include:

- Custody of assets
- Authorization or approval of related transactions affecting those assets
- Recording or reporting of related transactions
- Execution of the transaction or transaction activity

Two individuals perform substantially all accounting functions. These functions include but are not limited to collecting, receipting, and depositing cash, processing payrolls, cash disbursements, and reconciling the monthly bank statements. It is not unusual for entities the size of the Village to have a limited staff, making it difficult to adequately segregate the various accounting functions.

Since overlapping duties exist, it is important for the Village Board to recognize this situation and be aware that the concentration of duties and responsibilities in a limited number of individuals is not desirable. As a result, it is incumbent upon Board members to rely more heavily on their direct knowledge of the Village's operations, receive and review sufficiently detailed financial reports and supporting ledgers on a regular basis and maintain frequent contact with employees to control, monitor and safeguard assets.

Internal Control over Financial Reporting

Properly designed systems of internal controls consist of enough individuals, with sufficient training and experience, to process and record monthly transactions, as well as prepare a complete set of annual financial statements. However, while most municipalities' staff do a good job of processing and recording monthly transactions, very few have the background or training to prepare annual financial statements.

The definition of a material weakness in internal control includes consideration of the year-end financial reporting process and preparation of the annual financial statements. In order for the Village to avoid this type of material weakness, the system of internal controls would need to have a process for identifying financial reporting risks and be able to:

1. Maintain the Village's books and records in such a condition that the auditor is not able to identify any material journal entries as a result of our audit procedures and,
2. Prepare a complete set of year-end financial statements in such a condition that the auditor is unable to identify any material changes as a result of the audit. A complete set of financial statements include the government-wide statements, the governmental and proprietary fund statements (including distinguishing between major and non-major fund reporting requirements), all conversion entries, and footnote disclosures.

This high level of internal control over financial reporting can be a difficult task for governments. As opposed to larger private companies, most governments operate with only enough staff to process monthly transactions and reports, and often rely on their auditors to prepare the year-end entries and financial reporting.

Village management may choose to outsource certain accounting functions, including reconciliation of year-end balances and subsequent preparation of the Village's financial statements and related note disclosures. Management remains responsible however for these services as if they were performed by Village personnel. Specifically, management is responsible for all management decisions and functions including designating an individual with suitable skill, knowledge, or experience to oversee the outsourced services, for evaluating the adequacy and results of those services and accepting responsibility for them.

As part of the audit, management requested that we prepare the Village's annual financial statements, including the notes to those financial statements. Auditors are precluded from being part of the Village's internal control system. Management reviewed, approved, and accepted responsibility for those financial statements prior to their issuance; however, management does not have the ability to evaluate the completeness of those financial statements or disclosures.

Audit Adjustments

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures.

An audit adjustment may or may not indicate matters that could have a significant effect on the Village's financial reporting process. All audit adjustments were reviewed and approved by the Village Clerk/Treasurer and were included in your financial statements. Copies of these adjustments are available from management. Several significant audit adjustments were proposed to the Village's books during the course of the audit. These included entries which are typically made at year-end:

- Update cash balances
- Record and/or adjust accounts, taxes and interfund receivables/payables, supplies inventory, prepaid expenditures, accounts payable, accrued wages, deferred revenues and accrued interest
- Settlement of the prior year's tax roll and recording of the current tax roll
- Update the Village's capital assets and long-term liabilities for current year acquisitions and disposals
- Update assets, deferred outflows, liabilities and inflows of resources related to pensions and other post-employment benefits
- Update equity balances
- Record transfers between funds
- Record current year depreciation
- Reclassify misposted transactions
- Record adjustments to convert the fund statements to the full accrual government-wide financial statements

Each fund maintained by the Village (general, impact fee, debt service, ARPA, water, and sewer) is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues, and expenditures. Adjustments were necessary to reclassify entries between funds.

We recommend that the Village Board evaluate the current financial reporting process to determine if additional control procedures are necessary to assist in identification of financial reporting misstatements to allow timely corrective actions to be taken.

The existence of significant deficiencies or material weaknesses may represent a conscious decision by management or those charged with governance to accept the degree of risk because of cost or other considerations. We are responsible to communicate material significant deficiencies or material weaknesses in accordance with professional standards regardless of management's decisions.

Other Comments and Recommendations

In compliance with audit requirements, we performed a number of audit procedures and inquiries including evaluating the effectiveness of controls over various transaction cycles. Our consideration of internal control was for the limited purpose of providing a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements and not to necessarily identify all deficiencies in the Village's internal control systems.

As a result of the work performed, we are able to provide you with information about where your controls over transactions either do not exist or could be improved. Following is a list of potential controls that should be in place to achieve a higher level of reliability so that errors or irregularities in your processes will be discovered by your staff.

Keep in mind that some of these controls may not be practical due to your staff size or other reasons. In addition, as you make changes within your organization, and we continue to rotate audit procedures, more controls of this kind will likely be communicated to you.

Status of Prior Year Comments and Recommendations

Unresolved

There was approximately \$1.8M of uninsured cash at 12/31/23.

Several department's expenditures significantly exceeded the budget but amendments were not approved until April 2024.

Capital asset records were not updated for current year activity.

The sewer utility continued to incur operating losses, however, the current loss of \$34,348 was significantly better than the 2022 loss of \$150,696.

The Village continues to engage in transactions with area businesses which are owned by Board members and/or their family.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America

The objective of a financial statement audit is the expression of opinions on the financial statements. We conducted the audit in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements prepared with your oversight are free of material misstatement, whether caused by error or fraud.

Our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit does not relieve management or the Village Board of their responsibilities.

As part of the audit, we obtained an understanding of the Village and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. The audit was not designed to provide assurance on internal control or to identify deficiencies in internal control.

Qualitative Aspect of Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Village are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2023.

We noted no transactions entered into by the Village during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing discussed with management and previously communicated to you in our engagement letter submitted to you in September 2023.

Accounting Estimates

Accounting estimates are an integral part of the financial statements and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting these financial statements are:

The estimate of the collectability of accounts receivable is based on the best estimate of the amounts that will not be collected. We evaluated the key factors and assumptions used to develop the estimated allowance of doubtful accounts in determining that it is reasonable in relation to the financial statement statements taken as a whole.

Management's estimate of the useful lives of the long lived general and sewer utility depreciable assets is used in computing annual depreciation. Water capital assets lives are in accordance with those stipulated by the Public Service Commission. We evaluated the key factors and assumptions used to develop the depreciation in determining their reasonableness in relation to the Village's basic financial statements as a whole.

The estimate of the net pension and other post-employment benefit liabilities and related deferred outflows and inflows of resources are based on the actuarial valuations provided by the Wisconsin Department of Employee Trust Funds.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Village's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditors' opinions that may be expressed on those statements, our professional standards require the consulted accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Other Information in Documents Containing Audited Financial Statements

Our responsibility does not extend beyond the audited financial statements identified in this report. We do not have any obligation to and have not performed any procedures to corroborate other information contained in client prepared documents.

Independence

We are not aware of any relationships between Rotroff Jeanson, SC and the Village that, in our professional judgment, may reasonably be thought to impair our independence.

Relating to our audit of the financial statements as of and for the year ended December 31, 2023, Rotroff Jeanson, SC hereby confirms in accordance with the Code of Professional Conduct issued by the American Institute of Certified Public Accountants, that we are, in our professional judgment, independent with respect to the Village and provided no services to the Village other than services provided in connection with the audit of the current year's financial statements and the following non-audit services which in our judgment do not impair our independence:

- Financial statement preparation and adjusting journal entries
- Compiled regulatory reports
- Tax roll assistance
- Maintenance of capital assets and depreciation schedules

Management Representations

We have requested and received certain representations from management that are included in the management representation letter.

This letter is also intended to inform the Village Board about significant matters related to the conduct of the annual audit so that it can appropriately discharge its oversight responsibility, and that we comply with our professional responsibilities to the Village Board. We have included other comments and recommendations designed to improve your system of controls or operating efficiencies and required communications to those charged with governance related to our audit.

The comments and suggestions in this report are not intended to reflect in any way on the integrity or ability of the personnel of the Village. We will review the status of these comments during our next audit engagement.

This communication is intended solely for the information and use of the Village Board and management and is not intended to be, and should not be, used by anyone other than these specified parties. We appreciate the opportunity to be of service to the Village of Dousman. Should you have any questions or concerns about any of the preceding comments and recommendations we would be pleased to discuss them with you in further detail.

Sincerely,

A handwritten signature in black ink that reads "Rotroff Jeanson SC". The signature is written in a cursive, flowing style.

Rotroff Jeanson, SC

VILLAGE OF DOUSMAN

WAUKESHA COUNTY, WISCONSIN

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

VILLAGE OF DOUSMAN

TABLE OF CONTENTS

Year Ended December 31, 2023

<u>Basic Financial Statements</u>	<u>Page</u>
Independent auditors' report	1
Government-Wide Financial Statements:	
Statement of net position	4
Statement of activities	5
Fund Financial Statements:	
Governmental funds:	
Balance sheet	6
Reconciliation of the balance sheet to the statement of net position	7
Statement of revenues, expenditures and changes in fund balances	8
Reconciliation of the statement of revenues, expenditures and changes in fund balances to the statement of activities	9
Proprietary Funds:	
Statement of net position	10
Statement of revenues, expenses and changes in net position	12
Statement of cash flows	13
Custodial Fund:	
Statement of fiduciary net position	14
Statement of changes in fiduciary net position	15
Notes to the financial statements	16
<u>Required Supplementary Information</u>	
General Fund:	
Budgetary comparison statement	45
Wisconsin Retirement System:	
Schedule of the Village's proportionate share of the net pension liability (asset)	46
Schedule of the Village's pension contributions	46
Local Retiree Life Insurance Fund:	
Schedule of the Village's proportionate share of the net OPEB liability	47
Schedule of the Village's contributions	47

VILLAGE OF DOUSMAN
TABLE OF CONTENTS - Continued
Year Ended December 31, 2023

<u>Required Supplementary Information – Continued</u>	<u>Page</u>
Notes to required supplementary information	48
<u>Supplementary Information</u>	
All Governmental Funds: Statement of net expenditures, revenues and changes in fund balance – budgetary basis	50
Major Governmental Funds	
General Fund: Statement of revenues compared to budget	51
Statement of expenditures compared to budget	53
Debt Service Fund: Statement of revenues, expenditures and changes in fund balance - actual and budget	54
Non-Major Governmental Funds	
Combining balance sheet	55
Combining statement of revenues, expenditures and changes in fund balances	56
Impact Fee Fund: Statement of revenues, expenditures and changes in fund balance - actual and budget	57
Major Enterprise Funds	
Water Utility: Comparative statements of net position	58
Comparative statements of revenues and expenses	60
Comparative statements of cash flows	61
Analysis of utility plant in service and accumulated depreciation	62
Sewer Utility: Comparative statements of net position	63
Comparative statements of revenues and expenses	65
Comparative statements of cash flows	66
Analysis of utility plant in service and accumulated depreciation	67



**ROTROFF
JEANSON, sc**

Certified Public Accountants & Consultants

Independent Auditors' Report

Village Board
Village of Dousman
Waukesha County, Wisconsin

Dear Board Members:

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Dousman, Wisconsin, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Village of Dousman, Wisconsin's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Dousman, Wisconsin's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the Village of Dousman's basic financial statements as of and for the year ended December 31, 2022, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Dousman's basic financial statements as a whole. The combining and individual fund financial statements 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 2022 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2022 combining and individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.



Delafield, Wisconsin
April 23, 2024

VILLAGE OF DOUSMAN
STATEMENT OF NET POSITION
December 31, 2023

	Governmental Activities	Business-type Activities	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 1,721,993	1,618,675	3,340,668
Property taxes receivable	885,563	-	885,563
Other receivables (net)	78,256	237,734	315,990
Internal balances	(21,065)	21,065	-
Supplies inventory and prepaid expenditures	31,410	3,680	35,090
Restricted assets:			
Cash and cash equivalents	-	331,434	331,434
Non-current assets:			
Capital assets:			
Land	404,266	226,154	630,420
Capital assets, net of accumulated depreciation	3,383,406	13,990,028	17,373,434
Cash and cash equivalents:			
Restricted - Equipment replacement fund	-	406,439	406,439
Special assessments	-	39,024	39,024
Total assets	<u>6,483,829</u>	<u>16,874,233</u>	<u>23,358,062</u>
Deferred outflows of resources:			
Deferred outflows related to pensions and OPEB	<u>193,527</u>	<u>192,768</u>	<u>386,295</u>
Liabilities:			
Current liabilities:			
Accounts payable	186,338	33,797	220,135
Unearned revenue	714,505	-	714,505
Current portion of long-term obligations	428,775	352,632	781,407
Noncurrent liabilities:			
Unearned revenue	-	39,024	39,024
Noncurrent portion of long-term obligations	3,007,624	3,568,892	6,576,516
Net pension liability	43,030	45,065	88,095
OPEB liability	38,539	35,566	74,105
Vested compensated absences	12,084	16,842	28,926
Total liabilities	<u>4,430,895</u>	<u>4,091,818</u>	<u>8,522,713</u>
Deferred Inflows of resources:			
Subsequent year's tax levy	1,262,751	-	1,262,751
Deferred inflows related to pensions and OPEB	120,713	118,206	238,919
Total deferred inflows of resources	<u>1,383,464</u>	<u>118,206</u>	<u>1,501,670</u>
Net Position:			
Net investment in capital assets	1,291,561	10,294,658	11,586,219
Restricted	74,442	637,560	712,002
Unrestricted	(503,006)	1,924,759	1,421,753
Total net position	<u>\$ 862,997</u>	<u>12,856,977</u>	<u>13,719,974</u>

