

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 3, 2026

In the opinion of Husch Blackwell LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, 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 annual adjusted financial statement income of 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 Village will designate the Notes as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

New Issue

Non-Rated

VILLAGE OF ROCHESTER, WISCONSIN (Racine County)

\$2,600,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2026A

BID OPENING: April 13, 2026, 10:00 A.M., C.T.

CONSIDERATION: April 13, 2026, 7:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$2,600,000* General Obligation Promissory Notes, Series 2026A (the "Notes") are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the Village of Rochester, Wisconsin (the "Village"), for public purposes, including financing capital improvement projects including Oak Knoll Road rehabilitation, Riverside Park improvements, and acquisition of fire truck/fire equipment; and professional and financing fees. 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 Husch Blackwell LLP, Milwaukee, Wisconsin.

DATE OF NOTES: May 7, 2026

MATURITY: April 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2027	\$55,000	2034	\$125,000	2041	\$145,000
2028	100,000	2035	125,000	2042	150,000
2029	105,000	2036	135,000	2043	160,000
2030	110,000	2037	125,000	2044	165,000
2031	110,000	2038	130,000	2045	175,000
2032	115,000	2039	135,000	2046	180,000
2033	115,000	2040	140,000		

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

TERM BONDS: See "Term Bond Option" herein.

INTEREST: April 1, 2027 and semiannually thereafter.

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

MINIMUM BID: \$2,567,500.

MAXIMUM BID: \$2,860,000.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$52,000 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation.

BOND COUNSEL: Husch Blackwell LLP.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

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

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



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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 ROCHESTER VILLAGE BOARD

		<u>Term Expires</u>
Nick Ahlers	Village President	April 2027
Gary Beck, Jr.	Village Trustee	April 2026
Russ Kumbier	Village Trustee	April 2026
Pat Nannemann	Village Trustee	April 2027
Adam Schaefer	Village Trustee	April 2026
Jeff Sterling	Village Trustee	April 2027
Doug Webb	Village Trustee	April 2027

ADMINISTRATION

Betty Novy, Administrator-Treasurer

Amber Jensen, Village Clerk

PROFESSIONAL SERVICES

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

Husch Blackwell LLP, Bond Counsel, Milwaukee, Wisconsin

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

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the Village of Rochester, Wisconsin (the "Village") and the issuance of its \$2,600,000* General Obligation Promissory Notes, Series 2026A (the "Notes"). Any descriptions or summaries of the Notes, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Notes to be included in the resolution authorizing the issuance and sale of the Notes ("Authorizing Resolution") to be adopted by the Village Board on April 13, 2026.

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 7, 2026. The Notes will mature on April 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on April 1 and October 1 of each year, commencing April 1, 2027, to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). All Notes of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

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

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

OPTIONAL REDEMPTION

At the option of the Village, the Notes maturing on or after April 1, 2035 shall be subject to optional redemption prior to maturity on April 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 financing capital improvement projects including Oak Knoll Road rehabilitation, Riverside Park improvements, and acquisition of fire truck/fire equipment; and professional and financing fees.

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Notes	\$2,600,000	
Stormwater Utility Fund	251,800	
Estimated Interest Earnings	<u>20,791</u>	
Total Sources		\$2,872,591
Uses		
Estimated Underwriter's Discount	\$32,500	
Costs of Issuance	63,950	
Deposit to Project Construction Fund	2,772,173	
Rounding Amount	<u>3,968</u>	
Total Uses		\$2,872,591

*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

None of the outstanding indebtedness of the Village is currently rated, and the Village has not requested a rating on the Notes. A rating for the Notes may not be requested without contacting Ehlers and receiving the permission of the Village.

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.

On the date of issue and delivery, the Village shall execute and deliver a Continuing Disclosure Agreement, 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 any Disclosure Undertaking will not constitute an event of default on the Notes. However, such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

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

LEGAL OPINION

An opinion as to the validity of the Notes and the exemption from federal taxation of the interest thereon will be furnished by Husch Blackwell 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 Official Statement or participated in its preparation (except with respect to the section entitled "TAX EXEMPTION" in the Official Statement and the "FORM OF LEGAL OPINION" found in Appendix B).

TAX EXEMPTION

Husch Blackwell 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 "annual adjusted financial statement income" of 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, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income", foreign corporations subject to the branch profits tax and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Notes. 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.

THE ABOVE DISCUSSION IS ONLY A BRIEF SUMMARY OF THE EFFECTS OF THE CODE, AND EACH PROSPECTIVE PURCHASER OF THE NOTES SHOULD CONSULT WITH HIS OR HER OWN TAX ADVISOR REGARDING THE TAX EFFECT ON THE ECONOMIC VALUE OF THE NOTES.

From time to time, legislation is proposed which, if enacted, could alter one or more of the federal tax matters referred to above or would adversely affect the market value of the Notes. It cannot be predicted whether or in what form any of such proposals may be enacted and whether, if enacted, such proposals will apply to obligations (such as the Notes) issued prior to enactment.

ORIGINAL ISSUE DISCOUNT

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

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discounted Bond, on days that are determined by reference to the maturity date of such Discounted Bond. The amount treated as original issue discount on a Discounted Bond for a particular semiannual

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

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

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

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

BOND PREMIUM

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

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Bond is calculated on a daily basis from the issue date of such Premium Bond until its stated maturity date (or call date, if any) on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the compounding dates). An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Bonds. During each taxable year, such an owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Bond.

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the Village in connection with the issuance of the Notes. The Municipal Advisor cannot participate in the underwriting of the Notes. The financial information included in this 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, 2024 have been audited by Lucida LLC, Lake Geneva, 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 are 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.

