

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 22, 2025

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

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 not be designated as "qualified tax-exempt obligations".

New Issue

Rating: Moody's Investors Service, Inc. "Aa2"

VILLAGE OF OREGON, WISCONSIN (Dane County)

\$4,720,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2025B

BID OPENING: April 29, 2025, 10:00 A.M., C.T.

CONSIDERATION: Not later than 11:59 P.M., C.T. on April 29, 2025 (PARAMETERS RESOLUTION)

PURPOSE/AUTHORITY/SECURITY: The \$4,720,000* General Obligation Promissory Notes, Series 2025B (the "Notes") are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the Village of Oregon, Wisconsin (the "Village"), for public purposes, including street improvements, police and fire department projects and equipment, public works facility improvements and equipment and vehicles, Senior Center facility projects, stormwater system projects and water system projects. The Notes are general obligations of the Village, and all the taxable property in the Village is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF NOTES: May 15, 2025

MATURITY: March 1 as follows:

| <u>Year</u> | <u>Amount*</u> | <u>Year</u> | <u>Amount*</u> | <u>Year</u> | <u>Amount*</u> |
|-------------|----------------|-------------|----------------|-------------|----------------|
| 2026 | \$860,000 | 2031 | \$255,000 | 2036 | \$265,000 |
| 2027 | 330,000 | 2032 | 255,000 | 2037 | 270,000 |
| 2028 | 265,000 | 2033 | 260,000 | 2038 | 270,000 |
| 2029 | 270,000 | 2034 | 260,000 | 2039 | 345,000 |
| 2030 | 275,000 | 2035 | 265,000 | 2040 | 275,000 |

***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, with the amount of principal due in 2026 to be determined by the authorized officer so that the amount required to be levied to pay debt service on all general obligation debt outstanding, including the Notes, will be approximately \$4,030,000 in 2026, principal increases or decreases may be made to any maturity from 2027 through 2040 up to a maximum of \$100,000 per maturity. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BONDS:

See "Term Bond Option" herein.

INTEREST:

March 1, 2026 and semiannually thereafter.

OPTIONAL REDEMPTION:

Notes maturing on March 1, 2035 and thereafter are subject to call for prior optional redemption on March 1, 2034 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

MINIMUM BID:

\$4,661,000.

MAXIMUM BID:

\$5,050,400.

GOOD FAITH DEPOSIT:

A good faith deposit in the amount of \$94,400 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT:

Bond Trust Services Corporation.

BOND 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).



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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 Preliminary 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 Preliminary 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 Preliminary 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 Preliminary 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. Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein. 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 Preliminary 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 Preliminary 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 Preliminary 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 Preliminary 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 Preliminary 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 Preliminary 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 Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Notes; (3) a certificate evidencing the due execution of the Notes, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Notes, (b) neither the corporate existence or boundaries of the Village nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Notes have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the Village which indicates that the Village does not expect to use the proceeds of the Notes in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

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VILLAGE OF OREGON VILLAGE BOARD

| | | <u>Term Expires</u> |
|------------------|-------------------|---------------------|
| Phil Van Kampen | Village President | April 2027 |
| Tim Higgins | Village Trustee | April 2027 |
| Tom Kirchdoerfer | Village Trustee | April 2026 |
| Paige Knipfer | Village Trustee | April 2027 |
| Jason Mahnke | Village Trustee | April 2027 |
| Lynn McDaniel | Village Trustee | April 2026 |
| Amanda Peterson | Village Trustee | April 2026 |

ADMINISTRATION

Martin Shanks, Village Administrator
Lisa Novinska, Finance Director/Treasurer
Candie Jones, Village Clerk

PROFESSIONAL SERVICES

Stafford Rosenbaum LLP, Village Attorney, Madison, Wisconsin

Quarles & Brady LLP, Bond Counsel, Milwaukee, Wisconsin

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

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the Village of Oregon, Wisconsin (the "Village") and the issuance of its \$4,720,000* General Obligation Promissory Notes, Series 2025B (the "Notes"). **The Village Board adopted a resolution on April 7, 2025 (the "Parameters Resolution"), which authorized the Finance Director/Treasurer or the Village Administrator to accept a bid for the Notes if the parameters and conditions set forth in the Parameters Resolution are met. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on April 29, 2025, then neither the Finance Director/Treasurer nor the Village Administrator will have the authority to award the sale of the Notes, and all bids will be rejected.**

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

THE NOTES

GENERAL

The Notes will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of May 15, 2025. The Notes will mature on March 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on March 1 and September 1 of each year, commencing March 1, 2026, 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 Parameters 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 March 1, 2035 shall be subject to optional redemption prior to maturity on March 1, 2034 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 street improvements, police and fire department projects and equipment, public works facility improvements and equipment and vehicles, Senior Center facility projects, stormwater system projects and water system projects.

ESTIMATED SOURCES AND USES*

| | | |
|--------------------------------------|---------------|--------------------|
| Sources | | |
| Par Amount of Notes | \$4,720,000 | |
| Estimated Interest Earnings | <u>44,000</u> | |
| Total Sources | | \$4,764,000 |
| Uses | | |
| Estimated Underwriter's Discount | \$59,000 | |
| Cost of Issuance | 72,650 | |
| Deposit to Project Construction Fund | 4,627,962 | |
| Rounding Amount | <u>4,388</u> | |
| Total Uses | | \$4,764,000 |

*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

The Village received a rating of "Aa2" on the Notes from Moody's Investors Service, Inc. ("Moody's"), and bidders were notified as to the assigned rating prior to the sale. Such rating, reflects only the views of such organization and explanations of the significance of such rating may be obtained from Moody's.

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

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

CONTINUING DISCLOSURE

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

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

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

The Village did not timely file notice of incurrence of multiple financial obligations during the previous five years. Except to the extent that the preceding is deemed to be material, the Village believes it has not failed to comply in the previous five years in all material respects with its prior undertakings under the Rule. The Village has reviewed its continuing disclosure responsibilities, including the two new material events, to help ensure compliance in the future. Ehlers is currently engaged as dissemination agent for the Village.

LEGAL OPINION

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).

STATEMENT REGARDING COUNSEL PARTICIPATION

Bond Counsel has not assumed responsibility for the Preliminary Official Statement or participated in its preparation (except with respect to the section entitled "TAX EXEMPTION" in the Preliminary Official Statement and the "FORM OF LEGAL OPINION" found in Appendix B).

TAX EXEMPTION

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

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

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

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

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

ORIGINAL ISSUE DISCOUNT

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

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

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

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

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

BOND PREMIUM

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

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

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

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

NOT QUALIFIED TAX-EXEMPT OBLIGATIONS

The Notes shall not be "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

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 Preliminary 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 Preliminary Official Statement, and its assistance in preparing this Preliminary 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 Johnson Block & Company, Inc., Middleton, 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 Preliminary Official Statement.

RISK FACTORS

The following is a description of possible risks to holders of the Notes without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

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 of Wisconsin (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 Parameters 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.

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Notes. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement and the Appendices hereto.

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 | \$1,948,853,600 |
| 2024 Equalized Value Reduced by Tax Increment Valuation | \$1,868,548,600 |
| 2024 Assessed Value | \$1,819,182,600 |

2024 EQUALIZED VALUE BY CLASSIFICATION

| | 2024 Equalized Value¹ | Percent of Total Equalized Value |
|--------------------------------|---|---|
| Residential | \$1,690,581,900 | 86.748% |
| Commercial | 224,537,300 | 11.522% |
| Manufacturing | 33,717,700 | 1.730% |
| Agricultural | 16,700 | 0.001% |
| Personal Property ² | <u>0</u> | <u>0.000%</u> |
| Total | <u><u>\$1,948,853,600</u></u> | <u><u>100.000%</u></u> |

TREND OF VALUATIONS

| Year | Assessed Value | Equalized Value ¹ | Percent Increase/Decrease in Equalized Value |
|------|-------------------|---------------------------------|--|
| 2020 | \$1,289,412,070 | \$1,312,188,300 | 6.47% |
| 2021 | 1,392,336,831 | 1,411,777,900 | 7.59% |
| 2022 | 1,568,994,142 | 1,587,674,000 | 12.46% |
| 2023 | 1,772,574,660 | 1,820,588,000 | 14.67% |
| 2024 | 1,819,182,600 | 1,948,853,600 | 7.05% |

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

¹ Includes tax increment valuation.

² 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 | 2024 Equalized Value ¹ | Percent of Village's Total Equalized Value |
|---|---------------------------|---|--|
| Prairie Brook Apartments LLC | Commercial | \$14,612,580 | 0.75% |
| Bergamont Townhomes LLC | Commercial | 10,499,293 | 0.54% |
| Individual | Residential/Commercial | 9,909,875 | 0.51% |
| Oregon Apartments LLC | Commercial | 8,454,005 | 0.43% |
| JKK Thyse Properties LLC | Commercial | 8,013,281 | 0.41% |
| V&O Investors LLC | Commercial | 7,219,034 | 0.37% |
| 25 O'Brien Court LLC | Residential/Commercial | 7,053,521 | 0.36% |
| Bergamont Golf Course | Golf Course | 6,560,840 | 0.34% |
| Pine Cove Apartments | Commercial | 5,756,844 | 0.30% |
| DECEM Properties LLC | Commercial | <u>5,641,896</u> | <u>0.29%</u> |
| Total | | \$83,721,169 | 4.30% |
| Village's Total 2024 Equalized Value ² | | \$1,948,853,600 | |

Source: The Village.

DEBT

DIRECT DEBT³

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Notes)* \$42,941,862

Revenue Debt (see schedules following)

Total revenue debt secured by water and sewerage revenues \$1,365,000

*Preliminary, subject to change.

¹ Calculated by dividing the 2024 Assessed Values by the 2024 Aggregate Ratio of assessment for the Village.

² Includes tax increment valuation.

³ Outstanding debt is as of the dated date of the Notes.

Other Obligations

| Issue Date | Original Amount | Name of Issue | Final Maturity | Amount Outstanding |
|------------|-----------------|---------------------------------|----------------|--------------------|
| 04/02/25 | \$2,858,000 | Revenue Bond Anticipation Notes | 01/01/27 | \$2,858,000 |

DEBT PAYMENT HISTORY

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

FUTURE FINANCING

The Village expects to issue a Revenue Bond Anticipation Note, Clean Water Fund Loan, and a Safe Drinking Water Fund Loan in the next 12 months, but exact amounts and timing have not yet been determined. Aside from 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 | \$1,948,853,600 |
| Multiply by 5% | <u>0.05</u> |
| Statutory Debt Limit | \$97,442,680 |
| Less: General Obligation Debt* | <u>(42,941,862)</u> |
| Unused Debt Limit* | <u><u>\$54,500,818</u></u> |

*Preliminary, subject to change.

Village of Oregon, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 05/15/2025)

| | Corporate Purpose Bonds Series 2015A | | Promissory Notes Series 2016A | | Promissory Notes Series 2017A | | Corporate Purpose Bonds Series 2017B | | State Trust Fund Loan | |
|-------------------------|---|----------|----------------------------------|----------|----------------------------------|----------|---|----------|-----------------------|----------|
| Dated | 05/06/2015 | | 07/13/2016 | | 06/08/2017 | | 06/08/2017 | | 12/13/2017 | |
| Amount | \$4,815,000 | | \$2,340,000 | | \$1,550,000 | | \$1,950,000 | | \$550,000 | |
| Maturity | 03/01 | | 03/01 | | 03/01 | | 03/01 | | 03/15 | |
| Calendar Year Ending | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2025 | 0 | 15,644 | 0 | 1,969 | 0 | 3,600 | 0 | 17,688 | 0 | 0 |
| 2026 | 435,000 | 26,394 | 210,000 | 1,969 | 120,000 | 5,400 | 95,000 | 33,950 | 26,418 | 15,874 |
| 2027 | 420,000 | 16,250 | | | 120,000 | 1,800 | 95,000 | 31,100 | 27,475 | 14,818 |
| 2028 | 440,000 | 5,500 | | | | | 95,000 | 28,250 | 28,536 | 13,756 |
| 2029 | | | | | | | 100,000 | 25,325 | 29,715 | 12,577 |
| 2030 | | | | | | | 95,000 | 22,400 | 30,904 | 11,389 |
| 2031 | | | | | | | 95,000 | 19,550 | 32,140 | 10,153 |
| 2032 | | | | | | | 95,000 | 16,700 | 33,401 | 8,891 |
| 2033 | | | | | | | 95,000 | 13,731 | 34,762 | 7,531 |
| 2034 | | | | | | | 95,000 | 10,644 | 36,152 | 6,140 |
| 2035 | | | | | | | 85,000 | 7,613 | 37,598 | 4,694 |
| 2036 | | | | | | | 85,000 | 4,638 | 39,093 | 3,199 |
| 2037 | | | | | | | 90,000 | 1,575 | 40,666 | 1,627 |
| 2038 | | | | | | | | | | |
| 2039 | | | | | | | | | | |
| 2040 | | | | | | | | | | |
| 2041 | | | | | | | | | | |
| 2042 | | | | | | | | | | |
| 2043 | | | | | | | | | | |
| 2044 | | | | | | | | | | |
| | 1,295,000 | 63,788 | 210,000 | 3,938 | 240,000 | 10,800 | 1,120,000 | 233,163 | 396,862 | 110,650 |

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Village of Oregon, Wisconsin
 Schedule of Bonded Indebtedness continued
 General Obligation Debt Secured by Taxes
 (As of 05/15/2025)

| | Promissory Notes Series 2018A | | Corporate Purpose Bonds Series 2018B | | Promissory Notes Series 2019A | | Corporate Purpose Bonds Series 2019B | | Promissory Notes Series 2020A | |
|--------------------|----------------------------------|-----------------|---|-----------------|----------------------------------|-----------------|---|-----------------|----------------------------------|-----------------|
| Dated | 06/20/2018 | | 06/20/2018 | | 06/13/2019 | | 06/13/2019 | | 05/06/2020 | |
| Amount | \$645,000 | | \$3,880,000 | | \$860,000 | | \$2,655,000 | | \$1,325,000 | |
| Maturity | 03/01 | | 03/01 | | 03/01 | | 03/01 | | 03/01 | |
| Calendar | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| Year Ending | | | | | | | | | | |
| 2025 | 0 | 3,120 | 0 | 37,238 | 0 | 3,225 | 0 | 26,625 | 0 | 9,300 |
| 2026 | 70,000 | 5,295 | 200,000 | 71,475 | 110,000 | 4,800 | 150,000 | 50,250 | 140,000 | 16,500 |
| 2027 | 75,000 | 3,263 | 205,000 | 65,400 | 105,000 | 1,575 | 150,000 | 44,250 | 140,000 | 12,300 |
| 2028 | 75,000 | 1,088 | 205,000 | 59,250 | | | 155,000 | 38,925 | 165,000 | 8,550 |
| 2029 | | | 180,000 | 53,475 | | | 155,000 | 34,275 | 165,000 | 5,250 |
| 2030 | | | 185,000 | 48,000 | | | 155,000 | 29,625 | 180,000 | 1,800 |
| 2031 | | | 180,000 | 42,525 | | | 130,000 | 25,350 | | |
| 2032 | | | 180,000 | 37,125 | | | 130,000 | 21,450 | | |
| 2033 | | | 180,000 | 31,613 | | | 130,000 | 17,550 | | |
| 2034 | | | 180,000 | 25,988 | | | 130,000 | 13,650 | | |
| 2035 | | | 180,000 | 20,363 | | | 130,000 | 9,750 | | |
| 2036 | | | 180,000 | 14,625 | | | 130,000 | 5,850 | | |
| 2037 | | | 180,000 | 8,775 | | | 130,000 | 1,950 | | |
| 2038 | | | 180,000 | 2,925 | | | | | | |
| 2039 | | | | | | | | | | |
| 2040 | | | | | | | | | | |
| 2041 | | | | | | | | | | |
| 2042 | | | | | | | | | | |
| 2043 | | | | | | | | | | |
| 2044 | | | | | | | | | | |
| | 220,000 | 12,765 | 2,415,000 | 518,775 | 215,000 | 9,600 | 1,675,000 | 319,500 | 790,000 | 53,700 |

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Village of Oregon, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 05/15/2025)

| | Corporate Purpose Bonds Series 2020B | | Taxable Refunding Bonds Series 2020C | | Corporate Purpose Bonds Series 2021A | | Corporate Purpose Bonds Series 2022A | | Corporate Purpose Bonds Series 2023A | |
|-------------------------|---|----------|---|----------|---|-----------|---|-----------|---|-----------|
| Dated | 05/06/2020 | | 05/06/2020 | | 05/26/2021 | | 06/01/2022 | | 06/08/2023 | |
| Amount | \$3,715,000 | | \$1,035,000 | | \$11,980,000 | | \$6,100,000 | | \$7,030,000 | |
| Maturity | 03/01 | | 03/01 | | 03/01 | | 03/01 | | 03/01 | |
| Calendar Year Ending | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2025 | 0 | 33,288 | 0 | 11,640 | 0 | 113,825 | 0 | 82,831 | 0 | 119,631 |
| 2026 | 310,000 | 61,925 | 50,000 | 22,530 | 545,000 | 219,475 | 110,000 | 164,013 | 290,000 | 232,013 |
| 2027 | 335,000 | 52,250 | 50,000 | 21,030 | 595,000 | 202,375 | 145,000 | 160,188 | 290,000 | 217,513 |
| 2028 | 340,000 | 42,125 | 55,000 | 19,648 | 620,000 | 184,150 | 325,000 | 153,138 | 270,000 | 203,513 |
| 2029 | 340,000 | 33,625 | 55,000 | 18,383 | 630,000 | 165,400 | 325,000 | 143,388 | 345,000 | 188,138 |
| 2030 | 200,000 | 28,225 | 55,000 | 17,118 | 635,000 | 146,425 | 325,000 | 133,638 | 315,000 | 171,638 |
| 2031 | 325,000 | 22,975 | 60,000 | 15,690 | 600,000 | 127,900 | 325,000 | 123,481 | 315,000 | 155,888 |
| 2032 | 225,000 | 17,475 | 60,000 | 14,100 | 560,000 | 113,300 | 310,000 | 113,163 | 325,000 | 139,888 |
| 2033 | 200,000 | 13,225 | 60,000 | 12,510 | 570,000 | 102,000 | 310,000 | 103,088 | 330,000 | 123,513 |
| 2034 | 175,000 | 9,475 | 60,000 | 10,860 | 575,000 | 90,550 | 310,000 | 93,013 | 285,000 | 108,138 |
| 2035 | 150,000 | 6,225 | 65,000 | 9,079 | 575,000 | 79,050 | 335,000 | 82,531 | 290,000 | 93,763 |
| 2036 | 125,000 | 3,413 | 65,000 | 7,226 | 580,000 | 67,500 | 350,000 | 71,400 | 290,000 | 81,800 |
| 2037 | 100,000 | 1,050 | 70,000 | 5,250 | 580,000 | 55,900 | 325,000 | 60,350 | 290,000 | 72,194 |
| 2038 | | | 70,000 | 3,150 | 615,000 | 43,950 | 325,000 | 49,544 | 290,000 | 62,225 |
| 2039 | | | 70,000 | 1,050 | 635,000 | 31,450 | 325,000 | 38,413 | 290,000 | 52,075 |
| 2040 | | | | | 640,000 | 18,700 | 310,000 | 27,300 | 290,000 | 41,200 |
| 2041 | | | | | 615,000 | 6,150 | 310,000 | 16,450 | 295,000 | 29,500 |
| 2042 | | | | | | | 315,000 | 5,513 | 295,000 | 17,700 |
| 2043 | | | | | | | | | 295,000 | 5,900 |
| 2044 | | | | | | | | | | |
| | 2,825,000 | 325,275 | 845,000 | 189,263 | 9,570,000 | 1,768,100 | 5,080,000 | 1,621,438 | 5,390,000 | 2,116,225 |

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Village of Oregon, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 05/15/2025)

| Dated Amount | Promissory Notes Series 2024A | | Promissory Notes Series 2025B | | Total Principal | Total Interest | Total P & I | Principal Outstanding | % Paid | Calendar Year Ending |
|-------------------------|----------------------------------|-----------|----------------------------------|-----------------------|-----------------|----------------|-------------|--------------------------|---------|----------------------------|
| | 06/06/2024 \$6,575,000 | 03/01 | 05/15/2025 \$4,720,000* | 03/01 | | | | | | |
| Calendar Year Ending | Principal | Interest | Principal | Estimated Interest | | | | | | |
| 2025 | 0 | 137,825 | 0 | 0 | 0 | 617,448 | 617,448 | 42,941,862 | .00% | 2025 |
| 2026 | 310,000 | 267,900 | 860,000 | 192,990 | 4,031,418 | 1,392,752 | 5,424,171 | 38,910,444 | 9.39% | 2026 |
| 2027 | 315,000 | 252,275 | 330,000 | 127,651 | 3,397,475 | 1,224,036 | 4,621,511 | 35,512,969 | 17.30% | 2027 |
| 2028 | 330,000 | 236,150 | 265,000 | 118,359 | 3,368,536 | 1,112,400 | 4,480,936 | 32,144,432 | 25.14% | 2028 |
| 2029 | 330,000 | 219,650 | 270,000 | 109,919 | 2,924,715 | 1,009,403 | 3,934,119 | 29,219,717 | 31.96% | 2029 |
| 2030 | 335,000 | 203,025 | 275,000 | 101,239 | 2,785,904 | 914,520 | 3,700,424 | 26,433,813 | 38.44% | 2030 |
| 2031 | 335,000 | 186,275 | 255,000 | 92,746 | 2,652,140 | 822,533 | 3,474,673 | 23,781,673 | 44.62% | 2031 |
| 2032 | 335,000 | 169,525 | 255,000 | 84,548 | 2,508,401 | 736,164 | 3,244,566 | 21,273,272 | 50.46% | 2032 |
| 2033 | 335,000 | 152,775 | 260,000 | 76,166 | 2,504,762 | 653,700 | 3,158,462 | 18,768,510 | 56.29% | 2033 |
| 2034 | 335,000 | 136,025 | 260,000 | 67,547 | 2,441,152 | 572,028 | 3,013,180 | 16,327,358 | 61.98% | 2034 |
| 2035 | 285,000 | 120,525 | 265,000 | 58,660 | 2,397,598 | 492,252 | 2,889,850 | 13,929,759 | 67.56% | 2035 |
| 2036 | 290,000 | 106,150 | 265,000 | 49,478 | 2,399,093 | 415,278 | 2,814,371 | 11,530,666 | 73.15% | 2036 |
| 2037 | 290,000 | 91,650 | 270,000 | 39,778 | 2,365,666 | 340,098 | 2,705,764 | 9,165,000 | 78.66% | 2037 |
| 2038 | 295,000 | 78,500 | 270,000 | 29,585 | 2,045,000 | 269,879 | 2,314,879 | 7,120,000 | 83.42% | 2038 |
| 2039 | 300,000 | 66,600 | 345,000 | 17,728 | 1,965,000 | 207,315 | 2,172,315 | 5,155,000 | 88.00% | 2039 |
| 2040 | 305,000 | 54,500 | 275,000 | 5,500 | 1,820,000 | 147,200 | 1,967,200 | 3,335,000 | 92.23% | 2040 |
| 2041 | 305,000 | 42,300 | | | 1,525,000 | 94,400 | 1,619,400 | 1,810,000 | 95.78% | 2041 |
| 2042 | 305,000 | 30,100 | | | 915,000 | 53,313 | 968,313 | 895,000 | 97.92% | 2042 |
| 2043 | 300,000 | 18,000 | | | 595,000 | 23,900 | 618,900 | 300,000 | 99.30% | 2043 |
| 2044 | 300,000 | 6,000 | | | 300,000 | 6,000 | 306,000 | 0 | 100.00% | 2044 |
| | 5,935,000 | 2,575,750 | 4,720,000 | 1,171,890 | 42,941,862 | 11,104,618 | 54,046,480 | | | |

* Preliminary, subject to change.

**Village of Oregon, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Sewerage and Water Revenues
(As of 05/15/2025)**

**Water and Sewerage Revenue
Bonds
Series 2022B**

| Dated Amount | 07/13/2022 \$1,695,000 | | | | | | | |
|-----------------------------|---------------------------|-----------------|------------------------|-----------------------|------------------------|------------------------------|---------------|-----------------------------|
| Maturity | 05/01 | | | | | | | |
| Calendar Year Ending | Principal | Interest | Total Principal | Total Interest | Total P & I | Principal Outstanding | % Paid | Calendar Year Ending |
| 2025 | 0 | 22,185 | 0 | 22,185 | 22,185 | 1,365,000 | .00% | 2025 |
| 2026 | 110,000 | 42,720 | 110,000 | 42,720 | 152,720 | 1,255,000 | 8.06% | 2026 |
| 2027 | 110,000 | 39,420 | 110,000 | 39,420 | 149,420 | 1,145,000 | 16.12% | 2027 |
| 2028 | 110,000 | 36,120 | 110,000 | 36,120 | 146,120 | 1,035,000 | 24.18% | 2028 |
| 2029 | 145,000 | 32,223 | 145,000 | 32,223 | 177,223 | 890,000 | 34.80% | 2029 |
| 2030 | 145,000 | 27,655 | 145,000 | 27,655 | 172,655 | 745,000 | 45.42% | 2030 |
| 2031 | 145,000 | 22,943 | 145,000 | 22,943 | 167,943 | 600,000 | 56.04% | 2031 |
| 2032 | 150,000 | 18,038 | 150,000 | 18,038 | 168,038 | 450,000 | 67.03% | 2032 |
| 2033 | 150,000 | 12,975 | 150,000 | 12,975 | 162,975 | 300,000 | 78.02% | 2033 |
| 2034 | 150,000 | 7,838 | 150,000 | 7,838 | 157,838 | 150,000 | 89.01% | 2034 |
| 2035 | 150,000 | 2,625 | 150,000 | 2,625 | 152,625 | 0 | 100.00% | 2035 |
| | 1,365,000 | 264,740 | 1,365,000 | 264,740 | 1,629,740 | | | |

OVERLAPPING DEBT¹

| Taxing District | 2024 Equalized Value² | % In Village | Total G.O. Debt³ | Village's Proportionate Share |
|---|---|-------------------------|--|--|
| Dane County | \$107,504,867,100 | 1.8128% | \$758,555,000 | \$13,751,085 |
| Madison Technical College District | 146,867,638,440 | 1.3269% | 170,525,000 ⁴ | 2,262,696 |
| Oregon School District | 4,792,132,154 | 40.6678% | 69,480,000 | <u>28,255,987</u> |
| Village's Share of Total Overlapping Debt | | | | <u><u>\$44,269,769</u></u> |

DEBT RATIOS

| | G.O. Debt | Debt/Equalized Value \$1,948,853,600 | Debt/ Per Capita 12,066⁵ |
|---|-------------------|---|--|
| Total General Obligation Debt* | \$42,941,862 | 2.20% | \$3,558.91 |
| Village's Share of Total Overlapping Debt | <u>44,269,769</u> | <u>2.27%</u> | <u>3,668.97</u> |
| Total* | \$87,211,631 | 4.48% | \$7,227.88 |

*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, Wisconsin Department of Revenue, Wisconsin Department of Public Instruction and the Municipal Advisor's records.