The accompanying notes are an integral part of these financial statements

VILLAGE OF DOUSMAN
STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for	Operating	Capital	Governmental	Business-Type	Total
	Expenses	Services	Grants and	Grants and	Activities	Activities	
			Contributions	Contributions			
Primary government:							
Governmental activities							
Direct expenses:							
General government	\$ 564,900	136,557	845	-	(427,498)	-	(427,498)
Public safety	1,213,985	79,909	209,783	-	(924,293)	-	(924,293)
Public works	522,218	175,084	110,611	41,848	(194,675)	-	(194,675)
Health and sanitation	144,854	-	2,694	-	(142,160)	-	(142,160)
Parks and recreation	34,691	875	-	24,368	(9,448)	-	(9,448)
Indirect expenses:							
Interest and related charges	120,873	-	-	-	(120,873)	-	(120,873)
Total governmental activities	<u>2,601,521</u>	<u>392,425</u>	<u>323,933</u>	<u>66,216</u>	<u>(1,818,947)</u>	<u>-</u>	<u>(1,818,947)</u>
Business-type activities:							
Water utility	287,178	351,405	-	42,400	-	106,627	106,627
Sewer utility	828,164	699,900	-	35,664	-	(92,600)	(92,600)
Total business-type activities	<u>1,115,342</u>	<u>1,051,305</u>	<u>-</u>	<u>78,064</u>	<u>-</u>	<u>14,027</u>	<u>14,027</u>
Total primary government	<u>\$ 3,716,863</u>	<u>1,443,730</u>	<u>323,933</u>	<u>144,280</u>	<u>(1,818,947)</u>	<u>14,027</u>	<u>(1,804,920)</u>
General revenues, losses and transfers:							
Property taxes					\$ 1,622,125	-	1,622,125
Grants not restricted to specific programs					168,112	-	168,112
Video service provider fee					22,683	-	22,683
Interest and investment earnings					36,240	57,242	93,482
Miscellaneous					3,446	-	3,446
Loss on asset disposals					(5,048)	(9,900)	(14,948)
Transfers					63,489	(63,489)	-
Total general revenues, losses and transfers					<u>1,911,047</u>	<u>(16,147)</u>	<u>1,894,900</u>
Change in Net Position					92,100	(2,120)	89,980
Net Position - Beginning of Year					770,897	12,859,097	13,629,994
Net Position - End of Year					<u>\$ 862,997</u>	<u>12,856,977</u>	<u>13,719,974</u>

The accompanying notes are an integral part of these financial statements

VILLAGE OF DOUSMAN
BALANCE SHEET
Governmental Funds
December 31, 2023

	General Fund	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and investments	\$ 1,329,132	293,777	99,084	1,721,993
Receivables:				
Taxes	650,000	235,563	-	885,563
Accounts	62,370	-	-	62,370
Intergovernmental	6,470	-	-	6,470
Supplies inventory	22,145	-	-	22,145
Prepaid expenditures	9,265	-	-	9,265
	<u>2,079,382</u>	<u>529,340</u>	<u>99,084</u>	<u>2,707,806</u>
Total assets	\$ <u>2,079,382</u>	<u>529,340</u>	<u>99,084</u>	<u>2,707,806</u>
Liabilities, Deferred Inflows of Resources and Fund Balance:				
Liabilities:				
Accounts payable	\$ 98,212	-	-	98,212
Unearned revenue	665,482	-	49,023	714,505
Due to other funds	21,065	-	-	21,065
Cable television deposits	5,000	-	-	5,000
Ditch and occupancy bonds payable	51,500	-	-	51,500
Total liabilities	<u>841,259</u>	<u>-</u>	<u>49,023</u>	<u>890,282</u>
Deferred Inflows of Resources:				
Subsequent year's tax levy	<u>733,411</u>	<u>529,340</u>	<u>-</u>	<u>1,262,751</u>
Fund Balance:				
Nonspendable	31,492	-	-	31,492
Restricted	-	-	47,708	47,708
Assigned	29,903	-	2,353	32,256
Unassigned	443,317	-	-	443,317
Total fund balance	<u>504,712</u>	<u>-</u>	<u>50,061</u>	<u>554,773</u>
Total liabilities, deferred inflows of resources and fund balance	\$ <u>2,079,382</u>	<u>529,340</u>	<u>99,084</u>	<u>2,707,806</u>

The accompanying notes are an integral part of these financial statements

VILLAGE OF DOUSMAN
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
Governmental Funds
December 31, 2023

Total fund balances - governmental funds	\$	554,773
--	----	---------

Amounts reported for governmental activities in the Statement of Net Position are different because:

Certain accounts receivable are not available soon enough after year-end to pay for the current year's expenditures, and therefore are not reported in the governmental funds		9,416
---	--	-------

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

Governmental capital assets	\$ 6,634,676	
Less: Accumulated depreciation	<u>(2,847,004)</u>	3,787,672

Deferred outflows and inflows of resources related to pensions and other post employment benefits are applicable to future periods and therefore are not reported in the governmental funds.		72,814
--	--	--------

Interest payable used in the governmental activities are not payable from current resources and therefore are not reported in the governmental funds.		(31,626)
---	--	----------

Accrued compensated absences are not due and payable in the current period and therefore are not reported in the governmental funds.		(12,084)
--	--	----------

The liability related to pensions and other post employment benefits does not require the use of current financial resources and is not reported in the governmental funds.		(81,569)
---	--	----------

Long-term liabilities are not due and payable in the current year and therefore are not reported in the governmental funds.		<u>(3,436,399)</u>
---	--	--------------------

Total net position - governmental activities	\$	<u><u>862,997</u></u>
--	----	-----------------------

The accompanying notes are an integral part of these financial statements

VILLAGE OF DOUSMAN
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Governmental Funds
Year Ended December 31, 2023

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 865,159	756,966	-	1,622,125
Intergovernmental	336,554	-	194,645	531,199
Licenses and permits	88,685	-	-	88,685
Fines, forfeitures and penalties	19,519	-	-	19,519
Charges for services	124,480	-	-	124,480
Interfund charges for services	172,584	-	-	172,584
Public improvement	-	-	24,368	24,368
Interest	32,081	-	4,159	36,240
Miscellaneous	8,129	-	-	8,129
Total revenues	<u>1,647,191</u>	<u>756,966</u>	<u>223,172</u>	<u>2,627,329</u>
Expenditures:				
Current:				
General government	545,108	-	-	545,108
Public safety	1,213,985	-	-	1,213,985
Public works	335,487	-	-	335,487
Health and sanitation	144,854	-	-	144,854
Parks and recreation	31,759	-	9,623	41,382
Debt service:				
Principal	-	634,132	-	634,132
Interest and fiscal charges	-	125,437	-	125,437
Total expenditures	<u>2,271,193</u>	<u>759,569</u>	<u>9,623</u>	<u>3,040,385</u>
Excess (deficiency) of revenues over expenditures	<u>(624,002)</u>	<u>(2,603)</u>	<u>213,549</u>	<u>(413,056)</u>
Other financing sources:				
Sale of assets	2,000	-	-	2,000
Transfers in	258,134	2,562	-	260,696
Transfers out	(946)	-	(196,261)	(197,207)
Face value of long-term debt	280,000	-	-	280,000
Total other financing sources	<u>539,188</u>	<u>2,562</u>	<u>(196,261)</u>	<u>345,489</u>
Net change in fund balances	(84,814)	(41)	17,288	(67,567)
Fund balance, January 1	589,526	41	32,773	622,340
Fund balance, December 31	<u>\$ 504,712</u>	<u>-</u>	<u>50,061</u>	<u>554,773</u>

The accompanying notes are an integral part of the financial statements

VILLAGE OF DOUSMAN
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
Governmental Funds
Year Ended December 31, 2023

Net change in fund balances - total governmental funds	\$ (67,567)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Certain accounts receivable are not available soon enough after year-end to pay for the current year's expenditures, and therefore are not reported in the governmental funds	7,851
Capital outlays are reported in governmental funds as expenditures. In the Statement of Activities, however, the cost of those assets is depreciated over their estimated useful lives. This is the amount by which depreciation expense (\$260,397) exceeds capital asset purchases (\$67,451).	(192,946)
In governmental funds, gains from the exchange of capital assets are not recognized. In the Statement of Activities, however, gains are recognized to the extent that the value of assets received exceeds the remaining net book value of the assets disposed of.	(7,048)
Governmental funds report pension and other post employment benefit contributions as expenditures. In the Statement of Activities, however, the cost of benefits earned net of employee contributions are reported as revenue (expense).	(17,900)
Interest on long-term debt is recognized as an expenditure in the funds when it is due. In the Statement of Activities, however, interest expense is recognized as it accrues.	4,564
Compensated absences payable from current year resources are reported as expenditures of the current year. In the Statement of Activities, however, these costs are expensed as they accrue.	11,014
Debt proceeds provide current financial resources to government funds but issuing debt increases long-term liabilities in the Statement of Net Position.	(280,000)
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	634,132
Change in net position of governmental activities	\$ <u>92,100</u>

The accompanying notes are an integral part of these financial statements

VILLAGE OF DOUSMAN
STATEMENT OF NET POSITION
Proprietary Funds
December 31, 2023

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 863,044	755,631	1,618,675
Accounts receivables	52,774	184,960	237,734
Due from general fund	11,032	10,033	21,065
Due from sewer utility	12,715	-	12,715
Supplies inventory	680	3,000	3,680
Restricted assets:			
Cash and cash equivalents:			
Debt service fund	-	91,387	91,387
Depreciation fund	35,609	-	35,609
Impact fee fund	203,297	1,141	204,438
Total current assets	<u>1,179,151</u>	<u>1,046,152</u>	<u>2,225,303</u>
Capital assets:			
Non-depreciable:			
Land	1,375	224,779	226,154
Depreciable:			
Plant, building and improvements	5,872,575	12,787,125	18,659,700
Machinery and equipment	287,879	2,902,349	3,190,228
	<u>6,161,829</u>	<u>15,914,253</u>	<u>22,076,082</u>
Less: Accumulated depreciation	<u>(2,155,460)</u>	<u>(5,704,440)</u>	<u>(7,859,900)</u>
Net capital assets	<u>4,006,369</u>	<u>10,209,813</u>	<u>14,216,182</u>
Other assets:			
Cash and cash equivalents:			
Restricted - Equipment replacement fund	-	406,439	406,439
Special assessments receivable	-	39,024	39,024
Total other assets	<u>-</u>	<u>445,463</u>	<u>445,463</u>
Total assets	<u>5,185,520</u>	<u>11,701,428</u>	<u>16,886,948</u>
Deferred outflows of resources:			
Deferred outflows related to pensions	55,230	109,674	164,904
Deferred outflows related to OPEB	10,805	17,059	27,864
	<u>66,035</u>	<u>126,733</u>	<u>192,768</u>

The accompanying notes are an integral part of these financial statements

VILLAGE OF DOUSMAN
STATEMENT OF NET POSITION
Proprietary Funds
December 31, 2023

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Total
Liabilities:			
Current liabilities:			
Accounts payable	\$ 4,201	13,824	18,025
Interest payable	598	15,174	15,772
Due to water utility	-	12,715	12,715
Current portion of long-term obligations	9,125	343,507	352,632
Total current liabilities	<u>13,924</u>	<u>385,220</u>	<u>399,144</u>
Long-term liabilities (net of current portion):			
Unearned revenue	-	39,024	39,024
Promissory notes payable	-	996,844	996,844
Refunding bonds payable	108,407	409,165	517,572
Revenue bonds payable	-	2,054,476	2,054,476
Net pension liability	15,069	29,996	45,065
OPEB liability	13,791	21,775	35,566
Vested compensated absences	7,127	9,715	16,842
Total long-term liabilities	<u>144,394</u>	<u>3,560,995</u>	<u>3,705,389</u>
Total liabilities	<u>158,318</u>	<u>3,946,215</u>	<u>4,104,533</u>
Deferred inflows of resources:			
Deferred inflows related to pensions	31,828	61,328	93,156
Deferred inflows related to OPEB	9,714	15,336	25,050
	<u>41,542</u>	<u>76,664</u>	<u>118,206</u>
Net position:			
Invested in capital assets, net of related debt	3,888,837	6,405,821	10,294,658
Restricted	211,630	425,930	637,560
Unrestricted	951,228	973,531	1,924,759
Total net position	<u>\$ 5,051,695</u>	<u>7,805,282</u>	<u>12,856,977</u>

The accompanying notes are an integral part of these financial statements

VILLAGE OF DOUSMAN
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Proprietary Funds
Year Ended December 31, 2023

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Total
Operating revenues	\$ 351,405	699,900	1,051,305
Operating expenses:			
Operation and maintenance	169,465	349,956	519,421
Depreciation	110,819	376,400	487,219
Taxes	3,219	7,892	11,111
Total operating expenses	283,503	734,248	1,017,751
Operating income (loss)	67,902	(34,348)	33,554
Non-operating income (expense):			
Loss on disposal of assets	-	(9,900)	(9,900)
Investment income	22,147	35,095	57,242
Interest expense	(3,675)	(93,916)	(97,591)
Total non-operating income (expense)	18,472	(68,721)	(50,249)
Income (loss) before contributions and transfers	86,374	(103,069)	(16,695)
Capital contributions	42,400	35,664	78,064
Transfers out	(63,489)	-	(63,489)
Change in net position	65,285	(67,405)	(2,120)
Total net position:			
January 1	4,986,410	7,872,687	12,859,097
December 31	\$ 5,051,695	7,805,282	12,856,977

The accompanying notes are an integral part of the financial statements

VILLAGE OF DOUSMAN
STATEMENT OF CASH FLOWS
Proprietary Funds
Year Ended December 31, 2023