Interest Rates: In the future, interest rates for this type of obligation may rise generally, possibly resulting in a reduction in the value of the Notes for resale prior to maturity.

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

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

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

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

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

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

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

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

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

2025 Equalized Value	\$617,601,700
2025 Assessed Value	\$606,358,800

2025 EQUALIZED VALUE BY CLASSIFICATION

	2025 Equalized Value¹	Percent of Total Equalized Value
Residential	\$567,100,400	91.823%
Commercial	32,518,100	5.265%
Manufacturing	3,423,700	0.554%
Agricultural	1,333,300	0.216%
Undeveloped	1,312,200	0.212%
Ag Forest	1,280,500	0.207%
Forest	2,769,000	0.448%
Other	<u>7,864,500</u>	<u>1.273%</u>
 Total	 <u><u>\$617,601,700</u></u>	 <u><u>100.000%</u></u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value¹	Percent Increase/Decrease in Equalized Value
2021	\$399,144,340	\$415,571,400	2.55%
2022	410,591,140	435,134,500	4.71%
2023	430,027,500	553,446,700	27.19%
2024	445,857,100	579,490,000	4.71%
2025	606,358,800	617,601,700	6.58%

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

¹ Includes tax increment valuation.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2025 Equalized Value¹	Percent of Village's Total Equalized Value
Lynch Ventures	Commercial Truck Service/Sales	\$3,630,286	0.59%
Casey's Marketing Company	Gas Station	2,717,265	0.44%
Horizon Farm LLC	Aircraft Manufacturing	2,482,186	0.40%
SKZ, LLC	Apartment Building	2,340,201	0.38%
Individual	Residential	2,027,509	0.33%
151South Millgate LLC	Gas Station	1,967,924	0.32%
Individual	Residential	1,945,516	0.32%
Individual	Rental Properties	1,831,745	0.30%
Ela Land Association	Apple Orchard	1,816,263	0.29%
JS Development	Residential Subdivision Lots	<u>1,399,883</u>	<u>0.23%</u>
Total		\$22,158,778	3.59%
Village's Total 2025 Equalized Value ²		\$617,601,700	

Source: The Village.

DEBT

DIRECT DEBT³

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Notes)* \$5,215,000

*Preliminary, subject to change.

DEBT PAYMENT HISTORY

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

¹ Calculated by dividing the 2025 Assessed Values by the 2025 Aggregate Ratio of assessment for the Village.
² Includes tax increment valuation.
³ Outstanding debt is as of the dated date of the Notes.

FUTURE FINANCING

The Village plans to issue a Bond Anticipation Note for a new TIF District. The timing and amount for this future financing has yet to be 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	\$617,601,700
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit	\$30,880,085
Less: General Obligation Debt*	<u>(5,215,000)</u>
Unused Debt Limit*	<u><u>\$25,665,085</u></u>

*Preliminary, subject to change.

Village of Rochester, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 05/07/2026)

	Corporate Purpose Bonds Series 2016A		Corporate Purpose Bonds Series 2021A		Promissory Notes Series 2026A							Calendar Year Ending
Dated Amount	08/11/2016 \$2,175,000		02/03/2021 \$2,030,000		05/07/2026 \$2,600,000*							
Maturity	04/01		02/01		04/01							
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2026	0	13,474	0	15,450	0	0	0	28,924	28,924	5,215,000	.00%	2026
2027	120,000	25,748	125,000	29,650	55,000	150,141	300,000	205,538	505,538	4,915,000	5.75%	2027
2028	125,000	23,235	120,000	27,200	100,000	98,705	345,000	149,140	494,140	4,570,000	12.37%	2028
2029	125,000	20,516	125,000	24,750	105,000	95,271	355,000	140,538	495,538	4,215,000	19.18%	2029
2030	130,000	17,550	120,000	22,300	110,000	91,670	360,000	131,520	491,520	3,855,000	26.08%	2030
2031	130,000	14,365	125,000	19,850	110,000	87,985	365,000	122,200	487,200	3,490,000	33.08%	2031
2032	95,000	11,458	80,000	17,800	115,000	84,188	290,000	113,445	403,445	3,200,000	38.64%	2032
2033	95,000	8,798	85,000	16,150	115,000	80,249	295,000	105,196	400,196	2,905,000	44.30%	2033
2034	80,000	6,260	90,000	14,400	125,000	76,046	295,000	96,706	391,706	2,610,000	49.95%	2034
2035	80,000	3,900	90,000	12,600	125,000	71,515	295,000	88,015	383,015	2,315,000	55.61%	2035
2036	90,000	1,350	95,000	10,750	135,000	66,671	320,000	78,771	398,771	1,995,000	61.74%	2036
2037			95,000	8,850	125,000	61,703	220,000	70,553	290,553	1,775,000	65.96%	2037
2038			95,000	6,950	130,000	56,665	225,000	63,615	288,615	1,550,000	70.28%	2038
2039			100,000	5,000	135,000	51,298	235,000	56,298	291,298	1,315,000	74.78%	2039
2040			100,000	3,000	140,000	45,625	240,000	48,625	288,625	1,075,000	79.39%	2040
2041			100,000	1,000	145,000	39,639	245,000	40,639	285,639	830,000	84.08%	2041
2042					150,000	33,333	150,000	33,333	183,333	680,000	86.96%	2042
2043					160,000	26,628	160,000	26,628	186,628	520,000	90.03%	2043
2044					165,000	19,518	165,000	19,518	184,518	355,000	93.19%	2044
2045					175,000	11,994	175,000	11,994	186,994	180,000	96.55%	2045
2046					180,000	4,050	180,000	4,050	184,050	0	100.00%	2046
	1,070,000	146,653	1,545,000	235,700	2,600,000	1,252,891	5,215,000	1,635,243	6,850,243			

* Preliminary, subject to change.