⁴ Includes the \$3,000,000 General Obligation Promissory Notes, Series 2024-25I anticipated to close May 6, 2025.

⁵ 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 |
|----------|--------------------------------|-------------|--|
| 2020/21 | \$6,803,743 | 100% | \$5.28 |
| 2021/22 | 7,630,024 | 100% | 5.54 |
| 2022/23 | 8,456,584 | 100% | 5.51 |
| 2023/24 | 9,116,087 | 100% | 5.15 |
| 2024/25 | 9,727,790 | In Progress | 5.21 |

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.

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. Previously, personal property taxes were required to be paid to the town, city or village treasurer in full by January 31. 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 were formerly 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 |
|--|----------------------------|---------------|--------------|--------------|
| 2020/21 | \$12.06 | \$2.87 | \$5.28 | \$20.21 |
| 2021/22 | 11.20 | 2.89 | 5.54 | 19.63 |
| 2022/23 | 10.78 | 2.72 | 5.51 | 19.01 |
| 2023/24 | 10.12 | 2.76 | 5.15 | 18.03 |
| 2024/25 | 10.07 | 2.60 | 5.21 | 17.88 |

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

LEVY LIMITS

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

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

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

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

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

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

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

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

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

The 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 received approximately \$532,000 in shared revenue under Chapter 79, Wis. Stats., an increase from the approximately \$233,000 received in 2023. The

Village is expected to receive approximately \$599,000 in shared revenue under Chapter 79, Wis. Stats. in 2025. 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 1883 and is governed by a seven-member Village Board of which the Village President is a voting member. All are elected to two-year terms. The appointed Administrator, Finance Director/Treasurer and Village Clerk are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The Village employs a staff of 59 full-time, 32 part-time, and four seasonal employees. All eligible employees in the Village are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The WRS is a cost-sharing multiple-employer defined benefit pension plan. The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

Village employees are generally required to contribute half of the actuarially determined contributions, and the Village generally may not pay the employees' required contribution. During the fiscal year ended December 31, 2021, the fiscal year ended December 31, 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 \$323,400, \$338,032 and \$410,007, 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. As of December 31, 2023, the total pension liability of the WRS was calculated as \$129.2 billion and the fiduciary net position of the WRS was calculated as \$127.7 billion, resulting in a net pension liability of \$1.5 billion. Accordingly, the Village will report a liability for its proportionate share of the net pension liability of the WRS in its audited financial statements for the year ended December 31, 2024.

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 \$1,491,575 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 0.02815513% of the aggregate WRS net pension asset 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 9 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.

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. 2023CV3152*, 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 stated that the Act violates the equal protection clause of the Wisconsin Constitution and declared those provisions of the Act relating to collective bargaining modifications unconstitutional and void. The decision further instructed 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. On December 2, 2024, the court issued an order granting the plaintiffs' motion for judgment on the pleadings and striking down substantial portions of the Act. The court's decision has been appealed to the Wisconsin Court of Appeals. On January 23, 2025, the court granted a motion to stay the decision pending outcome of the appeal. No guarantee can be made regarding the outcome of the matter.

The following bargaining unit represents employees of the Village:

| Bargaining Unit | Expiration Date of Current Contract |
|------------------------|--|
| WPPA | December 31, 2026 |

OTHER POST EMPLOYMENT BENEFITS

The Village provides other post-employment benefits ("OPEB") through 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 \$1,078. For Fiscal Year 2022, the Village reported a liability of \$204,702 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 0.05373000% of the aggregate LRLIF net OPEB liability as of December 31, 2022.

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 10 in the "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 February 28, 2025)

| Fund | Total Cash and Investments |
|-------------------------|---------------------------------------|
| General | \$5,549,266 |
| Special Revenue | 3,437,983 |
| Debt Service | 302,098 |
| Capital Projects | 7,848,961 |
| Water | 3,307,602 |
| Sewer | 5,906,547 |
| Trust Agency | <u>10,045</u> |
| Total Funds on Hand | <u><u>\$26,362,502</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:

| | 2022 Audited | 2023 Audited | 2024 Projected |
|-------------------------------------|-------------------------|---------------------------|--------------------------------|
| Water | | | |
| Total Operating Revenues | \$1,380,371 | \$1,528,627 | \$1,851,354 |
| Less: Operating Expenses | <u>(1,401,458)</u> | <u>(1,253,344)</u> | <u>(2,027,782)¹</u> |
| Operating Income | (\$21,087) | \$275,283 | (\$176,428) |
| Plus: Depreciation | 431,707 | 465,223 | 498,224 |
| Interest Income | <u>92,010</u> | <u>263,036</u> | <u>230,511</u> |
| Revenues Available for Debt Service | <u><u>\$502,630</u></u> | <u><u>\$1,003,542</u></u> | <u><u>\$552,307</u></u> |
| Sewer | | | |
| Total Operating Revenues | \$1,541,739 | \$1,636,374 | \$1,834,010 |
| Less: Operating Expenses | <u>(1,737,089)</u> | <u>(2,033,924)</u> | <u>(2,113,094)</u> |
| Operating Income | (\$195,350) | (\$397,550) | (\$279,084) |
| Plus: Depreciation | 727,488 | 748,022 | 715,021 |
| Interest Income | <u>88,487</u> | <u>334,788</u> | <u>370,130</u> |
| Revenues Available for Debt Service | <u><u>\$620,625</u></u> | <u><u>\$685,260</u></u> | <u><u>\$806,067</u></u> |

¹ Operating expenses rose due to increased depreciation, added utility staff, reallocated director time, major reservoir maintenance, system repairs, hydrant work, and PSC regulatory review.

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 | 2021 Audited | 2022 Audited | 2023 Audited | 2024 Projected¹ | 2025 Adopted Budget² |
| Revenues | | | | | |
| Taxes | \$4,653,081 | \$4,792,779 | \$5,102,246 | \$5,174,582 | \$5,492,378 |
| Intergovernmental | 925,616 | 1,045,817 | 1,155,377 | 1,541,203 | 1,723,297 |
| Licenses and Permits | 266,338 | 245,385 | 318,600 | 327,078 | 287,740 |
| Fines, Forfeitures, and Penalties | 129,338 | 118,391 | 112,433 | 94,360 | 103,500 |
| Public Charges for Services | 117,938 | 123,776 | 177,733 | 269,559 | 227,444 |
| Intergovernmental Charges for Services | 185,012 | 198,284 | 191,039 | 218,022 | 204,199 |
| Interest Income | 14,100 | 84,935 | 287,598 | 325,078 | 70,500 |
| Miscellaneous | 116,493 | 117,501 | 156,232 | 153,627 | 118,350 |
| Total Revenues | <u>\$6,407,916</u> | <u>\$6,726,868</u> | <u>\$7,501,258</u> | <u>\$8,103,508</u> | <u>\$8,227,408</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| General Government | \$1,049,357 | \$1,076,115 | \$1,121,368 | \$1,296,706 | \$1,409,028 |
| Public Safety | 3,433,330 | 3,584,382 | 3,947,311 | 4,023,623 | 4,691,309 |
| Public Works | 964,809 | 930,959 | 1,003,024 | 987,976 | 1,081,989 |
| Health and Human Services | 257,829 | 277,913 | 380,505 | 457,569 | 517,644 |
| Culture, Recreation, and Education | 544,239 | 549,849 | 660,247 | 713,848 | 748,734 |
| Conservation and Development | 100,356 | 114,575 | 233,488 | 189,892 | 149,704 |
| Total Expenditures | <u>\$6,349,920</u> | <u>\$6,533,793</u> | <u>\$7,345,943</u> | <u>\$7,669,613</u> | <u>\$8,598,408</u> |
| Excess of revenues over (under) expenditures | \$57,996 | \$193,075 | \$155,315 | \$433,896 | (\$371,000) |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | 330,532 | 337,781 | 343,737 | 338,996 | 371,000 |
| Transfers (out) | (670,000) | (450,000) | (340,112) | (50,000) | |
| Total Other Financing Sources (Uses) | <u>(339,468)</u> | <u>(112,219)</u> | <u>3,625</u> | <u>288,996</u> | <u>371,000</u> |
| Net changes in Fund Balances | (\$281,472) | \$80,856 | \$158,940 | \$722,892 | \$0 |
| General Fund Balance January 1 | \$2,623,531 | \$2,342,059 | \$2,422,915 | \$2,581,855 | |
| General Fund Balance December 31 | \$2,342,059 | \$2,422,915 | \$2,581,855 | \$3,304,747 | |
| DETAILS OF DECEMBER 31 FUND BALANCE | | | | | |
| Nonspendable | \$155,805 | \$155,491 | \$172,535 | | |
| Committed | 4,001 | 4,001 | 4,001 | | |
| Assigned | 25,103 | 25,010 | 24,748 | | |
| Unassigned | 2,157,150 | 2,238,413 | 2,380,571 | | |
| Total | <u>\$2,342,059</u> | <u>\$2,422,915</u> | <u>\$2,581,855</u> | <u>\$0</u> | |

¹ Projected data is as of December 31, 2024.

² The 2025 budget was adopted on November 18, 2024.

GENERAL INFORMATION

LOCATION

The Village, with a 2020 U.S. Census population of 11,179 and a current estimated population of 12,066 comprises an area of 4.48 square miles and is located approximately nine miles south of the City of Madison just off U.S. Highway 14.

LARGER EMPLOYERS¹

Larger employers in the area include the following:

| Firm | Type of Business/Product | Estimated No. of Employees |
|----------------------------------|------------------------------------|-----------------------------------|
| Oregon School District | Elementary and secondary education | 599 |
| Oakhill Correctional Institution | Minimum security prison | 317 ² |
| Gorman & Company | General contractor | 244 |
| Trachte Inc. | Manufacturers | 150 |
| Hy-Vee ³ | Grocers | 125 |
| Wisco Industries, Inc. | Laser Cutting - Manufacturing | 120 |
| Thysse Printing Service, Inc. | Commercial printing and designer | 108 |
| The Village | Municipal Government | 97 |
| Kwik Trip | Gas station and convenience stores | 60 |
| Culver's Restaurant | Fast food restaurant | 55 |

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.

² FTE number per the fact sheet dated 6/30/24.

³ Was recently Bill's Food Center, but was bought and opened as Hy-Vee in February 2023.

BUILDING PERMITS (as of February 28, 2025)

| | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|--------------|--------------|--------------|--------------|--------------|
| <u>New Single Family Homes</u> | | | | | |
| No. of building permits | 47 | 61 | 59 | 80 | 10 |
| Valuation | \$22,072,915 | \$28,834,596 | \$28,795,485 | \$41,088,988 | \$4,076,148 |
| <u>New Multiple Family Buildings</u> | | | | | |
| No. of building permits | 3 | 2 | 11 | 15 | 5 |
| Valuation | \$19,000,000 | \$823,600 | \$26,918,000 | \$9,449,387 | \$8,977,435 |
| <u>New Commercial/Industrial</u> | | | | | |
| No. of building permits | 1 | 2 | 4 | 3 | 1 |
| Valuation | \$280,000 | \$3,550,000 | \$15,260,655 | \$3,653,000 | \$2,000,000 |
| <u>All Building Permits</u> <i>(including additions and remodelings)</i> | | | | | |
| No. of building permits | 543 | 462 | 475 | 533 | 65 |
| Valuation | \$55,256,187 | \$44,562,202 | \$79,970,735 | \$64,043,077 | \$16,069,441 |

Source: The Village.

U.S. CENSUS DATA

Population Trend: The Village

| | |
|-------------------------------|--------|
| 2010 U.S. Census Population | 9,231 |
| 2020 U.S. Census Population | 11,179 |
| Percent of Change 2010 - 2020 | 21.10% |
| 2024 Estimated Population | 12,066 |

Income and Age Statistics

| | The Village | Dane County | State of Wisconsin | United States |
|--|--------------------|--------------------|---------------------------|----------------------|
| 2023 per capita income | \$48,043 | \$51,486 | \$42,019 | \$43,289 |
| 2023 median household income | \$100,695 | \$88,108 | \$75,670 | \$78,538 |
| 2023 median family income | \$130,985 | \$122,020 | \$97,261 | \$96,922 |
| 2023 median gross rent | \$1,229 | \$1,345 | \$1,045 | \$1,348 |
| 2023 median value owner occupied units | \$361,200 | \$366,100 | \$247,400 | \$303,400 |
| 2023 median age | 39.5 yrs. | 35.6 yrs. | 40.1 yrs. | 38.7 yrs. |

| | State of Wisconsin | United States |
|--|---------------------------|----------------------|
| Village % of 2023 per capita income | 114.34% | 110.98% |
| Village % of 2023 median family income | 134.67% | 135.14% |

Housing Statistics

| | <u>The Village</u> | | |
|-------------------|---------------------------|-------------|--------------------------|
| | 2020 | 2023 | Percent of Change |
| All Housing Units | 4,446 | 4,854 | 9.18% |

Source: 2010 and 2020 Census of Population and Housing, Wisconsin Demographic Services Center (https://doa.wi.gov/Pages/LocalGovtsGrants/Population_Estimates.aspx) and 2023 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov/cedsci>).

EMPLOYMENT/UNEMPLOYMENT DATA

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

| Year | <u>Average Employment</u> | | <u>Average Unemployment</u> | |
|----------------------------|----------------------------------|--------------------|------------------------------------|--|
| | Dane County | Dane County | State of Wisconsin | |
| 2021 | 319,649 | 2.9% | 3.8% | |
| 2022 | 324,324 | 2.1% | 2.8% | |
| 2023 | 331,631 ¹ | 2.3% ¹ | 2.8% | |
| 2024, December | 336,484 | 2.1% | 2.9% | |
| 2025, January ¹ | 330,860 | 2.5% | 3.6% | |

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 Preliminary Official Statement, nor has the Village requested that the Auditor consent to the use of such financial statements in this Preliminary Official Statement. Although the inclusion of the financial statements in this Preliminary 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.



JOHNSON BLOCK
CPAs



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

VILLAGE OF OREGON

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INDEPENDENT AUDITOR'S REPORT

To the Village Board
Village of Oregon
Oregon, Wisconsin

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. 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 Oregon, 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 Oregon, Wisconsin's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Village of Oregon, 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 Oregon, Wisconsin's ability to continue as a going concern for a reasonable period of time.

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



Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, Life Insurance schedules, and Wisconsin Retirement System schedules on pages v through xiii and 61-69 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Oregon, Wisconsin's basic financial statements. The combining and individual nonmajor fund financial statements and schedules of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *State Single Audit Guidelines* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules of expenditures of federal and state awards are the responsibility of management and were 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 nonmajor fund financial statements and schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2024 on our consideration of the Village of Oregon, Wisconsin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Oregon, Wisconsin's internal control over financial reporting and compliance.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
June 17, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Village of Oregon, Wisconsin, we offer readers of the Village of Oregon, Wisconsin's basic financial statements this narrative overview and analysis of the financial activities of the Village of Oregon, Wisconsin for the fiscal year ended December 31, 2023. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Village's basic financial statements, which follow this narrative.

FINANCIAL HIGHLIGHTS

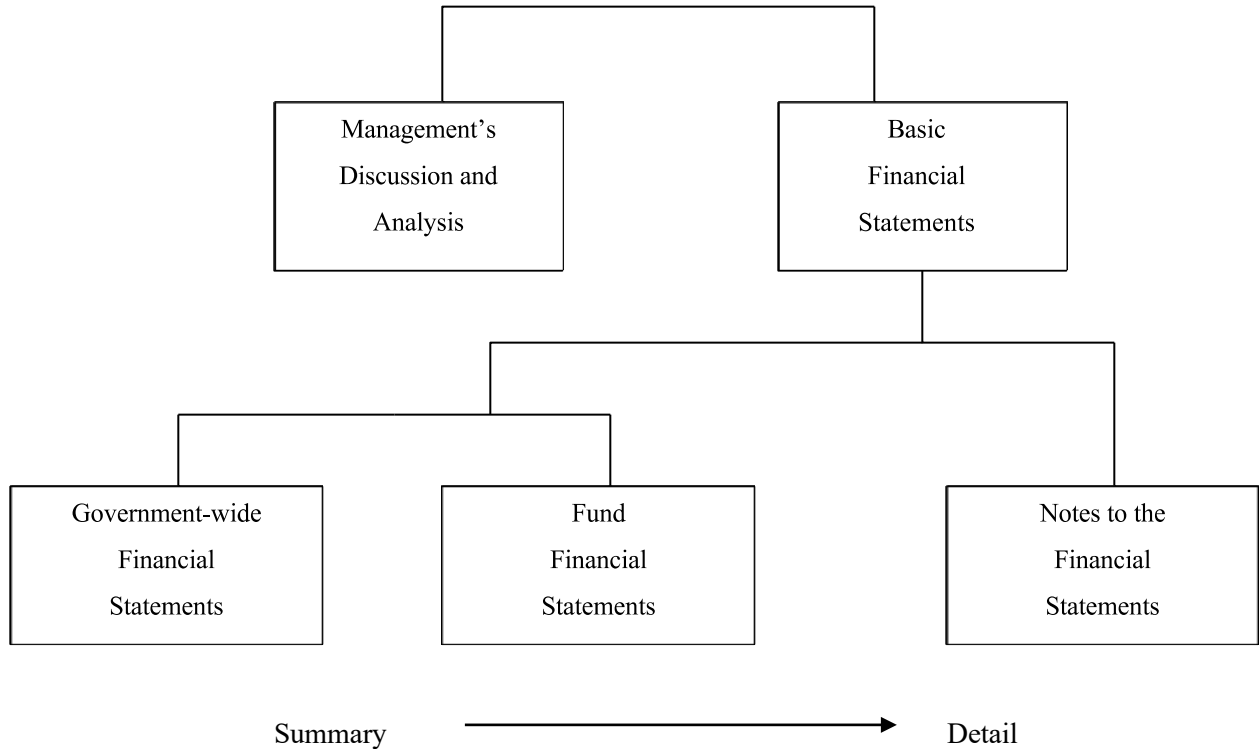
- The assets and deferred outflows of resources of the Village of Oregon, Wisconsin exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$77,567,407 (*net position*).
- The government's total net position increased by \$5,899,845.
- As of the close of the current fiscal year, the Village of Oregon, Wisconsin's governmental funds reported combined ending fund balances of \$11,340,410, a decrease of \$8,014,553 in comparison with the prior year.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$2,380,571 or 32 percent of total general fund expenditures for the fiscal year.
- The Village reported a net increase in general obligation debt of \$4,051,513.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Village of Oregon, Wisconsin's basic financial statements. The Village's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Village through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Village of Oregon, Wisconsin.

Required Components of Annual Financial Report

Figure 1



BASIC FINANCIAL STATEMENTS

The first two statements in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the Village's financial status.

The next statements are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Village's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the fiduciary fund statements; and 3) the proprietary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the Village's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Village's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Village's financial status as a whole.

The two government-wide statements report the Village's net position and how it has changed. Net position is the difference between the Village's assets plus deferred outflows of resources and total liabilities plus deferred inflows of resources. Measuring net position is one way to gauge the Village's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities and 2) business-type activities. The governmental activities include most of the Village's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the Village charges customers to provide. These include the water and sewer services offered by the Village of Oregon, Wisconsin.

The Village has one component unit, the Community Development Authority, which is reported separately in the government-wide financial statements.

Fund Financial Statements

The fund financial statements provide a more detailed look at the Village's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Oregon, Wisconsin, like all other governmental entities in Wisconsin, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the State of Wisconsin Statutes or the Village's budget ordinance. All of the funds of Village of Oregon, Wisconsin can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds - Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Village's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps determine if there are more or less financial resources available to finance the Village's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the general fund, the library fund, the park improvement fund and the debt service fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Village of Oregon, Wisconsin adopts an annual budget for its governmental funds as required by the State of Wisconsin Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Village, the management of the Village, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Village to obtain funds from identified sources to finance these current period activities. The budgetary comparison schedule provided for the General Fund and Library Fund demonstrates how well the Village complied with the budget ordinance and whether or not the Village succeeded in providing the services as planned when the budget was adopted. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the variance between the final budget and the actual revenue and expenditures.

Proprietary Funds - The Village of Oregon, Wisconsin has one kind of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village of Oregon, Wisconsin uses enterprise funds to account for its water and sewer operations. These funds are the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

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

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the Village of Oregon, Wisconsin's own programs. The most significant fiduciary fund maintained by the Village of Oregon, Wisconsin is the Tax Collections Fund which records the tax roll and tax collections for other taxing jurisdictions within the Village of Oregon, Wisconsin.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information - In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Village of Oregon, Wisconsin. Required supplementary information can be found following the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

THE VILLAGE OF OREGON'S NET POSITION

Figure 1

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|----------------------------------|-------------------------|---------------|--------------------------|---------------|--------------------------|---------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Current and other assets | \$ 26,959,355 | \$ 34,024,458 | \$ 12,589,011 | \$ 13,038,250 | \$ 39,548,366 | \$ 47,062,708 |
| Capital Assets | 65,765,577 | 48,761,251 | 32,906,578 | 31,486,023 | 98,672,155 | 80,247,274 |
| Total Assets | 92,724,932 | 82,785,709 | 45,495,589 | 44,524,273 | 138,220,521 | 127,309,982 |
| Deferred Outflows | 5,190,183 | 4,106,605 | 615,777 | 490,709 | 5,805,960 | 4,597,314 |
| Long-Term Liabilities | 37,240,452 | 32,434,688 | 4,686,621 | 4,775,922 | 41,927,073 | 37,210,610 |
| Other Liabilities | 9,509,372 | 6,628,481 | 926,282 | 813,668 | 10,435,654 | 7,442,149 |
| Total Liabilities | 46,749,824 | 39,063,169 | 5,612,903 | 5,589,590 | 52,362,727 | 44,652,759 |
| Deferred Inflows | 13,043,617 | 14,273,214 | 1,052,730 | 1,313,761 | 14,096,347 | 15,586,975 |
| Net Position: | | | | | | |
| Net Investment in Capital Assets | 31,851,981 | 25,628,332 | 29,098,770 | 28,085,858 | 60,950,751 | 53,714,190 |
| Restricted | 3,247,795 | 7,489,072 | 1,739,961 | 1,868,399 | 4,987,756 | 9,357,471 |
| Unrestricted | 3,021,898 | 438,527 | 8,607,002 | 8,157,374 | 11,628,900 | 8,595,901 |
| Total Net Position | \$ 38,121,674 | \$ 33,555,931 | \$ 39,445,733 | \$ 38,111,631 | \$ 77,567,407 | \$ 71,667,562 |

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the Village of Oregon, Wisconsin exceeded liabilities and deferred inflows of resources by \$77,567,407 as of December 31, 2023. The Village's net position increased by \$5,899,845 for the fiscal year ended December 31, 2023. The largest portion, \$60,950,751, reflects the Village's investment in capital assets (e.g. land, land improvements, buildings, and equipment), less any related debt still outstanding that was issued to acquire those items. The Village of Oregon, Wisconsin uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village of Oregon, Wisconsin's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Village of Oregon, Wisconsin's net position, \$4,987,756, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$11,628,900 is unrestricted.

VILLAGE OF OREGON'S CHANGES IN NET POSITION

Figure 2

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|--|----------------------------|----------------------|-----------------------------|----------------------|-----------------------------|----------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services and fees, fines and costs | \$ 1,731,136 | \$ 1,602,262 | \$ 3,165,001 | \$ 2,922,110 | \$ 4,896,137 | \$ 4,524,372 |
| Operating grants and contributions | 1,567,741 | 1,434,235 | 215,824 | 48,685 | 1,783,565 | 1,482,920 |
| Capital grants and contributions | 3,056,606 | 2,273,571 | 549,745 | 2,361,961 | 3,606,351 | 4,635,532 |
| General revenues: | | | | | | |
| Taxes | 9,909,118 | 8,428,684 | - | - | 9,909,118 | 8,428,684 |
| Intergovernmental revenues not restricted to specific programs | 993,035 | 645,393 | - | - | 993,035 | 645,393 |
| Unrestricted Interest and Investment Earnings | 1,134,301 | 376,457 | 597,824 | 180,497 | 1,732,125 | 556,954 |
| Miscellaneous | 77,757 | 896 | - | - | 77,757 | 896 |
| Special Items | (11,514) | 30,623 | - | - | (11,514) | 30,623 |
| Total Revenues | 18,458,180 | 14,792,121 | 4,528,394 | 5,513,253 | 22,986,574 | 20,305,374 |
| Expenses: | | | | | | |
| General Government | 1,580,486 | 1,388,093 | - | - | 1,580,486 | 1,388,093 |
| Public Safety | 4,566,981 | 3,620,943 | - | - | 4,566,981 | 3,620,943 |
| Public Works | 3,466,697 | 3,699,774 | - | - | 3,466,697 | 3,699,774 |
| Health and Human Services | 419,054 | 274,967 | - | - | 419,054 | 274,967 |
| Culture, Recreation and Education | 2,071,739 | 1,676,430 | - | - | 2,071,739 | 1,676,430 |
| Conservation & Development | 399,752 | 190,972 | - | - | 399,752 | 190,972 |
| Interest on long-term debt | 1,144,947 | 955,834 | - | - | 1,144,947 | 955,834 |
| Water & Sewer | - | - | 3,439,154 | 3,325,770 | 3,439,154 | 3,325,770 |
| Total Expenses | 13,649,656 | 11,807,013 | 3,439,154 | 3,325,770 | 17,088,810 | 15,132,783 |
| Increase (Decrease) in Net Position before transfers | 4,808,524 | 2,985,108 | 1,089,240 | 2,187,483 | 5,897,764 | 5,172,591 |
| Transfers | (242,781) | (139,936) | 244,862 | 139,936 | 2,081 | - |
| Increase (Decrease) in Net Position | 4,565,743 | 2,845,172 | 1,334,102 | 2,327,419 | 5,899,845 | 5,172,591 |
| Net Position – January 1 | 33,555,931 | 30,710,759 | 38,111,631 | 35,784,212 | 71,667,562 | 66,494,971 |
| Net Position – December 31 | \$ 38,121,674 | \$ 33,555,931 | \$ 39,445,733 | \$ 38,111,631 | \$ 77,567,407 | \$ 71,667,562 |

Figure 2 provides summarized operating results and their impact on net position. Governmental activities decreased and business-type activities increased the Village's financial position.

Governmental activities: The Village relies primarily on charges for services (9.4%) and taxes (53.7%) to provide basic services, and capital grants and contributions (16.6%) and operating grants and contributions (8.5%) for major projects. Public safety (33.5%), public works (25.4%), and Culture and Recreation (15.2%) comprise the majority of expenses.

Business-type activities: Utility charges for services were comparable to 2022. Utility grants and contributions were higher than 2022. Capital grants and contributions primarily consist of infrastructure constructed and financed by developers.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

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

Governmental Funds: The focus of the Village of Oregon, Wisconsin's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Village of Oregon, Wisconsin's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the primary operating fund of the Village of Oregon, Wisconsin. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$2,380,571, while total fund balance was \$2,581,855. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 32 percent of total General Fund expenditures, while total fund balance represents 35 percent of that same amount.

At December 31, 2023, the governmental funds of Village of Oregon, Wisconsin reported a combined fund balance of \$11,340,410, a decrease of \$8,014,553 from last year.