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Total
Cash flows from operating activities:			
Receipts from customers	\$ 355,547	701,296	1,056,843
Payments to suppliers	(71,336)	(245,930)	(317,266)
Payments to employees	(74,376)	(133,438)	(207,814)
Net cash provided by operating activities	<u>209,835</u>	<u>321,928</u>	<u>531,763</u>
Cash flows from non-capital financing activities:			
Transfers to other funds	(70,393)	-	(70,393)
Net cash used by non-capital financing activities	<u>(70,393)</u>	<u>-</u>	<u>(70,393)</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(2,363)	(78,476)	(80,839)
Long-term debt retirements	(8,761)	(334,509)	(343,270)
Impact fees received	42,400	35,664	78,064
Interest and fiscal charges paid	(3,719)	(95,352)	(99,071)
Net cash used by capital and related financing activities	<u>27,557</u>	<u>(472,673)</u>	<u>(445,116)</u>
Cash flows from investing activities:			
Interest received on cash and investments	22,147	35,095	57,242
Net cash provided by investing activities	<u>22,147</u>	<u>35,095</u>	<u>57,242</u>
Net increase (decrease) in cash and cash equivalents	189,146	(115,650)	73,496
Cash and cash equivalents, January 1	912,804	1,370,248	2,283,052
Cash and cash equivalents, December 31	<u>\$ 1,101,950</u>	<u>1,254,598</u>	<u>2,356,548</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:			
Unrestricted	\$ 863,044	755,631	1,618,675
Restricted - Depreciation fund	35,609	-	35,609
Restricted - Debt service fund	-	91,387	91,387
Restricted - Impact fee fund	203,297	1,141	204,438
Long-Term - Equipment replacement fund	-	406,439	406,439
Total cash and cash equivalents	<u>\$ 1,101,950</u>	<u>1,254,598</u>	<u>2,356,548</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 67,902	(34,348)	33,554
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	116,667	370,552	487,219
Changes in assets and liabilities:			
Receivables, net	19,295	41,368	60,663
Inventories	(255)	2,100	1,845
Accounts payable and accrued expenses	6,226	(57,744)	(51,518)
Net cash provided by operating activities	<u>\$ 209,835</u>	<u>321,928</u>	<u>531,763</u>

The accompanying notes are an integral part of the financial statements

VILLAGE OF DOUSMAN
STATEMENT OF FIDUCIARY NET POSITION
Custodial Fund
December 31, 2023

	Tax Collection Fund
Assets:	
Cash and cash equivalents	\$ 1,508,841
Taxes receivable	<u>1,209,854</u>
Total assets	\$ <u><u>2,718,695</u></u>
Liabilities:	
Due to other taxing units:	
School districts	\$ 2,240,944
Waukesha County	<u>477,751</u>
Total liabilities	\$ <u><u>2,718,695</u></u>

The accompanying notes are an integral part of the financial statements

VILLAGE OF DOUSMAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Custodial Fund
Year Ended December 31, 2023

	<u>Tax Collection Fund</u>
Additions:	
Taxes collected on behalf of other taxing jurisdictions	\$ 2,617,149
Deductions:	
Taxes remitted to other taxing jurisdictions	<u>(2,617,149)</u>
Change in Net Position	-
Net Position - Beginning of Year	<u>-</u>
Net Position - End of Year	\$ <u><u>-</u></u>

The accompanying notes are an integral part of the financial statements

VILLAGE OF DOUSMAN
NOTES TO FINANCIAL STATEMENTS

NOTE	Page
I. Summary of Significant Accounting Policies	
A. Reporting Entity	17
B. Government-Wide and Fund Financial Statements	17
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	18
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity	
1. Deposits and Investments	20
2. Receivables	21
3. Inventories and Prepaid Items	21
4. Restricted Assets	22
5. Capital Assets	22
6. Deferred Outflows/Inflows of Resources	23
7. Compensated Absences	23
8. Long-Term Obligations	24
9. Pensions	24
10. Other Post-Employment Benefits	24
11. Claims and Judgments	24
12. Equity Classifications	25
13. Use of Estimates	26
2. Stewardship, Compliance, and Accountability	
A. Limitations of the Village's Tax Levy	26
3. Detailed Notes on All Funds	
A. Deposits and Investments	26
B. Receivables	28
C. Capital Assets	28
D. Payables	29
E. Interfund Receivables/Payables and Transfers	30
F. Long-Term Obligations	30
G. Governmental Activities Net position/Fund Balances	32
4. Other Information	
A. Defined Benefit Pension Plan	32
B. Other Post-Employment Benefits	37
C. Risk Management	41
D. Segment Information	41
E. Joint Ventures	42
F. Tax Incremental District No. 2	43
G. Contingencies	43
H. Effect of New Accounting Standards on Current Period Financial Statements	43
I. Subsequent Events	44

VILLAGE OF DOUSMAN
NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

The accounting and reporting policies of the Village of Dousman included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

A. Reporting Entity

This report includes all of the funds of the Village of Dousman. The reporting entity for the Village consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. Based upon the foregoing the Village has no component units which are required to be included in these financial statements.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

Fund Financial Statements

The accounts of the Village are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund equity, revenues and expenditures/expenses. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

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

Village of Dousman Water Utility
General Ledger Trial Balance
As of Apr 30, 2024

Filter Criteria includes: Report order is by ID. Report is printed in Detail Format.

Account ID	Account Description	Debit Amt	Credit Amt
11014	ACC.DEPR.-WELLS & SPRING		116,576.19
11021	ACCUM.DEPR.-STRUCTURES		127,430.48
11025	ACCUM.DEPR.ELEC.PUMP.EQ		74,465.40
11028	ACCUM.DEPR.-OTHER PUMP.		26,025.69
11032	ACCUM.DEPR.WATER TRT.E		10,324.09
11042	ACCUM.DEPR.DIST.RES.&ST		211,726.95
11043	ACCUM.DEPR.TRANS.DIST.M		885,825.14
11045	ACCUM.DEPR.ACCUM.DEPR.		351,264.85
11046	ACCUM.DEPR.METERS		66,380.12
11048	ACCUM.DEPR.HYDRANTS		210,420.75
11072	ACCUM.DEPR.OFF.FURN.& E		1,718.48
11073	ACCUM. DEPR.-TRANSPORT.		46,185.75
11074	ACCUM. DEPR. - COMPUTER		12,308.78
11079	ACCUM.DEPR.OTHER GEN. E		14,807.29
13100	CASH IN CHECKING	576,458.14	
13102	PETTY CASH	20.00	
13150	IMPACT FEE SAVINGS	233,969.70	
13200	TEMPORARY INVESTMENTS	10,012.45	
13400	SWEEP 171424	387,469.37	
14200	CUSTOMER A/C'S RECEIVABL	29,412.42	
14600	DUE FROM SEWER	8,079.12	
15000	MATERIALS & SUPPLIES INVE	680.00	
17400	NET PENSION ASSET		15,069.00
17410	DEFERRED OUTFLOWS-PEN	55,230.00	
17415	DEFERRED OUTFLOWS-OPE	10,805.00	
20000	CAPITAL PAID IN BY MUNICI		441,228.66
20100	DEPRECIATION RESERVE		35,609.20
20200	IMPACT FEE RESERVE		203,296.50
21600	UNAPPROPRIATED EARNED		1,224,501.74
21700	RESTRICTED POSITION-PENS		8,333.00
22210	REFUNDING BONDS PAYABL		108,407.16
23700	INTEREST ACCRUED		597.85
24900	DEFERRED INFLOWS-PENSI		31,828.00
24905	DEFERRED INFLOWS-OPEB		9,714.00
24950	OPEB LIABILITY		13,791.00
24960	ACCRUED LT SICK PAY		7,127.43
27100	CONTRIB. IN AID OF CONSTR		3,138,725.78
31400	WELLS AND SPRINGS	116,576.19	
32000	LAND & LAND RTS.-PUMP.PL	675.00	
32100	STRUCTURES & IMPROVEME	200,862.85	
32500	ELECTRIC PUMPING EQUIPM	123,717.95	
32800	OTHER PUMPING EQUIPMEN	28,868.40	
33200	WATER TREATMENT EQUIPM	23,228.02	
34000	LAND & LAND RIGHTS	700.00	
34200	DIST. RESERVOIRS & STAND	495,350.23	
34300	TRANSMISSION & DIST. MAIN	3,666,815.38	
34500	SERVICES	629,623.34	
34600	METERS	217,695.69	
34800	HYDRANTS	547,678.80	
37200	OFF. FURNITURE & FIXTURES	1,718.48	
37210	COMPUTER EQUIPMENT	12,308.78	
37300	TRANSPORTATION EQUIPME	46,185.75	
37900	OTHER GENERAL EQUIPMEN	51,851.82	
40800	TAXES	80,000.00	
41500	IMPACT FEE INCOME		13,850.00
41900	INTEREST & DIVIDEND INCO		3,516.58
42000	CONTRIBUTIONS AND GRANT		11.59
42700	INTEREST ON LONG TERM D	1,793.55	
46110	METERED SALES RESIDENTI		36,325.69
46120	METERED SALES COMMERC		7,950.88
46130	METERED SALES INDUSTRIA		225.19
46300	PUBLIC FIRE PROTECTION S		121,941.00
46400	SALES TO PUBLIC AUTHORIT		1,862.19

VILLAGE OF DOUSMAN
NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies - Continued

B. Government-Wide and Fund Financial Statements - continued

Fund Financial Statements - continued

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

- a. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or proprietary fund that the Village believes is particularly important to financial statement users may be reported as a major fund.

The Village reports the following major governmental funds:

General Fund – The general fund accounts for the Village's primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund – The debt service fund is used to account for resources accumulated and payments made for principal and interest on long-term debt other than enterprise fund debt.

The Village reports the following major enterprise funds:

Water Utility – The water utility accounts for the operations of the water system.

Sewer Utility – The sewer utility accounts for the operations of the sewer system.

The Village reports the following non-major governmental fund:

Impact Fee Fund - The impact fee fund is a special revenue fund which accounts for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

ARPA Fund – This is a special revenue fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditures allowable under the American Rescue Plan Act of 2021.

In addition, the Village reports the following fund type:

Custodial Fund – The custodial fund accounts for assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

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

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all the Village's assets, deferred outflows of resources, liabilities and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position.

VILLAGE OF DOUSMAN
NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies - Continued

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

Government-Wide Financial Statements - continued

Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unearned revenue represents amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities.

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, and compensated absences, which are recorded as a fund liability when expected to be paid with expendable available financial resources. Property taxes are recorded in the year levied as receivables and deferred inflows of resources. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

All major revenue sources are considered available (susceptible to accrual) with the exception of certain intergovernmental revenues, which are reported under the legal and contractual requirements of the individual programs. Intergovernmental aids and grants are recognized as revenues in the period the Village is entitled to the resources and the amounts are available. Amounts received prior to the entitlement period, including ARPA grants, are recorded as unearned revenues.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The principal operating revenues of the water and sewer utilities are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

VILLAGE OF DOUSMAN
NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity

1. Deposits and Investments

For purposes of the statement of cash flows, the Village considers all highly liquid time deposits and investments with an initial maturity of three months or less when acquired to be cash equivalents. Wisconsin municipalities are authorized by statute to invest idle funds in the following institutions and investments:

- a. Time deposits in any credit union, bank, savings bank, trust company or savings and loan association, which is authorized to transact business in this state.
- b. Bonds or securities issued or guaranteed as to principal and interest by the federal government or by a commission, board or other instrumentality of the federal government.
- c. Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of this state.
- d. Bonds issued by a local exposition district, local professional baseball park district, local professional football stadium district or local cultural arts district.
- e. Bonds issued by the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.
- f. Any security which matures or which may be tendered for purchase at the option of the holder within not more than 7 years of the date on which it is acquired, if that security has a rating which is the highest or 2nd highest rating category assigned by Standard & Poor's corporation, Moody's investors service or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating.
- g. Securities of an open-end management investment company or investment trust (mutual fund), if the portfolio is limited to the following:
 1. Bonds and securities issued by the federal government or a commission, board or other instrumentality of the federal government.
 2. Bonds that are guaranteed as to principal and interest by the federal government or a commission, board or other instrumentality of the federal government.
 3. Repurchase agreements that are fully collateralized by bonds or securities under (g) 1 or 2.
- h. Bonds or securities issued under the authority of the municipality, whether the bonds or securities create a general municipality liability or a liability of the property owners of the municipality for special improvements and may sell or hypothecate the bonds or securities.
- i. The Local Government Pooled Investment Fund.
- j. Repurchase agreements with public depositories if federal bonds or securities secure the agreement.

Investments made during 2023 were held in the Village's name and were in accordance with those allowable by state statutes.

VILLAGE OF DOUSMAN
NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity - continued

1. Deposits and Investments - continued

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is unrated and 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, 2023, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

2. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the Village, taxes are collected for and remitted to the county government as well as the local school district and technical college district. Taxes for all local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying custodial fund custodial fund statement of fiduciary net position.

Property tax calendar – 2023 tax roll:

Levy:

Tax lien and levy date	December 2023
Tax bills mailed	December 2023

Real property taxes:

Payment in full or first installment	January 31, 2024
Second installment payable to County	July 31, 2024

Personal property taxes, special assessments
and special charges, in full

January 31, 2024

Tax settlements with taxing jurisdictions:

First settlement	January 15, 2024
Second settlement	February 20, 2024
Final settlement	August 20, 2024

Tax sale - 2023 delinquent real estate taxes

October 2026

Delinquent real estate taxes as of July 31 are paid in full by Waukesha County, which assumes their collection. The Village maintains responsibility for collection of delinquent personal property taxes. No provision for uncollectible accounts receivable has been made for the water and sewer utilities because by law the Village has the right to place delinquent bills on the tax roll.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to" and "due from" other funds. Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

3. Inventories and Prepaid Items

Governmental fund inventories are valued at cost on a first in, first out basis. Inventory in the general fund consists of expendable supplies held for consumption. Costs are recorded as expenditures at the time individual inventory items are consumed. Reported inventories are offset as nonspendable fund balance, which indicates that they do not constitute "available spendable resources" even though they are a component of fund balance.

VILLAGE OF DOUSMAN
NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity - continued

3. Inventories and Prepaid Items - continued

Proprietary fund inventories consist of materials and supplies purchased and maintained as replacement parts. Although this inventory could be slow moving, all items are considered usable. Inventory is valued at the lower of cost or market on a first-in, first-out (FIFO) basis based on physical quantities on hand.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

Restricted assets have been reported in connection with the net pension asset which must be used to fund employee benefits.

5. Capital Assets

Government – Wide Statements

In the government-wide financial statements, general capital assets are defined by the government as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date, or the amount at which a liability could be liquidated with the counterparty at the acquisition date.