OVERLAPPING DEBT¹

Taxing District	2025 Equalized Value²	% In Village	Total G.O. Debt³	Village's Proportionate Share
Racine County	\$28,988,438,200	2.1305%	\$189,780,000	\$4,043,263
Gateway Technical College	86,397,448,588	0.7148%	63,250,000	452,111
Burlington School District	4,065,851,460	4.0786%	17,220,000	702,335
Waterford School District J1	2,487,851,246	18.1590%	11,600,000	2,106,444
Waterford Union High School District	3,458,277,755	13.0634%	22,310,000	<u>2,914,445</u>
Village's Share of Total Overlapping Debt				<u><u>\$10,218,597</u></u>

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$617,601,700	Debt/ Per Capita 3,812⁴
Total General Obligation Debt*	\$5,215,000	0.84%	\$1,368.05
Village's Share of Total Overlapping Debt	<u>10,218,597</u>	<u>1.65%</u>	<u>2,680.64</u>
Total*	\$15,433,597	2.50%	\$4,048.69

*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 Estimated 2025 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
2021/22	\$1,035,302	100%	\$2.49
2022/23	1,043,291	100%	2.40
2023/24	1,077,815	100%	1.95
2024/25	1,132,353	100%	1.95
2025/26	1,112,395	In Process of Collection	1.80

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 had ceased operations or filed a petition for bankruptcy, or were due on personal property that had 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 was repealed, starting with the property tax assessments as of January 1, 2024. Beginning in 2025, the personal property tax was replaced with a payment from the State intended to replace the amount of property taxes imposed on personal property for the property tax assessments as of January 1, 2023.

PROPERTY TAX RATES

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

Year Levied/ Year Collected	Schools ¹	County	Local	Other ²	Total
2021/22	\$11.01	\$3.19	\$2.49	\$0.09	\$16.78
2022/23	10.06	2.94	2.40	0.10	15.50
2023/24	9.47	2.77	1.95	0.08	14.27
2024/25	9.19	2.59	1.95	0.07	13.80
2025/26	9.15	2.52	1.80	0.07	13.54

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.

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

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

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. 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.

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 2025, the Village received approximately \$163,000 in shared revenue under Chapter 79, Wis. Stats., an increase from the approximately \$160,000 received in 2024. The Village is expected to receive approximately \$168,000 in shared revenue under Chapter 79, Wis. Stats. in 2026. 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 1912 and is governed by a 7-member Village Board, of which the Village President is a voting member. All Board Members are elected to 2-year terms. The appointed Administrator-Treasurer and Clerk are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The Village employs a staff of five full-time and eight part-time. 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, 2022, the fiscal year ended December 31, 2023 and the fiscal year ended December 31, 2024 ("Fiscal Year 2024"), the Village's portion of contributions to WRS (not including any employee contributions) totaled \$22,101, \$30,203, and \$29,034, 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, 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. As of December 31, 2024, the total pension liability of the WRS was calculated as \$136.18 billion and the fiduciary net position of the WRS was calculated as \$134.54 billion, resulting in a net pension liability of \$1.64 billion. Accordingly, the Village will continue to report a liability for its proportionate share of the net pension liability in its audited financial statements for the year ended December 31, 2025.

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 2024, the Village reported a liability of \$28,675 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2023 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 .00192868% of the aggregate WRS net pension liability as of December 31, 2023.

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 H in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Recognized and Certified Bargaining Units

All eligible Village personnel are covered by the Municipal Employment Relations Act ("MERA") of the Wisconsin Statutes. Pursuant to that law, employees have rights to organize and collectively bargain with municipal employers.

MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32, which altered the collective bargaining rights of public employees in Wisconsin.

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

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

The Village has no active collective bargaining units.

OTHER POST EMPLOYMENT BENEFITS

The Village does not provide any other post employment benefits("OPEB").

The Village does not pay directly for retirees' post-employment benefits. The Village has some obligations for post-employment benefits as mandated by State Statutes. Specifically, the Village is required to allow retirees to be covered by the Village's health care plan as long as the retiree pays his/her premiums. Retiree membership in a health care plan typically increases costs of the premiums. This increased cost is commonly known as implicit price subsidy.

The Village provides 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.

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.

For Fiscal Year 2024, the Village's portion of contributions to the LRLIF totaled \$409. For Fiscal Year 2024, the Village reported a liability of \$92,386 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2023 based on the Village's share of contributions to the LRLIF relative to the contributions of all participating employers. The Village's proportion was .02008100% of the aggregate LRLIF net OPEB liability as of December 31, 2023.