General Fund Budgetary Highlights: During the fiscal year, the Village revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget resolution once more accurate information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

Revenue was more than the original budgeted amounts primarily because of more taxes, intergovernmental, license and permits and interest income. Total actual revenues were less than amended final budget by \$22,133. This was primarily related to less intergovernmental charges for services than anticipated.

Expenditures were less than the original budget by approximately \$30,300, while actual expenditures were less than the amended final budget by \$156,448. The general government and public safety department were the largest contributors, with expenditures less than budget of \$33,031 and \$94,212, respectively.

Proprietary Funds: The Village of Oregon, Wisconsin's proprietary funds provide the same type of information found in the government-wide statements but in more detail.

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The Village of Oregon, Wisconsin’s investment in capital assets for its governmental and business-type activities as of December 31, 2023, totals \$98,672,155 (net of accumulated depreciation). These assets include land, land improvements, buildings, construction in progress, equipment, and infrastructure.

Major capital asset transactions during the year include the following additions:

- Boiler Replacement
- Public Work Bobcat
- Public Work Snowplow
- Public Work Asphalt Roller
- Public Work Truck
- Police Vehicle
- Library Building
- Village Hall Remodeled
- State/Washington/Janesville Street Construction

VILLAGE OF OREGON’S CAPITAL ASSETS

Figure 3

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|---|-------------------------|----------------------|--------------------------|----------------------|--------------------------|----------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Land | \$ 11,208,764 | \$ 11,024,314 | \$ 270,832 | \$ 270,832 | \$ 11,479,596 | \$ 11,295,146 |
| Construction Work in Progress | 5,208,858 | 6,129,938 | 858,999 | 608,823 | 6,067,857 | 6,738,761 |
| Land and Construction Work in Progress | 16,417,622 | 17,154,252 | 1,129,831 | 879,655 | 17,547,453 | 18,033,907 |
| Buildings & Improvements | 25,475,462 | 9,262,152 | 3,517,169 | 3,482,189 | 28,992,631 | 12,744,341 |
| Vehicles & Equipment | 6,488,017 | 6,157,247 | 3,045,364 | 2,891,819 | 9,533,381 | 9,049,066 |
| Infrastructure | 51,246,447 | 48,276,203 | 48,499,226 | 46,437,191 | 99,745,673 | 94,713,394 |
| Other Capital Assets | 83,209,926 | 63,695,602 | 55,061,759 | 52,811,199 | 138,271,685 | 116,506,801 |
| Accumulated Depreciation | (33,861,971) | (32,088,603) | (23,285,012) | (22,204,831) | (57,146,983) | (54,293,434) |
| Other Capital Assets, net of depreciation | 49,347,955 | 31,606,999 | 31,776,747 | 30,606,368 | 81,124,702 | 62,213,367 |
| Total Capital Assets | \$ 65,765,577 | \$ 48,761,251 | \$ 32,906,578 | \$ 31,486,023 | \$ 98,672,155 | \$ 80,247,274 |

Additional information on the Village’s capital assets can be found in the Notes to the Financial Statements.

Long-Term Obligations: As of December 31, 2023, the Village of Oregon, Wisconsin had total long-term obligations outstanding of \$44,868,204. Of this, \$39,141,644 is debt backed by the full faith and credit of the Village. The remainder of the Village’s debt represents premiums, mortgage revenue bonds, developer commitments and employee benefit obligations.

VILLAGE OF OREGON'S OUTSTANDING LONG-TERM OBLIGATIONS

Figure 4

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|--------------------------------|----------------------------|----------------------|-----------------------------|---------------------|-----------------------------|----------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| General Obligation Bonds/Notes | \$35,811,644 | \$31,640,131 | \$ 3,330,000 | \$ 3,450,000 | \$ 39,141,644 | \$ 35,090,131 |
| Mortgage Revenue Bonds | - | - | 1,585,000 | 1,695,000 | 1,585,000 | 1,695,000 |
| Premium | 1,516,867 | 1,200,830 | 118,563 | 118,731 | 1,635,430 | 1,319,561 |
| Other Long-Term Obligations | 2,432,179 | 2,536,579 | 73,951 | 67,433 | 2,506,130 | 2,604,012 |
| Total Debt Outstanding | \$ 39,760,690 | \$ 35,377,540 | \$ 5,107,514 | \$ 5,331,164 | \$ 44,868,204 | \$ 40,708,704 |

The Village of Oregon, Wisconsin's total general obligation debt increased by \$4,051,513 during the past fiscal year. Principal payments on long-term obligations totaled \$3.1 million for 2023.

The State of Wisconsin statutes limit the amount of general obligation debt that a unit of government can issue to 5 percent of the total equalized value of taxable property located within that government's boundaries. The legal debt limit for the Village of Oregon, Wisconsin is \$91,029,400.

Additional information regarding the Village of Oregon, Wisconsin's long-term debt can be found in the Notes to the Financial Statements.

Economic Factors Bearing on the Village's Future

Major Developments in the Village of Oregon (tax base)

The Bergamont, Merri-Hill, Oregon Parks, Highlands of Netherwood, Autumn Ridge, and Greenview Preserve residential subdivision developments continue to build single family homes. There are 355 vacant and/or undeveloped greenfield or infill parcels that are currently zoned for residential development. The Village continues to have a healthy pattern of building projects with 59 single family homes, 6 duplexes, 5 multi-family developments, and 3 new commercial projects in 2023.

Levy Limit

In July 2005, the State of Wisconsin placed a levy limit on municipalities for fiscal years 2006 and 2007. In 2007, the State of Wisconsin continued this levy limit for fiscal years 2008 and 2009. In 2009, the State of Wisconsin continued this levy limit for fiscal years 2010 and 2011. The 2011-2013 state budget makes the levy limits permanent.

Requests for Information

This report is designed to provide an overview of the Village's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Director, Village of Oregon, 101 Alpine Parkway, Oregon, Wisconsin 53575.

VILLAGE OF OREGON
Oregon, Wisconsin

Statement of Net Position
December 31, 2023

| | Primary Government | | | Component Unit |
|---|------------------------------------|-------------------------------------|-----------------------|---------------------------|
| | Governmental Activities | Business-type Activities | Total | |
| <u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u> | | | | |
| CURRENT ASSETS | | | | |
| Cash and Cash Equivalents | \$ 14,293,531 | \$ 8,226,574 | \$ 22,520,105 | \$ - |
| Receivables: | | | | |
| Taxes | 5,618,051 | - | 5,618,051 | - |
| Accounts | 405,527 | 310,355 | 715,882 | - |
| Lease Receivable - Current | 35,945 | 10,380 | 46,325 | - |
| Other | 90 | 1,903 | 1,993 | - |
| Special Assessments | 220,090 | - | 220,090 | - |
| Internal Balances | (24,053) | 24,053 | - | - |
| Due from Other Governments | 951,559 | - | 951,559 | - |
| Inventories | - | 19,823 | 19,823 | - |
| Prepays | 125,273 | 40,634 | 165,907 | - |
| Restricted Assets: | | | | |
| Restricted Cash and Investments | 5,210,324 | 3,047,544 | 8,257,868 | - |
| TOTAL CURRENT ASSETS | 26,836,337 | 11,681,266 | 38,517,603 | - |
| NONCURRENT ASSETS | | | | |
| Capital Assets: | | | | |
| Land, and Construction in Progress | 16,417,622 | 1,129,831 | 17,547,453 | - |
| Other Capital Assets, Net of Depreciation | 49,347,955 | 31,776,747 | 81,124,702 | - |
| Total Capital Assets | 65,765,577 | 32,906,578 | 98,672,155 | - |
| Other Assets: | | | | |
| Long-term Receivables | 123,018 | 157,024 | 280,042 | - |
| Long-term Lease Receivable | - | 750,721 | 750,721 | - |
| Total Other Assets | 123,018 | 907,745 | 1,030,763 | - |
| TOTAL NONCURRENT ASSETS | 65,888,595 | 33,814,323 | 99,702,918 | - |
| TOTAL ASSETS | 92,724,932 | 45,495,589 | 138,220,521 | - |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Unamortized Loss on Bond Refunding | 81,124 | 17,757 | 98,881 | - |
| Deferred Pension Outflows | 5,020,746 | 598,020 | 5,618,766 | - |
| Deferred Outflows - Retiree Life Insurance | 88,313 | - | 88,313 | - |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 5,190,183 | 615,777 | 5,805,960 | - |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 97,915,115 | \$ 46,111,366 | \$ 144,026,481 | \$ - |

See accompanying notes to the basic financial statements.

VILLAGE OF OREGON
Oregon, Wisconsin

Statement of Net Position
December 31, 2023

| | Primary Government | | | Component Unit |
|---|--------------------------------|---------------------------------|-----------------------|-----------------------|
| | Governmental Activities | Business-type Activities | Total | |
| <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</u> | | | | |
| CURRENT LIABILITIES | | | | |
| Accounts Payable and Accrued Liabilities | 3,901,149 | \$ 303,709 | \$ 4,204,858 | \$ - |
| Due to Other Governmental Agencies | 10,650 | - | 10,650 | - |
| Deposits | 88,966 | - | 88,966 | - |
| Accrued Interest Payable | 450,844 | 42,928 | 493,772 | - |
| Short-Term Debt | 1,000,000 | - | 1,000,000 | - |
| Long-Term Liabilities Due Within One Year | | | | |
| Compensated Absences | 331,334 | 69,929 | 401,263 | - |
| Long-Term Debt and Other Obligations | 3,726,429 | 509,716 | 4,236,145 | - |
| TOTAL CURRENT LIABILITIES | 9,509,372 | 926,282 | 10,435,654 | - |
| NONCURRENT LIABILITIES | | | | |
| Long-Term Debt and Other Obligations | 35,503,181 | 4,523,847 | 40,027,028 | - |
| Compensated Absences | 199,746 | 4,022 | 203,768 | - |
| Net Pension Liability | 1,332,823 | 158,752 | 1,491,575 | - |
| Retiree Life Insurance Liability | 204,702 | - | 204,702 | - |
| TOTAL NONCURRENT LIABILITIES | 37,240,452 | 4,686,621 | 41,927,073 | - |
| TOTAL LIABILITIES | 46,749,824 | 5,612,903 | 52,362,727 | - |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred Pension Inflows | 2,802,522 | 333,807 | 3,136,329 | - |
| Deferred Inflows - Leases | 32,877 | 718,923 | 751,800 | - |
| Deferred Inflows - Retiree Life Insurance | 157,659 | - | 157,659 | - |
| Deferred Tax Levy | 10,050,559 | - | 10,050,559 | - |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 13,043,617 | 1,052,730 | 14,096,347 | - |
| NET POSITION | | | | |
| Net Investment in Capital Assets | 31,851,981 | 29,098,770 | 60,950,751 | - |
| Restricted: | | | | |
| Impact Fees | - | 693,028 | 693,028 | - |
| Library Building Donations | 341,573 | - | 341,573 | - |
| Senior Center | 202,495 | - | 202,495 | - |
| Parks | 486,797 | - | 486,797 | - |
| TIF Districts | 326,871 | - | 326,871 | - |
| Work Force Housing | 343,803 | - | 343,803 | - |
| Park Improvements | 914,277 | - | 914,277 | - |
| Room Tax | 262,375 | - | 262,375 | - |
| Others | 369,604 | - | 369,604 | - |
| DNR Replacement Fund | - | 1,046,933 | 1,046,933 | - |
| Unrestricted | 3,021,898 | 8,607,002 | 11,628,900 | - |
| TOTAL NET POSITION | 38,121,674 | 39,445,733 | 77,567,407 | - |
| | | | | |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | \$ 97,915,115 | \$ 46,111,366 | \$ 144,026,481 | \$ - |

See accompanying notes to the basic financial statements.

VILLAGE OF OREGON
Oregon, Wisconsin

Statement of Activities
For the Year Ended December 31, 2023

| Functions/Programs | Net (Expense) Revenue and Changes in Net Position | | | | |
|--|---|----------------------|---|----------------------------------|----------------|
| | Primary Government | | | Business-type Activities | |
| | Expenses | Charges for Services | Program Revenue Operating Grants and Contributions | Capital Grants and Contributions | Component Unit |
| Primary Government | | | | | |
| Governmental Activities | | | | | |
| General Government | \$ 1,580,486 | \$ 173,198 | \$ - | \$ - | \$ (1,407,288) |
| Public Safety | 4,566,981 | 475,484 | 94,756 | - | (3,996,741) |
| Public Works | 3,466,697 | 787,260 | 817,920 | 1,215,626 | (645,891) |
| Health and Human Services | 419,054 | 129,403 | 233,583 | 1,600 | (54,468) |
| Culture, Recreation and Education | 2,071,739 | 163,706 | 321,482 | 1,839,380 | 252,829 |
| Conservation and Development | 399,752 | 1,935 | 100,000 | - | (297,817) |
| Interest on Long-term debt | 1,144,947 | 150 | - | - | (1,144,797) |
| Total Governmental Activities | 13,649,656 | 1,731,136 | 1,567,741 | 3,056,606 | (7,294,173) |
| Business-type Activities | | | | | |
| Water | 1,369,174 | 1,528,627 | 39,685 | 220,843 | 419,981 |
| Sewer | 2,069,980 | 1,636,374 | 176,139 | 328,902 | 71,435 |
| Total Business-type Activities | 3,439,154 | 3,165,001 | 215,824 | 549,745 | 491,416 |
| Total Primary Government | \$ 17,088,810 | \$ 4,896,137 | \$ 1,783,565 | \$ 3,606,351 | (6,802,757) |
| General Revenues: | | | | | |
| Taxes: | | | | | |
| Property Taxes, levied for general purposes | | 4,717,242 | | | 4,717,242 |
| Property Taxes, levied for debt service | | 2,837,333 | | | 2,837,333 |
| Property Taxes, levied for community service purposes | | 902,047 | | | 902,047 |
| Tax Increments | | 994,109 | | | 994,109 |
| Other Taxes | | 458,387 | | | 458,387 |
| Grants and Contributions not restricted to specific programs | | 993,035 | | | 993,035 |
| Interest Income | | 1,134,301 | | 597,824 | 1,732,125 |
| Miscellaneous | | 77,757 | | | 77,757 |
| <i>Special Item</i> - gain (loss) on sale of capital assets | | (11,514) | | | (11,514) |
| Transfers | | (242,781) | | 244,862 | 2,081 |
| Total General Revenues, Special Items and Transfers | | 11,859,916 | | 842,686 | 12,702,602 |
| Change in Net Position | | 4,565,743 | | 1,334,102 | 5,899,845 |
| Net Position - Beginning | | 33,555,931 | | 38,111,631 | 71,667,562 |
| Net Position - Ending | | \$ 38,121,674 | | \$ 39,445,733 | \$ 77,567,407 |

See accompanying notes to the basic financial statements.

VILLAGE OF OREGON
Oregon, Wisconsin

Balance Sheet
Governmental Funds
December 31, 2023

| | General Fund | Debt Service | Street Improvements | Library Fund | Non-Major Governmental Funds | Total Governmental Funds |
|---|---------------------|---------------------|--------------------------------|---------------------|---|---|
| ASSETS | | | | | | |
| Cash and Cash Equivalents | \$ 4,834,982 | \$ 1,560,070 | \$ 2,649,569 | \$ 727,297 | \$ 4,521,613 | \$ 14,293,531 |
| Receivables: | | | | | | |
| Taxes | 2,610,797 | 1,857,374 | - | 615,812 | 505,666 | 5,589,649 |
| Delinquent Personal Property Taxes | 28,402 | - | - | - | - | 28,402 |
| Special Assessments | - | 220,090 | - | - | - | 220,090 |
| Accounts | 310,717 | - | - | - | 94,810 | 405,527 |
| Other | 90 | - | 123,018 | - | - | 123,108 |
| Lease Receivables | 35,945 | - | - | - | - | 35,945 |
| Due from Other Funds | 69,290 | - | - | - | 4,349 | 73,639 |
| Due from Other Governments | - | - | - | 951,559 | - | 951,559 |
| Prepaid Expenses | 82,234 | - | - | 11,616 | 31,423 | 125,273 |
| Restricted Cash | - | 417,620 | 1,472,066 | 2,040,300 | 1,280,338 | 5,210,324 |
| Advances Receivable | 58,831 | - | - | - | - | 58,831 |
| Total Assets | <u>\$ 8,031,288</u> | <u>\$ 4,055,154</u> | <u>\$ 4,244,653</u> | <u>\$ 4,346,584</u> | <u>\$ 6,438,199</u> | <u>\$ 27,115,878</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts Payable | \$ 396,252 | \$ - | \$ 1,129,649 | \$ 1,686,463 | \$ 496,123 | \$ 3,708,487 |
| Accrued Liabilities | 174,912 | - | - | 15,921 | 1,829 | 192,662 |
| Deposits | 88,966 | - | - | - | - | 88,966 |
| Due to Other Funds | 28,402 | - | - | - | 69,290 | 97,692 |
| Due to Other Governments | 1,150 | - | - | - | 9,500 | 10,650 |
| Short-Term Debt | - | - | - | 1,000,000 | - | 1,000,000 |
| Advances Payable | - | - | - | - | 58,831 | 58,831 |
| Total Liabilities | <u>689,682</u> | <u>-</u> | <u>1,129,649</u> | <u>2,702,384</u> | <u>635,573</u> | <u>5,157,288</u> |
| Deferred Inflows of Resources: | | | | | | |
| Deferred Taxes and Special Assessments | 4,726,874 | 3,535,963 | 123,018 | 1,291,011 | 908,437 | 10,585,303 |
| Deferred Leases | 32,877 | - | - | - | - | 32,877 |
| Total Deferred Inflows of Resources | <u>4,759,751</u> | <u>3,535,963</u> | <u>123,018</u> | <u>1,291,011</u> | <u>908,437</u> | <u>10,618,180</u> |
| Fund Balances (Deficit): | | | | | | |
| Nonspendable | 172,535 | - | - | 11,616 | 41,423 | 225,574 |
| Restricted | - | 519,191 | 1,472,066 | 341,573 | 3,155,938 | 5,488,768 |
| Committed | 4,001 | - | - | - | 180,257 | 184,258 |
| Assigned | 24,748 | - | 1,519,920 | - | 1,616,963 | 3,161,631 |
| Unassigned (Deficit) | 2,380,571 | - | - | - | (100,392) | 2,280,179 |
| Total Fund Balances (Deficit) | <u>2,581,855</u> | <u>519,191</u> | <u>2,991,986</u> | <u>353,189</u> | <u>4,894,189</u> | <u>11,340,410</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 8,031,288</u> | <u>\$ 4,055,154</u> | <u>\$ 4,244,653</u> | <u>\$ 4,346,584</u> | <u>\$ 6,438,199</u> | <u>\$ 27,115,878</u> |

See accompanying notes to the basic financial statements.

VILLAGE OF OREGON
Oregon, Wisconsin

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

| | |
|--|---------------|
| Total fund balance, governmental funds | \$ 11,340,410 |
|--|---------------|

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

| | |
|---|------------|
| Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position. | 65,765,577 |
|---|------------|

| | |
|---|---------|
| Special assessments set up for installment are reported as revenue in the Statement of Net Position when earned, but they are recorded as deferred inflows of resources in the fund financial statements. | 343,107 |
|---|---------|

| | |
|---|---------|
| Library grant receivable that is not available to pay for current period expenditures, and, therefore, are deferred in the fund financial statements. | 191,635 |
|---|---------|

| | |
|--|-------------|
| Unamortized debt premiums are not recognized in the fund financial statements since they are not due and payable in the current period. However, they are included in the Statement of Net Position. | (1,516,867) |
|--|-------------|

| | |
|--|-------------|
| The net pension liability is not due and payable in the current period and, therefore, is not reported in the fund financial statements. | (1,332,823) |
|--|-------------|

| | |
|---|-----------|
| The net OPEB liability is not due and payable in the current period and, therefore, is not reported in the fund financial statements. | (204,702) |
|---|-----------|

| | |
|---|--------|
| Deferred charges for loss on refunding are recognized as an expense in the funds but deferred on the Statement of Net Position. | 81,124 |
|---|--------|

Pension and OPEB deferred outflows of resources and deferred inflows of resources are actuarially determined by the defined benefit pension and OPEB plans. These items are reflected in the Statement of Net Position and are being amortized with pension and OPEB expenses in the Statement of Activities. The deferred outflows of resources and deferred inflows of resources are not financial resources or uses and therefore are not reported in the fund statements.

| | |
|--------------------------------|-------------|
| Deferred outflows of resources | 5,109,059 |
| Deferred inflows of resources | (2,960,181) |

Some liabilities, (such as General Obligation Debt and Accrued Interest), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.

| | | |
|---|--------------|--|
| Accrued interest | (450,844) | |
| Long-term debt - Current portion | (3,289,378) | |
| Long-term debt | (32,522,267) | |
| Developer Commitments - Current portion | (321,512) | |
| Developer Commitments - Long-term | (1,579,588) | |
| Compensated absences | (331,334) | |
| Compensated absences - Long-term | (199,746) | |
| Subtotal | (38,694,669) | |

| | | |
|----------|--|---|
| Rounding | | 4 |
|----------|--|---|

| | | |
|--|--|---------------|
| Net Position of Governmental Activities in the Statement of Net Position | | \$ 38,121,674 |
|--|--|---------------|

VILLAGE OF OREGON
Oregon, Wisconsin

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

| | <u>General Fund</u> | <u>Debt Service</u> | <u>Street Improvements</u> | <u>Library Fund</u> | <u>Non-Major Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|---------------------|---------------------|--------------------------------|---------------------|---|---|
| REVENUES | | | | | | |
| Property Taxes | \$ 4,717,242 | \$ 2,837,333 | \$ - | \$ 892,047 | \$ 1,004,109 | \$ 9,450,731 |
| Other Taxes | 385,004 | - | - | - | 73,383 | 458,387 |
| Special Assessment Revenue | - | 6,390 | - | - | - | 6,390 |
| Intergovernmental | 1,155,377 | - | 128,123 | 982,205 | 991,178 | 3,256,883 |
| License and Permits | 318,600 | 125,205 | - | 41,053 | 561,734 | 1,046,592 |
| Fines, Forfeits and Penalties | 112,433 | - | - | 5,968 | - | 118,401 |
| Public Charges for Services | 177,733 | - | - | - | 687,173 | 864,906 |
| Intergovernmental Charges for Services | 191,039 | - | - | 20,476 | - | 211,515 |
| Interest Income | 287,598 | 19,177 | 205,125 | 314,899 | 307,502 | 1,134,301 |
| Miscellaneous Income | 156,232 | - | 18,171 | 195,992 | 186,896 | 557,291 |
| Total Revenues | <u>7,501,258</u> | <u>2,988,105</u> | <u>351,419</u> | <u>2,452,640</u> | <u>3,811,975</u> | <u>17,105,397</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General Government | 1,121,368 | 3,957 | - | - | 243,098 | 1,368,423 |
| Public Safety | 3,947,311 | - | - | - | 26,750 | 3,974,061 |
| Public Works | 1,003,024 | - | 196,022 | - | 626,770 | 1,825,816 |
| Health and Human Services | 380,505 | - | - | - | - | 380,505 |
| Culture, Recreation and Education | 660,247 | - | - | 1,120,035 | 134,651 | 1,914,933 |
| Conservation and Development | 233,488 | - | - | - | 446,510 | 679,998 |
| Capital Outlay | - | - | 2,308,193 | 13,031,431 | 3,117,906 | 18,457,530 |
| Debt Service: | | | | | | |
| Principal Repayment | - | 2,563,487 | - | - | 45,000 | 2,608,487 |
| Interest Expense and Fiscal Charges | - | 859,891 | 59,275 | 81,986 | 42,474 | 1,043,626 |
| Total Expenditures | <u>7,345,943</u> | <u>3,427,335</u> | <u>2,563,490</u> | <u>14,233,452</u> | <u>4,683,159</u> | <u>32,253,379</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>155,315</u> | <u>(439,230)</u> | <u>(2,212,071)</u> | <u>(11,780,812)</u> | <u>(871,184)</u> | <u>(15,147,982)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Proceeds from Long-Term Debt | - | - | 2,610,000 | 3,610,000 | 560,000 | 6,780,000 |
| Debt Premium from Long-Term Debt | - | 352,919 | 30,312 | 41,925 | 6,504 | 431,660 |
| Transfers In | 343,737 | 512,675 | - | - | 1,284,171 | 2,140,583 |
| Transfers Out | (340,112) | - | - | - | (1,878,702) | (2,218,814) |
| Total Other Financing Sources and Uses | <u>3,625</u> | <u>865,594</u> | <u>2,640,312</u> | <u>3,651,925</u> | <u>(28,027)</u> | <u>7,133,429</u> |
| Net Change in Fund Balances | 158,940 | 426,364 | 428,241 | (8,128,887) | (899,211) | (8,014,553) |
| Fund Balances - Beginning | 2,422,915 | 92,827 | 2,563,745 | 8,482,076 | 5,793,400 | 19,354,963 |
| Fund Balances - Ending | <u>\$ 2,581,855</u> | <u>\$ 519,191</u> | <u>\$ 2,991,986</u> | <u>\$ 353,189</u> | <u>\$ 4,894,189</u> | <u>\$ 11,340,410</u> |

See accompanying notes to the basic financial statements.

VILLAGE OF OREGON
Oregon, Wisconsin

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

Net change in fund balances - total governmental funds: \$ (8,014,553)

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

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

This is the amount of capital outlays (\$17,980,261) net of depreciation (\$1,921,914) in the current period. 16,058,347

Net effect of various miscellaneous transactions involving capital assets (i.e. noncapitalized outlay, sales, trade-ins, developer contributions, and donations) is to increase net position. 970,976

Gain (Loss) on sale of capital assets (24,997)

Governmental funds record special assessment revenues when available and collectible. In contrast, such revenues are reported in the Statement of Activities when earned. This represents special assessments and other revenue accrued on the government-wide statements, but not on the fund statements. 215,168

Certain revenue included in the statement of activities does not provided current financial resources and, therefore, is deferred in the governmental fund statements. 191,635

Governmental funds report debt proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities.