Prior to 2004, infrastructure assets of governmental funds were not capitalized. Upon implementing GASB 34, governmental units were required to account for all capital assets, including infrastructure, in the government-wide statements. As allowed under the reporting standards the Village elected to report its infrastructure prospectively from the date of implementation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. Interest costs on restricted tax-exempt borrowings, less any interest earned on temporary investment of the proceeds of those borrowings during the construction period, is capitalized as part of the cost of the related assets. No interest was capitalized during the current year. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

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

VILLAGE OF DOUSMAN
NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity - continued

5. Capital Assets - continued

Government – Wide Statements - continued

The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	10-40 Years
Equipment	8-20 Years
Land improvements	15-50 Years
Infrastructure	5-100 Years
Water plant	4-77 Years
Sewer plant	3-50 Years

Fund Financial Statements

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

6. Deferred Outflows/Inflows of Resources

In addition to assets, the Village's financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position or fund balance that applies to a future period and thus, will not be recognized as an outflow of resources (expenditure) until then.

In addition to liabilities, the financial statements will sometimes also report a separate section of deferred inflows of resources. This separate financial statement element represents an acquisition of net position or fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

7. Compensated Absences

Compensated absences represent liabilities arising from the Village's sick leave policy. The sick leave policy allows full-time employees to accrue sick leave at a rate of one day per month to a maximum of 480 hours. Employees with a minimum of fifteen years of service and who are currently receiving health insurance benefits from the Village will receive their unused sick time, up to 480 hours, paid into a Retirement Health Savings account.

Employees who have worked for the Village at least five years, but less than fifteen, will be paid accumulated unused sick leave at their current rate of pay for 25% of the accumulated time.

A liability is recorded only to the extent that it is estimated to result in future payments. At December 31, 2023, the total liability for payments related to accrued sick time was \$28,927.

All vested sick leave pay is accrued when earned in the full-accrual government-wide financial statements; however, it is reported in governmental fund financial statements only to the extent that it is expected to utilize current financial resources.

VILLAGE OF DOUSMAN
NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity - continued

7. Compensated Absences - continued

The Village does not accrue vacation time but rather expenses these costs as paid. One week of unused vacation time may be carried over to the next year but must be taken within 180 days. Upon approval by the Village Board and Village Clerk, employees can be paid for vacation earned but not used, not to exceed a total of 24 hours for full-time employees or 15 for part-time employees.

8. Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes, bonds and state trust fund loans payable.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts is reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

9. Pensions

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and the pension expense (revenue). Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

10. Other Post-Employment Benefits (OPEB)

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 post-employment benefits, and OPEB expense (revenue).

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 employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

11. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

VILLAGE OF DOUSMAN
NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity - continued

12. Equity Classifications

Government-Wide Statements

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

- a. Net investment in capital assets includes the Village's capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position consists of assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position includes all other net positions that do not meet the definition of "net investment in capital assets" or "restricted."

Fund Statements

Governmental fund equity is classified as fund balance. In accordance with Governmental Standards Board Statement No. 54 fund balance is further categorized into five classifications based on the constraints imposed on the use of these resources. These five classifications are nonspendable, restricted, committed, assigned or unassigned.

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form – prepaids or inventories; or are legally or contractually required to be maintained intact. The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

- a. Restricted - This classification reflects the constraints imposed on resources externally by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- b. Committed - These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Village Board, the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Village Board removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- c. Assigned - This classification reflects the amounts the Village Board's intends to be used for a specific purpose but are neither restricted nor committed. The Village Board has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, which are not classified as nonspendable and are neither restricted nor committed.
- d. Unassigned - This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

VILLAGE OF DOUSMAN
NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity - continued

12. Equity Classifications – continued

The Village has not adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. In these circumstances GASB Statement No. 54 indicates that restricted funds are to be spent first, followed by committed funds, assigned funds and then unassigned funds.

13. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

(2) Stewardship, Compliance, and Accountability

A. Limitations of the Village's Tax Levy

Wisconsin Statute 66.0602 limits the Village's property tax levy, with exceptions, to its prior tax levy, increased by the percentage change in the Village's equalized value due to new construction. Changes in debt service from one year to the next are generally exempt from this limit.

(3) Detailed Notes on All Funds

A. Deposits and Investments

The general, debt service and custodial funds account for transactions through common bank accounts and investments. Each fund's pro rata portion is included on the balance sheet in "Cash and cash equivalents" and "Investments" and is stated at cost, which approximates market value.

The Village's deposits and investments at December 31, 2023 were comprised of the following:

	Carrying Value	Bank and Investment Balances	Associated Risks
Deposits	\$ 4,574,085	3,235,871	Custodial credit risk
LGIP	1,013,207	1,013,207	Credit risk, interest rate risk
Petty cash	90	90	
	<u>\$ 5,587,382</u>	<u>4,249,168</u>	

The difference between the carrying value and bank balance is due to deposits in transit and outstanding checks.

VILLAGE OF DOUSMAN
NOTES TO FINANCIAL STATEMENTS

(3) Detailed Notes on All Funds - Continued

A. Deposits and Investments - continued

The following is a reconciliation of deposits and investments to the statement of net position and statement of fiduciary assets.

Per Statement of Net Position:	
Unrestricted:	
Cash and cash equivalents	\$ 3,340,668
Restricted cash and cash equivalents:	
Debt service fund	91,387
Depreciation fund	35,609
Impact fee fund	204,438
Restricted long-term cash and cash equivalents:	
Equipment replacement fund	406,439
Per Statement of Fiduciary Net Position	
Cash and cash equivalents	<u>1,508,841</u>
	<u>\$ 5,587,382</u>

At December 31, 2023, idle funds were invested in time and demand deposits of authorized depositories. Such deposits and investments are insured in any one depository institution through federal depository insurance funds. Insurance coverage for governmental depositors depends upon the type of deposit and the location of the insured depository institution. All time and savings deposits owned by the Village and held by the Village's official custodian in an insured depository institution within the State of Wisconsin are combined and insured up to \$250,000.

All demand deposits owned by the Village and held by the Village's official custodian in an insured depository institution within the State of Wisconsin are combined and insured up to \$250,000. For the purpose of these rules, the term 'time and savings deposits' includes NOW accounts and money market deposit accounts. The term 'demand deposits' means both interest bearing and non-interest bearing deposits that are payable on demand and for which the depository institution does not reserve the right to require advance notice of an intended withdrawal. For accounts held by the Village located outside the State of Wisconsin, all time, savings, and demand deposits are combined within each depository institution and insured up to \$250,000.

In addition to FDIC insurance, there is insurance currently available through the State of Wisconsin depository insurance program, which would provide a maximum of \$400,000 of insurance on deposits in any one institution. The amount available to fund the entire Wisconsin program is limited and, therefore, the actual benefits available at a time of claim would depend upon the remaining balance in the state fund.

The State Investment Fund, which the LGIP is a part of, had 94% of its investments in U.S. government securities at December 31, 2023.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a financial institution failure, the Village's deposits may not be returned to it. Of the Village's total bank balance, \$1,802,673 was exposed to custodial credit risk as uninsured and uncollateralized.

Fluctuating cash flows during January and December, due to tax collections, result in temporary cash and investment balances, which significantly exceed insured amounts, until settlement with the respective taxing jurisdictions during the following month. The Village does not have a deposit policy for custodial credit risk.

VILLAGE OF DOUSMAN
NOTES TO FINANCIAL STATEMENTS

(3) Detailed Notes on All Funds - Continued

A. Deposits and Investments - continued

Credit and Interest Rate Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. 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 has to changes in market interest rates.

The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure of fair value losses arising from changes in interest rates. At December 31, 2023, the Village held investments with a fair value of \$1,013,207 in the LGIP which is not rated. The average maturity date for investments held by the LGIP is 35 days.

B. Receivables

Governmental fund financial statements report deferred inflows of resources in connection with receivables not considered available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period.

Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of the Village's receivables included deferred inflows of resources reported in the governmental fund financial statements as follows:

	<u>Unearned</u>	<u>Unavailable</u>	<u>Total</u>
Current year receivables:			
General fund	\$ 650,000	-	650,000
Debt service fund	<u>235,563</u>	-	<u>235,563</u>
	<u>\$ 885,563</u>	<u>-</u>	<u>885,563</u>

C. Capital Assets

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

	<u>Balance 12/31/22</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 12/31/23</u>
Capital Assets Not Being Depreciated:				
Land	\$ <u>404,266</u>	<u>-</u>	<u>-</u>	<u>404,266</u>
Capital Assets Being Depreciated:				
Buildings and improvements	665,769	-	-	665,769
Equipment	482,006	25,602	17,621	489,987
Land improvements	534,965	-	-	534,965
Infrastructure	<u>4,497,840</u>	<u>41,849</u>	<u>-</u>	<u>4,539,689</u>
	<u>6,180,580</u>	<u>67,451</u>	<u>17,621</u>	<u>6,230,410</u>
Total capital assets	<u>6,584,846</u>	<u>67,451</u>	<u>17,621</u>	<u>6,634,676</u>
Less Accumulated Depreciation:				
Buildings and improvements	(404,770)	(18,923)	-	(423,693)
Equipment	(219,541)	(23,685)	(10,573)	(232,653)
Land improvements	(294,155)	(17,684)	-	(311,839)
Infrastructure	<u>(1,678,714)</u>	<u>(200,105)</u>	<u>-</u>	<u>(1,878,819)</u>
	<u>(2,597,180)</u>	<u>(260,397)</u>	<u>(10,573)</u>	<u>(2,847,004)</u>
Capital assets, net of depreciation	<u>\$ 3,987,666</u>	<u>(192,946)</u>	<u>7,048</u>	<u>3,787,672</u>

VILLAGE OF DOUSMAN
NOTES TO FINANCIAL STATEMENTS

(3) Detailed Notes on All Funds - Continued

C. Capital Assets - continued

Depreciation expense for the governmental activities was charged to functions as follows:

Governmental activities:	
General government	\$ 15,824
Public works	225,950
Parks and recreation	<u>18,623</u>
	\$ <u>260,397</u>

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

	Balance 12/31/22	Additions	Disposals	Balance 12/31/23
Capital Assets Not Being Depreciated:				
Land	\$ 226,154	-	-	226,154
Capital Assets Being Depreciated:				
Plant, buildings and improvements	18,601,501	58,199	-	18,659,700
Machinery and equipment	<u>3,185,588</u>	<u>22,640</u>	<u>18,000</u>	<u>3,190,228</u>
	<u>21,787,089</u>	<u>80,839</u>	<u>18,000</u>	<u>21,849,928</u>
Total capital assets	<u>22,013,243</u>	<u>80,839</u>	<u>18,000</u>	<u>22,076,082</u>
Less Accumulated Depreciation:				
Plant, buildings and improvements	(5,531,491)	(356,310)	-	(5,887,801)
Machinery and equipment	<u>(1,849,290)</u>	<u>(130,909)</u>	<u>(8,100)</u>	<u>(1,972,099)</u>
Total accumulated depreciation	<u>(7,380,781)</u>	<u>(487,219)</u>	<u>(8,100)</u>	<u>(7,859,900)</u>
Capital assets, net of depreciation	\$ <u>14,632,462</u>	<u>(406,380)</u>	<u>9,900</u>	<u>14,216,182</u>

Depreciation expense was charged to functions as follows:

Business-type activities:	
Water utility	\$ 110,819
Sewer utility	<u>376,400</u>
	\$ <u>487,219</u>

D. Payables

Payables as of December 31, 2023 for the Village's individual major funds and non-major funds in the aggregate, are as follows:

Accounts payable	\$ 90,781
Deposits	5,000
Refundable ditch and occupancy bonds	51,500
Other accrued liabilities	<u>7,431</u>
Total per fund balance sheet	154,712
Accrued interest	<u>31,626</u>
Total per government-wide statement of net position	\$ <u>186,338</u>

VILLAGE OF DOUSMAN
NOTES TO FINANCIAL STATEMENTS

(3) Detailed Notes on All Funds - Continued

E. Interfund Receivables/Payables and Transfers

The balance of interfund receivables/payables resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated. Transfers included payment by the water utility to the general fund for the property tax equivalent.

F. Long-Term Obligations

Changes in long-term obligations activity for the year ended December 31, 2023 are as follows:

	Balance 12/31/22	Increases	Decreases	Balance 12/31/23	Amounts Due Within One Year
Governmental Activities:					
Direct borrowings:					
Promissory notes	\$ 147,989	235,000	294,798	88,191	60,710
State trust fund loan	785,506	45,000	141,158	689,348	161,632
Refunding bonds	<u>2,857,036</u>	<u>-</u>	<u>198,176</u>	<u>2,658,860</u>	<u>206,433</u>
	3,790,531	280,000	634,132	3,436,399	428,775
Compensated absences	23,098	-	11,014	12,084	-
Net pension liability	-	43,030	-	43,030	-
Net OPEB liability	<u>44,106</u>	<u>-</u>	<u>5,567</u>	<u>38,539</u>	<u>-</u>
	<u>3,857,735</u>	<u>323,030</u>	<u>650,713</u>	<u>3,530,052</u>	<u>428,775</u>
Business-type Activities:					
General obligation debt:					
Promissory notes	1,357,234	-	177,611	1,179,623	182,779
Refunding bonds	602,964	-	41,825	561,139	43,567
Revenue bonds	<u>2,304,596</u>	<u>-</u>	<u>123,834</u>	<u>2,180,762</u>	<u>126,286</u>
	4,264,794	-	343,270	3,921,524	352,632
Compensated absences	22,943	-	6,101	16,842	-
Net pension liability	-	45,065	-	45,065	-
Net OPEB liability	<u>46,730</u>	<u>-</u>	<u>11,164</u>	<u>35,566</u>	<u>-</u>
	<u>4,334,467</u>	<u>45,065</u>	<u>360,535</u>	<u>4,018,997</u>	<u>352,632</u>
Total long-term obligations \$	<u>8,192,202</u>	<u>368,095</u>	<u>1,011,248</u>	<u>7,549,049</u>	<u>781,407</u>

The following is a list of outstanding debt at December 31, 2023:

Governmental Activities

	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/23	Amounts Due Within One Year
General obligation debt:					
2015 Refunding bonds	5/1/34	3.0-3.25%	\$ 4,128,665	2,658,860	206,433
2019 Promissory note	12/13/24	3.49%	170,000	34,000	34,000
2020 Promissory note	11/16/25	3.49%	129,107	54,191	26,710
2021 State trust fund loan	3/15/31	3.0%	93,300	76,133	8,557
2021 State trust fund loan	3/15/31	3.0%	265,485	216,498	24,332
2021 State trust fund loan	3/15/26	2.5%	460,921	351,717	114,340
2023 State trust fund loan	3/15/26	5.25%	45,000	<u>45,000</u>	<u>14,403</u>
				\$ <u>3,436,399</u>	<u>428,775</u>

VILLAGE OF DOUSMAN
NOTES TO FINANCIAL STATEMENTS

(3) Detailed Notes on All Funds - Continued

F. Long-Term Obligations - continued

The 2019 and 2020 promissory notes include provisions that in the event of default the outstanding balance, at the option of the lender without notice, matures and becomes immediately payable. The notes are secured by Village assets.