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 I in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

LITIGATION

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

MUNICIPAL BANKRUPTCY

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

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

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

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

FUNDS ON HAND (as of February 17, 2026)

Fund	Total Cash and Investments
General	\$839,680
Sewer Utility	397,804
Sewer Replacement	109,302
Public Site	5,350
Stormwater Utility	279,577
Library Fund Balance	127,488
Capital Project Fund	15,157
Debt Service Fund	<u>158,490</u>
 Total Funds on Hand	 <u><u>\$1,932,848</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 Audited
Sewer			
Total Operating Revenues	\$450,496	\$450,641	\$466,664
Less: Operating Expenses	<u>(470,296)</u>	<u>(520,371)</u>	<u>(539,400)</u>
Operating Income	(\$19,800)	(\$69,730)	(\$72,736)
Plus: Depreciation	59,910	59,910	60,101
Interest Income	<u>5,072</u>	<u>25,028</u>	<u>25,873</u>
Revenues Available for Debt Service	<u><u>\$45,182</u></u>	<u><u>\$15,208</u></u>	<u><u>\$13,238</u></u>

SUMMARY GENERAL FUND INFORMATION

The following are summaries of the revenues and expenditures and fund balances for the Village's General Fund. These summaries are not purported to be the complete audited financial statements of the Village, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the Village. Copies of the complete statements are available upon request. Appendix A includes the 2024 audited financial statements.

FISCAL YEAR ENDING DECEMBER 31				
COMBINED STATEMENT				
	2022	2023	2024	2025 Projected
	Audited	Audited	Audited	
Revenues				
Taxes	\$768,368	\$802,037	\$802,289	\$845,714
Intergovernmental grants	432,407	251,421	375,147	284,732
Licenses and permits	161,195	209,659	202,878	155,633
Fines and forfeitures	7,872	13,399	13,458	22,624
Charges for services	276,802	293,478	300,330	312,077
Intergovernmental charges for services	48,549	52,190	40,121	40,121
Investment income	10,620	69,334	75,223	49,455
Miscellaneous	50,657	5,049	4,712	74,167
Total Revenues	<u>\$1,756,470</u>	<u>\$1,696,567</u>	<u>\$1,814,158</u>	<u>\$1,784,524</u>
Expenditures				
Current:				
General government	\$378,821	\$414,772	\$552,699	\$550,593
Public safety	379,630	426,423	409,715	429,709
Public works	442,631	480,697	518,093	625,521
Health and human services	4,090	2,200	3,533	1,354
Culture, recreation, and education	181,198	206,286	215,754	164,506
Conservation and development	57,723	97,553	66,298	47,103
Capital Outlay:				
Fire	0	151,270	0	0
General government	30,667	0	935,800	1,953
Library	0	0	54,381	0
Public works	0	0	0	8,028
Culture, recreation, and education	0	0	0	20,322
Debt Service:				
Total Expenditures	<u>\$1,474,760</u>	<u>\$1,779,201</u>	<u>\$2,756,273</u>	<u>\$1,849,089</u>
Excess of revenues over (under) expenditures	\$281,710	(\$82,634)	(\$942,115)	(\$64,566)
Other Financing Sources (Uses)				
Transfers (out)	(42,323)	0	(55,517)	(365,678)
Sale of Village property	0	0	10,000	0
Donated land	0	0	935,800	0
Total Other Financing Sources (Uses)	<u>(42,323)</u>	<u>0</u>	<u>890,283</u>	<u>(365,678)</u>
Net changes in Fund Balances	\$239,387	(\$82,634)	(\$51,832)	(\$430,244)
General Fund Balance January 1	\$691,250	\$942,178	\$859,544	\$807,712
Prior Period Adjustment	11,541	0	0	0
General Fund Balance December 31	<u>\$942,178</u>	<u>\$859,544</u>	<u>\$807,712</u>	<u>\$377,468</u>
DETAILS OF DECEMBER 31 FUND BALANCE				
Nonspendable	\$12,367	\$17,508	\$17,327	\$21,466
Committed	50,000	64,640	14,640	0
Assigned	8,056	4,170	1,276	2,397
Unassigned	871,755	773,226	774,469	353,605
Total	<u>\$942,178</u>	<u>\$859,544</u>	<u>\$807,712</u>	<u>\$377,468</u>

¹ Projected data is as of February 16, 2026.

GENERAL FUND BUDGET SUMMARY

FISCAL YEAR ENDING DECEMBER 31

COMBINED STATEMENT

	2026 Adopted Budget¹
Revenues	
Property Taxes: General Fund	\$677,607
Property Taxes: Library Fund	144,698.00
Property Taxes: Debt Service	290,090.00
Other Taxes:	8,573.00
Intergovernmental	313,870.00
Regulation and Compliance	150,830.00
Fines, Forfeitures & Penalties	15,000.00
Public Charges for Services	367,568.80
Intergovernmental Charges for Services	40,063.20
Miscellaneous	69,200.00
Total Revenues	<u>2,077,500.30</u>
Expenditures	
Current:	
General Government	\$515,916
Public Safety	544,428.30
Public Works	631,228.00
Health and Human Services	1,500.00
Libraries (Separate Fund)	144,698.00
Debt service (Separate Fund)	290,090.00
Culture and Recreation	22,200.00
Conservation and Development	48,880.00
Capital Outlay	72,960.00
Total Expenditures	<u>2,271,900.30</u>
Excess of revenues over (under) expenditures	(\$194,400)
Other Financing Sources (Uses)	
Transfers in	\$194,400
Transfers (out)	
Total Other Financing Sources (Uses)	<u>194,400.00</u>
Net changes in Fund Balances	\$0
General Fund Balance January 1	\$332,239
Residual Equity Transfer in (out)	(80,000.00)
General Fund Balance December 31	252,239.00
Library Fund Balance December 31	1,276.00
Total	<u>253,515.00</u>
DETAILS OF DECEMBER 31 FUND BALANCE	
Assigned	1,276.00
Unassigned	250,239.00
Total	<u>251,515.00</u>

¹ The 2026 budget was adopted on November 25, 2025.

GENERAL INFORMATION

LOCATION

The Village, with a 2020 U.S. Census population of 3,785, and a current estimated population of 3,812, comprises an area of 17.7 square miles and is located in Western Racine County.