This is the amount of debt proceeds (\$6,780,000) with debt premium (\$431,660) during the year net of principal payments (\$2,608,487). (4,603,173)

This is the amount of current year developer commitments reported as an accrued liability. (96,979)

This is the amount of previously accrued developer commitments paid during the year. 288,894

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

Change in accrued interest not reflected on governmental funds (101,243)

Amortization of debt premiums 115,623

Amortization of loss on refunding (18,721)

Change in compensated absences (87,516)

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

Amount of current year required contributions into the defined benefit pension and OPEB plans 303,034

Actuarially determined change in net pension and OPEB asset (liability) between years, with adjustment (630,755)

Rounding 3

Change in net position of governmental activities \$ 4,565,743

VILLAGE OF OREGON
Oregon, Wisconsin

Statement of Net Position
Proprietary Funds
December 31, 2023

| | Enterprise Funds | | |
|---|-------------------------|----------------------|----------------------|
| | Water | Sewer | Total |
| ASSETS | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents | \$ 2,635,674 | \$ 5,590,900 | \$ 8,226,574 |
| Receivables: | | | |
| Accounts | 154,806 | 155,549 | 310,355 |
| Lease | 10,380 | - | 10,380 |
| Other | 1,903 | - | 1,903 |
| Due from Other Funds | 11,027 | 13,026 | 24,053 |
| Inventories | 19,823 | - | 19,823 |
| Prepaid Expenses | 34,664 | 5,970 | 40,634 |
| Total Current Assets | <u>2,868,277</u> | <u>5,765,445</u> | <u>8,633,722</u> |
| Restricted Assets: | | | |
| Restricted Cash and Cash Equivalents | 1,955,976 | 1,091,568 | 3,047,544 |
| Total Restricted Assets | <u>1,955,976</u> | <u>1,091,568</u> | <u>3,047,544</u> |
| Capital Assets: | | | |
| Land | 197,523 | 58,056 | 255,579 |
| Construction Work in Progress | 699,012 | 175,240 | 874,252 |
| Other Capital Assets | 24,458,758 | 30,603,002 | 55,061,760 |
| Less Accumulated Depreciation | <u>(8,277,160)</u> | <u>(15,007,853)</u> | <u>(23,285,013)</u> |
| Net Capital Assets | <u>17,078,133</u> | <u>15,828,445</u> | <u>32,906,578</u> |
| Noncurrent Assets: | | | |
| Long-Term Lease Receivable | 750,721 | - | 750,721 |
| Long-Term Receivable | - | 157,024 | 157,024 |
| Total Noncurrent Assets | <u>750,721</u> | <u>157,024</u> | <u>907,745</u> |
| Total Assets | <u>22,653,107</u> | <u>22,842,482</u> | <u>45,495,589</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Unamortized Loss on Debt Refunding | 17,757 | - | 17,757 |
| Deferred Pension Outflows | 307,764 | 290,256 | 598,020 |
| Total Deferred Outflows of Resources | <u>325,521</u> | <u>290,256</u> | <u>615,777</u> |
| Total Assets and Deferred Outflows of Resources | <u>\$ 22,978,628</u> | <u>\$ 23,132,738</u> | <u>\$ 46,111,366</u> |

See accompanying notes to the basic financial statements.

VILLAGE OF OREGON
Oregon, Wisconsin

Statement of Net Position
Proprietary Funds
December 31, 2023

| | Enterprise Funds | | |
|---|-------------------------|----------------------|----------------------|
| | Water | Sewer | Total |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts Payable | \$ 115,094 | \$ 169,093 | \$ 284,187 |
| Accrued Liabilities | 7,394 | 12,128 | 19,522 |
| Accrued Interest Payable | 31,130 | 11,798 | 42,928 |
| Compensated Absences | 31,714 | 38,215 | 69,929 |
| Current Portion of Long-Term Debt | 350,000 | 145,000 | 495,000 |
| Current Portion of Unamortized Bond Premium | 8,853 | 5,863 | 14,716 |
| Total Current Liabilities | <u>544,185</u> | <u>382,097</u> | <u>926,282</u> |
| Non-Current Liabilities: | | | |
| Long-Term Debt: | | | |
| General Obligation Debt | 1,790,000 | 1,045,000 | 2,835,000 |
| Revenue Bonds Payable | 1,585,000 | - | 1,585,000 |
| Unamortized Bond Premium | 71,718 | 32,129 | 103,847 |
| Total Long-Term Debt | <u>3,446,718</u> | <u>1,077,129</u> | <u>4,523,847</u> |
| Other Liabilities: | | | |
| Compensated Absences | 2,011 | 2,011 | 4,022 |
| Net Pension Liability | 81,700 | 77,052 | 158,752 |
| Total Other Liabilities | <u>83,711</u> | <u>79,063</u> | <u>162,774</u> |
| Total Non-Current Liabilities | <u>3,530,429</u> | <u>1,156,192</u> | <u>4,686,621</u> |
| Total Liabilities | <u>4,074,614</u> | <u>1,538,289</u> | <u>5,612,903</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred Inflows-Leases | 718,923 | - | 718,923 |
| Deferred Pension Inflows | 171,790 | 162,017 | 333,807 |
| Total Deferred Inflows of Resources | <u>890,713</u> | <u>162,017</u> | <u>1,052,730</u> |
| NET POSITION | | | |
| Net Investment in Capital Assets | 14,453,682 | 14,645,088 | 29,098,770 |
| Restricted | | | |
| DNR Replacement Fund | - | 1,046,933 | 1,046,933 |
| Impact Fees | 693,028 | - | 693,028 |
| Unrestricted | | | |
| Total Net Position | <u>18,013,301</u> | <u>21,432,432</u> | <u>39,445,733</u> |
| Total Liabilities, Deferred Inflows of Resources and Net Position | <u>\$ 22,978,628</u> | <u>\$ 23,132,738</u> | <u>\$ 46,111,366</u> |

See accompanying notes to the basic financial statements.

VILLAGE OF OREGON
Oregon, Wisconsin

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

| | Enterprise Funds | | |
|--|-------------------------|----------------------|----------------------|
| | Water | Sewer | Total |
| OPERATING REVENUES | | | |
| Charges for Services | \$ 1,490,914 | \$ 1,630,321 | \$ 3,121,235 |
| Other Operating Revenues | 37,713 | 6,053 | 43,766 |
| Total Operating Revenues | <u>1,528,627</u> | <u>1,636,374</u> | <u>3,165,001</u> |
| OPERATING EXPENSES | | | |
| Operation and Maintenance | 771,258 | 1,262,995 | 2,034,253 |
| Depreciation | 465,223 | 748,022 | 1,213,245 |
| Taxes | 16,863 | 22,907 | 39,770 |
| Total Operating Expenses | <u>1,253,344</u> | <u>2,033,924</u> | <u>3,287,268</u> |
| Operating Income (Loss) | <u>275,283</u> | <u>(397,550)</u> | <u>(122,267)</u> |
| NON-OPERATING REVENUES (EXPENSES) | | | |
| Interest and Investment Revenue | 263,036 | 334,788 | 597,824 |
| Miscellaneous Non-Operating Revenue | 39,685 | 174,139 | 213,824 |
| Operating Grants and Contributions | - | 2,000 | 2,000 |
| Interest and Amortization Expense | <u>(115,830)</u> | <u>(36,056)</u> | <u>(151,886)</u> |
| Total Non-Operating Revenues (Expenses) | <u>186,891</u> | <u>474,871</u> | <u>661,762</u> |
| Income (Loss) Before Transfers and Capital Contributions | 462,174 | 77,321 | 539,495 |
| Capital Contributions | 220,843 | 328,902 | 549,745 |
| Capital Contributions - Paid by Village | 59,750 | 104,800 | 164,550 |
| Transfers In | 386,425 | 352,635 | 739,060 |
| Transfers Out - Tax Equivalent | (326,737) | - | (326,737) |
| Transfers Out | <u>(170,568)</u> | <u>(161,443)</u> | <u>(332,011)</u> |
| Change in Net Position | 631,887 | 702,215 | 1,334,102 |
| Net Position - Beginning | <u>17,381,414</u> | <u>20,730,217</u> | <u>38,111,631</u> |
| Net Position - Ending | <u>\$ 18,013,301</u> | <u>\$ 21,432,432</u> | <u>\$ 39,445,733</u> |

See accompanying notes to the basic financial statements.

VILLAGE OF OREGON
Oregon, Wisconsin

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

| | Enterprise Funds | | |
|--|-------------------------|---------------------|----------------------|
| | Water | Sewer | Total |
| <u>Cash Flows from Operating Activities:</u> | | | |
| Receipts from customers | \$ 1,487,445 | \$ 1,648,132 | \$ 3,135,577 |
| Payments to suppliers | (233,174) | (631,324) | (864,498) |
| Payments to employees | (445,430) | (491,286) | (936,716) |
| Tax equivalent paid | (326,737) | - | (326,737) |
| Net cash provided (used) by operating activities | <u>482,104</u> | <u>525,522</u> | <u>1,007,626</u> |
| <u>Cash Flows from Capital and Related Financing Activities:</u> | | | |
| Acquisition and construction of plant assets | (1,018,115) | (530,635) | (1,548,750) |
| Proceeds from long-term debt | 250,000 | - | 250,000 |
| Impact / Connection Fees | 159,265 | 270,000 | 429,265 |
| Principal payments on long-term debt | (340,000) | (140,000) | (480,000) |
| Transfer to debt service | (10,568) | (1,443) | (12,011) |
| Interest paid | (124,354) | (37,381) | (161,735) |
| Net cash provided (used) by capital and related financing activities | <u>(1,083,772)</u> | <u>(439,459)</u> | <u>(1,523,231)</u> |
| <u>Cash Flows from Non-Capital and Related Financing Activities:</u> | | | |
| Intergovernmental grants | - | 2,000 | 2,000 |
| Transfer In/(Out) | (160,000) | (160,000) | (320,000) |
| Net cash provided (used) by non-capital and related financing activities | <u>(160,000)</u> | <u>(158,000)</u> | <u>(318,000)</u> |
| <u>Cash Flows from Investing Activities:</u> | | | |
| Interest income | 263,036 | 334,788 | 597,824 |
| Net cash provided (used) by investing activities | <u>263,036</u> | <u>334,788</u> | <u>597,824</u> |
| Net increase (decrease) in cash and equivalents | (498,632) | 262,851 | (235,781) |
| <u>Cash and Equivalents, Beginning of year</u> | <u>5,090,282</u> | <u>6,419,617</u> | <u>11,509,899</u> |
| <u>Cash and Equivalents, End of year</u> | <u>\$ 4,591,650</u> | <u>\$ 6,682,468</u> | <u>\$ 11,274,118</u> |
| <u>Reconciliation to Statement of Net Position:</u> | | | |
| Current cash and cash equivalents | \$ 2,635,674 | \$ 5,590,900 | \$ 8,226,574 |
| Restricted cash and cash equivalents | 1,955,976 | 1,091,568 | 3,047,544 |
| Cash and Equivalents, End of Year | <u>\$ 4,591,650</u> | <u>\$ 6,682,468</u> | <u>\$ 11,274,118</u> |

See accompanying notes to the basic financial statements.

VILLAGE OF OREGON
Oregon, Wisconsin

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

| | Enterprise Funds | | |
|--|-------------------------|-------------------|---------------------|
| | Water | Sewer | Total |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities | | | |
| Operating Income (Loss) | \$ 275,283 | \$ (397,550) | \$ (122,267) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities: | | | |
| Miscellaneous | 39,685 | 174,139 | 213,824 |
| Tax equivalent transfer | (326,737) | - | (326,737) |
| Joint meter allocation | 33,001 | (33,001) | - |
| Amortization | 5,694 | (5,863) | (169) |
| Depreciation | 465,223 | 748,022 | 1,213,245 |
| Pension expense | 15,523 | 22,963 | 38,486 |
| Leases | (21,467) | - | (21,467) |
| Changes in Assets and Liabilities: | | | |
| Customer accounts receivable | (41,530) | 11,758 | (29,772) |
| Other accounts receivable | 23 | - | 23 |
| Inventories | (3,928) | - | (3,928) |
| Prepayments | 747 | (2,760) | (2,013) |
| Accounts payable | 39,428 | 51 | 39,479 |
| Accrued liabilities | 834 | 7,403 | 8,237 |
| Net cash provided (used) by operating activities | <u>\$ 482,104</u> | <u>\$ 525,522</u> | <u>\$ 1,007,626</u> |
| Noncash Capital and Related Financing | | | |
| Plant financed by accounts payable | <u>\$ 5,489</u> | <u>\$ 55,471</u> | <u>\$ 60,960</u> |
| Plant financed by developer contributions | <u>\$ 61,578</u> | <u>\$ 58,902</u> | <u>\$ 120,480</u> |
| Plant financed by municipality | <u>\$ 59,750</u> | <u>\$ 104,800</u> | <u>\$ 164,550</u> |

See accompanying notes to the basic financial statements.

VILLAGE OF OREGON
Oregon, Wisconsin

Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2023

| | <u>Tax Collections</u> |
|---------------------------|-------------------------------|
| ASSETS | |
| Cash and Cash Equivalents | \$ 10,028,651 |
| Receivables: | |
| Taxes Receivable | 12,771,328 |
| Total Assets | <u>\$ 22,799,979</u> |
| LIABILITIES | |
| Due to Other Governments | \$ 22,799,979 |
| Total Liabilities | <u>\$ 22,799,979</u> |

See accompanying notes to the basic financial statements.

VILLAGE OF OREGON
Oregon, Wisconsin

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

| | <u>Tax Collections</u> |
|---|-------------------------------|
| ADDITIONS | |
| Property tax collections for other governments | <u>\$ 16,871,232</u> |
| Total Additions | <u>16,871,232</u> |
| DEDUCTIONS | |
| Payments of taxes to other governments | <u>16,871,232</u> |
| Total Deductions | <u>16,871,232</u> |
| Net increase (decrease) in fiduciary net position | - |
| Net Position - Beginning | <u>-</u> |
| Net Position - Ending | <u><u>\$ -</u></u> |

See accompanying notes to the basic financial statements.

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

The Village operates under a Village Board form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services.

The Village's financial statements include the Village of Oregon Community Development Authority as a component unit, as defined in GASB 14 and as amended by GASB 39 and GASB 61.

The criterion for including a legally separate organization as a component unit is the degree of financial accountability and fiscal dependency the Village has with the organization. A financial benefit or burden relationship needs to be present between the primary government and that organization for it to be included in the reporting entity as a component unit.

The following circumstances set forth the Village's financial accountability for a legally separate organization: the Village is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Village. The Village may be financially accountable if an organization is fiscally dependent on the Village regardless of whether the organization has (1) a separately-elected governing body, (2) a governing body appointed by a higher level of government, or (3) a jointly-appointed governing body. In addition, the primary government may determine, through exercise of management's professional judgment, that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the Village's financial statements from being misleading.

Component Unit

The Village Board appoints the governing body of the Community Development Authority of the Village of Oregon (CDA). The CDA is fiscally dependent upon the Village because the Board approves the CDA's budget and levies taxes for the CDA. The CDA is discretely presented in the Village's financial statements. Current audited financial information is included in the Village's financial statements. A separate audited financial statement was not issued. This fund was closed out in 2023.

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation - Government-Wide and Fund Financial Statements

“Government-wide” financial statements are basic financial statements required for all governmental units. The Statement of Net Position and the Statement of Activities are the two required statements. Both statements are prepared on the full accrual basis. The modified accrual basis of accounting continues to be the appropriate basis of accounting for governmental activity fund financial statements.

In addition, all funds in the government-wide financial statements are reported as business-type activities or governmental activities. The definitions for these types of activities are discussed in other portions of Note 1.

Finally, all non-fiduciary funds are further classified as major or non-major funds. In reporting financial condition and results of operations for governmental units, the standard concentrates on major funds versus non-major funds.

Government-Wide 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 nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

As discussed earlier, the government has one discretely presented component unit. The Community Development Authority is not considered to be a major component unit and is shown in a separate column in the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. 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 revenue includes 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 as general revenues.

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation - Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements

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

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

- a. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenue, or expenditures/expenses of that individual government 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 funds 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 the financial statement user may be reported as a major fund.

The Village reports the following major funds:

Major Governmental Funds

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

Debt Service - used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest, and related costs.

Library Fund - used to account for the proceeds of specific revenue sources that is restricted to expenditures for the library.

Street Improvement Fund - used to account for the accumulation of resources for, and payment of, street improvement projects and related repairs.

Major Proprietary Funds

Proprietary funds are used to account for operations a) that are financed and operated in a manner similar to private business enterprise – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or b) where the governing body has decided that periodic determination of revenues earned, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation - Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements (Continued)

Major Proprietary Funds (Continued)

The following proprietary funds are included in these statements:

Water - All activities necessary to provide water services to residents of the Village. Fund activities include administration, billing and collection, operations, maintenance, and financing. The water utility is regulated by the Wisconsin Public Service Commission.

Sewer - This fund accounts for the maintenance of the Village's sewer system. Wisconsin State Statutes Section 66.076, permit municipalities to implement sewer fees to recover the costs of operation, maintenance, repair, and depreciation of sewer collection and transportation facilities. Sewer maintenance costs are recovered through a user fee rather than through the property tax.

The Village reports the following non-major governmental funds:

Non-Major Governmental Funds

Special Revenue Funds— used to account for the proceeds of specific revenue sources (other than major capital projects) that is legally restricted to expenditures for specific purposes.

| | |
|---------------------------|---------------------------------|
| Cable TV Franchise | Wackman |
| Senior Center Fund | Canine Fund |
| Preserve Water Tower | Community Events |
| Herman Cemetery Trust | Sick Leave |
| Police | Work Force Housing |
| Refuse & Recycling Pickup | Hermsen Property Fund |
| Room Tax | American Rescue Plan Act (ARPA) |
| TIF District #3 | Drug Free Community Grant |
| TIF District #4 | Public Art Fund |
| TIF District #5 | TIF District #6 |

Capital Projects Funds— used to account for financial resources to be used for the acquisition or construction of major capital facilities and infrastructure (other than those financed by proprietary funds and trust funds). The non-major capital projects funds included in these statements are the following:

| | |
|------------------------|----------------------------|
| Developers Storm Sewer | Bike Path |
| Park Fund | Park Improvements |
| Cemetery Land Purchase | Civic Campus Plan Projects |
| Equipment Replacement | Business Park |

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation - Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements (Continued)

Non-Major Governmental Funds (Continued)

Permanent Funds – a restricted true endowment fund for governments. Used to generate and disburse money to those entitled to receive payments by qualification or agreement. The non-major permanent funds included in these statements are as follows:

Cemetery Perpetual Care

Wackman Trust Fund

Fiduciary Funds

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

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

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

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

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of the timing of related cash flows. 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 revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Unbilled receivables are recorded as revenues when services are provided.

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

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

Government-Wide Financial Statements (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer functions 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 recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

Special assessments are recognized as revenue when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred inflows.

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

The Village reports deferred inflows on its governmental funds balance sheet. Deferred inflows arise from taxes levied in the current year, which are for subsequent year's operations. For governmental fund financial statements, deferred inflows arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows also arise when resources are received before the Village has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the deferred inflows are removed from the balance sheet and revenue is recognized.

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

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

Fund Financial Statements (Continued)

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

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.

D. Assets, Liabilities, and Net Position or Equity

1) Cash and Cash Equivalents

Each fund's portion of total cash and investments is reported as cash and cash equivalents/investments by the Village's individual major funds, and in the aggregate for non-major and custodial funds. For purposes of the Statement of Cash Flows, all cash and investments with original maturities 90 days or less of the proprietary fund are considered to be cash equivalents. The Village has certificates of deposit greater than 90 days that are not cash equivalents.

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

Investments with remaining maturities at the time of purchase of one year or less are stated at amortized cost which approximates fair value. Investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market prices. In accordance with State law, the Village has invested in securities which are callable and may provide for periodic interest rate increases in specific increments until maturity; these and all other investments are stated at fair value.

See Footnote 2 for additional information.

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

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

2) Taxes Receivable

Property taxes are levied prior to the end of the calendar year and are due and collectible in the following year. Property taxes attach as an enforceable lien as of January 1. The Village's portion of taxes is recorded as a receivable in the general fund. Since Village property taxes are not considered available until January 1 of the year following the levy, they are recorded as deferred inflows in the funds budgeted therefore. Taxes are levied in December on the assessed value as of the prior January 1.

Property tax calendar – 2023 tax roll

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

3) Accounts Receivable

Accounts receivable have been adjusted for all known uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No allowance is necessary at year end. No provision for uncollectible accounts receivable has been made in the accompanying enterprise fund financial statements because the water and sewer utility has the right by law to place delinquent bills on the tax roll.

4) Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. Special assessments of enterprise funds are recorded as non-operating revenue at the time of assessment, if subject to collection.

Uncollected installments placed on prior year tax rolls are held for collection by the County and are remitted to the Village upon collection by the County. These delinquent installments are financed by the general fund.

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

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

5) Inventories and Prepaid Items

Inventories of proprietary funds are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased. Year-end inventory was not material for governmental funds.

Prepaid items represent payments made by the Village for which benefits extend beyond December 31. A nonspendable fund balance has been recognized for these non-liquid assets (inventories and prepaid items) to signify that a portion of fund balance is not available for other subsequent expenditures, except in cases where they are offset by unearned revenue.

6) Advance and Interfund Activities

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 from other funds. Long-term interfund loans (noncurrent portion) are reported as advances from and to other funds. In the governmental fund financial statements, advances to other funds are offset, equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation (nonspendable fund balance). Eliminations have been made for amounts due to/from and advance to/from within the same fund type on the government-wide statements.

Non-exchange transactions which are not borrowing/lending (will not be repaid) are recorded as operating transfers, and exchange transactions are recorded as revenues and expenses. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers.

7) Restricted Cash and Investments

Impact Fees – Restricted cash and investments includes impact fee collected under Village ordinances that have time and purpose restrictions. Impact fees are collected to finance future capital improvements.

Unspent Debt Proceeds – Restricted cash and investments includes the amount of debt proceeds borrowed but unspent as of December 31, 2023. These funds are shown as restricted based on the purposes outlined in bond resolutions when issued.

Replacement Funds – Restricted cash and investments includes a "DNR Replacement Fund" which is required by the Wisconsin Department of Natural Resources for repairs and maintenance on the sewer utility plant.

Other – Resources that have been received or earned by the government with an explicit understanding between the government and the resource providers that the resources would be used for a specific purpose.

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

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

8) Leases as Lessor

The Village's lease receivables are measured at the present value of lease payments expected to be received during the lease term.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

A portion of fund balance is shown as nonspendable because it is not an available resource. It represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

9) Capital Assets

Government-Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than \$2,000 for general capital assets including infrastructure assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at their estimated acquisition value at the date of donation.

General infrastructure assets, such as roads, bridges, curbs, gutters, streets, sidewalks and drainage, and lighting systems, acquired prior to January 1, 2004, are reported at estimated historical cost using prior financial information.

General Fixed Assets - Fixed assets acquired or constructed for general governmental services are recorded as expenditures in the fund from which the disbursements are made. Generally accepted accounting principles require that these fixed assets be capitalized at cost in the government-wide financial statements. Contributed fixed assets are to be recorded in the government-wide financial statements at fair market value at the time received. Interest incurred during construction is not capitalized.

Depreciation on governmental fixed assets is calculated straight-line based on the estimated useful life of assets. The estimated useful life of assets is determined by industry standards as recommended by GASB. Useful lives vary by asset type. Capitalization thresholds and the estimated useful lives are as follows:

| Capital Asset Category | Capitalization Threshold | Estimated Useful Life |
|-------------------------------|---------------------------------|------------------------------|
| Infrastructure | \$2,000 | 33-100 |
| Land | - | N/A |
| Improvements | \$2,000 | 7-23 |
| Buildings | \$2,000 | 40-110 |
| Machinery and Equipment | \$2,000 | 3-30 |

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

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

9) Capital Assets (Continued)

Proprietary Fund Fixed Assets - Assets in the proprietary fund are capitalized at cost or fair value at date of contribution or acquisition. Normal repairs and maintenance that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining lives of the related assets.

Depreciation is charged over the estimated service life of the assets using the straight-line method. Annual depreciation charges are determined using the average utility plant in service and rates prescribed by the Wisconsin Public Service Commission.

10) 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 and bond payable, and accrued compensated absences.

Proceeds of long-term debt issues not recorded as fund liabilities are reflected as “Other Financing Sources” in the operating statement of the recipient fund. Retirement of these issues is reported as an expenditure of the debt service fund in the year in which the debt matures or is repaid, whichever is earlier. Conduit debt obligations, such as industrial revenue bonds (IRBS), approved for business enterprises, do not constitute debt of the Village. Accordingly, the bonds are not recorded in the Village’s financial statements.

11) Debt Issuance Costs, Debt Premium and Discount and Loss

In the government-wide and proprietary fund financial statements, debt premiums and discounts are deferred and amortized over the life of the debt. Long-term debt is reported net of the applicable debt premium or discount. Debt issuance gains or losses are reported as deferred inflows or outflows and amortized over the term of the debt issue.

In the fund financial statements, governmental fund types recognize premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

Debt issuance costs are recognized as expenditures in the current period for both the fund financial statements and the government-wide financial statements.

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

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

12) Compensated Absences

Vacation pay accumulates and is fully vested. All vacation pay is based upon the employee's anniversary date of hire. Vacation time earned and not taken by an employee's anniversary date must be used within six months or two years of their anniversary date depending on the employee's position. All earned vacation is paid to terminating employees if they give at least two weeks' notice prior to leaving. Employees whose service is being terminated due to discharge, death, or retirement shall receive all earned vacation based upon actual months of service.

Sick leave can be accumulated and carried forward in varying amounts based on an employee's position. All sick leave accumulated is cancelled when an employee leaves the employment of the Village except for department heads and supervisors hired prior to January 1, 2006 who have 20 years of consecutive service as a department head or supervisor (which may accrue up to 2,080 hours).

The Village provides eligible employees hired before January 1, 2006, the option to convert accumulated sick leave to cash or insurance premium payments. Eligibility is based on Village policies and contractual agreements. The number of participants currently eligible to receive benefits is two. The cost of those premiums is recognized as expenditure as the premiums are paid. Funding for those costs is provided out of the current operating budget of the municipality. There were not such benefit premiums paid during 2023 and there is no governmental amount outstanding at year end to be accrued.

Accumulated unpaid vacation and sick leave for employees is recorded as an expense and liability to the government-wide and proprietary funds. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Compensated absences accrued in the financial statements are calculated at the pay rate in effect as of December 31 of each fiscal year. Upon retirement employees compensated absences are paid based on the rate of pay for an individual at retirement.

13) Pensions

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

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

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

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

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

14) 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 following:

- 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 LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

15) Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

16) Equity Classifications

Government-Wide Statements

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

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

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

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

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

16) Equity Classifications (Continued)

Fund Financial Statements

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

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

When net losses occur, it is the Village's policy to record the net loss against committed fund balance, then assigned fund balance, and lastly to unassigned fund balance. The Village applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

It is the Village's policy to maintain an unassigned fund balance to meet operational needs. The goal is to maintain a minimum unassigned fund balance equal to 25-35% of the following year's total General Fund Expenditures. It has been the practice of the Village to transfer any excess over 30% to other capital and/or special revenue funds as determined by management.

17) 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. There were no significant claims or judgments at year-end requiring accrual.