Debt service requirements on long-term debt at December 31, 2023 are as follows:

	Notes and Loans from Direct Borrowings		Refunding Bonds	
	Principal	Interest	Principal	Interest
2024	\$ 222,342	22,512	206,433	78,053
2025	193,511	15,946	214,691	71,736
2026	170,761	10,603	218,819	65,233
2027	35,965	5,728	227,077	58,544
2028	37,030	4,662	231,205	51,670
2029 - 2033	117,930	7,146	1,279,886	147,155
2034	-	-	280,749	4,562
	<u>\$ 777,539</u>	<u>66,597</u>	<u>2,658,860</u>	<u>476,953</u>

Business-type Activities

	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/23	Amounts Due Within One Year
General obligation debt:					
2009 Promissory note	5/1/29	2.91%	\$ 3,267,518	1,179,623	182,779
2015 Refunding bonds	5/1/34	3.0-3.25%	871,335	561,139	43,567
2019 Revenue bonds	5/1/38	1.98%	2,661,858	<u>2,180,762</u>	<u>126,286</u>
				<u>\$ 3,921,524</u>	<u>352,632</u>

The 2019 revenue bonds include a provision that in the event of default the outstanding balance may become immediately payable or the interest rate on the unpaid balance may be increased. Revenues derived from the Village's sewer operations have been pledged as security for the bonds.

Debt service requirements to maturity are as follows:

	Clean Water Fund Direct Borrowings		Refunding Bonds	
	Principal	Interest	Principal	Interest
2024	\$ 309,065	73,596	43,567	16,473
2025	316,885	65,674	45,309	15,140
2026	324,908	57,546	46,181	13,766
2027	333,142	49,205	47,924	12,356
2028	341,591	40,646	48,795	10,905
2029 - 2033	935,564	118,623	270,112	31,057
2034 - 2038	799,230	40,182	59,251	962
	<u>\$ 3,360,385</u>	<u>445,472</u>	<u>561,139</u>	<u>100,659</u>

All general obligation debt is backed by the full faith and credit of the Village and will be repaid by tax levies and impact fee collections. Business-type activities debt will be repaid by revenues from user fees. In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed 5% of the equalized value of taxable property within the Village of \$300,115,000. The debt limit as of December 31, 2023, was \$15,005,750 and the total general obligation debt outstanding at year-end was \$5,177,160.

VILLAGE OF DOUSMAN
NOTES TO FINANCIAL STATEMENTS

(3) Detailed Notes on All Funds - Continued

G. Governmental Activities Net Position/Fund Balances

Governmental activities net position reported on the government-wide statement of net position at December 31, 2023 includes the following:

Governmental Activities	
Net investment in capital assets:	
Capital assets, net of accumulated depreciation	\$ 3,787,672
Less: related long-term debt outstanding, excluding	
non-capital borrowings and unspent borrowed funds	(2,496,111)
	1,291,561
Restricted - Future pension benefits	26,734
Enabling legislation for capital projects	47,708
Unrestricted	(503,006)
Total Governmental Activities Net Position	<u>\$ 862,997</u>

Governmental fund balances reported on the fund financial statements at December 31, 2023 include:

Nonspendable – Major Funds:	
General Fund - Supplies inventory and prepaid expenditures	\$ 31,410
Delinquent personal property taxes	82
Restricted –	
Non-Major Funds - Impact fee fund – Future capital projects	47,708
Assigned –	
Major Funds: General Fund - Equipment replacement	29,903
Non-Major Funds - ARPA fund	2,353
Unassigned - Major Funds:	
General Fund	443,317
Total governmental fund balances	<u>\$ 554,773</u>

(4) Other Information

A. Defined Benefit Pension Plan

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

VILLAGE OF DOUSMAN
NOTES TO FINANCIAL STATEMENTS

(4) Other Information - Continued

A. Defined Benefit Pension Plan - continued

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

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

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

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

The WRS also provides death and disability benefits for employees.

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

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

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.

VILLAGE OF DOUSMAN
NOTES TO FINANCIAL STATEMENTS

(4) Other Information - Continued

A. Defined Benefit Pension Plan - continued

During the reporting period, the WRS recognized \$20,601 in contributions from the employer.

Contribution rates as of December 31, 2022 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives and elected officials)	6.50%	6.50%
Protective with Social Security	6.50%	12.00%
Protective without Social Security	6.50%	16.40%

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At December 31, 2023, the Village of Dousman reported a liability of \$88,095 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022.

No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village of Dousman's proportion of the net pension liability was based on the Village of Dousman's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the Village of Dousman's proportion was .0016629%, which was an increase of .00011418% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023 the Village of Dousman recognized pension expense of \$44,319. At December 31, 2023, the Village of Dousman 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	\$ 140,308	(184,334)
Net differences between projected and actual earnings on pension plan investments	149,654	-
Changes in assumptions	17,323	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	373	(2,391)
Employer contributions subsequent to the measurement date	<u>20,579</u>	<u>-</u>
Total	\$ <u>328,237</u>	<u>(186,725)</u>

Deferred outflows of resources of \$20,579 related to pension resulting from the Village of Dousman's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024.

VILLAGE OF DOUSMAN
NOTES TO FINANCIAL STATEMENTS

(4) Other Information - Continued

A. Defined Benefit Pension Plan - continued

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

Year ended December 31:	
2024	\$ 4,604
2025	24,921
2026	25,464
2027	65,944

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

Actuarial Valuation Date	December 31, 2021
Measurement Date of Net Pension Liability (Asset)	December 31, 2022
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
Post-retirement Adjustments*	1.7%

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

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

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

VILLAGE OF DOUSMAN
NOTES TO FINANCIAL STATEMENTS

(4) Other Information – Continued

A. Defined Benefit Pension Plan - continued

Asset Allocation Targets and Expected Returns¹
As of December 31, 2022

<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %²</u>
Public Equities	48	7.6	5.0
Public Fixed Income	25	5.3	2.7
Inflation Sensitive	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Total Core Fund ³	115	7.4	4.8
<u>Variable Fund Asset</u>			
U.S. Equities	70	7.2	4.6
International Equities	30	8.1	5.5
Total Variable Fund	100	7.7	5.1

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

²New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%.

³The 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 up to 20%

Single Discount rate. A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities).

Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

VILLAGE OF DOUSMAN
NOTES TO FINANCIAL STATEMENTS

(4) Other Information - Continued

A. Defined Benefit Pension Plan – continued

Sensitivity of the Village of Dousman's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the Village of Dousman's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, as well as what the Village of Dousman'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%)
Village of Dousman's proportionate share of the net pension liability (asset)	\$ 292,386	\$88,095	\$ (52,438)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Payables to the Pension Plan. At December 31, 2023, the Village reported a payable of \$5,269 for the amount of contributions owed to the pension plan for the year ended December 31, 2023.

B. Other Post-Employment Benefits

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

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

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

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

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

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

VILLAGE OF DOUSMAN
NOTES TO FINANCIAL STATEMENTS

(4) Other Information - Continued

B. Other Post-Employment Benefits - continued

Contribution rates as of December 31, 2022, are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Post Retirement Coverage	40% of member contribution
25% Post Retirement Coverage	20% of member contribution

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

The member contribution rates in effect for the year ended December 31, 2022, are as listed below:

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

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

During the reporting period, the LRLIF recognized \$390 in contributions from the employer.

OPEB Liabilities, OPEB Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At December 31, 2023, the Village of Dousman reported a liability of \$74,105 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2022 rolled forward to December 31, 2022.

No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village of Dousman's proportion of the net OPEB liability was based on the Village of Dousman's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2022, the Village of Dousman's proportion was .019451%, which was an increase of .004082% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Village of Dousman recognized OPEB expense of \$12,580.

VILLAGE OF DOUSMAN
NOTES TO FINANCIAL STATEMENTS

(4) Other Information - Continued

B. Other Post-Employment Benefits - continued

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experiences	\$ -	\$ (7,251)
Net difference between projected and actual investment earnings on plan investments	1,390	-
Changes of actuarial assumptions	26,625	(43,742)
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>30,043</u>	<u>(1,201)</u>
Total	\$ <u>58,058</u>	\$ <u>(52,194)</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 Ending December 31,</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (net)</u>
2024	\$ 3,653
2025	3,497
2026	4,578
2027	757
2028	(2,472)
Thereafter	(4,149)

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

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

¹ Based on the Bond Buyers GO index.

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

VILLAGE OF DOUSMAN
NOTES TO FINANCIAL STATEMENTS

(4) Other Information - Continued

B. Other Post-Employment Benefits - continued

Long-term expected Return on Plan Assets. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier.

Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year.

Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

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

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Intermediate Credit Bonds	Bloomberg US Interim Credit	50%	2.45%
US Mortgages	Bloomberg US MBS	50%	2.83%
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 remained unchanged from the prior year at 2.30%.

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

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

VILLAGE OF DOUSMAN
NOTES TO FINANCIAL STATEMENTS

(4) Other Information - Continued

B. Other Post-Employment Benefits – continued

Sensitivity of the Village of Dousman's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Village of Dousman's proportionate share of the net OPEB liability calculated using the discount rate of 3.76%, as well as what the Village of Dousman's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.76%) or 1-percentage-point higher (4.76%) than the current rate:

	1% Decrease to Discount Rate (2.76%)	Current Discount Rate (3.76%)	1% Increase to Discount Rate (4.76%)
The Village of Dousman's proportionate share of the net OPEB liability	\$ 101,034	\$ 74,105	\$ 53,467

C. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage during the past three years.

D. Segment Information

The Village maintains two enterprise funds which provide water and sewer services. Segment information for the year ended December 31, 2023 is as follows:

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
Operating revenues	\$ 351,405	699,900	1,051,305
Expenses:			
Operations, maintenance and taxes	172,684	357,848	530,532
Depreciation expense	110,819	376,400	487,219
Net operating income (loss)	67,902	(34,348)	33,554
Non-operating income	22,147	35,095	57,242
Non-operating expense	3,675	103,816	107,491
Capital contributions	42,400	35,664	78,064
Transfers to general fund	63,489	-	63,489
Additions to (disposals of) property, plant and equipment - net	2,363	60,476	62,839
Net working capital	1,165,227	660,932	1,826,159
Assets:			
Due from other funds	23,747	10,033	33,780
Other current assets	1,155,404	1,036,119	2,191,523
Capital assets – net	4,006,369	10,209,813	14,216,182
Other assets	-	445,463	445,463
Total assets	5,185,520	11,701,428	16,886,948
Deferred outflows of resources	66,035	126,733	192,768

VILLAGE OF DOUSMAN
NOTES TO FINANCIAL STATEMENTS

(4) Other Information - Continued

D. Segment Information - continued

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
Liabilities:			
Due to other funds	\$ -	12,715	12,715
Other current liabilities	13,924	372,505	386,429
Long-term notes and bonds	108,407	3,460,485	3,568,892
Other long-term liabilities	35,987	100,510	136,497
Total liabilities	158,318	3,946,215	4,104,533
Deferred inflows of resources	41,542	76,664	118,206
Net position:			
January 1, 2023	4,986,410	7,872,687	12,859,097
Change in net position	65,285	(67,405)	(2,120)
December 31, 2023:			
Net investment in capital assets	3,888,837	6,405,821	10,294,658
Restricted – expendable:			
Capital purposes	203,297	407,580	610,877
Future pension benefits	8,333	18,350	26,683
Unrestricted	951,228	973,531	1,924,759
Total net position	5,051,695	7,805,282	12,856,977
Net cash provided (used) by:			
Operating activities	209,835	321,928	531,763
Non-capital financing activities	(70,393)	-	(70,393)
Capital and related financing activities	27,557	(472,673)	(445,116)
Investing activities	22,147	35,095	57,242
Cash and cash equivalents:			
January 1, 2023	912,804	1,370,248	2,283,052
December 31, 2023	1,101,950	1,254,598	2,356,548

E. Joint Ventures

In 1968, under the authority of Wisconsin State Statutes, Section 66.0301, the Village entered into a joint agreement with the Town of Ottawa and the Village of Summit to form the Dousman Fire District for purposes of providing fire protection for all persons and properties situated within the District boundaries. The original District boundaries included all of the Village of Dousman and portions of the Village of Summit and the Town of Ottawa. In 2012 the agreement was revised to expand the boundaries of the District to include all of the Village of Summit. In February 2017, the Dousman Fire District merged with the Oconomowoc Fire Department to create the Western Lakes Fire District. The consolidated fire district provides fire protection and emergency medical services for all persons and properties within the boundaries of the municipalities.

The District is governed by a seven-member fire board. The Board is comprised of two appointed members from the three municipalities that provide the largest share of the District's operating budget. The governing body of the Municipality contributing the smallest such share shall appoint one (1) member. The appointed board members must be residents of the municipality from which they are appointed and cannot be members of the Department, the Fire Commission or an elected official of a municipality. Subsequent to the initial appointments, board members serve staggered three-year terms.

Upon the effective date of the consolidated District, the Western Lakes Fire District took ownership and control of all equipment and apparatus used for operations. All fire and EMS vehicles and apparatus owned by the Municipalities or the Dousman Fire District was transferred and retitled in the name of the Western Lakes Fire District.