LARGER EMPLOYERS¹

Larger employers in the Village and area include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Waterford School District	Elementary and secondary education	224
HyPro Inc.	Contract manufacturer, Headquarters and tech center	75
Lynch Truck Center	Truck dealer	70
Dairy Queen Grill & Chill	Restaurant	50
American Champion Aircraft	Manufacturing/selling aircraft	40
SRS Roofing & Sheet Metal Inc.	Roofing Manufacturers	40
International Production Specialists	Steel manufacturer	35
Lynch Chevrolet GMC-Burlington	Automotive dealership	35
Burger King	Restaurant	30
Taco Bell	Restaurant	25

Source: Data Axle Reference Solutions, written and telephone survey, Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development.

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

BUILDING PERMITS (as of January 31, 2026)

	2022	2023	2024	2025	2026
<u>New Single Family Homes</u>					
No. of building permits	7	11	12	5	1
Valuation	\$4,098,806	\$7,141,304	\$6,399,632	\$3,578,220	\$2,500,000
<u>New Commercial/Industrial</u>					
No. of building permits	0	0	1	0	0
Valuation	\$0	\$0	\$1,152,000	\$0	\$0
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	131	208	196	187	12
Valuation	\$6,379,824	\$16,984,617	\$12,448,706	\$8,671,069	\$2,564,796

Source: The Village.

U.S. CENSUS DATA

Population Trend: The Village

2010 U.S. Census Population	3,682
2020 U.S. Census Population	3,785
Percent of Change 2010 - 2020	2.80%
2025 Estimated Population	3,812

Income and Age Statistics

	The Village	Racine County	State of Wisconsin	United States
2024 per capita income	\$51,630	\$41,162	\$43,373	\$44,673
2024 median household income	\$107,038	\$78,096	\$77,485	\$80,734
2024 median family income	\$113,689	\$96,973	\$100,141	\$99,999
2024 median gross rent	\$855	\$1,080	\$1,087	\$1,413
2024 median value owner occupied units	\$375,700	\$251,400	\$266,500	\$332,700
2024 median age	47.2 yrs.	40.5 yrs.	40.2 yrs.	38.9 yrs.

	State of Wisconsin	United States
Village % of 2024 per capita income	119.04%	115.57%
Village % of 2024 median family income	113.53%	113.69%

Housing Statistics

	<u>The Village</u>		
	2020	2024	Percent of Change
All Housing Units	1,529	1,736	13.54%

Source: 2010 and 2020 Census of Population and Housing, Wisconsin Demographic Services Center (https://doa.wi.gov/Pages/LocalGovtsGrants/Population_Estimates.aspx) and 2024 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>	
	Racine County		Racine County	State of Wisconsin
2021	95,390		4.6%	3.8%
2022	96,486		3.4%	2.8%
2023	97,738		3.2%	2.8%
2024, ¹	98,175		3.5%	3.0%
2025, December ¹	95,322		3.6%	3.0%

Source: Wisconsin Department of Workforce Development.

¹ Preliminary.

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the 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 change in the financial position or results of operations of the Village, nor has the Village incurred any material liabilities, which would make such financial statements misleading.

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

VILLAGE OF ROCHESTER

**INDEPENDENT AUDITORS' REPORT
AND
FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2024

VILLAGE OF ROCHESTER

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VILLAGE OF ROCHESTER

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INDEPENDENT AUDITORS' REPORT

To the Village Board
Village of Rochester, Wisconsin

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Rochester (the "Village"), as of and for the year ended December 31, 2024, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Village 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.

Change in Accounting Principle

As described in Note K to the financial statements, the District has adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* and GASB Statement No. 100, *Accounting Changes and Error Corrections-an Amendment of GASB Statement No. 62*. Our opinions are not modified with respect to these matters.

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'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.



To the Village Board
Village of Rochester, Wisconsin

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

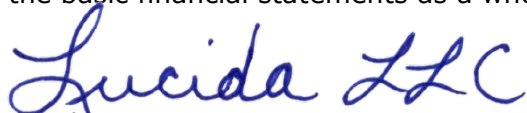
Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not part of the 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.

To the Village Board
Village of Rochester, Wisconsin

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Lucida LLC
Lake Geneva, Wisconsin
June 16, 2025

VILLAGE OF ROCHESTER
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Primary Government		Totals
	Governmental Activities	Business-type Activities	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,618,967	\$ 566,588	\$ 2,185,555
Taxes receivable	934,617	-	934,617
Accounts receivable	9,898	96,088	105,986
Prepaid expenditures/expenses	17,420	4,537	21,957
Internal balances	(38,340)	38,340	-
Other Assets:			
Special assessments receivable	-	7,781	7,781
Capital Assets:			
Land	1,075,654	-	1,075,654
Other capital assets, net of depreciation	6,250,418	1,853,050	8,103,468
TOTAL ASSETS	9,868,634	2,566,384	12,435,018
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	245,602	11,481	257,083
Deferred outflows related to OPEB	53,133	2,484	55,617
TOTAL DEFERRED OUTFLOWS OF RESOURCES	298,735	13,965	312,700
LIABILITIES			
Noncurrent liabilities:			
Accounts payable	66,621	96,573	163,194
Accrued wages and benefits	27,200	3,868	31,068
Bond deposits	87,492	1,086	88,578
General obligation bonds - due within one year	225,000	-	225,000
Accrued interest on general obligation debt	16,991	-	16,991
Noncurrent Liabilities:			
General obligation bonds - due in more than one year	2,845,000	-	2,845,000
Unamortized debt premium	100,855	-	100,855
Net pension liability	27,394	1,281	28,675
Net OPEB liability	88,260	4,126	92,386
TOTAL LIABILITIES	3,484,813	106,934	3,591,747
DEFERRED INFLOWS OF RESOURCES			
Unearned property taxes	1,590,761	-	1,590,761
Deferred inflows related to pension	147,034	6,873	153,907
Deferred inflows related to OPEB	45,275	2,116	47,391
TOTAL DEFERRED INFLOWS OF RESOURCES	1,783,070	8,989	1,792,059
NET POSITION			
Net investment in capital assets	4,155,217	1,853,050	6,008,267
Restricted	92,825	3,327	96,152
Unrestricted	651,444	608,049	1,259,493
TOTAL NET POSITION	\$ 4,899,486	\$ 2,464,426	\$ 7,363,912