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

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

18) Use of Estimates

The financial statements of the Village have been prepared in conformity with generally accepted accounting principles as applied to local government units, The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

19) Change in Accounting Principle

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

2. Cash and Cash Equivalents/Investments

At December 31, 2023, the cash and investments consist of the following:

| | Deposits and Investments | Risks |
|--|-----------------------------|--------------------------------|
| Petty Cash/Cash on Hand | \$ 1,011 | |
| Deposits with Financial Institutions | 39,447,569 | Custodial Credit |
| Certificates of Deposit | 10,000 | Custodial Credit/Interest Rate |
| Wisconsin Local Government Investment Pool | 1,348,044 | Credit/Interest Rate |
| Total Cash and Investments | <u>\$ 40,806,624</u> | |

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

Statement of Net Position:

| | |
|--------------------------------------|---------------|
| Cash and Cash Equivalents | \$ 22,520,105 |
| Restricted Cash and Cash Equivalents | 8,257,868 |

Fiduciary Funds:

| | |
|---------------------------------|----------------------|
| Cash and Investments | 10,028,651 |
| Total Cash and Cash Equivalents | <u>\$ 40,806,624</u> |

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

2. Cash and Cash Equivalents/Investments (Continued)

Investments Authorized by Wisconsin Statutes

Investment of Village funds is restricted by State statutes. Available investments are limited to:

- 1) Deposits in any credit union, bank, savings bank, trust company or savings and loan which is authorized to transact business in this State;
- 2) Bonds or securities issued or guaranteed as to principal and interest by the federal government, or by a commission, board or other instrumentality of the federal government;
- 3) Bonds or securities of any county, drainage district, VTAE district, village, city, town or school district of this State;
- 4) Any security which matures or which may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired, if that security has a rating which is the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's investor service or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating;
- 5) Bonds or securities issued under the authority of the municipality;
- 6) The local government pooled-investment fund as established under WI Statute Section 25.50.
- 7) Agreements in which a public depository agrees to repay funds advanced to it by the Village, plus interest, if the agreement is secured by bonds or securities issued or guaranteed as to principal and interest by the federal government.
- 8) Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- 9) Repurchase agreements with public depositories, with certain conditions.
- 10) Bonds issued by the University of Wisconsin Hospital and Clinics Authority, and the Wisconsin Aerospace Authority.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Village's investment policy limits investment maturities to be no more than three years.

The LGIP investments have an average maturity of no more than 17 days. Certificates of deposit identified in the table below have an average maturity of 23 days. Investments maturities as of December 31, 2023 are classified as follows:

| <u>Investment Type</u> | <u>Investment Maturities</u> | | | |
|----------------------------------|------------------------------|---------------------------|---------------------------|--------------------------|
| | <u>Fair Value</u> | <u>Less Than 6 Months</u> | <u>6 Months to 1 Year</u> | <u>1 Year to 3 Years</u> |
| Certificates of Deposit | \$ 10,000 | \$ 10,000 | \$ - | \$ - |
| Local Government Investment Pool | 1,348,044 | 1,348,044 | - | - |
| Total | \$ 1,358,044 | \$ 1,358,044 | \$ - | \$ - |

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

2. Cash and Cash Equivalents/Investments (Continued)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The Village's investment policy does not further limit its investments choices. As of December 31, 2023, the Village's investment in the Wisconsin Local Government Investment Pool was not rated, however, the investments at all times consist solely of securities and instruments in which municipalities are permitted to invest.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Village would not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial risk for investments is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to a transaction, the Village would not be able to recover the value of its investment of collateral securities that are in the possession of another party. The Village's investment policy states it shall maintain all cash and investments that are insured or registered or which are collateralized. The Village requires a minimum of \$2,000,000 of collateral from the main financial institutions acting as a depository for the Village.

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

The Village's investment policy requires a minimum of \$2,000,000 of collateral from all financial institutions acting as a depository for the Village. As of December 31, 2023, the Village's deposits were exposed to custodial credit risk as follows:

| | |
|---|-----------------------------|
| Uninsured, collateral pledged by bank in Village's Name | \$ 170,000 |
| Uninsured, covered by irrevocable letter of credit | <u>33,998,617</u> |
| Total | <u><u>\$ 34,168,617</u></u> |

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

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

2. Cash and Cash Equivalents/Investments (Continued)

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

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

3. Components of Restricted Assets

The following is a list of restricted cash as of December 31, 2023:

| | <u>Governmental</u> | <u>Water</u> | <u>Sewer</u> |
|----------------------------|---------------------|---------------------|---------------------|
| DNR Replacement | \$ - | \$ - | \$ 1,046,933 |
| Library Building Donations | 2,040,300 | - | - |
| Unspent Debt Proceeds | 1,813,615 | 1,022,620 | 44,635 |
| Debt Reserve/Redemption | 352,919 | 240,328 | - |
| Impact Fees | 1,003,490 | 693,028 | - |
| Total | <u>\$ 5,210,324</u> | <u>\$ 1,955,976</u> | <u>\$ 1,091,568</u> |

4. Leases as Lessor

The Village has entered into lease agreements where the Village is the lessor. In the statement of activities, lease revenue for the year ended December 31, 2023 was as follows:

| | <u>For the Year Ended December 31, 2023</u> | |
|------------------------------|---|---------------------------------|
| | <u>Governmental Activities</u> | <u>Business-type Activities</u> |
| Lease-related Revenue | | |
| Lease Revenue | | |
| Building | \$ (65,755) | \$ - |
| Cell Tower | - | (30,592) |
| Total Lease Revenue | (65,755) | (30,592) |
| Interest Revenue | (2,037) | (22,963) |
| Total | <u>\$ (67,792)</u> | <u>\$ (53,555)</u> |

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

4. Leases as Lessor (Continued)

Aggregate future cash flows for the revenue generated by the lease receivable and interest for the Village as of December 31, 2023 were as follows:

| Year Ended December 31, | Governmental Activities | | | Business-type Activities | | |
|------------------------------|-------------------------|-----------------|--------------------|--------------------------|---------------------|-----------------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2024 | \$ (35,945) | \$ (315) | \$ (36,260) | \$ (10,380) | \$ (22,695) | \$ (33,075) |
| 2025 | - | - | - | (11,701) | (22,365) | (34,067) |
| 2026 | - | - | - | (13,093) | (21,995) | (35,089) |
| 2027 | - | - | - | (14,559) | (21,583) | (36,141) |
| 2028 | - | - | - | (16,101) | (21,125) | (37,226) |
| 2029-2033 | - | - | - | (106,551) | (97,014) | (203,565) |
| 2034-2038 | - | - | - | (158,640) | (77,348) | (235,988) |
| 2039-2043 | - | - | - | (224,700) | (48,875) | (273,575) |
| 2044-2048 | - | - | - | (205,376) | (11,419) | (216,794) |
| Total Future Receipts | \$ (35,945) | \$ (315) | \$ (36,260) | \$ (761,101) | \$ (344,419) | \$ (1,105,520) |

5. Capital Assets

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

| | Balance 1/1/2023 | Additions | Retirements | Balance 12/31/2023 |
|--|----------------------|----------------------|------------------------|-----------------------|
| Governmental Activities | | | | |
| Non-depreciable Capital Assets: | | | | |
| Land | \$ 11,024,314 | \$ 184,450 | \$ - | \$ 11,208,764 |
| Construction in Progress | 6,129,938 | 15,433,928 | (16,355,008) | 5,208,858 |
| Total Non-Depreciable Capital Assets | 17,154,252 | 15,618,378 | (16,355,008) | 16,417,622 |
| Capital Assets Being Depreciated: | | | | |
| Buildings | 9,220,051 | 16,213,310 | - | 25,433,361 |
| Infrastructure | 48,276,203 | 3,108,605 | (138,361) | 51,246,447 |
| Improvements other than buildings | 42,101 | - | - | 42,101 |
| Machinery and equipment | 6,157,247 | 365,952 | (35,182) | 6,488,017 |
| Total Capital Assets Being Depreciated | 63,695,602 | 19,687,867 | (173,543) | 83,209,926 |
| Less Accumulated Depreciation | | | | |
| Buildings | 4,315,895 | 261,262 | - | 4,577,157 |
| Infrastructure | 23,863,982 | 1,376,552 | (122,505) | 25,118,029 |
| Improvements other than buildings | 38,270 | 1,038 | - | 39,308 |
| Machinery and equipment | 3,870,456 | 283,062 | (26,041) | 4,127,477 |
| Total Accumulated Depreciation | 32,088,603 | 1,921,914 | (148,546) | 33,861,971 |
| Total Capital Assets being Depreciated, Net | 31,606,999 | 17,765,953 | (24,997) | 49,347,955 |
| Governmental Activities Capital Assets, Net | \$ 48,761,251 | \$ 33,384,331 | \$ (16,380,005) | \$ 65,765,577 |

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

5. Capital Assets (Continued)

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

| | |
|---|----------------------------|
| General Government | \$ 139,127 |
| Public Safety | 178,843 |
| Public Works | 1,514,566 |
| Health and Human Services | 12,222 |
| Culture, Recreation, and Education | <u>77,156</u> |
| Total Governmental Activities Depreciation Expenses | <u><u>\$ 1,921,914</u></u> |

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

| | Balance 1/1/2023 | Additions | Retirements | Balance 12/31/2023 |
|---|-----------------------------|----------------------------|--------------------|-----------------------------|
| Business-Type Activities | | | | |
| Non-Depreciable Capital Assets: | | | | |
| Land and Work in Progress | \$ 879,655 | \$ 250,176 | \$ - | \$ 1,129,831 |
| Total Non-Depreciable Capital Assets | <u>879,655</u> | <u>250,176</u> | <u>-</u> | <u>1,129,831</u> |
| Capital Assets Being Depreciated: | | | | |
| Buildings | 3,482,189 | 34,980 | - | 3,517,169 |
| Infrastructure/Systems | 46,437,191 | 2,195,099 | (133,064) | 48,499,226 |
| Machinery and Equipment | 2,891,819 | 153,545 | - | 3,045,364 |
| Total Capital Assets Being Depreciated | <u>52,811,199</u> | <u>2,383,624</u> | <u>(133,064)</u> | <u>55,061,759</u> |
| Less Accumulated Depreciation: | | | | |
| Buildings | 2,152,688 | 95,063 | - | 2,247,751 |
| Infrastructure/Systems | 18,699,131 | 1,007,674 | (133,064) | 19,573,741 |
| Machinery and Equipment | 1,353,012 | 110,508 | - | 1,463,520 |
| Total Accumulated Depreciation | <u>22,204,831</u> | <u>1,213,245</u> | <u>(133,064)</u> | <u>23,285,012</u> |
| Total Capital Assets being Depreciated, Net | <u>30,606,368</u> | <u>1,170,379</u> | <u>-</u> | <u>31,776,747</u> |
| Business-Type Activity Capital Assets, Net | <u><u>\$ 31,486,023</u></u> | <u><u>\$ 1,420,555</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 32,906,578</u></u> |

Depreciation expense for the business-type activities was charges to functions as follows:

| | |
|--|----------------------------|
| Water Utility | \$ 465,223 |
| Sewer Utility | 748,022 |
| Total Business-Type Activities Depreciation Expenses | <u><u>\$ 1,213,245</u></u> |

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

6. Long-Term Receivables

In 2006, the sewer utility entered into an agreement with three developers on the Village's west side to assume their share of the west side sewer interceptor recapture payments from future annexations. The original assignment amount was \$662,000. As of December 31, 2023, the sewer utility had received payments for annexations of \$504,976 applied to the assumed recapture amount. The remaining assumed recapture amount as of December 31, 2023 is \$157,024.

In 2010, the Village entered into a pre-annexation agreement with a local building owner for the cost of constructing a new road which required the owner to pay the Village \$147,621. The agreement was deferred until 2019. Annual payments are due in the amount of \$4,921. The annual payments will be made through 2048. As of December 31, 2023, the Village's total outstanding receivable balance was \$123,018.

7. Short-Term Obligation

The Village has one short-term General Obligation Promissory Note in an amount of \$1,000,000 with interest of 6.25%. The short-term borrowing matures on December 29, 2024. Short-term obligation activity for the year ended December 31, 2023 was as follows:

| | Balance 1/1/2023 | Additions | Removals | Balance 12/31/2023 |
|-----------------|---------------------|--------------|----------|-----------------------|
| Promissory Note | \$ - | \$ 1,000,000 | \$ - | \$ 1,000,000 |
| Total | \$ - | \$ 1,000,000 | \$ - | \$ 1,000,000 |

8. Long-Term Obligations

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

| | Balance 1/1/2023 | Additions | Payments | Balance 12/31/2023 | Due Within One Year |
|---|---------------------|--------------|--------------|-----------------------|------------------------|
| Governmental Activities: | | | | | |
| General Obligation Bonds Payable | \$ 28,030,000 | \$ 6,780,000 | \$ 1,995,000 | \$ 32,815,000 | \$ 2,745,000 |
| General Obligation Notes Payable | 3,140,000 | - | 590,000 | 2,550,000 | 520,000 |
| Notes from Direct Borrowing or Placements | 470,131 | - | 23,487 | 446,644 | 24,378 |
| Premium | 1,200,830 | 431,660 | 115,623 | 1,516,867 | 115,539 |
| Developer Commitments | 2,093,015 | 96,978 | 288,894 | 1,901,099 | 321,512 |
| Total Governmental Activities | \$ 34,933,976 | \$ 7,308,638 | \$ 3,013,004 | \$ 39,229,610 | \$ 3,726,429 |
| Business-Type Activities: | | | | | |
| General Obligation Notes and Bonds | \$ 3,450,000 | \$ 250,000 | \$ 370,000 | \$ 3,330,000 | \$ 385,000 |
| Direct Borrowing - Revenue Bonds | 1,695,000 | - | 110,000 | 1,585,000 | 110,000 |
| Premium | 118,731 | 14,750 | 14,918 | 118,563 | 14,716 |
| Total Business-Type Activities | \$ 5,263,731 | \$ 264,750 | \$ 494,918 | \$ 5,033,563 | \$ 509,716 |

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

8. Long-Term Obligations (Continued)

As described in Note 1, accumulated benefits for employees are recorded as a liability on the government-wide and proprietary fund statements. The accrued liability as of December 31, 2023 was as follows:

| | Balance 1/1/2023 | Additions | Payments | Balance 12/31/2023 | Due Within One Year |
|----------------------------------|---------------------|------------------|-------------|-----------------------|------------------------|
| Compensated Absences | | | | | |
| Governmental Activities: | | | | | |
| Vacation, Sick, and Comp Time | \$ 443,564 | \$ 87,516 | \$ - | \$ 531,080 | \$ 331,334 |
| Total Governmental Activities | <u>\$ 443,564</u> | <u>\$ 87,516</u> | <u>\$ -</u> | <u>\$ 531,080</u> | <u>\$ 331,334</u> |
| Business-Type Activities: | | | | | |
| Vacation, Sick, and Comp Time | \$ 67,433 | \$ 6,518 | \$ - | \$ 73,951 | \$ 69,929 |
| Total Business-Type Activities | <u>\$ 67,433</u> | <u>\$ 6,518</u> | <u>\$ -</u> | <u>\$ 73,951</u> | <u>\$ 69,929</u> |

Developer Commitments

The Village has a developer agreement that specifies that the Village is to provide municipal revenue obligation of \$800,000 upon the developer meeting conditions. The conditions of the agreement were met in 2019 and an accrual was included in the government-wide financial statements. Payment amounts are based on an agreed to payment schedule assuming actual tax increment received during the year is sufficient to cover the scheduled payment. An interest rate of 5% is also applied annually. A payment of \$107,258 was made during 2023.

The Village has another developer agreement that specifies that the Village is to provide a municipal revenue obligation of \$800,000 upon the developer meeting conditions. The conditions of the agreement were met in 2019 and an accrual was included in the government-wide financial statements. Payment amounts are based on an agreed to payment schedule assuming actual tax increment received during the year is sufficient to cover the scheduled payment. An interest rate of 5% is also applied annually. A payment of \$83,136 was made during 2023.

The Village has another developer agreement that specifies that the Village is to provide a municipal revenue obligation of \$711,177 upon the developer meeting conditions. The conditions of the agreement were met in 2021 and an accrual was included in the government-wide financial statements. Payment amounts are based on an agreed to payment schedule assuming actual tax increment received during the year is sufficient to cover the schedule payment. An interest rate of 4% is also applied annually. A payment of \$98,500 was made during 2023.

A. Legal Debt Limit

The 2023 equalized valuation of the Village is certified by the Wisconsin Department of Revenue. The legal debt limit and margin of indebtedness as of December 31, 2023, is as follows:

| | |
|-------------------------------|----------------------|
| Total Equalized Value | \$ 1,820,588,000 |
| Debt Limit (5%) | <u>5%</u> |
| | 91,029,400 |
| Less: General Obligation Debt | <u>(39,141,644)</u> |
| Unused Borrowing Capacity | <u>\$ 51,887,756</u> |

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

8. Long-Term Obligations (Continued)

B. General Obligation Debt

Governmental Activities:

Total Governmental General Obligation Debt as of December 31, 2023 consists of:

| Issue Description | Original Amount | Date of Issue | Date of Maturity | Interest Rate (%) | Balance 12/31/2023 | Due Within One Year |
|---|--------------------|------------------|---------------------|----------------------|-----------------------|------------------------|
| Bonds Payable | | | | | | |
| 2015 General Obligation Refunding Bonds | \$ 3,945,000 | 5/6/2015 | 3/1/2028 | 2.00-3.00 | \$ 1,730,000 | \$ 335,000 |
| 2017 General Obligation Bonds | \$ 1,150,000 | 6/8/2017 | 3/1/2037 | 3.00-3.50 | 790,000 | 60,000 |
| 2018 General Obligation Bonds | \$ 3,295,000 | 6/20/2018 | 3/1/2038 | 3.00-3.25 | 2,360,000 | 160,000 |
| 2019 General Obligation Bonds | \$ 2,335,000 | 6/13/2019 | 3/1/2037 | 3.00-4.00 | 1,715,000 | 135,000 |
| 2020 General Obligation Bonds | \$ 2,855,000 | 5/6/2020 | 3/1/2037 | 2.00-3.00 | 2,650,000 | 150,000 |
| 2020 Refunding Bonds | \$ 1,035,000 | 5/6/2020 | 3/1/2039 | 2.30-3.00 | 945,000 | 50,000 |
| 2021 General Obligation Bonds | \$ 11,525,000 | 5/26/2021 | 3/1/2041 | 2.00-3.00 | 10,285,000 | 475,000 |
| 2022 General Obligation Bonds | \$ 6,100,000 | 6/1/2022 | 3/1/2042 | 3.00-3.50 | 5,560,000 | 335,000 |
| 2023 General Obligation Bonds | \$ 6,780,000 | 5/31/2023 | 3/1/2043 | 3.25-5.00 | 6,780,000 | 1,045,000 |
| Total Bonds Payable | | | | | <u>32,815,000</u> | <u>2,745,000</u> |
| Notes Payable | | | | | | |
| 2016 General Obligation Notes | \$ 1,755,000 | 7/13/2016 | 3/1/2026 | .75-1.875 | 480,000 | 160,000 |
| 2017 General Obligation Notes | \$ 1,550,000 | 6/8/2017 | 3/1/2027 | 3.00 | 480,000 | 120,000 |
| 2018 General Obligation Notes | \$ 600,000 | 6/20/2018 | 3/1/2028 | 2.00-2.90 | 350,000 | 65,000 |
| 2019 General Obligation Notes | \$ 675,000 | 6/13/2019 | 3/1/2027 | 3.00-4.00 | 340,000 | 90,000 |
| 2020 General Obligation Notes | \$ 1,165,000 | 5/6/2020 | 3/1/2030 | 2.00-3.00 | 900,000 | 85,000 |
| Total Notes Payable | | | | | <u>2,550,000</u> | <u>520,000</u> |
| Direct Borrowing or Placements | | | | | | |
| 2017 State Trust Fund Loan | \$ 550,000 | 12/13/2017 | 3/15/2037 | 4.00 | 446,644 | 24,378 |
| Total Direct Borrowings or Placements | | | | | <u>446,644</u> | <u>24,378</u> |
| Total Governmental Activities General Obligation Debt | | | | | <u>\$ 35,811,644</u> | <u>\$ 3,289,378</u> |

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

8. Long-Term Obligations (Continued)

B. General Obligation Debt (Continued)

Business-Type Activities:

The Proprietary Fund General Obligation Debt as of December 31, 2023 consists of:

| Issue Description | Original Amount | Date of Issue | Date of Maturity | Interest Rate (%) | Balance 12/31/2023 | Due Within One Year |
|--|--------------------|------------------|---------------------|----------------------|-----------------------|------------------------|
| Bonds Payable | | | | | | |
| 2015 General Obligation Refunding Bonds | \$ 860,000 | 5/6/2015 | 3/1/2028 | 2.00-3.00 | \$ 395,000 | \$ 75,000 |
| 2017 General Obligation Bonds | \$ 800,000 | 6/8/2017 | 3/1/2037 | 3.00-3.50 | 530,000 | 40,000 |
| 2018 General Obligation Bonds | \$ 585,000 | 6/20/2018 | 3/1/2038 | 3.00-3.25 | 445,000 | 35,000 |
| 2019 General Obligation Bonds | \$ 320,000 | 6/13/2019 | 3/1/2037 | 3.00-4.00 | 260,000 | 15,000 |
| 2020 General Obligation Bonds | \$ 860,000 | 5/6/2020 | 3/1/2037 | 2.00-3.00 | 725,000 | 50,000 |
| 2021 General Obligation Bonds | \$ 455,000 | 5/26/2021 | 3/1/2041 | 2.00-3.00 | 355,000 | 50,000 |
| 2023 General Obligation Bonds | \$ 250,000 | 5/31/2023 | 3/1/2043 | 3.25-5.00 | 250,000 | 15,000 |
| Total Bonds Payable | | | | | <u>2,960,000</u> | <u>280,000</u> |
| Notes Payable | | | | | | |
| 2016 General Obligation Notes | \$ 585,000 | 7/13/2016 | 3/1/2026 | .75-1.875 | 165,000 | 60,000 |
| 2019 General Obligation Notes | \$ 185,000 | 6/13/2019 | 3/1/2027 | 3.00-4.00 | 100,000 | 25,000 |
| 2020 General Obligation Notes | \$ 160,000 | 5/6/2020 | 3/1/2030 | 2.00-3.00 | 105,000 | 20,000 |
| Total Notes Payable | | | | | <u>370,000</u> | <u>105,000</u> |
| Total Business-Type Activities General Obligation Debt | | | | | <u>\$ 3,330,000</u> | <u>\$ 385,000</u> |

C. Revenue Bonds

The Proprietary Fund Revenue Bond as of December 31, 2023 consists of:

| Issue Description | Original Amount | Date of Issue | Date of Maturity | Interest Rate (%) | Balance 12/31/2023 | Due Within One Year |
|-------------------------------------|--------------------|------------------|---------------------|----------------------|-----------------------|------------------------|
| 2022B Water & Sewerage Revenue Bond | \$ 1,695,000 | 7/13/2022 | 5/1/2035 | 3.0-3.5% | \$ 1,585,000 | \$ 110,000 |
| Total Revenue Bonds Payable | | | | | <u>\$ 1,585,000</u> | <u>\$ 110,000</u> |

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

8. Long-Term Obligations (Continued)

D. Maturities

Debt service requirements to maturity including general obligation debt and revenue bond debt are as follows:

| Governmental Activities | | | | |
|--------------------------------|-----------------|--------------|-------------------|------------|
| Years | Bonds and Notes | | Direct Borrowings | |
| | Principal | Interest | Principal | Interest |
| 2024 | \$ 3,265,000 | \$ 1,105,259 | \$ 24,378 | \$ 17,915 |
| 2025 | 2,790,000 | 930,273 | 25,403 | 16,891 |
| 2026 | 2,460,000 | 846,387 | 26,418 | 15,874 |
| 2027 | 2,375,000 | 770,118 | 27,475 | 14,818 |
| 2028 | 2,440,000 | 694,586 | 28,536 | 13,756 |
| 2029-2033 | 9,375,000 | 2,529,256 | 160,923 | 50,541 |
| 2034-2038 | 8,050,000 | 1,241,597 | 153,511 | 15,660 |
| 2039-2043 | 4,610,000 | 278,339 | - | - |
| Total | \$ 35,365,000 | \$ 8,395,815 | \$ 446,644 | \$ 145,455 |

| Business-Type Activities | | | | |
|---------------------------------|-----------------|------------|--------------|------------|
| Years | Bonds and Notes | | Revenue Bond | |
| | Principal | Interest | Principal | Interest |
| 2024 | \$ 385,000 | \$ 92,773 | \$ 110,000 | \$ 49,320 |
| 2025 | 365,000 | 79,857 | 110,000 | 46,020 |
| 2026 | 375,000 | 69,601 | 110,000 | 42,720 |
| 2027 | 350,000 | 59,175 | 110,000 | 39,420 |
| 2028 | 305,000 | 49,550 | 110,000 | 36,120 |
| 2029-2033 | 855,000 | 160,659 | 735,000 | 113,832 |
| 2034-2038 | 620,000 | 54,385 | 300,000 | 10,463 |
| 2039-2043 | 75,000 | 7,162 | - | - |
| Total | \$ 3,330,000 | \$ 573,162 | \$ 1,585,000 | \$ 337,895 |

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

8. Long-Term Obligations (Continued)

E. Bond Covenant Disclosures

The following information is provided in compliance with the resolution creating the revenue bonds:

Insurance

The Water Utility is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors and omissions, workers compensation, and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded coverage in any of the last three years. There were no significant reductions in coverage compared to the prior year. Expiration for the following policies is December 31, 2024.

The Utility is covered under the following insurance policies at December 31, 2023:

| Type | Coverage |
|--|---------------|
| Valuation Policy - Village Coverage | |
| Buildings and Contents | \$ 59,436,906 |
| Property in the Open | 3,343,555 |
| Contractors Equipment | 4,892,906 |
| Water Utility Included in Above Coverage | |
| Water Towers and Buildings | 2,510,350 |
| Wells and Infrastructure | 1,919,134 |

Number of Customers

The Water Utility had the following number of customers and billed volumes for 2023:

| Water | Customers | (000 gals) |
|------------------|-----------|------------|
| Residential | 3,474 | 211,221 |
| Commercial | 181 | 23,047 |
| Industrial | 14 | 15,676 |
| Public Authority | 25 | 17,511 |
| Multifamily | 460 | 39,187 |
| Irrigation | 946 | 4,386 |
| | 5,100 | 311,028 |

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

8. Long-Term Obligations (Continued)

E. Bond Covenant Disclosures (Continued)

Debt Coverage – Water

Under terms of the resolution providing for the issuance of revenue bonds, revenue less operating expenses excluding depreciation must exceed 1.25 times the annual debt service of the bonds. The coverage requirement calculation is as follows:

| | |
|--|----------------|
| | Water |
| Annual debt service CWFL | \$ 178,901 |
| Total debt service | 178,901 |
| Ratio | 125% |
| Net Revenues required | \$ 223,626 |
| REVENUES | |
| Charges for Services | \$1,490,914 |
| Other Operating Revenues | 37,713 |
| Total Operating Revenues | 1,528,627 |
| OPERATING EXPENSES | |
| Operation and Maintenance (excluding depreciation) | 771,258 |
| Taxes (excluding tax equivalent) | 16,863 |
| Total expenses for coverage ratio calculation | 788,121 |
| Net from operations for coverage ratio calculation | 740,506 |
| NON-OPERATING REVENUES (EXPENSES) | |
| Interest and Investment Revenue | 263,036 |
| Other revenue | 39,683 |
| Capital contributions and impact fees received | 280,593 |
| Less: non-cash capital contributions | (121,328) |
| Transfers out | (110,880) |
| Net Revenues per bond ordinance | \$1,091,610 |
| Net Revenues Above Required Amount | \$ 867,984 |

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

9. Wisconsin Retirement System

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 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

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

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

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

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

The WRS also provides death and disability benefits for employees.

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

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

9. Wisconsin Retirement System (Continued)

The Core and Variable annuity adjustments granted during recent years are as follows:

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

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

During the reporting period, the WRS recognized \$337,922 in contributions from the employer.