VILLAGE OF DOUSMAN
NOTES TO FINANCIAL STATEMENTS

(4) Other Information - Continued

E. Joint Ventures - continued

All municipalities participate for a minimum of seven years commencing March 2, 2017. Any Municipality wishing to withdraw from this Agreement may do so effective at the end of any calendar year after 2023 by providing a two-year written notice. The agreement may be terminated at any time by the written consent of all Municipalities, provided that the agreement and the joint Fire Board and Fire Commission shall continue to exist for the purpose of disposing of all claims, distribution of assets, and all other functions necessary to terminate the affairs of the Fire District.

In the event of the termination of the agreement, the Fire Board is authorized to sell the District's assets to the Municipalities at the appraised value provided, however, if more than one participating Municipality desires to purchase a particular asset, it shall be sold to the highest bidder. Failing to dispose of such assets to the Municipalities, the Fire Board is authorized to sell or dispose of the remaining assets in a reasonable manner. The Fire Board shall use the proceeds to pay all of the outstanding liabilities and obligations first. Any fund balance remaining after all liabilities and obligations are satisfied will be divided among the Municipalities in proportion to the current year financing formula percentages.

Operating costs and two-thirds (67%) of the District's capital costs are shared between the participating municipalities based upon a financing formula which includes the average of the most recent three-years for response calls, equalized value of land and improvements and population. The remaining capital costs are to be shared on a pre-determined basis with the Village paying 17%. The Village's share of the operating and capital costs for 2023, including additional consulting, was \$599,845. In 2023, the Village Board adopted a resolution creating a fire fee to fund a portion of these costs beginning in 2024.

Financial statements of the District can be obtained at the office of the District clerk.

G. Tax Incremental District No. 2

On October 10, 2023, the Village Board adopted a resolution to create Tax Incremental District No. 2 under Wisconsin State Statute 66.1105 effective January 1, 2024. The primary purpose of the District is to install public improvements and finance the necessary related expenditures to promote commercial and residential development within the District.

Increases in property valuations occurring after the District's creation are the basis for computing incremental taxes generated by the District. These tax increments will be used to finance project costs and provide for the related debt retirement.

G. Contingencies

At December 31, 2023 the Village was involved in several matters, which either have or could result in litigation. The ultimate outcome of these matters cannot presently be determined, however, in the opinion of the Village's legal counsel, none of these suits will result in a material adverse effect on the financial position of the Village. Accordingly, no provision for loss, if any that may result from the resolution of these matters has been made in the general-purpose financial statements.

H. Effect of New Accounting Standards on Current Period Financial Statements

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

Statement No. 100, Accounting Changes and Error Corrections
Statement No. 101, Compensated Absences

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

VILLAGE OF DOUSMAN
NOTES TO FINANCIAL STATEMENTS

(4) Other Information - Continued

I. Subsequent Events

In preparing the financial statements, the Village has evaluated events and transactions for potential recognition or disclosure through April 23, 2024, the date that the financial statements were available to be issued. There were no subsequent events that required recognition or disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF DOUSMAN
BUDGETARY COMPARISON STATEMENT
General Fund
Year Ended December 31, 2023

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Amounts	
Budgetary fund balance, January 1	\$ 589,526	589,526	589,526	-
Resources (inflows):				
Taxes	865,159	865,159	865,159	-
Intergovernmental	346,466	346,466	336,554	(9,912)
Licenses and permits	68,320	88,510	88,685	175
Fines, forfeitures and penalties	10,200	10,200	19,519	9,319
Charges for services	49,950	126,060	124,480	(1,580)
Interfund charges for services	196,000	196,000	172,584	(23,416)
Interest	5,000	32,081	32,081	-
Miscellaneous	4,500	4,500	8,129	3,629
Sale of capital assets	-	-	2,000	2,000
Transfers from other funds	233,000	233,000	258,134	25,134
Face value of long-term debt	280,000	280,000	280,000	-
Amounts available for appropriation	2,648,121	2,771,502	2,776,851	5,349
Charges to appropriations (outflows):				
General government	439,896	561,205	545,108	16,097
Public safety	1,195,849	1,213,985	1,213,985	-
Public works	382,228	382,228	335,487	46,741
Health and sanitation	145,278	145,278	144,854	424
Parks and recreation	28,500	31,759	31,759	-
Transfers to other funds	-	-	946	(946)
Total charges to appropriations	2,191,751	2,334,455	2,272,139	62,316
Fund balance, December 31	\$ 456,370	437,047	504,712	67,665

See independent auditors' report and accompanying notes to required supplementary information

VILLAGE OF DOUSMAN
WISCONSIN RETIREMENT SYSTEM
Year Ended December 31, 2023

SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

WRS Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/14	0.00164486%	(\$40,402)	215,086	(18.78%)	102.74%
12/31/15	0.00154708%	25,140	221,247	11.36%	98.20%
12/31/16	0.00156758%	12,921	232,689	5.55%	99.12%
12/31/17	0.00153049%	(45,422)	212,366	(21.40%)	102.93%
12/31/18	0.00148239%	52,738	217,669	24.23%	96.45%
12/31/19	0.00141355%	(45,579)	223,409	(20.40%)	102.96%
12/31/20	0.00144086%	(89,954)	251,455	(35.77%)	105.26%
12/31/21	0.00154872%	(124,829)	298,174	(41.86%)	106.02%
12/31/22	0.00166290%	88,095	316,950	27.79%	95.72%

SCHEDULE OF THE VILLAGE'S PENSION CONTRIBUTIONS

Village Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered - Employee Payroll
12/31/14	\$15,056	15,056	-	215,086	7.00%
12/31/15	15,045	15,045	-	221,247	6.80%
12/31/16	15,357	15,357	-	232,689	6.60%
12/31/17	14,440	14,440	-	212,366	6.80%
12/31/18	14,583	14,583	-	217,669	6.70%
12/31/19	14,633	14,633	-	223,409	6.55%
12/31/20	16,973	16,973	-	251,455	6.75%
12/31/21	20,126	20,126	-	298,174	6.75%
12/31/22	20,601	20,601	-	316,950	6.50%
12/31/23	20,579	20,579	-	302,626	6.80%

The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

See independent auditors' report and accompanying notes to required supplementary information

VILLAGE OF DOUSMAN
LOCAL RETIREE LIFE INSURANCE FUND
Year Ended December 31, 2023

SCHEDULE OF THE VILLAGE'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY

Year Ending	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
12/31/17	0.008650%	\$26,024	363,757	7.15%	44.81%
12/31/18	0.010429%	26,910	215,000	12.52%	48.69%
12/31/19	0.010800%	45,989	219,000	21.00%	37.58%
12/31/20	0.011729%	64,518	271,000	23.81%	31.36%
12/31/21	0.015369%	90,836	289,000	31.43%	29.57%
12/31/22	0.019451%	74,105	318,000	23.30%	38.81%

SCHEDULE OF THE VILLAGE'S CONTRIBUTIONS

Village Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered - Employee Payroll
12/31/18	\$200	200	-	215,000	0.09%
12/31/19	195	195	-	219,000	0.09%
12/31/20	233	233	-	271,000	0.09%
12/31/21	314	314	-	289,000	0.11%
12/31/22	390	390	-	318,000	0.12%

See independent auditors' report and accompanying notes to required supplementary information

VILLAGE OF DOUSMAN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

(1) Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting for the general, impact fee and debt service funds on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at year-end unless specifically designated by the Village Board. The Village does not budget for the ARPA fund.

A public hearing is conducted on the proposed budget prior to Village Board approval. Prior to December 31, the budget is legally enacted through approval by the Village Board. Budget control is exercised at the departmental level of expenditure.

Budget amendments during the year are legally authorized. Such amendments require approval of two-thirds of the governing body with notice of such change being given by publication within 15 days in the official Village newspaper or on the Village website. Amendments made to the original approved general fund budget were in accordance with these requirements and included the following:

	<u>Original</u>	<u>Amended</u>
General Fund		
Revenues:		
Charges for services	\$ 49,950	126,060
Interest	5,000	32,081
Expenditures:		
General government	439,896	561,205

(2) Wisconsin Retirement System Pension

The Village is required to present the last ten fiscal years' data; however, the standards allow the Village to present as many years as are available until ten fiscal years are presented.

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

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

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

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

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

VILLAGE OF DOUSMAN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

(3) Local Retiree Life Insurance Fund

The Village is required to present the last ten fiscal years data; however, the standards allow the entity to present as many years as are available until ten fiscal years are presented.

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

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, included 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, included 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

VILLAGE OF DOUSMAN
STATEMENT OF NET EXPENDITURES, REVENUES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
All Governmental Fund Types
Year Ended December 31, 2023

		Program Revenues			Net (Expenditure)
			Operating	Capital	Revenue and
	Expenditures	Charges for	Grants and	Grants and	Changes in
		Services	Contributions	Contributions	Fund Balance
Governmental activities					
Direct expenditures:					
General government	\$ 545,108	128,706	845	-	(415,557)
Public safety	1,213,985	79,909	209,783	-	(924,293)
Public works	335,487	175,084	110,611	41,848	(7,944)
Health and sanitation	144,854	-	2,694	-	(142,160)
Parks and recreation	41,382	875	-	24,368	(16,139)
Indirect expenditures:					
Principal	634,132	-	-	-	(634,132)
Interest and related charges	125,437	-	-	-	(125,437)
Total governmental activities	<u>\$ 3,040,385</u>	<u>384,574</u>	<u>323,933</u>	<u>66,216</u>	<u>(2,265,662)</u>
General revenues, transfers and other sources:					
Property taxes					\$ 1,622,125
Grants not restricted to specific programs					168,112
Video service provider fee					22,683
Interest and investment earnings					36,240
Miscellaneous					3,446
Sale of assets					2,000
Transfers in, net					63,489
Face value of long-term debt					280,000
Total general revenues, transfers and other sources					<u>2,198,095</u>
Net change in fund balance					(67,567)
Fund balance - Beginning of year					622,340
Fund balance - End of year					<u>\$ 554,773</u>

VILLAGE OF DOUSMAN
STATEMENT OF REVENUES COMPARED TO BUDGET
General Fund
Year Ended December 31, 2023

	Budget			Variance: Favorable (Unfavorable)
	Original	Final	Actual	
Taxes:				
Property taxes	\$ 865,124	865,124	865,124	-
Other	35	35	35	-
Total taxes	865,159	865,159	865,159	-
Intergovernmental:				
State shared revenues	156,451	156,451	156,553	102
Personal property tax aid	4,670	4,670	4,670	-
Exempt computer aids	1,212	1,212	1,212	-
Fire insurance dues	8,500	8,500	9,783	1,283
State transportation aids	120,000	120,000	107,814	(12,186)
Aids in lieu of taxes	-	-	44	44
Public safety aids	50,000	50,000	50,000	-
Election aids	-	-	845	845
Video service provider aids	5,633	5,633	5,633	-
Total intergovernmental	346,466	346,466	336,554	(9,912)
Licenses and permits:				
Licenses:				
Liquor and beverage	2,900	2,900	3,077	177
Cigarette	70	70	140	70
Operator	800	800	1,057	257
Dog	550	550	838	288
Other	100	100	500	400
Building permits	40,000	60,190	60,190	-
Right of way permits	150	150	-	(150)
Other fees	750	750	200	(550)
Video service provider fee	23,000	23,000	22,683	(317)
Total licenses and permits	68,320	88,510	88,685	175
Fines, forfeitures and penalties:				
Court fines	10,000	10,000	17,019	7,019
Dog fines	200	200	-	(200)
Occupancy bond forfeitures	-	-	2,500	2,500
Total fines, forfeitures and penalties	10,200	10,200	19,519	9,319

VILLAGE OF DOUSMAN
STATEMENT OF REVENUES COMPARED TO BUDGET
General Fund
Year Ended December 31, 2023

	Budget			Variance: Favorable (Unfavorable)
	Original	Final	Actual	
Charges for services:				
Board of appeals	\$ 2,000	2,000	525	(1,475)
Reimbursable fees:				
Legal	10,000	37,563	37,563	-
Engineering	35,000	83,547	83,547	-
Weed cutting	200	200	-	(200)
Road maintenance	2,500	2,500	2,500	-
Miscellaneous	250	250	345	95
Total charges for services	49,950	126,060	124,480	(1,580)
Interfund charges for services:				
Sewer utility	125,000	125,000	105,406	(19,594)
Water utility	71,000	71,000	67,178	(3,822)
Total interfund charges for services	196,000	196,000	172,584	(23,416)
Interest:				
Investments	5,000	32,081	32,081	-
Miscellaneous:				
Rental:				
Hall	1,000	1,000	1,375	375
Park	1,000	1,000	875	(125)
Insurance refunds	2,500	2,500	2,071	(429)
Recycling dividends	-	-	2,694	2,694
Miscellaneous	-	-	1,114	1,114
Total miscellaneous	4,500	4,500	8,129	3,629
Total revenues	\$ 1,545,595	1,668,976	1,647,191	(21,785)

VILLAGE OF DOUSMAN
STATEMENT OF EXPENDITURES COMPARED TO BUDGET
General Fund
Year Ended December 31, 2023

	Budget			Variance: Favorable (Unfavorable)
	Original	Final	Actual	
General government:				
Village Board	\$ 23,791	23,791	23,308	483
Clerk/Treasurer	156,817	165,081	165,081	-
Elections	2,000	3,064	3,064	-
Assessor	18,600	32,053	32,053	-
Board of Review	538	538	500	38
Legal counsel	20,000	52,539	52,539	-
Engineering and planning	45,000	108,862	108,862	-
Audit and accounting	24,500	24,500	24,010	490
Village hall	31,650	31,650	26,811	4,839
Employee benefits	95,000	95,000	84,753	10,247
Insurance	22,000	22,638	22,638	-
Other	-	1,489	1,489	-
	<u>439,896</u>	<u>561,205</u>	<u>545,108</u>	<u>16,097</u>
Public safety:				
Police	430,563	430,650	430,650	-
Fire and rescue	731,286	732,069	732,069	-
Building inspection	34,000	51,266	51,266	-
	<u>1,195,849</u>	<u>1,213,985</u>	<u>1,213,985</u>	<u>-</u>
Public works:				
General and administrative	225,728	225,728	202,684	23,044
Highway and transportation	156,500	156,500	132,803	23,697
	<u>382,228</u>	<u>382,228</u>	<u>335,487</u>	<u>46,741</u>
Health and sanitation:				
Operations and maintenance	145,278	145,278	144,854	424
Parks and recreation:				
Operations and maintenance	28,500	31,759	31,759	-
Total expenditures	\$ <u>2,191,751</u>	<u>2,334,455</u>	<u>2,271,193</u>	<u>63,262</u>