See accompanying notes to basic financial statements.

VILLAGE OF ROCHESTER
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
<u>PRIMARY GOVERNMENT</u>						
<u>GOVERNMENTAL ACTIVITIES</u>						
General government	\$ 602,548	\$ 95,511	\$ -	\$ (507,037)	\$ -	\$ (507,037)
Public safety	480,867	167,086	21,145	(292,636)	-	(292,636)
Public works	865,076	417,730	115,979	(331,367)	-	(331,367)
Health and human services	3,533	-	-	(3,533)	-	(3,533)
Culture, recreation, and education	233,098	1,013	63,166	(168,919)	-	(168,919)
Conservation and development	66,431	-	-	(66,431)	-	(66,431)
Interest and fiscal charges	61,240	-	-	(61,240)	-	(61,240)
TOTAL GOVERNMENTAL ACTIVITIES	2,312,793	681,340	200,290	(1,431,163)	-	(1,431,163)
<u>BUSINESS-TYPE ACTIVITIES</u>						
Sewer Utility	539,400	466,664	-	-	(72,736)	(72,736)
TOTAL PRIMARY GOVERNMENT	\$ 2,852,193	\$ 1,148,004	\$ 200,290	(1,431,163)	(72,736)	(1,503,899)
<u>GENERAL REVENUES</u>						
Property taxes levied for general purposes				665,757	-	665,757
Property taxes levied for debt service				283,494	-	283,494
Property taxes levied for library				128,564	-	128,564
Property taxes levied for Honey Lake				30,010	-	30,010
Payments in lieu of taxes				10,524	-	10,524
Intergovernmental revenues not restricted to specific programs				172,292	-	172,292
Interest income				92,232	25,873	118,105
Gain (loss) on disposal of capital assets				10,000	-	10,000
Donated land				935,800	-	935,800
Miscellaneous				4,059	-	4,059
TOTAL GENERAL REVENUES				2,332,732	25,873	2,358,605
CHANGE IN NET POSITION				901,569	(46,863)	854,706
NET POSITION - BEGINNING OF YEAR				3,997,917	2,511,289	6,509,206
NET POSITION - END OF YEAR				\$ 4,899,486	\$ 2,464,426	\$ 7,363,912

See accompanying notes to basic financial statements.

VILLAGE OF ROCHESTER
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects Fund</u>	<u>Non-major Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>					
Cash and cash equivalents	\$ 1,654,842	\$ -	\$ (230,097)	\$ 194,222	\$ 1,618,967
Receivables:					
Taxes	628,933	272,184	-	33,500	934,617
Accounts	9,898	-	-	-	9,898
Prepaid expenditures	17,327	-	-	93	17,420
TOTAL ASSETS	<u>2,311,000</u>	<u>272,184</u>	<u>(230,097)</u>	<u>227,815</u>	<u>2,580,902</u>
<u>LIABILITIES</u>					
Accounts payable	65,179	-	-	1,442	66,621
Accrued wages and benefits	27,200	-	-	-	27,200
Bond deposits	87,492	-	-	-	87,492
Due to sewer utility	38,340	-	-	-	38,340
TOTAL LIABILITIES	<u>218,211</u>	<u>-</u>	<u>-</u>	<u>1,442</u>	<u>219,653</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Unearned property taxes	<u>1,285,077</u>	<u>272,184</u>	<u>-</u>	<u>33,500</u>	<u>1,590,761</u>
<u>FUND BALANCE</u>					
Nonspendable	17,327	-	-	93	17,420
Restricted	-	-	-	21,651	21,651
Committed	14,640	-	-	-	14,640
Assigned	1,276	-	-	171,129	172,405
Unassigned	774,469	-	(230,097)	-	544,372
TOTAL FUND BALANCE	<u>\$ 807,712</u>	<u>\$ -</u>	<u>\$ (230,097)</u>	<u>\$ 192,873</u>	<u>\$ 770,488</u>

See accompanying notes to basic financial statements.

VILLAGE OF ROCHESTER
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2024

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		\$ 770,488
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds as assets.		
Capital assets	\$11,009,783	
Accumulated depreciation	<u>(3,683,711)</u>	7,326,072
The Village's proportionate share of the Wisconsin Retirement System net pension liability is reported on the statement of net position, but is not reported in the governmental funds.		(27,394)
The Village's proportionate share of the net OPEB liability for the Local Retiree Life Insurance Fund administered by the Wisconsin Department of Employee Trust Funds is reported on the statement of net position, but is not reported in the governmental funds.		(88,260)
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the governmental funds.		
Deferred outflows related to pensions	245,602	
Deferred inflows related to pensions	(147,034)	
Deferred outflows related to OPEB	53,133	
Deferred inflows related to OPEB	<u>(45,275)</u>	106,426
Long-term debt and related items are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Long-term liabilities at year-end consist of:		
Notes and bonds payable	(3,070,000)	
Unamortized premium on debt	<u>(100,855)</u>	(3,170,855)
Accrued interest payable on debt is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.		<u>(16,991)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		<u>\$ 4,899,486</u>

See accompanying notes to basic financial statements.