Contribution rates as of December 31, 2023 are:

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

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At December 31, 2023, the Village reported a liability of \$1,491,575 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's proportion of the net pension liability was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the Village's proportion was 0.02815513%, which was an increase of 0.00055564% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Village recognized pension expense of \$757,323.

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

9. Wisconsin Retirement System (Continued)

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

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 2,375,617 | \$ (3,121,027) |
| Net differences between projected and actual earnings on pension plan investments | 2,533,842 | - |
| Changes in assumptions | 293,305 | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 5,995 | (15,302) |
| Employer contributions subsequent to the measurement date | 410,007 | - |
| Total | \$ 5,618,766 | \$ (3,136,329) |

\$410,007 reported as deferred outflows related to pension resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense (revenue) as follows:

| Year Ended December 31, | Net Deferred Outflows (Inflows) of Resources |
|----------------------------|--|
| 2024 | \$ 85,689 |
| 2025 | 427,793 |
| 2026 | 437,917 |
| 2027 | 1,121,031 |
| Total | \$ 2,072,430 |

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

9. Wisconsin Retirement System (Continued)

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

| | |
|--|-------------------------------------|
| Actuarial Valuation Date: | December 31, 2021 |
| Measurement Date of Net Pension Liability (Asset): | December 31, 2022 |
| | January 1, 2018 - December 31, 2020 |
| Experience Study: | 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: | |
| Wage Inflation | 3.0% |
| Seniority/Merit | 0.1% - 5.6% |
| Mortality: | 2020 WRS Experience Mortality Table |
| Post-Retirement Adjustments* | 1.7% |

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

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

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

9. Wisconsin Retirement System (Continued)

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

Asset Allocation Targets and Expected 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 Equity | 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 | <u>115</u> | 7.4 | 4.8 |
| | | | |
| <u>Variable Fund Asset Class</u> | | | |
| U.S. Equities | 70 | 7.2 | 4.6 |
| International Equities | 30 | 8.1 | 5.5 |
| Total Variable Fund | <u>100</u> | 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 of up to 20%.

Single Discount Rate. A single discount rate of 6.8% was used to measure the Total Pension Liability for the current and prior year. This discount rate is based on the expected rate of return on pension plan investments of 6.80% 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 OREGON
Notes to Financial Statements
December 31, 2023

9. Wisconsin Retirement System (Continued)

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

| | 1% Decrease to Discount Rate (5.80%) | Current Discount Rate (6.80%) | 1% Increase to Discount Rate (7.80%) |
|--|--|-------------------------------------|--|
| Village's proportionate share of the net pension liability (asset) | \$ 4,950,490 | \$ 1,491,575 | \$ (887,861) |

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

Allocation of Pension Plan Disclosures. Pension amounts are allocated between governmental and proprietary funds based on the percentage of required contributions or retirement expenses accounted for in each fund.

10. Other Postemployment Benefits – Multi-Employer Life Insurance Plan

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

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

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

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

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

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

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

10. Other Postemployment Benefits – Multi-Employer Life Insurance Plan (Continued)

Contribution rates as of December 31, 2023 are:

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

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating 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:

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

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

During the reporting period, the LRLIF recognized \$1,078 in contributions from the employer.

OPEB Liabilities, OPEB Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At December 31, 2023, the Village reported a liability (asset) of \$204,702 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2022 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net OPEB liability (asset) was based on the Village's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2022, the Village's proportion was 0.05373000%, which was a decrease of 0.001946% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Village recognized OPEB expense of \$20,245.

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

10. Other Postemployment Benefits – Multi-Employer Life Insurance Plan (Continued)

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

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ - | \$ (20,033) |
| Net differences between projected and actual earnings on plan investments | 3,841 | - |
| Changes in actuarial assumptions | 73,545 | (120,830) |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 9,804 | (16,796) |
| Employer contributions subsequent to the measurement date | 1,123 | - |
| Totals | <u>\$ 88,313</u> | <u>\$ (157,659)</u> |

\$1,123 reported as deferred outflows related to OPEB resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows:

| Year Ended December 31, | Net Deferred Outflows (Inflows) of Resources |
|----------------------------|--|
| 2024 | \$ (4,414) |
| 2025 | (6,054) |
| 2026 | (3,142) |
| 2027 | (14,282) |
| 2028 | (22,883) |
| Thereafter | (19,694) |
| Total | <u>\$ (70,469)</u> |

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

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

* Based on the Bond Buyers GO index.

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

10. Other Postemployment Benefits – Multi-Employer Life Insurance Plan (Continued)

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

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

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

| Asset Class | Index | Target Allocation | Long-Term Expected Geometric Real Rate of Return |
|-----------------------------------|----------------------------|-------------------|--|
| US Intermediate Credit Bonds | Bloomberg US Interm 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 OREGON
Notes to Financial Statements
December 31, 2023

10. Other Postemployment Benefits – Multi-Employer Life Insurance Plan (Continued)

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

| | 1% Decrease to Discount Rate (2.76%) | Current Discount Rate (3.76%) | 1% Increase to Discount Rate (4.76%) |
|---|--|-------------------------------------|--|
| Village's proportionate share of the net OPEB liability (asset) | \$ 279,090 | \$ 204,702 | \$ 147,693 |

11. Interfund Receivables, Payables, Advances and Transfers

Interfund Receivables and Payables

Individual fund interfund receivable and payable balances at December 31, 2023, are as follows:

| Receivable Fund | Payable Fund | Amount | Purpose |
|---|---------------------------|-----------|------------------|
| Water Utility | General Fund | \$ 11,027 | Delinquent Taxes |
| Sewer Utility | General Fund | 13,026 | Delinquent Taxes |
| Refuse & Recycling | General Fund | 4,349 | Delinquent Taxes |
| General Fund | TIF #6 | 1,115 | Cash Shortfall |
| General Fund | Refuse & Recycling Pickup | 57,363 | Cash Shortfall |
| General Fund | Sick Leave | 8,760 | Cash Shortfall |
| General Fund | Community Events | 2,052 | Cash Shortfall |
| Subtotal - Fund Financial Statements | | 97,692 | |
| Less: Fund Eliminations | | (73,639) | |
| Total - Government-Wide Statement of Net Position | | \$ 24,053 | |

Balances resulted from the timing differences between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, (3) payments between funds are made, (4) and funds overdraw their share of pooled cash or when there are transactions between funds where one fund does not participate in the Village's pooled cash.

Advances

The advances balances as of December 31, 2023 are as follows:

| Advance Receivable | Advance Payable | Interest Rate | Principal Amount | Accrued Interest | Amount |
|--------------------|-----------------------------|------------------|---------------------|---------------------|-----------|
| General Fund | TIF #4 Special Revenue Fund | 0.25-2.75% | \$ 47,000 | \$ 11,831 | \$ 58,831 |
| | | | | | \$ 58,831 |

The advance to TIF #4 will be repaid with future TIF Increment.

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

11. Interfund Receivables, Payables, Advances and Transfers (Continued)

Transfers

Individual fund operating transfers during 2023 are as follows:

| Fund Transferred To | Fund Transferred From | Per Government- Wide Statements | Amount | Principal Purposes |
|---|-----------------------------|------------------------------------|---------------------|------------------------|
| General Fund | Water Utility | | \$ 326,737 | Tax Equivalent |
| General Fund | Cable TV Franchise Fund | Eliminated | 11,000 | Operations |
| General Fund | Refuse and Recycling Fund | Eliminated | 3,000 | Operations |
| General Fund | Work Force Housing | Eliminated | 3,000 | Operations |
| Work Force Housing | CDA | | 2,081 | Fund Close Out |
| Public Art Fund | TIF #4 Special Revenue Fund | Eliminated | 47,900 | Transfer Debt Proceeds |
| Park Improvements | Room Tax | Eliminated | 20,000 | Jaycee Park |
| Equipment Replacement Fund | General Fund | Eliminated | 340,000 | Excess Fund Balance |
| Civic Campus Plan Project | Water Utility | | 160,000 | Capital Outlay |
| Civic Campus Plan Project | Sewer Utility | | 160,000 | Capital Outlay |
| Civic Campus Plan Project | Cable TV Franchise Fund | Eliminated | 40,000 | Capital Outlay |
| Civic Campus Plan Project | Equipment Replacement | Eliminated | 300,000 | Capital Outlay |
| Debt Service Fund | General Fund | Eliminated | 112 | Fire Impact Fee |
| Debt Service Fund | TIF #3 Special Revenue Fund | Eliminated | 235,000 | Debt Payment |
| Debt Service Fund | TIF #5 Special Revenue Fund | Eliminated | 150,064 | Debt Payment |
| Debt Service Fund | Park Improvements | Eliminated | 115,488 | Debt Payment |
| Debt Service Fund | Sewer Utility | | 1,443 | Debt Payment |
| Debt Service Fund | Water Utility | | 10,568 | Debt Payment |
| Cemetery Fund | Cemetery Perpetual Care | Eliminated | 149,519 | Fund Closed |
| Cemetery Perpetual Care | Cemetery Land Purchase | Eliminated | 64,671 | Fund Closed |
| Subtotal Governmental Funds - Transfer In | | | \$ 2,140,583 | |
| Less: Net Transfers to Proprietary Funds | | | 80,312 | |
| Less: Net Transfers from Component Units | | | (2,081) | |
| Subtotal Governmental Funds - Transfer Out | | | <u>\$ 2,218,814</u> | |
| Water Utility | ARPA Fund | \$ 386,425 | \$ 386,425 | Capital Addition |
| Sewer Utility | ARPA Fund | 352,635 | 352,635 | Capital Addition |
| General Fund | Water Utility | (326,737) | (326,737) | Tax Equivalent |
| Civic Campus Plan Project | Water Utility | (160,000) | (160,000) | Capital Outlay |
| Civic Campus Plan Project | Sewer Utility | (160,000) | (160,000) | Capital Outlay |
| Debt Service Fund | Sewer Utility | (1,443) | (1,443) | Debt Payment |
| Debt Service Fund | Water Utility | (10,568) | (10,568) | Debt Payment |
| Subtotal Proprietary Funds | | | <u>\$ 80,312</u> | <u>\$ 80,312</u> |
| Capital additions paid by Municipalities | | | 164,550 | |
| Total Transfers - Government-Wide Statement of Activities | | | <u>\$ 244,862</u> | |

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

11. Interfund Receivables, Payables, Advances and Transfers (Continued)

Transfers (Continued)

For the Statement of Activities, interfund transfers within the governmental activities or business-type activities are netted and eliminated.

Transfers are used to: (1) move revenue from the fund that statute or budget requires collection from to the fund that statute or budget required to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenue collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

12. Net Position and Fund Balances

The following is a detailed schedule of governmental ending fund balances by category:

| | Nonspendable | Restricted | Committed | Assigned | Unassigned | Total |
|---------------------------------|----------------|------------------|--------------|------------------|------------------|------------------|
| General Fund | | | | | | |
| Advance Receivable | \$ 58,831 | \$ - | \$ - | \$ - | \$ - | \$ 58,831 |
| Delinquent Tax Amounts | 28,402 | - | - | - | - | 28,402 |
| Prepaid Expenses | 82,234 | - | - | - | - | 82,234 |
| Lease | 3,068 | - | - | - | - | 3,068 |
| Excessive Medical | - | - | 4,001 | - | - | 4,001 |
| Historical Preservation | - | - | - | 250 | - | 250 |
| Police Uniforms | - | - | - | 2,952 | - | 2,952 |
| Case Management | - | - | - | 795 | - | 795 |
| Crime Information Reward | - | - | - | 751 | - | 751 |
| Budget Carryovers | - | - | - | 20,000 | - | 20,000 |
| Unassigned | - | - | - | - | 2,380,571 | 2,380,571 |
| Subtotal General Fund | <u>172,535</u> | <u>-</u> | <u>4,001</u> | <u>24,748</u> | <u>2,380,571</u> | <u>2,581,855</u> |
| Debt Service Fund | | | | | | |
| Debt Payments | - | 519,191 | - | - | - | 519,191 |
| Subtotal Debt Service Fund | <u>-</u> | <u>519,191</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>519,191</u> |
| Library Fund | | | | | | |
| Prepaid Expenses | 11,616 | - | - | - | - | 11,616 |
| Restricted Donations | - | 341,573 | - | - | - | 341,573 |
| Subtotal Library Fund | <u>11,616</u> | <u>341,573</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>353,189</u> |
| Street Improvements Fund | | | | | | |
| Unspent Debt Proceeds | - | 1,472,066 | - | - | - | 1,472,066 |
| Capital Projects | - | - | - | 1,519,920 | - | 1,519,920 |
| Park Improvements Fund | <u>-</u> | <u>1,472,066</u> | <u>-</u> | <u>1,519,920</u> | <u>-</u> | <u>2,991,986</u> |

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

12. Net Position and Fund Balances (Continued)

| | Nonspendable | Restricted | Committed | Assigned | Unassigned | Total |
|----------------------------|--------------|--------------|------------|--------------|--------------|---------------|
| Non-Major Funds | | | | | | |
| Cable TV Franchise | - | - | 63,712 | - | - | 63,712 |
| Senior Center Fund | - | 202,495 | - | - | - | 202,495 |
| Preserve Water Tower | - | - | - | 1,518 | - | 1,518 |
| Cemetery Fund | - | 150,211 | - | - | - | 150,211 |
| Police | - | - | 43,493 | - | - | 43,493 |
| Refuse & Recycling Pickup | - | - | 6,261 | - | - | 6,261 |
| Room Tax | - | 262,375 | - | - | - | 262,375 |
| Wackman Special Revenue | - | 918 | - | - | - | 918 |
| Canine Fund | - | - | 66,791 | - | - | 66,791 |
| TIF #3 Special Revenue | - | 26,348 | - | - | - | 26,348 |
| TIF #4 | 454 | 309,387 | - | - | - | 309,841 |
| TIF #5 | 2,239 | - | - | - | (84,341) | (82,102) |
| Sick Leave | - | - | - | 5,112 | - | 5,112 |
| Work Force Housing | - | 343,803 | - | - | - | 343,803 |
| Hermesen Property Fund | - | 13,779 | - | - | - | 13,779 |
| Drug Free | - | - | - | - | (12,168) | (12,168) |
| Developers Storm Sewer | - | 78,811 | - | - | - | 78,811 |
| Park Fund | - | 486,797 | - | - | - | 486,797 |
| Equipment Replacement | 28,150 | 225,552 | - | 1,468,345 | - | 1,722,047 |
| Bike Path | - | - | - | 33,924 | - | 33,924 |
| Civic Campus Plan Projects | - | - | - | 36,515 | - | 36,515 |
| Park Improvements Fund | 127 | 914,277 | - | - | - | 914,404 |
| Business Park | 453 | 15,300 | - | 71,549 | - | 87,302 |
| Wackman Trust Fund | 10,000 | - | - | - | - | 10,000 |
| Public Art Fund | - | 125,885 | - | - | - | 125,885 |
| Community Events | - | - | - | - | (2,497) | (2,497) |
| TIF #6 | - | - | - | - | (1,386) | (1,386) |
| Subtotal Non-Major Funds | 41,423 | 3,155,938 | 180,257 | 1,616,963 | (100,392) | 4,894,189 |
| Grand Total - All Funds | \$ 225,574 | \$ 5,488,768 | \$ 184,258 | \$ 3,161,631 | \$ 2,280,179 | \$ 11,340,410 |

Governmental funds with deficit balances as of December 31, 2023 are as follows:

| Fund | Amount | Description |
|------------------|-----------|--|
| TIF #5 | \$ 82,102 | To be replenished with future tax increment |
| Drug Free | 12,168 | To be replenished with future project revenues |
| Community Events | 2,497 | To be replenished with future project revenues |
| TIF #6 | 1,386 | To be replenished with future tax increment |

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

12. Net Position and Fund Balances (Continued)

Net position as of December 31, 2023 is as follows:

Net Investment in Capital Assets

| | <u>Governmental</u> | <u>Water</u> | <u>Sewer</u> | <u>Total Business-Type</u> |
|----------------------------------|----------------------|----------------------|----------------------|--------------------------------|
| Capital Assets | \$ 65,765,577 | \$ 17,078,133 | \$ 15,828,445 | \$ 32,906,578 |
| Less: Current Portion Debt | (3,404,917) | (358,853) | (150,863) | (509,716) |
| Less: Long-Term Debt | (33,923,594) | (3,446,718) | (1,077,129) | (4,523,847) |
| Plus: Non-Capital Related Debt | 1,248,381 | - | - | - |
| Plus: Unspent Bond Proceeds | 1,813,615 | 1,022,620 | 44,635 | 1,067,255 |
| Plus: Debt Reserve | 352,919 | 158,500 | - | 158,500 |
| Net Investment in Capital Assets | <u>\$ 31,851,981</u> | <u>\$ 14,453,682</u> | <u>\$ 14,645,088</u> | <u>\$ 29,098,770</u> |

Restricted Net Position

| | <u>Governmental</u> | <u>Water</u> | <u>Sewer</u> | <u>Total Business-Type</u> |
|----------------------------|---------------------|-------------------|---------------------|--------------------------------|
| Restricted for: | | | | |
| Senior Center | \$ 202,495 | \$ - | \$ - | \$ - |
| Library Building Donations | 341,573 | - | - | - |
| Herman Cemetery | 150,211 | - | - | - |
| Wackman Special Revenue | 918 | - | - | - |
| Room Tax | 262,375 | - | - | - |
| Developers Storm Sewer | 78,811 | - | - | - |
| Parks | 486,797 | - | - | - |
| TIF #3 | 26,348 | - | - | - |
| TIF #4 | 300,523 | - | - | - |
| Park Improvements | 914,277 | - | - | - |
| Work Force Housing | 343,803 | - | - | - |
| Hermsen Property | 13,779 | - | - | - |
| Public Art Fund | 125,885 | - | - | - |
| DNR Replacement Fund | - | - | 1,046,933 | 1,046,933 |
| Impact Fees | - | 693,028 | - | 693,028 |
| Restricted Net Position | <u>\$ 3,247,795</u> | <u>\$ 693,028</u> | <u>\$ 1,046,933</u> | <u>\$ 1,739,961</u> |

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

13. Joint Venture

The Village of Oregon and the Townships of Dunn, Oregon and Rutland jointly operate the local fire department and local EMS District, which is called the Oregon Area Fire-EMS District, and provides fire, rescue protection and emergency medical services. The communities share in the operation of the District based on an amount equivalent to their proportionate share of the total budget based upon the equalized assessed valuation of the total property located within the District and total population within the District.

The following is each Community's proportionate share for 2023.

| | |
|-------------------|--------|
| Village of Oregon | 65.82% |
| Town of Dunn | 10.78% |
| Town of Oregon | 18.50% |
| Town of Rutland | 4.90% |

The District is administered by a five-member board of trustees, two from the Village and one from each township. The board has authority to adopt its own budget and control the financial affairs of the District. The Village made a payment to the District in 2023 of \$903,171 which included additional payments for capital equipment. The Village believes that the District will continue to provide services in the future at similar rates.

Audited financial information of the District is available upon request.

14. Tax Abatements

From time to time the Village may enter into agreements with developers or businesses that are considered tax abatements, or the use of tax revenues to promote economic development or support. For the year ended December 31, 2023, the Village paid the following developer incentives and grants considered to be tax abatements under GASB Statement No. 77:

- As detailed in Note 8, the Village made payments of \$288,894 on municipal revenue obligation agreements between the Village and developers.

15. Tax Incremental Financing Districts

Tax increment financing, as authorized by Section 66.1105 of the Wisconsin Statutes, is a method by which the Village can recover its development and public improvement costs in Tax Incremental Finance District (TIF) designated areas. These costs are recovered from the increased valuation in the designated area. The Village has financed development and public improvement costs in its TIF through general fund advances. Project costs have been reported as Capital Projects Fund expenditures. Tax increments will be used to repay general fund advances and to meet any future debt obligations incurred to provide financing for development and public improvements costs within the tax incremental district. The District is allowed to collect tax increments until its termination date. Any over collections are returned to the various taxing entities of the District. The Village becomes liable for any costs not recovered by the termination date.

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

15. Tax Incremental Financing Districts (Continued)

The Village has four active Tax Incremental Financing Districts. The following is a project summary of the activity and status of the districts through December 31, 2023:

| | <u>TIF #3</u> | <u>TIF #4</u> | <u>TIF #5</u> | <u>TIF #6</u> |
|--|---------------------|---------------------|---------------------|-----------------|
| <u>Project Revenue</u> | | | | |
| Proceeds from Long-Term Debt | \$ 10,330,000 | \$ 1,885,000 | \$ 4,335,000 | \$ - |
| Premium on Long-Term Debt | 193,224 | 76,715 | 98,276 | - |
| General Property Taxes | 2,360,061 | 528,564 | 278,345 | - |
| Intergovernmental | 905,472 | 34,236 | - | - |
| Tax Increment | 2,717,245 | 727,030 | 1,185,251 | - |
| Public Charges | 1,450,373 | - | - | - |
| Developer Contributions | 1,999,039 | 3,502 | 37,356 | - |
| Increment Sharing with TIF #2 | 565,000 | - | - | - |
| Miscellaneous (includes interest income) | 53,532 | 121,250 | 1,681 | - |
| Transfer from Other Funds | 144,287 | 311,187 | 184,044 | - |
| <u>Total Project Revenue</u> | <u>20,718,233</u> | <u>3,687,484</u> | <u>6,119,953</u> | <u>-</u> |
| <u>Project Expense</u> | | | | |
| Developer Incentive | 568,303 | 553,056 | 1,501,536 | - |
| Administration | 357,894 | 593,345 | 364,086 | 1,386 |
| Principal on Long-Term Debt | 8,540,000 | 503,358 | 1,445,000 | - |
| Interest and Fiscal Charges | 3,176,012 | 248,112 | 379,326 | - |
| Loan to Developer | 2,200,000 | - | - | - |
| Increment Sharing | 25,000 | - | - | - |
| Debt Issuance Cost | 414,629 | 3,206 | - | - |
| Capital Outlay | 5,385,408 | 1,474,642 | 2,510,887 | - |
| <u>Total Project Expenditures</u> | <u>20,667,246</u> | <u>3,375,719</u> | <u>6,200,835</u> | <u>1,386</u> |
| Fund Balance as of December 31, 2023 | 50,987 | 311,765 | (80,882) | (1,386) |
| Future Debt Service Requirements | <u>1,790,000</u> | <u>1,381,642</u> | <u>2,890,000</u> | <u>-</u> |
| BALANCE TO BE COLLECTED ON TIF DISTRICT | <u>\$ 1,739,013</u> | <u>\$ 1,069,877</u> | <u>\$ 2,970,882</u> | <u>\$ 1,386</u> |
| Maximum Termination Date | 8/16/2032 | 9/15/2035 | 8/7/2044 | 8/21/2043 |
| 2023 Increment Payable 2024 | <u>\$ 191,739</u> | <u>\$ 359,338</u> | <u>\$ 351,662</u> | <u>\$ -</u> |

TIF #5 summarized above was primarily created as an overlay district to TIF #3.

TIF #6 was created to support new development within the Village and allowable TIF boundaries.

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

16. Contingencies

The Village participates in a number of intergovernmental grant programs, which have various requirements, and are subject to audit by the awarding agencies. Such audits may result in reimbursements of funds advanced or disallowance of program expenditures. The amount, if any, of grant funds which may be disallowed by the grantor at future dates cannot be determined.

17. 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. The Village manages these risks through the purchase of various forms of commercial insurance. Certain of the commercial insurance policies have established deductible amounts whereby the Village would be responsible for the portion of claims, losses and damages under the deductible limits. All funds participate in the coverages provided by the commercial insurance carriers. Each fund would be responsible for its share of losses either below the deductible amounts or for losses exceeding the coverage limits of the commercial policies.

There were no significant reductions in insurance coverages from the prior year. There were no settlements that exceeded insurance coverages in any of the last three years.

18. American Rescue Plan Act (ARPA)

The Coronavirus State and Local Fiscal Recovery Funds (SLFRF), a part of the American Rescue Plan, delivers \$350 billion to state, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency. Municipalities can spend the fund into the following four eligible use categories: replace lost public sector revenue; support the COVID-19 public health and economic response; provide premium pay for eligible workers performing essential work; and invest in water, sewer, and broadband infrastructure.

In June 2021 and in June 2022, the Village received \$553,226 and \$553,226 in Local Fiscal Recovery Funds from the American Rescue Plan Act, respectively. As of December 31, 2023, the Village has spent all of the funds.

19. Subsequent Events and Commitments

Developer Commitments

The Village has one developer agreements that includes potential municipal revenue obligations of \$2,755,797 if the developer meets certain conditions. Any future payments would be based on actual TIF increment values above the agreed to base valuation at the time of the agreement. As of December 31, 2023, the condition of this agreement had not been met and no liability has been recognized in the financial statements.

The Village has another developer agreement that specifies that the Village is to provide a municipal revenue obligation of \$285,000 upon the developer meeting conditions. Any future payments would be based on actual TIF increment values above the agreed to base valuation at the time of the agreement. As of December 31, 2023, the condition of this agreement had not been met and no liability has been recognized in the financial statements.

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

19. Subsequent Events and Commitments (Continued)

Developer Commitments (Continued)

The Village has another developer agreement that specifies that the Village is to provide a municipal revenue obligation of \$820,000 upon the developer meeting conditions. Any future payments would be based on actual TIF increment values above the agreed to base valuation at the time of the agreement. As of December 31, 2023, the condition of this agreement had not been met and no liability has been recognized in the financial statements.

The Village has another developer agreement that specifies that the Village is to provide a municipal revenue obligation of \$1,500,000 upon the developer meeting conditions. Any future payments would be based on actual TIF increment values above the agreed to base valuation at the time of the agreement. As of December 31, 2023, the condition of this agreement had not been met and no liability has been recognized in the financial statements.

Capital Purchases and Construction Commitments

As of December 31, 2023, the Village had the following construction commitments in progress:

| <u>Project</u> | <u>Commitment as of December 31, 2023</u> |
|-------------------------------------|---|
| Jaycee Park Improvement | \$ 315,568 |
| Sewer Televising and Rehabilitation | 101,109 |
| Street Improvements | 204,520 |
| WWTP Design | 1,272,500 |

Additionally, subsequent to yearend, the Village approved the following:

- 2024 Street & Utility Improvements in the amount of \$1,617,882.
- North Standpipe Rehabilitation project in the amount of \$354,465.
- Jaycee Park Redevelopment project phase 2 in the amount of \$2,155,538.
- Purchase of two trucks in the amount of \$527,862.
- 2024 Street Resurfacing and Maintenance in the amount of \$468,298.

Subsequent Debt

Subsequent to yearend, the Village approved the following debt issuances:

- In June 2024, the Village issued General Obligation Promissory Notes, Series 2024A, in the amount of \$6,575,000 with interest rates in a range of 4.00%-5.00%. The notes are issued for fire district equipment, phase 2 of Jaycee Park and other parks projects, trails, street projects, public work equipment and facility improvements and a new Senior Center facility.