VILLAGE OF DOUSMAN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
Debt Service Fund
Year Ended December 31, 2023

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Property taxes	\$ 756,966	756,966	-
Expenditures:			
Debt service:			
Principal	634,125	634,132	(7)
Interest and fiscal fees	122,841	125,437	(2,596)
Total expenditures	756,966	759,569	(2,603)
Excess (deficiency) of revenues over expenditures	-	(2,603)	(2,603)
Other financing sources:			
Transfer from general fund	-	946	946
Transfer from impact fee fund	-	1,616	1,616
Net change in fund balance	\$ -	(41)	(41)
Fund balance, January 1		41	
Fund balance, December 31		\$ -	

Village of Dousman
COMBINING BALANCE SHEET
Non-Major Governmental Funds
December 31, 2023

	Impact Fee	ARPA	Total Non-Major Funds
Assets:			
Cash and cash equivalents	\$ 47,708	51,376	99,084
Total assets	\$ 47,708	51,376	99,084
Liabilities, Deferred Inflows of Resources and Fund Balance:			
Liabilities:			
Unearned revenue	\$ -	49,023	49,023
Fund balance:			
Restricted	47,708	-	47,708
Assigned	-	2,353	2,353
Total fund balance	47,708	2,353	50,061
Total liabilities, deferred inflows of resources and fund balance	\$ 47,708	51,376	99,084

VILLAGE OF DOUSMAN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 Non-Major Funds
 Year Ended December 31, 2023

	Impact Fee	ARPA	Total Non-Major Funds
Revenues:			
ARPA grants	\$ -	194,645	194,645
Impact fees	24,368	-	24,368
Interest	2,707	1,452	4,159
Total revenues	<u>27,075</u>	<u>196,097</u>	<u>223,172</u>
Expenditures:			
Parks and recreation	9,623	-	9,623
Total expenditures	<u>9,623</u>	<u>-</u>	<u>9,623</u>
Excess (deficiency) of revenues over expenditures	<u>17,452</u>	<u>196,097</u>	<u>213,549</u>
Other financing uses:			
Transfer to general fund	-	(194,645)	(194,645)
Transfer to debt service fund	(1,616)	-	(1,616)
	<u>(1,616)</u>	<u>(194,645)</u>	<u>(196,261)</u>
Net change in fund balance	15,836	1,452	17,288
Fund balance, January 1	<u>31,872</u>	<u>901</u>	<u>32,773</u>
Fund balance, December 31	\$ <u><u>47,708</u></u>	<u><u>2,353</u></u>	<u><u>50,061</u></u>

VILLAGE OF DOUSMAN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
Impact Fee Fund
Year Ended December 31, 2023

	<u>Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Revenues:			
Impact fees	\$ 6,770	24,368	17,598
Interest	<u>25</u>	<u>2,707</u>	<u>2,682</u>
Total revenues	<u>6,795</u>	<u>27,075</u>	<u>20,280</u>
Expenditures:			
Capital outlays	<u>10,000</u>	<u>9,623</u>	<u>377</u>
Excess (deficiency) of revenues over expenditures	(3,205)	17,452	20,657
Other financing uses:			
Transfer to debt service fund	<u>-</u>	<u>(1,616)</u>	<u>(1,616)</u>
Net change in fund balance	\$ <u><u>(3,205)</u></u>	15,836	<u><u>19,041</u></u>
Fund balance, January 1		<u>31,872</u>	
Fund balance, December 31		\$ <u><u>47,708</u></u>	

VILLAGE OF DOUSMAN
COMPARATIVE STATEMENTS OF NET POSITION
Proprietary Fund - Enterprise Fund
Water Utility
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 863,044	716,298
Accounts receivable	52,774	56,916
Due from general fund	11,032	16,812
Due from sewer utility	12,715	16,243
Supplies inventory	680	425
Restricted assets:		
Cash and cash equivalents:		
Depreciation fund	35,609	35,609
Impact fee fund	203,297	160,897
Total current assets	<u>1,179,151</u>	<u>1,003,200</u>
Capital assets:		
Land	1,375	1,375
Plant, building and improvements	5,872,575	5,870,212
Machinery and equipment	287,879	287,879
	<u>6,161,829</u>	<u>6,159,466</u>
Accumulated depreciation	<u>(2,155,460)</u>	<u>(2,038,793)</u>
Net capital assets	<u>4,006,369</u>	<u>4,120,673</u>
Other assets:		
Restricted - Net pension asset	<u>-</u>	<u>21,966</u>
	<u>-</u>	<u>21,966</u>
Total assets	<u>5,185,520</u>	<u>5,145,839</u>
Deferred outflows of resources:		
Deferred outflows related to pensions	55,230	47,820
Deferred outflows related to OPEB	10,805	7,874
	<u>66,035</u>	<u>55,694</u>

VILLAGE OF DOUSMAN
COMPARATIVE STATEMENTS OF NET POSITION
Proprietary Fund - Enterprise Fund
Water Utility
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Liabilities:		
Current liabilities:		
Accounts payable	\$ 4,201	4,619
Interest payable	598	642
Current portion of long-term debt	9,125	8,761
Total current liabilities	<u>13,924</u>	<u>14,022</u>
Long-term liabilities (net of current portion):		
Refunding bonds payable	108,407	117,532
Net pension liability	15,069	-
OPEB liability	13,791	15,620
Vested compensated absences	7,127	8,964
Total liabilities	<u>158,318</u>	<u>156,138</u>
Deferred inflows of resources:		
Deferred inflows related to pensions	31,828	57,092
Deferred inflows related to OPEB	9,714	1,893
	<u>41,542</u>	<u>58,985</u>
Net position:		
Invested in capital assets, net of related debt	3,888,837	3,994,380
Restricted	211,630	173,591
Unrestricted	<u>951,228</u>	<u>818,439</u>
Total net position	<u>\$ 5,051,695</u>	<u>4,986,410</u>

VILLAGE OF DOUSMAN
COMPARATIVE STATEMENTS OF REVENUES AND EXPENSES
Proprietary Fund - Enterprise Fund
Water Utility
Years Ended December 31, 2023 and 2022

	2023	2022	Increase (Decrease)
Operating revenues:			
Sale of water:			
Residential	\$ 176,080	166,042	10,038
Commercial	33,892	33,798	94
Multi-family	5,529	5,323	206
Industrial	961	934	27
Public authorities	9,506	12,301	(2,795)
	<u>225,968</u>	<u>218,398</u>	<u>7,570</u>
Public fire protection	121,941	121,941	-
Customers forfeited discounts	2,355	2,172	183
Other	1,141	1,214	(73)
Total operating revenues	<u>351,405</u>	<u>343,725</u>	<u>7,680</u>
Operating expenses:			
Operation and maintenance:			
Plant operation and maintenance:			
Salaries and wages	51,869	48,056	3,813
Power purchased for pumping	10,409	10,159	250
Chemicals	3,860	4,193	(333)
Repairs to water plant	21,873	15,647	6,226
Operating supplies and expense	9,065	4,538	4,527
Transportation expenses	271	89	182
	<u>97,347</u>	<u>82,682</u>	<u>14,665</u>
General and administrative:			
Administrative salaries	11,000	11,000	-
Employee benefits	20,514	25,039	(4,525)
Office supplies and expense	13,663	10,503	3,160
Outside services	15,663	17,255	(1,592)
Insurance	8,014	8,107	(93)
Regulatory commission	305	337	(32)
Other	2,959	487	2,472
	<u>72,118</u>	<u>72,728</u>	<u>(610)</u>
Total operation and maintenance	<u>169,465</u>	<u>155,410</u>	<u>14,055</u>
Depreciation	110,819	110,749	70
Taxes	3,219	2,795	424
Total operating expenses	<u>283,503</u>	<u>268,954</u>	<u>14,549</u>
Operating income	<u>67,902</u>	<u>74,771</u>	<u>(6,869)</u>
Non-operating income (expense):			
Investment income	22,147	5,678	16,469
Interest expense	(3,675)	(3,936)	261
Total non-operating income (expense)	<u>18,472</u>	<u>1,742</u>	<u>16,730</u>
Income before contributions and transfers	<u>86,374</u>	<u>76,513</u>	<u>9,861</u>
Capital contributions	42,400	18,152	24,248
Transfers out	(63,489)	(79,314)	15,825
Change in net position	<u>\$ 65,285</u>	<u>15,351</u>	<u>49,934</u>

VILLAGE OF DOUSMAN
COMPARATIVE STATEMENTS OF CASH FLOWS
Proprietary Fund - Enterprise Fund
Water Utility
Years Ended December 31, 2023 and 2022

Increase (Decrease) in Cash and Cash Equivalents

	2023	2022
Cash flows from operating activities:		
Receipts from customers	\$ 355,547	341,853
Payments to suppliers	(71,336)	(86,483)
Payments to employees	(74,376)	(80,849)
Net cash provided by operating activities	<u>209,835</u>	<u>174,521</u>
Cash flows used by non-capital financing activities:		
Transfers to other funds	(70,393)	(86,600)
Net cash used by non-capital financing activities	<u>(70,393)</u>	<u>(86,600)</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(2,363)	(1,585)
Long-term debt retirements	(8,761)	(8,577)
Impact fees received	42,400	10,116
Interest and fiscal charges paid	(3,719)	(3,979)
Net cash provided (used) by capital and related financing activities	<u>27,557</u>	<u>(4,025)</u>
Cash flows from investing activities:		
Interest received on cash and investments	22,147	5,678
Net cash provided by investing activities	<u>22,147</u>	<u>5,678</u>
Net increase in cash and cash equivalents	189,146	89,574
Cash and cash equivalents, January 1	<u>912,804</u>	<u>823,230</u>
Cash and cash equivalents, December 31	<u>\$ 1,101,950</u>	<u>912,804</u>

VILLAGE OF DOUSMAN
ANALYSIS OF UTILITY PLANT IN SERVICE AND ACCUMULATED DEPRECIATION
Proprietary Fund - Enterprise Fund
Water Utility
Year Ended December 31, 2023

	Utility Plant			Accumulated Depreciation				
	Balance Dec. 31, 2022	Additions	Disposals	Balance Dec. 31, 2023	Balance Dec. 31, 2022	Provision	Disposals	Balance Dec. 31, 2023
Wells and springs	\$ 116,576	-	-	116,576	116,576	-	-	116,576
Pumping plant:								
Land and land rights	675	-	-	675	-	-	-	-
Structures and improvements	200,863	-	-	200,863	121,003	6,428	-	127,431
Electric pumping equipment	123,718	-	-	123,718	69,022	5,443	-	74,465
Other pumping equipment	28,868	-	-	28,868	24,755	1,271	-	26,026
Water treatment plant	23,228	-	-	23,228	8,930	1,394	-	10,324
Transmission and distribution plant:								
Land and land rights	700	-	-	700	-	-	-	-
Distribution reservoirs and standpipes	495,350	-	-	495,350	202,315	9,412	-	211,727
Transmission and distribution mains	3,666,816	-	-	3,666,816	838,157	47,668	-	885,825
Services	629,623	-	-	629,623	333,006	18,259	-	351,265
Meters	211,483	2,363	-	213,846	54,684	11,696	-	66,380
Hydrants	549,501	-	-	549,501	198,332	12,089	-	210,421
General plant:								
Office furniture and equipment	14,027	-	-	14,027	14,027	-	-	14,027
Transportation equipment	46,186	-	-	46,186	46,186	-	-	46,186
Other general equipment	51,852	-	-	51,852	11,800	3,007	-	14,807
	\$ 6,159,466	2,363	-	6,161,829	2,038,793	116,667	-	2,155,460

Less: Meter depreciation
allocated to sewer utility (5,848)
110,819

VILLAGE OF DOUSMAN
COMPARATIVE STATEMENTS OF NET POSITION
Proprietary Fund - Enterprise Fund
Sewer Utility
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 755,631	804,611
Accounts receivable	184,960	177,175
Due from general fund	10,033	15,991
Supplies inventory	3,000	5,100
Restricted assets:		
Cash and cash equivalents:		
Debt service fund	91,387	90,162
Impact fee fund	1,141	1,086
Total current assets	<u>1,046,152</u>	<u>1,094,125</u>
Capital assets:		
Land	224,779	224,779
Plant, building and improvements	12,787,125	12,731,289
Machinery and equipment	2,902,349	2,897,709
	<u>15,914,253</u>	<u>15,853,777</u>
Accumulated depreciation	<u>(5,704,440)</u>	<u>(5,341,988)</u>
Net capital assets	<u>10,209,813</u>	<u>10,511,789</u>
Other assets:		
Cash and cash equivalents:		
Restricted - Equipment replacement fund	406,439	474,389
Special assessments receivable	39,024	39,024
Restricted - Net pension asset	-	43,195
Total other assets	<u>445,463</u>	<u>556,608</u>
Total assets	<u>11,701,428</u>	<u>12,162,522</u>
Deferred outflows of resources:		
Deferred outflows related to pensions	109,674	79,679
Deferred outflows related to OPEB	17,059	15,683
Total deferred outflows of resources	<u>126,733</u>	<u>95,362</u>