VILLAGE OF ROCHESTER
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	General	Debt Service	Formerly Nonmajor Fund Capital Projects Fund	Formerly Major Fund Stormwater Utility	Non-major Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 802,289	\$ 283,494	\$ -	\$ -	\$ 30,010	\$ 1,115,793
Intergovernmental grants	375,147	-	-	-	-	375,147
Licenses and permits	202,878	-	-	-	-	202,878
Fines and forfeitures	13,458	-	-	-	-	13,458
Charges for services	300,330	-	-	-	123,895	424,225
Intergovernmental charges for services	40,121	-	-	-	-	40,121
Investment income	75,223	-	-	-	17,005	92,228
Miscellaneous	4,712	-	-	-	-	4,712
TOTAL REVENUES	1,814,158	283,494	-	-	170,910	2,268,562
EXPENDITURES						
Current:						
General government	552,699	-	-	-	186	552,885
Public safety	409,715	-	-	-	-	409,715
Public works	518,093	-	26,049	-	160,758	704,900
Health and human services	3,533	-	-	-	-	3,533
Culture, recreation, and education	215,754	-	-	-	-	215,754
Conservation and development	66,298	-	-	-	-	66,298
Capital Outlay:						
General government	935,800	-	-	-	-	935,800
Library	54,381	-	-	-	-	54,381
Public works	-	-	302,285	-	97,955	400,240
Culture, recreation, and education	-	-	-	-	-	-
Debt Service:						
Principal retirement	-	215,000	-	-	-	215,000
Interest and fiscal charges	-	68,494	-	-	-	68,494
TOTAL EXPENDITURES	2,756,273	283,494	328,334	-	258,899	3,627,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(942,115)	-	(328,334)	-	(87,989)	(1,358,438)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	55,517	-	-	55,517
Transfers out	(55,517)	-	-	-	-	(55,517)
Sale of Village property	10,000	-	-	-	-	10,000
Donated land	935,800	-	-	-	-	935,800
TOTAL OTHER FINANCING SOURCES (USES)	890,283	-	55,517	-	-	945,800
NET CHANGE IN FUND BALANCE	(51,832)	-	(272,817)	-	(87,989)	(412,638)
FUND BALANCE - BEGINNING OF YEAR, as previously presented	859,544	-	-	189,478	134,104	1,183,126
Change within financial reporting entity (major to nonmajor fund)	-	-	-	(189,478)	189,478	-
Change within financial reporting entity (Nonmajor to major fund)	-	-	42,720	-	(42,720)	-
FUND BALANCE - BEGINNING OF YEAR, as restated	859,544	-	42,720	-	280,862	1,183,126
FUND BALANCE - END OF YEAR	\$ 807,712	\$ -	\$ (230,097)	\$ -	\$ 192,873	\$ 770,488

See accompanying notes to basic financial statements.

VILLAGE OF ROCHESTER
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUNDS \$ (412,638)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report certain capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$ 1,390,421	
Depreciation expense	<u>(263,658)</u>	
		1,126,763

In the statement of activities, the cost of pension benefits and OPEB benefits earned net of employee contributions is reported as an expense. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.

Pension expense	(19,726)	
Village pension contributions	27,976	
OPEB expense	(10,463)	
Village OPEB contributions	<u>(32,604)</u>	
		(34,817)

Amortization of premium from the issuance of debt reduces the balances of the respective item in the statement of net position. The amortization is an expenditure in the statement of net position, but is not shown in the governmental funds

6,271

Repayments of long-term debt principal are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the statement of net position.

Principal payments on bonds, notes and capital leases		215,000
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Interest on long-term debt in the governmental funds is reported as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest costs are reported as they accrue, regardless of when they are due.

990

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 901,569

VILLAGE OF ROCHESTER
STATEMENT OF NET POSITION - PROPRIETARY FUND
DECEMBER 31, 2024

	<u>Business-type Activities Enterprise Fund Sewer Utility</u>
<u>ASSETS</u>	
Current Assets:	
Cash and cash equivalents	\$ 566,588
Customer accounts receivable	96,088
Prepayments	4,537
Due from general fund	38,340
Noncurrent Assets:	
Special assessments receivable	7,781
Capital Assets:	
Capital assets, net of depreciation	<u>1,853,050</u>
TOTAL ASSETS	<u><u>2,566,384</u></u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred outflows related to pension	11,481
Deferred outflows related to OPEB	<u>2,484</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u><u>13,965</u></u>
 <u>LIABILITIES</u>	
Current Liabilities:	
Accounts payable	96,573
Accrued wages and benefits	3,868
Bond deposits	1,086
Noncurrent Liabilities:	
Net OPEB liability	4,126
Net pension liability	<u>1,281</u>
TOTAL LIABILITIES	<u><u>106,934</u></u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred inflows related to pension	6,873
Deferred inflows related to OPEB	<u>2,116</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u><u>8,989</u></u>
 <u>NET POSITION</u>	
Net investment in capital assets	1,853,050
Restricted	3,327
Unrestricted	<u>608,049</u>
TOTAL NET POSITION	<u><u>\$ 2,464,426</u></u>

See accompanying notes to basic financial statements.