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2023

19. Subsequent Events and Commitments (Continued)

Other

In November 2021, the Village approved a grant agreement with Habitat for Humanity of Dane County to construct eight zero lot line single family buildings in the Village. The agreement was contingent upon if the Village receives a Community Development Block Grant (CDBG) for Disaster Recovery funded by the U.S. Department of Housing and Urban Development, in the amount of \$631,200. In March 2022, the Village was approved for the CDBG grant award. In addition to the CDBG grant, the Village also approved awarding the developer \$180,920 for the project. As of December 31, 2023, the Village has not received the CDBG grant or paid any grant award to the Habitat for Humanity of Dane County yet.

20. Effective of New Accounting Standards on Current Period Financial Statements

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

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF OREGON

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

| | Budgeted Amounts | | Actual Amounts, Budgetary Basis | Variance with Final Budget - Positive (Negative) |
|--|---------------------|---------------------|------------------------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Property Taxes | \$ 4,717,204 | \$ 4,717,204 | \$ 4,717,242 | \$ 38 |
| Other Taxes | 400,900 | 400,900 | 385,004 | (15,896) |
| Intergovernmental | 1,093,649 | 1,146,584 | 1,155,377 | 8,793 |
| License and Permits | 269,960 | 313,869 | 318,600 | 4,731 |
| Fines, Forfeits and Penalties | 115,000 | 115,000 | 112,433 | (2,567) |
| Public Charges for Services | 169,627 | 176,137 | 177,733 | 1,596 |
| Intergovernmental Charges for Services | 193,434 | 203,969 | 191,039 | (12,930) |
| Interest Income | 10,000 | 271,824 | 287,598 | 15,774 |
| Miscellaneous Income | 87,445 | 177,904 | 156,232 | (21,672) |
| Total Revenues | <u>7,057,219</u> | <u>7,523,391</u> | <u>7,501,258</u> | <u>(22,133)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | 1,121,888 | 1,154,399 | 1,121,368 | 33,031 |
| Public Safety | 3,960,163 | 4,041,523 | 3,947,311 | 94,212 |
| Public Works | 1,045,241 | 1,016,239 | 1,003,024 | 13,215 |
| Health and Human Services | 425,685 | 390,416 | 380,505 | 9,911 |
| Culture, Recreation and Education | 642,572 | 667,008 | 660,247 | 6,761 |
| Conservation and Development | 180,670 | 232,806 | 233,488 | (682) |
| Total Expenditures | <u>7,376,219</u> | <u>7,502,391</u> | <u>7,345,943</u> | <u>156,448</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(319,000)</u> | <u>21,000</u> | <u>155,315</u> | <u>134,315</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 319,000 | 319,000 | 343,737 | 24,737 |
| Transfers Out | - | (340,000) | (340,112) | (112) |
| Total Other Financing Sources and Uses | <u>319,000</u> | <u>(21,000)</u> | <u>3,625</u> | <u>24,625</u> |
| Net Change in Fund Balance | - | - | 158,940 | 158,940 |
| Fund Balance - Beginning | <u>2,422,915</u> | <u>2,422,915</u> | <u>2,422,915</u> | <u>-</u> |
| Fund Balance - Ending | <u>\$ 2,422,915</u> | <u>\$ 2,422,915</u> | <u>\$ 2,581,855</u> | <u>\$ 158,940</u> |

See accompanying notes to the required supplementary information.

VILLAGE OF OREGON

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

| | Budgeted Amounts | | Actual Amounts, Budgetary Basis | Variance with Final Budget - Positive (Negative) |
|---|---------------------|---------------------|------------------------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Property Taxes | \$ 892,047 | \$ 892,047 | \$ 892,047 | \$ - |
| Intergovernmental | 220,197 | 220,197 | 982,205 | 762,008 |
| License and Permits | 4,285 | 4,285 | 41,053 | 36,768 |
| Fines, Forfeits and Penalties | 6,800 | 6,800 | 5,968 | (832) |
| Intergovernmental Charges for Services | 20,476 | 20,476 | 20,476 | - |
| Interest Income | 3,600 | 43,661 | 314,899 | 271,238 |
| Miscellaneous Income | 68,590 | 79,625 | 195,992 | 116,367 |
| Total Revenues | <u>1,215,995</u> | <u>1,267,091</u> | <u>2,452,640</u> | <u>1,185,549</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Culture, Recreation and Education | 1,140,120 | 1,151,155 | 1,120,035 | 31,120 |
| Capital Outlay | 11,843,659 | 12,843,659 | 13,031,431 | (187,772) |
| Debt Service: | | | | |
| Interest Expense | - | 40,061 | 81,986 | (41,925) |
| Total Expenditures | <u>12,983,779</u> | <u>14,034,875</u> | <u>14,233,452</u> | <u>(198,577)</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(11,767,784)</u> | <u>(12,767,784)</u> | <u>(11,780,812)</u> | <u>986,972</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from Long-Term Debt | 3,600,000 | 4,600,000 | 3,610,000 | 990,000 |
| Debt Premium from Long-Term Debt | - | - | 41,925 | (41,925) |
| Total Other Financing Sources and Uses | <u>3,600,000</u> | <u>4,600,000</u> | <u>3,651,925</u> | <u>948,075</u> |
| Net Change in Fund Balance | (8,167,784) | (8,167,784) | (8,128,887) | 1,935,047 |
| Fund Balance - Beginning | 8,482,076 | 8,482,076 | 8,482,076 | - |
| Fund Balance - Ending | <u>\$ 314,292</u> | <u>\$ 314,292</u> | <u>\$ 353,189</u> | <u>\$ 1,935,047</u> |

See accompanying notes to the required supplementary information.

VILLAGE OF OREGON
Wisconsin Retirement System Schedules
December 31, 2023

Schedule of Proportionate Share of the Net Pension Liability (Asset)
As of the Measurement Date

| Year ended December 31, | Proportion of the net pension liability (asset) | Proportionate share of the net pension liability (asset) | Covered- employee payroll | Collective net pension liability (asset) as a percentage of its covered-employee payroll | Plan fiduciary net position as a percentage of the total pension liability (asset) |
|----------------------------|---|---|---------------------------------|--|--|
| 2022 | 0.02815513% | \$ 1,491,575 | \$ 3,951,778 | 37.74% | 95.72% |
| 2021 | 0.02759949% | (2,224,569) | 3,726,767 | (59.69%) | 106.02% |
| 2020 | 0.02700154% | (1,685,743) | 3,728,326 | (45.21%) | 105.26% |
| 2019 | 0.02582124% | (832,594) | 3,511,412 | (23.71%) | 102.96% |
| 2018 | 0.02478423% | 881,745 | 3,220,748 | 27.38% | 96.45% |
| 2017 | 0.02348942% | (697,429) | 3,023,801 | (23.06%) | 102.93% |
| 2016 | 0.02281757% | 188,071 | 2,953,015 | 6.37% | 99.12% |
| 2015 | 0.02236953% | 363,500 | 2,748,815 | 13.22% | 98.20% |
| 2014 | 0.02240905% | (550,276) | 2,749,471 | (20.01%) | 102.74% |

Schedule of Village's Contributions
For the Year Ended

| Year ended December 31, | Contractually required contributions | Contributions in relation to the contractually required contributions | Contribution deficiency (excess) | Covered-employee payroll | Contributions as a percentage of covered- employee payroll |
|----------------------------|--|---|--|-----------------------------|---|
| 2023 | \$ 410,007 | \$ (410,007) | \$ - | \$ 4,561,107 | 8.99% |
| 2022 | 338,032 | (338,032) | - | 3,951,778 | 8.55% |
| 2021 | 323,400 | (323,400) | - | 3,726,767 | 8.68% |
| 2020 | 303,743 | (303,743) | - | 3,728,326 | 8.15% |
| 2019 | 286,805 | (286,805) | - | 3,511,412 | 8.17% |
| 2018 | 270,109 | (270,109) | - | 3,220,748 | 8.39% |
| 2017 | 251,049 | (251,049) | - | 3,023,801 | 8.30% |
| 2016 | 225,671 | (225,671) | - | 2,953,015 | 7.64% |
| 2015 | 222,226 | (222,226) | - | 2,748,815 | 8.08% |

See accompanying notes to the required supplementary information.

VILLAGE OF OREGON
Local Retiree Life Insurance Fund Schedules
December 31, 2023

Schedule of Proportionate Share of the Net OPEB Liability (Asset)
As of the Measurement Date

| Year ended December 31, | Proportion of the net OPEB liability (asset) | Proportionate share of the net OPEB liability (asset) | Covered- employee payroll | Collective net OPEB liability (asset) as a percentage of its covered-employee payroll | Plan fiduciary net position as a percentage of the total OPEB liability (asset) |
|----------------------------|--|--|------------------------------|---|---|
| 2022 | 0.05373000% | \$ 204,702 | \$ 3,172,000 | 6.45% | 38.81% |
| 2021 | 0.05567600% | 329,066 | 3,064,000 | 10.74% | 29.57% |
| 2020 | 0.05892500% | 324,130 | 2,900,000 | 11.18% | 31.36% |
| 2019 | 0.05661300% | 241,069 | 2,936,000 | 8.21% | 37.58% |
| 2018 | 0.05343500% | 137,880 | 2,717,000 | 5.07% | 48.69% |
| 2017 | 0.05255900% | 158,128 | 2,210,256 | 7.15% | 44.81% |

Schedule of Village's Contributions
For the Year Ended

| Year ended December 31, | Contractually required contributions | Contributions in relation to the contractually required contributions | Contribution deficiency (excess) | Covered-employee payroll | Contributions as a percentage of covered- employee payroll |
|----------------------------|--|---|--|-----------------------------|---|
| 2023 | \$ 1,123 | \$ (1,123) | \$ - | \$ 3,188,000 | 0.04% |
| 2022 | 1,083 | (1,083) | - | 3,172,000 | 0.03% |
| 2021 | 1,277 | (1,277) | - | 3,064,000 | 0.04% |
| 2020 | 1,209 | (1,209) | - | 2,900,000 | 0.04% |
| 2019 | 1,121 | (1,121) | - | 2,936,000 | 0.04% |
| 2018 | 1,037 | (1,037) | - | 2,717,000 | 0.04% |

See accompanying notes to the required supplementary information.

VILLAGE OF OREGON
Notes to Required Supplementary Information
For the Year Ended December 31, 2023

1. Notes to Budgetary Comparison Schedule

A. General Policy

The General Fund budgetary comparison schedule has been presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America. The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

Annual budgets, as required by state statutes, are adopted on a basis consistent with U.S. generally accepted accounting principles for all governmental funds. Appropriations lapse at year-end except those separately identified as designated for subsequent years' expenditures.

- 1) Prior to October 1, the Village Administrator submits to the Village Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) A public hearing is conducted in the Village Hall to obtain taxpayers' comments.
- 3) Prior to December 1, the budget is legally enacted through passage of a resolution.
- 4) Any budget transfer must be approved by a two-thirds Village Board action.
- 5) Formal budgetary integration is employed as a management control device during the year for all governmental funds.
- 6) Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- 7) Budgetary expenditure control is exercised at the departmental level.
- 8) Budgeted amounts are as authorized in the original budget ordinance and subsequent revisions authorized by the Village Board.
- 9) Appropriations lapse at year end, except those specifically carried forward by Board action.

B. Excess of Actual Expenditures over Appropriations

The Village controls expenditures at the department level. Some individual line items experienced expenditures which exceeded appropriations. The detail of those items can be found in the Village's year-end budget to actual report. The following expenditure functions had an excess of actual expenditures over budget in excess of \$1,000 for the year ended December 31, 2023:

| | |
|----------------------|---------------------|
| <u>Library Fund:</u> | <u>Excess</u> |
| Capital Outlay | <u>Expenditures</u> |
| Debt Service: | \$ 187,772 |
| Interest Expense | 41,925 |

VILLAGE OF OREGON
Notes to Required Supplementary Information
For the Year Ended December 31, 2023

2. Notes to Wisconsin Retirement System Schedules

Governmental Accounting Standards Board Statement No. 68 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 1 preceding year.

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

Changes of assumptions:

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

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the 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 OREGON
Notes to Required Supplementary Information
For the Year Ended December 31, 2023

2. Notes to Wisconsin Retirement System Schedules (Continued)

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

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

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

VILLAGE OF OREGON
Notes to Required Supplementary Information
For the Year Ended December 31, 2023

2. Notes to Wisconsin Retirement System Schedules (Continued)

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

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

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

VILLAGE OF OREGON
Notes to Required Supplementary Information
For the Year Ended December 31, 2023

3. Notes to Local Retiree Life Insurance Schedules

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

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

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

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

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

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

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

OTHER SUPPLEMENTARY INFORMATION

VILLAGE OF OREGON
Oregon, Wisconsin

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

| | Non-Major Special Revenue Funds | Non-Major Capital Projects and Permanent Funds | Non-Major Governmental Funds |
|---|--|---|---|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 1,963,295 | \$ 2,558,318 | \$ 4,521,613 |
| Receivables: | | | |
| Taxes | 505,666 | - | 505,666 |
| Accounts | 94,810 | - | 94,810 |
| Due from Other Funds | 4,349 | - | 4,349 |
| Prepaid Expenses | 2,693 | 28,730 | 31,423 |
| Restricted Cash | 8,864 | 1,271,474 | 1,280,338 |
| Total Assets | \$ 2,579,677 | \$ 3,858,522 | \$ 6,438,199 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts Payable | \$ 13,380 | \$ 482,743 | \$ 496,123 |
| Accrued Liabilities | 1,548 | 281 | 1,829 |
| Due to Other Funds | 69,290 | - | 69,290 |
| Due to Other Governments | 9,500 | - | 9,500 |
| Advances Payable | 58,831 | - | 58,831 |
| Total Liabilities | 152,549 | 483,024 | 635,573 |
| Deferred Inflows of Resources: | | | |
| Deferred Taxes and Special Assessments | 902,739 | 5,698 | 908,437 |
| Total Deferred Inflows of Resources | 902,739 | 5,698 | 908,437 |
| Fund Balances (Deficit): | | | |
| Nonspendable | 2,693 | 38,730 | 41,423 |
| Restricted | 1,435,201 | 1,720,737 | 3,155,938 |
| Committed | 180,257 | - | 180,257 |
| Assigned | 6,630 | 1,610,333 | 1,616,963 |
| Unassigned (Deficit) | (100,392) | - | (100,392) |
| Total Fund Balances | 1,524,389 | 3,369,800 | 4,894,189 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 2,579,677 | \$ 3,858,522 | \$ 6,438,199 |

VILLAGE OF OREGON
Oregon, Wisconsin

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

| | Non-Major Special Revenue Funds | Non-Major Capital Projects and Permanent Funds | Non-Major Governmental Funds |
|---|--|---|---|
| REVENUES | | | |
| Property Taxes | \$ 1,004,109 | \$ - | \$ 1,004,109 |
| Other Taxes | 73,383 | - | 73,383 |
| Intergovernmental | 966,006 | 25,172 | 991,178 |
| License and Permits | 107,304 | 454,430 | 561,734 |
| Public Charges for Services | 601,013 | 86,160 | 687,173 |
| Interest Income | 100,584 | 206,918 | 307,502 |
| Miscellaneous Income | 73,008 | 113,888 | 186,896 |
| Total Revenues | 2,925,407 | 886,568 | 3,811,975 |
| EXPENDITURES | | | |
| Current: | | | |
| General Government | 196,639 | 46,459 | 243,098 |
| Public Safety | 26,750 | - | 26,750 |
| Public Works | 622,342 | 4,428 | 626,770 |
| Culture, Recreation and Education | 134,651 | - | 134,651 |
| Conservation and Development | 415,883 | 30,627 | 446,510 |
| Capital Outlay | 13,206 | 3,104,700 | 3,117,906 |
| Debt Service: | | | |
| Principal Repayment | 45,000 | - | 45,000 |
| Interest Expense and Fiscal Charges | 29,756 | 12,718 | 42,474 |
| Total Expenditures | 1,484,227 | 3,198,932 | 4,683,159 |
| Excess (Deficiency) of Revenues Over Expenditures | 1,441,180 | (2,312,364) | (871,184) |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from Long-Term Debt | - | 560,000 | 560,000 |
| Debt Premium from Long-Term Debt | - | 6,504 | 6,504 |
| Transfers In | 199,500 | 1,084,671 | 1,284,171 |
| Transfers Out | (1,249,024) | (629,678) | (1,878,702) |
| Total Other Financing Sources and Uses | (1,049,524) | 1,021,497 | (28,027) |
| Net Change in Fund Balances | 391,656 | (1,290,867) | (899,211) |
| Fund Balances - Beginning | 1,132,733 | 4,660,667 | 5,793,400 |
| Fund Balances - Ending | \$ 1,524,389 | \$ 3,369,800 | \$ 4,894,189 |

VILLAGE OF OREGON
Oregon, Wisconsin

Combining Balance Sheet
Non-Major Special Revenue Funds
December 31, 2023

| | Cable TV Franchise | Senior Center Fund | Preserve Water Tower | Cemetery Fund | Police | Refuse & Recycling Pickup | Room Tax | TIF #3 Special Revenue | TIF #4 | TIF #5 |
|--------------|--------------------|--------------------|----------------------|---------------|-----------|---------------------------|------------|------------------------|------------|------------|
| \$ | 37,565 | \$ 211,995 | \$ 1,518 | \$ 150,211 | \$ 43,493 | \$ - | \$ 262,375 | \$ 110,685 | \$ 517,948 | \$ 71,054 |
| | - | - | - | - | - | - | - | 107,402 | 201,282 | 196,982 |
| | 26,147 | - | - | - | - | 59,275 | - | - | - | - |
| | - | - | - | - | - | 4,349 | - | - | - | - |
| | - | - | - | - | - | - | - | - | 454 | 2,239 |
| | - | - | - | - | - | - | - | - | 8,864 | - |
| Total Assets | \$ 63,712 | \$ 211,995 | \$ 1,518 | \$ 150,211 | \$ 43,493 | \$ 63,624 | \$ 262,375 | \$ 218,087 | \$ 728,548 | \$ 270,275 |

ASSETS

Cash and Cash Equivalents

Receivables:

Taxes

Accounts

Due from Other Funds

Prepaid Expenses

Restricted Cash

Total Assets

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)

Liabilities:

Accounts Payable

Accrued Liabilities

Due to Other Funds

Due to Other Governments

Advances Payable

Total Liabilities

Deferred Inflows of Resources:

Deferred Taxes and Special Assessments

Total Deferred Inflows of Resources

Fund Balances (Deficit):

Nonspendable

Restricted

Committed

Assigned

Unassigned (Deficit)

Total Fund Balances (Deficit)

Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)

| | | | | | | | | | | |
|-------------------------------|-----------|------------|----------|------------|-----------|-----------|------------|------------|------------|------------|
| \$ | - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| | - | - | - | - | - | - | - | - | 538 | 715 |
| | - | - | - | - | - | 57,363 | - | - | - | - |
| | - | 9,500 | - | - | - | - | - | - | - | - |
| | - | 9,500 | - | - | - | - | - | - | 58,831 | - |
| | - | - | - | - | - | 57,363 | - | - | 59,369 | 715 |
| | - | - | - | - | - | - | - | 191,739 | 359,338 | 351,662 |
| | - | - | - | - | - | - | - | 191,739 | 359,338 | 351,662 |
| | - | - | - | - | - | - | - | - | 454 | 2,239 |
| | 63,712 | 202,495 | - | 150,211 | - | - | 262,375 | 26,348 | 309,387 | - |
| | - | - | - | - | 43,493 | 6,261 | - | - | - | - |
| | - | - | 1,518 | - | - | - | - | - | - | - |
| | 63,712 | 202,495 | 1,518 | 150,211 | 43,493 | 6,261 | 262,375 | 26,348 | 309,841 | (84,341) |
| Total Fund Balances (Deficit) | \$ 63,712 | \$ 211,995 | \$ 1,518 | \$ 150,211 | \$ 43,493 | \$ 63,624 | \$ 262,375 | \$ 218,087 | \$ 728,548 | \$ 270,275 |

VILLAGE OF OREGON
Oregon, Wisconsin

Combining Balance Sheet
Non-Major Special Revenue Funds
December 31, 2023

| | Wackman Special Revenue | Canine Fund | Sick Leave | Work Force Housing | Hermesen Property Fund | Drug Free | Public Art | Community Events | TIF #6 | Non-Major Special Revenue Funds |
|----|-------------------------------|----------------|------------|-----------------------|------------------------------|-----------|------------|---------------------|--------|---------------------------------------|
| \$ | 918 | \$ 66,791 | \$ 5,112 | \$ 343,803 | \$ 13,779 | \$ - | \$ 126,048 | \$ - | \$ - | \$ 1,963,295 |
| | - | - | - | - | - | - | - | - | - | 505,666 |
| | - | - | - | - | - | 9,388 | - | - | - | 94,810 |
| | - | - | - | - | - | - | - | - | - | 4,349 |
| | - | - | - | - | - | - | - | - | - | 2,693 |
| | - | - | - | - | - | - | - | - | - | 8,864 |
| \$ | 918 | \$ 66,791 | \$ 5,112 | \$ 343,803 | \$ 13,779 | \$ 9,388 | \$ 126,048 | \$ - | \$ - | \$ 2,579,677 |

ASSETS

Cash and Cash Equivalents

Receivables:

Taxes

Accounts

Due from Other Funds

Prepaid Expenses

Restricted Cash

Total Assets

LIABILITIES, DEFERRED INFLOWS OF
RESOURCES AND FUND BALANCES
(DEFICIT)

Liabilities:

Accounts Payable

Accrued Liabilities

Due to Other Funds

Due to Other Governments

Advances Payable

Total Liabilities

Deferred Inflows of Resources:

Deferred Taxes and Special Assessments

Total Deferred Inflows of Resources

Fund Balances (Deficit):

Nonspendable

Restricted

Committed

Assigned

Unassigned (Deficit)

Total Fund Balances (Deficit)

Total Liabilities, Deferred Inflows of
Resources and Fund Balances (Deficit)

| | | | | | | | | | | |
|----|---|------|------|------|------|-----------|--------|--------|-------|-----------|
| \$ | - | \$ - | \$ - | \$ - | \$ - | \$ 12,796 | \$ 163 | \$ 421 | \$ - | \$ 13,380 |
| | - | - | - | - | - | - | - | 24 | 271 | 1,548 |
| | - | - | - | - | - | 8,760 | - | 2,052 | 1,115 | 69,290 |
| | - | - | - | - | - | - | - | - | - | 9,500 |
| | - | - | - | - | - | - | - | - | - | 58,831 |
| | - | - | - | - | - | 21,556 | 163 | 2,497 | 1,386 | 152,549 |
| | - | - | - | - | - | - | - | - | - | 902,739 |
| | - | - | - | - | - | - | - | - | - | 902,739 |

| | | | | | | | | | | |
|-----|--------|-------|---------|---------|----------|----------|---------|---------|---------|-----------|
| - | - | - | - | - | - | - | - | - | - | 2,693 |
| 918 | - | - | - | 343,803 | 13,779 | - | 125,885 | - | - | 1,435,201 |
| - | 66,791 | - | - | - | - | - | - | - | - | 180,257 |
| - | - | 5,112 | - | - | - | - | - | - | - | 6,630 |
| | - | - | - | - | - | (12,168) | - | (2,497) | (1,386) | (100,392) |
| 918 | 66,791 | 5,112 | 343,803 | 13,779 | (12,168) | (2,497) | 125,885 | (2,497) | (1,386) | 1,524,389 |

| | | | | | | | | | | |
|----|-----|-----------|----------|------------|-----------|----------|------------|------|------|--------------|
| \$ | 918 | \$ 66,791 | \$ 5,112 | \$ 343,803 | \$ 13,779 | \$ 9,388 | \$ 126,048 | \$ - | \$ - | \$ 2,579,677 |
|----|-----|-----------|----------|------------|-----------|----------|------------|------|------|--------------|

VILLAGE OF OREGON
Oregon, Wisconsin

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

| | Cable TV Franchise | Senior Center Fund | Preserve Water Tower | Cemetery Fund | Police | Refuse & Recycling Pickup | Room Tax | TIF #3 Special Revenue | TIF #4 | TIF #5 |
|---|--------------------|--------------------|----------------------|---------------|-----------|---------------------------|------------|------------------------|------------|-------------|
| REVENUES | | | | | | | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 196,624 | \$ 298,159 | \$ 499,326 |
| Other Taxes | - | - | - | - | - | - | 73,383 | - | - | - |
| Intergovernmental | 24,254 | - | - | - | 1,550 | - | - | 9,476 | 2,933 | - |
| License and Permits | 107,304 | - | - | - | - | - | - | - | - | - |
| Public Charges for Services | - | - | - | - | - | 601,013 | - | - | - | - |
| Interest Income | 2,529 | 10,095 | 70 | 18 | 2,201 | 1,474 | 12,648 | 172 | 26,713 | (3,023) |
| Miscellaneous Income | - | 1,600 | 564 | - | 800 | - | - | 150 | - | - |
| Total Revenues | 134,087 | 11,695 | 634 | 18 | 4,551 | 602,487 | 86,031 | 206,422 | 327,805 | 496,303 |
| EXPENDITURES | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General Government | - | - | - | - | - | - | - | 1,983 | 17,113 | 17,280 |
| Public Safety | - | - | - | - | 1,642 | - | - | - | - | - |
| Public Works | - | - | - | - | - | 601,239 | - | - | 11,330 | 9,773 |
| Culture, Recreation and Education | 125,902 | - | - | - | - | - | - | - | - | - |
| Conservation and Development | - | - | 247 | - | - | - | 26,693 | - | 195,429 | 115,921 |
| Capital Outlay | - | - | - | - | - | - | - | - | 11,581 | - |
| Debt Service: | | | | | | | | | | |
| Principal Repayment | - | - | - | - | - | - | - | - | - | 45,000 |
| Interest Expense and Fiscal Charges | - | - | - | - | - | - | - | - | 2,801 | 26,955 |
| Total Expenditures | 125,902 | - | 247 | - | 1,642 | 601,239 | 26,693 | 1,983 | 238,254 | 214,929 |
| Excess (Deficiency) of Revenues Over Expenditures | 8,185 | 11,695 | 387 | 18 | 2,909 | 1,248 | 59,338 | 204,439 | 89,551 | 281,374 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Transfers In | - | - | - | 149,519 | - | - | - | - | - | - |
| Transfers Out | (51,000) | - | - | - | - | (3,000) | (20,000) | (235,000) | (47,900) | (150,064) |
| Total Other Financing Sources and Uses | (51,000) | - | - | 149,519 | - | (3,000) | (20,000) | (235,000) | (47,900) | (150,064) |
| Net Change in Fund Balances | (42,815) | 11,695 | 387 | 149,537 | 2,909 | (1,752) | 39,338 | (30,561) | 41,651 | 131,310 |
| Fund Balances (Deficit) - Beginning | 106,527 | 190,800 | 1,131 | 674 | 40,584 | 8,013 | 223,037 | 56,909 | 268,190 | (213,412) |
| Fund Balances (Deficit) - Ending | \$ 63,712 | \$ 202,495 | \$ 1,518 | \$ 150,211 | \$ 43,493 | \$ 6,261 | \$ 262,375 | \$ 26,348 | \$ 309,841 | \$ (82,102) |