VILLAGE OF DOUSMAN
COMPARATIVE STATEMENTS OF NET POSITION
Proprietary Fund - Enterprise Fund
Sewer Utility
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Liabilities:		
Current liabilities:		
Accounts payable	\$ 13,824	31,163
Interest payable	15,174	16,610
Due to water utility	12,715	16,243
Current portion of long-term debt	343,507	334,509
Total current liabilities	<u>385,220</u>	<u>398,525</u>
Long-term liabilities:		
Unearned revenue	39,024	39,024
Promissory notes payable	996,844	1,179,623
Refunding bonds payable	409,165	443,607
Revenue bonds payable	2,054,476	2,180,762
Net pension liability	29,996	-
OPEB liability	21,775	31,110
Vested compensated absences	9,715	13,979
Total liabilities	<u>3,946,215</u>	<u>4,286,630</u>
Deferred inflows of resources:		
Deferred inflows related to pensions	61,328	94,796
Deferred inflows related to OPEB	15,336	3,771
Total deferred inflows of resources	<u>76,664</u>	<u>98,567</u>
Net position:		
Invested in capital assets, net of related debt	6,405,821	6,373,288
Restricted	425,930	503,553
Unrestricted	<u>973,531</u>	<u>995,846</u>
Total net position	<u>\$ 7,805,282</u>	<u>7,872,687</u>

VILLAGE OF DOUSMAN
COMPARATIVE STATEMENTS OF REVENUES AND EXPENSES
Proprietary Fund - Enterprise Fund
Sewer Utility
Years Ended December 31, 2023 and 2022

	2023	2022	Increase (Decrease)
Operating revenues:			
Sewer service charges:			
Residential	\$ 477,342	439,585	37,757
Commercial	135,401	127,208	8,193
Multi-family	22,970	20,362	2,608
Industrial	2,256	1,898	358
Public authorities	38,449	50,833	(12,384)
	<u>676,418</u>	<u>639,886</u>	<u>36,532</u>
Customers forfeited discounts	6,808	5,162	1,646
Other	16,674	8,465	8,209
Total operating revenues	<u>699,900</u>	<u>653,513</u>	<u>46,387</u>
Operating expenses:			
Operation and maintenance:			
Plant operation and maintenance:			
Salaries and wages	87,604	109,167	(21,563)
Maintenance and repairs	26,437	32,655	(6,218)
Sludge management	20,352	19,400	952
Operating supplies and expense	118,751	140,724	(21,973)
Transportation expenses	662	707	(45)
	<u>253,806</u>	<u>302,653</u>	<u>(48,847)</u>
General and administrative:			
Administrative salaries	11,000	11,000	-
Employee benefits	41,152	50,152	(9,000)
Office supplies and expense	8,892	10,807	(1,915)
Outside services	15,067	25,774	(10,707)
Insurance	14,546	13,771	775
D.N.R. fees	1,774	1,882	(108)
Other	3,719	3,172	547
	<u>96,150</u>	<u>116,558</u>	<u>(20,408)</u>
Total operation and maintenance	<u>349,956</u>	<u>419,211</u>	<u>(69,255)</u>
Depreciation	376,400	375,390	1,010
Taxes	7,892	9,608	(1,716)
Total operating expenses	<u>734,248</u>	<u>804,209</u>	<u>(69,961)</u>
Operating loss	<u>(34,348)</u>	<u>(150,696)</u>	<u>116,348</u>
Non-operating income (expense):			
Loss on disposal of assets	(9,900)	-	(9,900)
Investment income	35,095	9,718	25,377
Interest expense	(93,916)	(102,457)	8,541
Total non-operating income (expense)	<u>(68,721)</u>	<u>(92,739)</u>	<u>24,018</u>
Loss before contributions	<u>(103,069)</u>	<u>(243,435)</u>	<u>140,366</u>
Capital contributions	<u>35,664</u>	<u>12,324</u>	<u>23,340</u>
Change in net position	<u>\$ (67,405)</u>	<u>(231,111)</u>	<u>163,706</u>

VILLAGE OF DOUSMAN
COMPARATIVE STATEMENTS OF CASH FLOWS
Proprietary Fund - Enterprise Fund
Sewer Utility
Years Ended December 31, 2023 and 2022

Increase (Decrease) in Cash and Cash Equivalents

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Receipts from customers	\$ 701,296	566,394
Payments to suppliers	(245,930)	(250,742)
Payments to employees	<u>(133,438)</u>	<u>(171,308)</u>
Net cash provided by operating activities	<u>321,928</u>	<u>144,344</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(78,476)	(13,747)
Long-term debt retirements	(334,509)	(326,393)
Impact fees received	35,664	8,508
Interest and fiscal charges paid	<u>(95,352)</u>	<u>(103,856)</u>
Net cash used by capital and related financing activities	<u>(472,673)</u>	<u>(435,488)</u>
Cash flows from investing activities:		
Interest received on cash and investments	35,095	10,882
Maturities of non-negotiable certificates of deposits	<u>-</u>	<u>100,000</u>
Net cash provided by investing activities	<u>35,095</u>	<u>110,882</u>
Net decrease in cash and cash equivalents	(115,650)	(180,262)
Cash and cash equivalents, January 1	<u>1,370,248</u>	<u>1,550,510</u>
Cash and cash equivalents, December 31	\$ <u><u>1,254,598</u></u>	<u><u>1,370,248</u></u>

VILLAGE OF DOUSMAN
ANALYSIS OF UTILITY PLANT IN SERVICE AND ACCUMULATED DEPRECIATION
Proprietary Fund - Enterprise Fund
Sewer Utility
Year Ended December 31, 2023

	Utility Plant				Accumulated Depreciation			
	Balance Dec. 31, 2022	Additions	Disposals	Balance Dec. 31, 2023	Balance Dec. 31, 2022	Provision	Disposals	Balance Dec. 31, 2023
Collection system:								
Services and connections	\$ 586,969	-	-	586,969	167,280	11,641	-	178,921
Collection mains and services	2,178,658	-	-	2,178,658	660,717	42,949	-	703,666
Force mains	465,155	-	-	465,155	67,213	9,303	-	76,516
Other equipment	606	-	-	606	333	12	-	345
Collection system pumping installations:								
Land and land rights	6,689	-	-	6,689	-	-	-	-
Structures and improvements	735,519	-	-	735,519	281,873	12,676	-	294,549
Electrical pumping equipment	197,453	-	-	197,453	149,476	7,381	-	156,857
Other power pumping equipment	40,545	-	-	40,545	33,976	811	-	34,787
Other equipment	47,627	-	-	47,627	22,031	1,191	-	23,222
Treatment and disposal plant:								
Land and land rights	198,590	-	-	198,590	-	-	-	-
Land improvements	5,500	55,836	-	61,336	385	1,506	-	1,891
Structures and improvements	8,308,584	-	-	8,308,584	2,366,117	163,665	-	2,529,782
Preliminary treatment equipment	614,113	-	-	614,113	383,688	31,741	-	415,429
Secondary treatment equipment	855,074	16,410	10,000	861,484	588,365	32,791	6,500	614,656
Advanced treatment equipment	107,499	-	-	107,499	107,499	-	-	107,499
Chlorination equipment	169,066	-	-	169,066	108,868	8,710	-	117,578
Sludge treatment and disposal equipment	511,165	6,230	8,000	509,395	70,394	18,566	1,600	87,360
Plant site piping	450,904	-	-	450,904	123,833	9,018	-	132,851
Flow metering and monitoring equipment	35,283	-	-	35,283	17,892	2,458	-	20,350
Other equipment	68,301	-	-	68,301	66,975	139	-	67,114
General plant:								
Office furniture and fixtures	3,500	-	-	3,500	2,450	700	-	3,150
Other equipment	247,477	-	-	247,477	122,623	15,294	-	137,917
Land held for future use	19,500	-	-	19,500	-	-	-	-
	<u>\$ 15,853,777</u>	<u>78,476</u>	<u>18,000</u>	<u>15,914,253</u>	<u>5,341,988</u>	<u>370,552</u>	<u>8,100</u>	<u>5,704,440</u>
Plus: Meter depreciation allocated from water utility						<u>5,848</u>		
						<u>376,400</u>		

FORM OF LEGAL OPINION

(See following pages)

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

October 2, 2024

Re: Village of Dousman, Wisconsin ("Issuer")
\$5,395,000 General Obligation Promissory Notes, Series 2024A,
dated October 2, 2024 ("Notes")

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

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

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

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2029	\$100,000	____%
2030	100,000	____
2031	100,000	____
2032	100,000	____
2033	325,000	____
2034	325,000	____
2035	325,000	____
2036	325,000	____
2037	325,000	____
2038	325,000	____
2039	375,000	____
2040	375,000	____
2041	375,000	____
2042	415,000	____
2043	725,000	____
2044	780,000	____

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

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

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

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

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

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

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

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

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

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

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

QUARLES & BRADY LLP

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Village as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Village or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the Village or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The Village may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Village believes to be reliable, but the Village takes no responsibility for the accuracy thereof.

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Village of Dousman, Waukesha County, Wisconsin (the "Issuer") in connection with the issuance of \$5,395,000 General Obligation Promissory Notes, Series 2024A, dated October 2, 2024 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on September 9, 2024 (the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data annually and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). The Issuer is an obligated person with respect to not more than \$10,000,000 in aggregate amount of outstanding municipal securities (including the Securities but excluding obligations exempt from the Rule). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

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

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

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

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

"Final Official Statement" means the Final Official Statement dated September 9, 2024 delivered in connection with the Securities, which is available from the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include

municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

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

"Issuer" means the Village of Dousman, Waukesha County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Village Clerk of the Issuer who can be contacted at 118 S. Main Street, Dousman, Wisconsin 53118, phone (262) 965-3792, fax (262) 965-4286.

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

"SEC" means the Securities and Exchange Commission.

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

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year ending December 31, 2024, 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.

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

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

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

Section 5. Reporting of Listed Events.

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

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

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

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

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

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

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 2nd day of October, 2024.

(SEAL)

Cindy Queen
President

Gina L. Kozlik
Village Administrator/Clerk/Treasurer

NOTICE OF SALE

**\$5,395,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2024A
VILLAGE OF DOUSMAN, WISCONSIN**

Bids for the purchase of \$5,395,000* General Obligation Promissory Notes, Series 2024A (the "Notes") of the Village of Dousman, Wisconsin (the "Village") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the Village, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via bondsale@ehlers-inc.com or **PARITY**, in the manner described below, until 10:00 A.M. Central Time, on September 9, 2024, at which time they will be opened, read and tabulated. The bids will be presented to the Village Board for consideration for award by resolution at a meeting to be held at 6:00 P.M., Central Time, on the same date. The bid offering to purchase the Notes upon the terms specified herein and most favorable to the Village will be accepted unless all bids are rejected.

AUTHORITY; PURPOSE; SECURITY

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the Village, for public purposes, including paying the cost of public improvements in Tax Incremental District No. 2 pursuant to a development agreement with MLG Dousman Investment LLC regarding Talbot's Woods. The Notes are general obligations of the Village, and all the taxable property in the Village is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount.

DATES AND MATURITIES

The Notes will be dated October 2, 2024, will be issued as fully registered Notes in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on April 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2029	\$100,000	2035	\$325,000	2041	\$375,000
2030	100,000	2036	325,000	2042	415,000
2031	100,000	2037	325,000	2043	725,000
2032	100,000	2038	325,000	2044	780,000
2033	325,000	2039	375,000		
2034	325,000	2040	375,000		

ADJUSTMENT OPTION

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

TERM BOND OPTION

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

INTEREST PAYMENT DATES AND RATES

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

BOOK-ENTRY-ONLY FORMAT

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

PAYING AGENT

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

OPTIONAL REDEMPTION

At the option of the Village, the Notes maturing on or after April 1, 2036 shall be subject to optional redemption prior to maturity on April 1, 2035 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

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

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

DELIVERY

On or about October 2, 2024, the Notes will be delivered without cost to the winning bidder at DTC. On the day of closing, the Village will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Notes is then pending or, to the best knowledge of officers of the Village, threatened. Payment for the Notes must be received by the Village at its designated depository on the date of closing in immediately available funds.

LEGAL MATTERS

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

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

SUBMISSION OF BIDS

Bids must not be for less than \$5,327,562.50, nor more than \$5,934,500, plus accrued interest on the principal sum of \$5,395,000 from date of original issue of the Notes to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

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

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

A good faith deposit ("Deposit") in the amount of \$107,900 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The Village reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the Village may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the Village as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

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

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

AWARD

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

BOND INSURANCE

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

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

CUSIP NUMBERS

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

CONTINUING DISCLOSURE

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

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

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

- (1) The Village shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential investors;

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

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

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

(d) 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 Notes to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Notes, that the underwriters will neither offer nor sell unsold Notes of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (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 Notes to the public at a price that is no higher than the initial offering price to the public.

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

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

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

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

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Notes to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, as set forth in the third-party distribution agreement and the related pricing wires. The Village further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the

requirements for establishing issue price rule of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Notes.

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

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

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

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

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

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

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

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

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

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

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Village (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Notes to the public

(including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the public),

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

PRELIMINARY OFFICIAL STATEMENT

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

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

By Order of the Village Board

Gina Kozlik, Village Administrator/Clerk/Treasurer
Village of Dousman, Wisconsin

BID FORM

The Village Board
Village of Dousman, Wisconsin (the "Village")

September 9, 2024

RE: \$5,395,000* General Obligation Promissory Notes, Series 2024A (the "Notes")
DATED: October 2, 2024

For all or none of the above Notes, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$_____ (not less than \$5,327,562.50, nor more than \$5,934,500) plus accrued interest to date of delivery for fully registered Notes bearing interest rates and maturing in the stated years as follows:

_____ % due 2029	_____ % due 2035	_____ % due 2041
_____ % due 2030	_____ % due 2036	_____ % due 2042
_____ % due 2031	_____ % due 2037	_____ % due 2043
_____ % due 2032	_____ % due 2038	_____ % due 2044
_____ % due 2033	_____ % due 2039	
_____ % due 2034	_____ % due 2040	

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

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

A good faith deposit ("Deposit") in the amount of \$107,900 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The Village reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the Village may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the Village as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Notes to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about October 2, 2024.

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

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

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

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

If the competitive sale requirements are not met, we elect to use either the: ____ 10% test, or the ____ hold-the-offering-price rule to determine the issue price of the Notes.

Account Manager: _____ By: _____
Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from October 2, 2024 of the above bid is \$_____ and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted by and on behalf of the Village Board of the Village of Dousman, Wisconsin, on September 9, 2024.

By: _____ By: _____
Title: _____ Title: _____