VILLAGE OF OREGON
Oregon, Wisconsin

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

| | Wackman Special Revenue | Canine Fund | Sick Leave | Work Force Housing | Hermes Property Fund | ARPA | Drug Free | Public Art | Community Events | TIF #6 | Non-Major Special Revenue Funds |
|---|-------------------------------|----------------|------------|-----------------------|----------------------------|-----------|-------------|------------|---------------------|------------|---------------------------------------|
| REVENUES | | | | | | | | | | | |
| Property Taxes | \$ - | \$ - | \$ 10,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,004,109 |
| Other Taxes | - | - | - | - | - | - | - | - | - | - | 73,383 |
| Intergovernmental | - | - | - | - | - | 709,241 | 118,552 | 100,000 | - | - | 966,006 |
| License and Permits | - | - | - | - | - | - | - | - | - | - | 107,304 |
| Public Charges for Services | - | - | - | - | - | - | - | - | - | - | 601,013 |
| Interest Income | - | 3,361 | 135 | 17,689 | 546 | 19,183 | - | 6,772 | 1 | - | 100,584 |
| Miscellaneous Income | - | 28,190 | - | - | 3,875 | - | - | 31,554 | 6,275 | - | 73,008 |
| Total Revenues | - | 31,551 | 10,135 | 17,689 | 4,421 | 728,424 | 118,552 | 138,326 | 6,276 | - | 2,925,407 |
| EXPENDITURES | | | | | | | | | | | |
| Current: | | | | | | | | | | | |
| General Government | - | - | - | - | - | - | 129,747 | 29,256 | - | 1,260 | 196,639 |
| Public Safety | - | 25,108 | - | - | - | - | - | - | - | - | 26,750 |
| Public Works | - | - | - | - | - | - | - | - | - | - | 622,342 |
| Culture, Recreation and Education | - | - | - | - | - | - | - | - | 8,749 | - | 134,651 |
| Conservation and Development | - | - | - | 6,911 | - | - | - | 70,532 | 24 | 126 | 415,883 |
| Capital Outlay | - | 1,625 | - | - | - | - | - | - | - | - | 13,206 |
| Debt Service: | | | | | | | | | | | |
| Principal Repayment | - | - | - | - | - | - | - | - | - | - | 45,000 |
| Interest Expense and Fiscal Charges | - | - | - | - | - | - | - | - | - | - | 29,756 |
| Total Expenditures | - | 26,733 | - | 6,911 | - | - | 129,747 | 99,788 | 8,773 | 1,386 | 1,484,227 |
| Excess (Deficiency) of Revenues Over Expenditures | - | 4,818 | 10,135 | 10,778 | 4,421 | 728,424 | (11,195) | 38,538 | (2,497) | (1,386) | 1,441,180 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | | |
| Transfers In | - | - | - | 2,081 | - | - | - | 47,900 | - | - | 199,500 |
| Transfers Out | - | - | - | (3,000) | - | (739,060) | - | - | - | - | (1,249,024) |
| Total Other Financing Sources and Uses | - | - | - | (919) | - | (739,060) | - | 47,900 | - | - | (1,049,524) |
| Net Change in Fund Balances | - | 4,818 | 10,135 | 9,859 | 4,421 | (10,636) | (11,195) | 86,438 | (2,497) | (1,386) | 391,656 |
| Fund Balances (Deficit) - Beginning | 918 | 61,973 | (5,023) | 333,944 | 9,358 | 10,636 | (973) | 39,447 | - | - | 1,132,733 |
| Fund Balances (Deficit) - Ending | \$ 918 | \$ 66,791 | \$ 5,112 | \$ 343,803 | \$ 13,779 | \$ - | \$ (12,168) | \$ 125,885 | \$ (2,497) | \$ (1,386) | \$ 1,524,389 |

VILLAGE OF OREGON
Oregon, Wisconsin

Combining Balance Sheet
Non-Major Capital Projects and Permanent Funds
December 31, 2023

| | Capital Projects | | | |
|---------------------------|---------------------------|-------------------|--------------------------|------------------|
| | Developers Storm Sewer | Park Fund | Equipment Replacement | Bike Path |
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 78,811 | \$ 486,797 | \$ 1,501,700 | \$ 33,924 |
| Prepaid Expenses | - | - | 28,150 | - |
| Restricted Cash | - | - | 225,552 | - |
| Total Assets | <u>\$ 78,811</u> | <u>\$ 486,797</u> | <u>\$ 1,755,402</u> | <u>\$ 33,924</u> |

**LIABILITIES, DEFERRED INFLOWS OF
RESOURCES AND FUND BALANCES
(DEFICIT)**

| | | | | |
|---|------------------|-------------------|---------------------|------------------|
| Liabilities: | | | | |
| Accounts Payable | \$ - | \$ - | \$ 27,657 | \$ - |
| Accrued Liabilities | - | - | - | - |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>27,657</u> | <u>-</u> |
| Deferred Inflows of Resources: | | | | |
| Deferred Taxes and Special Assessments | - | - | 5,698 | - |
| Total Deferred Inflows of Resources | <u>-</u> | <u>-</u> | <u>5,698</u> | <u>-</u> |
| Fund Balances (Deficit): | | | | |
| Nonspendable | - | - | 28,150 | - |
| Restricted | 78,811 | 486,797 | 225,552 | - |
| Assigned | - | - | 1,468,345 | 33,924 |
| Total Fund Balances (Deficit) | <u>78,811</u> | <u>486,797</u> | <u>1,722,047</u> | <u>33,924</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit) | <u>\$ 78,811</u> | <u>\$ 486,797</u> | <u>\$ 1,755,402</u> | <u>\$ 33,924</u> |

VILLAGE OF OREGON
Oregon, Wisconsin

Combining Balance Sheet
Non-Major Capital Projects and Permanent Funds
December 31, 2023

| | Capital Projects | | | Permanent Fund | Total Non-Major Capital Projects and Permanent Funds |
|---------------------------|-------------------|----------------------------|---------------|--------------------|--|
| | Park Improvements | Civic Campus Plan Projects | Business Park | Wackman Trust Fund | Funds |
| Cash and Cash Equivalents | \$ 331,416 | \$ 43,840 | \$ 71,830 | \$ 10,000 | \$ 2,558,318 |
| Prepaid Expenses | 127 | - | 453 | - | 28,730 |
| Restricted Cash | 938,789 | 91,833 | 15,300 | - | 1,271,474 |
| Total Assets | \$ 1,270,332 | \$ 135,673 | \$ 87,583 | \$ 10,000 | \$ 3,858,522 |

ASSETS

Cash and Cash Equivalents
Prepaid Expenses
Restricted Cash
Total Assets

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)

| | | | | | |
|--|--------------|------------|-----------|-----------|--------------|
| Liabilities: | | | | | |
| Accounts Payable | \$ 355,928 | \$ 99,158 | \$ - | \$ - | \$ 482,743 |
| Accrued Liabilities | - | - | 281 | - | 281 |
| Total Liabilities | \$ 355,928 | \$ 99,158 | \$ 281 | \$ - | \$ 483,024 |
| Deferred Inflows of Resources: | | | | | |
| Deferred Taxes and Special Assessments | - | - | - | - | 5,698 |
| Total Deferred Inflows of Resources | - | - | - | - | 5,698 |
| Fund Balances (Deficit): | | | | | |
| Nonspendable | 127 | - | 453 | 10,000 | 38,730 |
| Restricted | 914,277 | - | 15,300 | - | 1,720,737 |
| Assigned | - | 36,515 | 71,549 | - | 1,610,333 |
| Total Fund Balances (Deficit) | \$ 914,404 | \$ 36,515 | \$ 87,302 | \$ 10,000 | \$ 3,369,800 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit) | \$ 1,270,332 | \$ 135,673 | \$ 87,583 | \$ 10,000 | \$ 3,858,522 |

VILLAGE OF OREGON
Oregon, Wisconsin

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

| | Capital Projects | | | | |
|---|---------------------------|-------------------|------------------------------|--------------------------|------------------|
| | Developers Storm Sewer | Park Fund | Cemetery Land Purchase | Equipment Replacement | Bike Path |
| REVENUES | | | | | |
| Intergovernmental | - | - | - | \$ 24,116 | - |
| License and Permits | - | - | - | - | - |
| Public Charges for Services | 3,527 | 82,435 | - | - | - |
| Interest Income | 6,926 | 21,357 | 1,604 | 75,672 | 1,718 |
| Miscellaneous Income | - | - | - | 60,632 | - |
| Total Revenues | <u>10,453</u> | <u>103,792</u> | <u>1,604</u> | <u>160,420</u> | <u>1,718</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General Government | - | - | - | 2,512 | - |
| Public Works | - | - | - | - | - |
| Conservation and Development | - | - | - | - | - |
| Capital Outlay | 3,415 | - | - | 686,348 | - |
| Debt Service: | | | | | |
| Interest Expense and Fiscal Charges | - | - | - | 12,718 | - |
| Total Expenditures | <u>3,415</u> | <u>-</u> | <u>-</u> | <u>701,578</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>7,038</u> | <u>103,792</u> | <u>1,604</u> | <u>(541,158)</u> | <u>1,718</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from Long-Term Debt | - | - | - | 560,000 | - |
| Debt Premium from Long-Term Debt | - | - | - | 6,504 | - |
| Transfers In | - | - | - | 340,000 | - |
| Transfers Out | - | - | (64,671) | (300,000) | - |
| Total Other Financing Sources and Uses | <u>-</u> | <u>-</u> | <u>(64,671)</u> | <u>606,504</u> | <u>-</u> |
| Net Change in Fund Balances | <u>7,038</u> | <u>103,792</u> | <u>(63,067)</u> | <u>65,346</u> | <u>1,718</u> |
| Fund Balances (Deficit) - Beginning | <u>71,773</u> | <u>383,005</u> | <u>63,067</u> | <u>1,656,701</u> | <u>32,206</u> |
| Fund Balances (Deficit) - Ending | <u>\$ 78,811</u> | <u>\$ 486,797</u> | <u>\$ -</u> | <u>\$ 1,722,047</u> | <u>\$ 33,924</u> |

VILLAGE OF OREGON
Oregon, Wisconsin

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

| | Capital Projects | | | Permanent Funds | | | Total Non-Major Capital Projects and Permanent Funds |
|---|----------------------|-------------------------------|---------------|-------------------------------|-----------------------|------|---|
| | Park Improvements | Civic Campus Plan Projects | Business Park | Cemetery Perpetual Care | Wackman Trust Fund | | |
| REVENUES | | | | | | | |
| Intergovernmental | \$ 1,056 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 25,172 |
| License and Permits | 454,430 | - | - | - | - | - | 454,430 |
| Public Charges for Services | - | - | - | 198 | - | - | 86,160 |
| Interest Income | 80,592 | 7,765 | 5,304 | 5,980 | - | - | 206,918 |
| Miscellaneous Income | 40,876 | 12,380 | - | - | - | - | 113,888 |
| Total Revenues | 576,954 | 20,145 | 5,304 | 6,178 | - | - | 886,568 |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| General Government | - | 33,900 | 10,047 | - | - | - | 46,459 |
| Public Works | - | - | 4,428 | - | - | - | 4,428 |
| Conservation and Development | 9,651 | 360 | 20,616 | - | - | - | 30,627 |
| Capital Outlay | 1,345,684 | 1,069,253 | - | - | - | - | 3,104,700 |
| Debt Service: | | | | | | | |
| Interest Expense and Fiscal Charges | - | - | - | - | - | - | 12,718 |
| Total Expenditures | 1,355,335 | 1,103,513 | 35,091 | - | - | - | 3,198,932 |
| Excess (Deficiency) of Revenues Over Expenditures | (778,381) | (1,083,368) | (29,787) | 6,178 | - | - | (2,312,364) |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Proceeds from Long-Term Debt | - | - | - | - | - | - | 560,000 |
| Debt Premium from Long-Term Debt | - | - | - | - | - | - | 6,504 |
| Transfers In | 20,000 | 660,000 | - | 64,671 | - | - | 1,084,671 |
| Transfers Out | (115,488) | - | - | (149,519) | - | - | (629,678) |
| Total Other Financing Sources and Uses | (95,488) | 660,000 | - | (84,848) | - | - | 1,021,497 |
| Net Change in Fund Balances | (873,869) | (423,368) | (29,787) | (78,670) | - | - | (1,290,867) |
| Fund Balances (Deficit) - Beginning | 1,788,273 | 459,883 | 117,089 | 78,670 | 10,000 | | 4,660,667 |
| Fund Balances (Deficit) - Ending | \$ 914,404 | \$ 36,515 | \$ 87,302 | \$ - | \$ 10,000 | \$ - | \$ 3,369,800 |

VILLAGE OF OREGON
Oregon, Wisconsin

Schedule of Expenditures of Federal Financial Awards
Year Ended December 31, 2023

| Federal Grantor/ Program Title | Assistance Listing | Pass Through Entity Identifying Number/ CARS Profile Number | Cash/Accrued or (Cash/Deferred) Revenue at January 1, 2023 | Revenue/ Cash Receipts | Expenditures | Cash/Accrued or (Cash/Deferred) Revenue at December 31, 2023 | Expenditures Provided to Subrecipients |
|---|-----------------------|---|---|------------------------------|--------------|---|--|
| <u>U.S. Department of Agriculture</u> | | | | | | | |
| Community Facilities Loans and Grants | 10.766 | Not Applicable | \$ - | \$ - | \$ 951,559 | \$ 951,559 | \$ - |
| Total Community Facilities Loans and Grants Cluster | | | - | - | 951,559 | 951,559 | - |
| Total U.S. Department of Agriculture | | | - | - | 951,559 | 951,559 | - |
| <u>U.S. Department of Treasury</u> | | | | | | | |
| Passed Through Wisconsin Department of Revenue | | | | | | | |
| Coronavirus State and Local Fiscal Recovery Funds | 21.027 | Not Available | (709,241) | - | 709,241 | - | - |
| Passed Through Wisconsin Department of Administration | | | | | | | |
| Coronavirus State and Local Fiscal Recovery Funds | 21.027 | Not Available | - | 24,116 | 24,116 | - | - |
| Total 21.027 | | | (709,241) | 24,116 | 733,357 | - | - |
| Total U.S. Department of Treasury | | | (709,241) | 24,116 | 733,357 | - | - |
| <u>U.S. Election Assistance Commission</u> | | | | | | | |
| Passed Through Wisconsin Elections Commission | | | | | | | |
| HAVA Election Security Grants | 90.404 | Not Available | - | 1,056 | 1,056 | - | - |
| Total U.S. Election Assistance Commission | | | - | 1,056 | 1,056 | - | - |
| <u>U.S. Department of Health and Human Services</u> | | | | | | | |
| Drug-Free Communities Support Program Grants | | | | | | | |
| Passed Through Dane County Department of Human Services | | | | | | | |
| Special Programs for the Aging, Title III, Part C, Nutrition Services | 93.276 | Not Applicable | - | 109,164 | 118,552 | 9,388 | - |
| Total Aging Cluster | | | - | 12,722 | 12,722 | - | - |
| State Health Insurance Assistance Program | | | | | | | |
| Total U.S. Department of Health and Human Services | 93.045 | 560355, 560360 | - | 12,722 | 12,722 | - | - |
| | 93.324 | 560432 | - | 1,282 | 1,282 | - | - |
| | | | - | 123,168 | 132,556 | 9,388 | - |
| Total Federal Financial Awards | | | \$ (709,241) | \$ 148,340 | \$ 1,818,528 | \$ 960,947 | \$ - |

VILLAGE OF OREGON
Oregon, Wisconsin

Schedule of Expenditures of State of Wisconsin Financial Awards
Year Ended December 31, 2023

| | State I.D. Number | Cash/Accrued or (Cash/Deferred) Revenue at January 1, 2023 | Revenue/ Cash Receipts | Expenditures | Cash/Accrued or (Cash/Deferred) Revenue at December 31, 2023 | Expenditures Provided to Subrecipients |
|---|----------------------|---|------------------------------|------------------|---|--|
| <u>Wisconsin Department of Natural Resources</u> | | | | | | |
| Urban Forestry | 370.587 | \$ - | \$ 5,000 | \$ 5,000 | \$ - | \$ - |
| Recycling Grants to Responsible Units | 370.670 | - | 33,972 | 33,972 | - | - |
| Total Wisconsin Department of Natural Resources | | - | 38,972 | 38,972 | - | - |
| <u>Wisconsin Department of Health Services</u> | | | | | | |
| Passed Through Dane County Department of Human Services | | | | | | |
| Title 3C1 Cong Meal Program | 435.560355 | - | 2,938 | 2,938 | - | - |
| Title 3C-2 Home Meals | 435.560360 | - | 384 | 384 | - | - |
| Total Wisconsin Department of Health Services | | - | 3,322 | 3,322 | - | - |
| Total State of Wisconsin Financial Awards | | \$ - | \$ 42,294 | \$ 42,294 | \$ - | \$ - |

VILLAGE OF OREGON
Notes to Schedules of Expenditures of Federal and State Awards
For the Year Ended December 31, 2023

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State Awards include the federal and state grant activity of the Village of Oregon and are presented on the modified accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines*. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Because the schedules present only a selected portion of the operations of the Village of Oregon, the schedules are not intended to and do not present the financial position, changes in net position, or cash flows of the Village of Oregon.

2. Subrecipients

The Village of Oregon did not pass-through any federal or state awards to subrecipients.

2. De Minimis Cost Rate

The Village of Oregon did not elect to use the 10% de minimis indirect cost rate.

OTHER REPORTS



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

To the Village Board
Village of Oregon
Oregon, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Oregon, 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 Oregon, Wisconsin's basic financial statements, and have issued our report thereon dated June 17, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.



Report on Compliance and Other Matters

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

Village of Oregon's Response to Findings

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

Purpose of This Report

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

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
June 17, 2024



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH
THE UNIFORM GUIDANCE AND THE *STATE SINGLE AUDIT GUIDELINES***

To the Village Board
Village of Oregon
Oregon, Wisconsin

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Village of Oregon, Wisconsin’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *State Single Audit Guidelines* that could have a direct and material effect on each of the Village of Oregon, Wisconsin’s major federal programs for the year ended December 31, 2023. The Village of Oregon, Wisconsin’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Village of Oregon, Wisconsin complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the *State Single Audit Guidelines*. Our responsibilities under those standards, the Uniform Guidance, and the *State Single Audit Guidelines* are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Village of Oregon, Wisconsin, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Village of Oregon, Wisconsin’s compliance with the compliance requirements referred to above.



Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Village of Oregon, Wisconsin's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Village of Oregon, Wisconsin's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the *State Single Audit Guidelines* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Village of Oregon, Wisconsin's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the *State Single Audit Guidelines*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Village of Oregon, Wisconsin's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Village of Oregon, Wisconsin's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Village of Oregon, Wisconsin's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.



Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
June 17, 2024

VILLAGE OF OREGON
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

Section I - Summary Of Audit Results

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes
- Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? No

Identification of major programs:

Federal Assistance

Listing #

Name

10.766

U.S. Department of Agriculture – Community Facilities Loans and Grants

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? No

State Awards

Dollar threshold for distinguishing Type A and B programs: \$250,000

VILLAGE OF OREGON
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

Section II – Financial Statement Finding

2023-001 Material Audit Adjustments

Condition and Cause: Material audit adjustments were required to adjust several account balances.

Criteria: Proper financial closing and year-end reconciliation procedures should be in place to identify and adjust the financial records to ensure the financial statements are fairly stated. Material adjusting journal entries not prepared by the Village prior to the audit or not otherwise provided by the Village are considered an internal control weakness.

Effect: Financial reports generated by the accounting system may not provide an accurate reflection of the Village’s financial position or activities. Accounts requiring adjustments could lead to problems not being recognized and resolved in a timely manner. During our audit procedures we proposed various audit adjustments that, if not made, we feel would have resulted in the financial statements being materially misstated.

Auditor’s Recommendation: We recommend the Village review the various year-end processes and transactions necessary to close the financial records and establish written procedures to be followed. The auditor will continue to work with the Village, providing information and training where needed, to make the Village’s personnel more knowledgeable about its responsibility for the financial statements.

Grantee Response: The Village will work to establish policies and procedures to reduce the number of adjusting journal entries proposed by the auditor.

Section III – Federal Award Findings and Questioned Costs

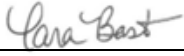
None.

Section IV – State Award Findings and Questioned Costs

None.

VILLAGE OF OREGON
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

Section V – Other Issues

- | | | |
|----|---|--|
| 1. | Does the auditor have substantial doubt as to the auditee’s ability to continue as a going concern? | No |
| | | |
| 2. | Does the audit report show audit issues (i.e. material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the State Single Audit Guidelines: | |
| | Department of Administration | No |
| | Department of Health Services | No |
| | Department of Revenue | No |
| | Department of Natural Resources | No |
| | | |
| 3. | Was a Management Letter or other document conveying audit comments issued as a result of this audit? | No |
| | | |
| 4. | Name and signature of partner |  _____ Tara Bast, CPA |
| | | |
| 5. | Date of report: | June 17, 2024 |

FORM OF LEGAL OPINION

(See following pages)

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

May 15, 2025

Re: Village of Oregon, Wisconsin ("Issuer")
\$4,720,000 General Obligation Promissory Notes, Series 2025B,
dated May 15, 2025 ("Notes")

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

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

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

| <u>Year</u> | <u>Principal Amount</u> | <u>Interest Rate</u> |
|-------------|-------------------------|----------------------|
| 2026 | \$860,000 | ___% |
| 2027 | 330,000 | ___ |
| 2028 | 265,000 | ___ |
| 2029 | 270,000 | ___ |
| 2030 | 275,000 | ___ |
| 2031 | 255,000 | ___ |
| 2032 | 255,000 | ___ |
| 2033 | 260,000 | ___ |
| 2034 | 260,000 | ___ |
| 2035 | 265,000 | ___ |
| 2036 | 265,000 | ___ |
| 2037 | 270,000 | ___ |
| 2038 | 270,000 | ___ |
| 2039 | 345,000 | ___ |
| 2040 | 275,000 | ___ |

Interest is payable semi-annually on March 1 and September 1 of each year commencing on March 1, 2026.

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

[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 Oregon, Dane County, Wisconsin (the "Issuer") in connection with the issuance of \$4,720,000 General Obligation Promissory Notes, Series 2025B, dated May 15, 2025 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on April 7, 2025, as supplemented by an Approving Certificate, dated _____, 2025 (collectively, the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

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

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

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

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

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

"Final Official Statement" means the Final Official Statement dated _____, 2025 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 Oregon, Dane 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 101 Alpine Parkway, Oregon, Wisconsin 53575, phone (608) 835-3118, fax (608) 835-6503.

"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.

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

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

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

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

Section 5. Reporting of Listed Events.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 15th day of May, 2025.

(SEAL)

Phil Van Kampen
President

Candie Jones
Village Clerk

NOTICE OF SALE

**\$4,720,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2025B
VILLAGE OF OREGON, WISCONSIN**

Bids for the purchase of \$4,720,000* General Obligation Promissory Notes, Series 2025B (the "Notes") of the Village of Oregon, Wisconsin (the "Village") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the Village, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via bondsale@ehlers-inc.com or **PARITY**, in the manner described below, until 10:00 A.M., Central Time, on April 29, 2025, at which time they will be opened, read and tabulated. **The Village Board adopted a resolution on April 7, 2025 (the "Parameters Resolution"), which authorized the Finance Director/Treasurer or the Village Administrator to accept a bid for the Notes if the parameters and conditions set forth in the Parameters Resolution are met. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on April 29, 2025, then neither the Finance Director/Treasurer nor the Village Administrator will have the authority to award the sale of the Notes, and all bids will be rejected.**

AUTHORITY; PURPOSE; SECURITY

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

DATES AND MATURITIES

The Notes will be dated May 15, 2025, will be issued as fully registered Notes in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on March 1 as follows:

| <u>Year</u> | <u>Amount*</u> | <u>Year</u> | <u>Amount*</u> | <u>Year</u> | <u>Amount*</u> |
|-------------|----------------|-------------|----------------|-------------|----------------|
| 2026 | \$860,000 | 2031 | \$255,000 | 2036 | \$265,000 |
| 2027 | 330,000 | 2032 | 255,000 | 2037 | 270,000 |
| 2028 | 265,000 | 2033 | 260,000 | 2038 | 270,000 |
| 2029 | 270,000 | 2034 | 260,000 | 2039 | 345,000 |
| 2030 | 275,000 | 2035 | 265,000 | 2040 | 275,000 |

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, with the amount of principal due in 2026 to be determined by the authorized officer so that the amount required to be levied to pay debt service on all general obligation debt outstanding, including the Notes, will be approximately \$4,030,000 in 2026, principal increases or decreases may be made to any maturity from 2027 through 2040 up to a maximum of \$100,000 per maturity. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BOND OPTION

Bids for the 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 March 1 and September 1 of each year, commencing March 1, 2026, 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 March 1, 2035 shall be subject to optional redemption prior to maturity on March 1, 2034 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 May 15, 2025, 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 OPINION

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).

STATEMENT REGARDING COUNSEL PARTICIPATION

Bond Counsel has not assumed responsibility for the Preliminary Official Statement or participated in its preparation (except with respect to the section entitled "TAX EXEMPTION" in the Preliminary Official Statement and the "FORM OF LEGAL OPINION" found in Appendix B of the Preliminary Official Statement).

SUBMISSION OF BIDS

Bids must not be for less than \$4,661,000, nor more than \$5,050,400, plus accrued interest on the principal sum of \$4,720,000 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 \$94,400 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. **The Notes will not be awarded if the TIC (taking the purchaser's compensation into account) exceeds 4.75% or if the other conditions set forth in the Parameters Resolution are not satisfied.**

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.

NOT QUALIFIED TAX-EXEMPT OBLIGATIONS

The Notes shall not be "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

CONTINUING DISCLOSURE

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

NEW ISSUE PRICING

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

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

identified herein and any notice or report to be provided to the Village may be provided to the Village's municipal advisor.

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

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

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

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

(d) 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 Preliminary 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

Candie Jones, Village Clerk
Village of Oregon, Wisconsin

BID FORM

April 29, 2025

Village of Oregon, Wisconsin (the "Village")

RE: \$4,720,000* General Obligation Promissory Notes, Series 2025B (the "Notes")

DATED: May 15, 2025

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 \$4,661,000, nor more than \$5,050,400) plus accrued interest to date of delivery for fully registered Notes bearing interest rates and maturing in the stated years as follows:

| | | | | | |
|-------------|------|-------------|------|-------------|------|
| _____ % due | 2026 | _____ % due | 2031 | _____ % due | 2036 |
| _____ % due | 2027 | _____ % due | 2032 | _____ % due | 2037 |
| _____ % due | 2028 | _____ % due | 2033 | _____ % due | 2038 |
| _____ % due | 2029 | _____ % due | 2034 | _____ % due | 2039 |
| _____ % due | 2030 | _____ % due | 2035 | _____ % 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 with the amount of principal due in 2026 to be determined by the authorized officer so that the amount required to be levied to pay debt service on all general obligation debt outstanding, including the Notes, will be approximately \$4,030,000 in 2026, principal increases or decreases may be made to any maturity from 2027 through 2040 up to a maximum of \$100,000 per maturity. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

All 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 \$94,400 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The Village reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the Village may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the Village as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Notes to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about May 15, 2025.

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 Preliminary Official Statement for the Notes.

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

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

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

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

Account Manager: _____ By: _____
Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from May 15, 2025 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 of Oregon, Wisconsin, on April 29, 2025.

By: _____
Title: _____