VILLAGE OF ROCHESTER
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2024

	Business-type Activities Enterprise Fund <u>Sewer Utility</u>
<u>OPERATING REVENUES</u>	
Charges for service	\$ <u>466,664</u>
<u>OPERATING EXPENSES</u>	
Operation and maintenance	479,299
Depreciation	<u>60,101</u>
TOTAL OPERATING EXPENSES	<u>539,400</u>
LOSS FROM OPERATIONS	(72,736)
<u>NONOPERATING REVENUES (EXPENSES)</u>	
Investment income	<u>25,873</u>
CHANGE IN NET POSITION	(46,863)
NET POSITION - BEGINNING OF YEAR	<u>2,511,289</u>
NET POSITION - END OF YEAR	<u><u>\$ 2,464,426</u></u>

See accompanying notes to basic financial statements.

VILLAGE OF ROCHESTER
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2024

	<u>Business-type Activities Enterprise Fund Sewer Utility</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Receipts from customers and users	\$ 442,546
Payments to suppliers	(516,637)
Payments to/from other funds	1,028
Payments to employees	4,351
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>(68,712)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>	
Special assessments	6,555
Acquisition and construction of capital assets	(29,454)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(22,899)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Investment income	<u>25,873</u>
CHANGE IN CASH AND CASH EQUIVALENTS	(65,738)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>632,326</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 566,588</u></u>
<u>RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Loss from operations	\$ (72,736)
Adjustments to reconcile operating loss to net cash flows from operating activities:	
Depreciation expense	60,101
Pension and deferred outflows and inflows	(1,276)
OPEB and deferred outflows and inflows	(32,524)
Changes in assets and liabilities:	
(Increase) decrease in customer accounts receivable	(24,118)
(Increase) decrease in prepaid expenditures	479
(Increase) decrease in due from general fund	1,028
Increase (decrease) in accounts payable	(3,473)
Increase (decrease) in accrued wages and benefits	3,807
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ (68,712)</u></u>

See accompanying notes to basic financial statements.

VILLAGE OF ROCHESTER
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2024

	Custodial Fund
<u>ASSETS</u>	
Cash and cash equivalents	\$ 2,620,108
Taxes receivable	4,249,687
TOTAL ASSETS	6,869,795
 <u>LIABILITIES</u>	
Due to other governmental units	6,869,795
NET POSITION	\$ -

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
YEAR ENDED DECEMBER 31, 2024

	Custodial Fund
<u>ADDITIONS</u>	
Collection of property taxes	\$ 6,823,046
 <u>DEDUCTIONS</u>	
Distributions to other governmental units	6,823,046
NET POSITION - BEGINNING OF YEAR	-
NET POSITION - END OF YEAR	\$ -

See accompanying notes to basic financial statements.

VILLAGE OF ROCHESTER
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

Note A - Summary of Significant Accounting Policies

The basic financial statements of the Village of Rochester (the "Village") have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") as applicable to governmental 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.

Financial Reporting Entity

This report includes all of the funds of the Village. The reporting entity for the Village consists of (a) the primary government, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the Village. The primary government 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 burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met (1) the economic resources received or held by the separate organization are entirely, or almost entirely, for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. This report does not contain any component units.

Basis of Presentation

Government-wide Financial Statements

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

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

VILLAGE OF ROCHESTER
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024
(Continued)

Note A - Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

Fund Financial Statements

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

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

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

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

Major Funds

The Village reports the following major governmental funds:

General Fund – accounts for the Village’s primary operating activities. It is used to account for and report all financial resources of the Village except those required to be accounted for in another fund. It is also used to account for library operations.

Debt Service Fund – accounts for the accumulation of resources for, and the payment of, general long-term obligations principal, interest and related costs (other than debt accounted for in the Proprietary Funds).

Capital Projects Fund – accounts for financial resources segregated for the acquisition and construction of major capital facilities, streets or equipment.

The Village reports the following major proprietary fund:

Sewer Utility Enterprise Fund – accounts for the activities of operating the sewage treatment plant, sewage pumping stations and collections system.

VILLAGE OF ROCHESTER
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024
(Continued)

Note A - Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

Fund Financial Statements (continued)

Non-Major Funds

The Village reports the following non-major governmental funds:

Special revenue funds are used to account for the revenues requiring separate accounting because of legal or regulatory provisions. The Village reports the following special revenue funds:

Stormwater Utility Fund – accounts for financial resources segregated for the acquisition and construction of infrastructure that are financed with specific revenue sources and user charges that are assigned to expenditures for the stormwater utility fund.

Public Site Fund – accounts for financial resources segregated for public site acquisition.

Honey Lake Streets and Lights Fund – accounts for financial resources segregated for maintenance of streets and street lights in the Honey Lake area.

School Monument – accounts for financial resources segregated for construction, maintenance and upkeep of the Agricultural School monument.

Additionally, the Village reports the following fund type:

Fiduciary Funds - Custodial funds are used to account for assets held by the Village in a purely custodial capacity. The Village's custodial fund is used for recording assets collected for other taxing jurisdictions. Since by definition these assets are held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not included in the preparation of the government-wide statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Revenues, expenditures/expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

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

VILLAGE OF ROCHESTER
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024
(Continued)

Note A - Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension/OPEB expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

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

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

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred inflows of resources. Delinquent special assessments being held by the county are reported as receivable and deferred inflows of resources.

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

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

The Village reports deferred inflows of resources on its governmental funds balance sheet. Deferred inflows arise from taxes levied in the current year which are for subsequent years operations. For governmental fund financial statements, deferred inflows of resources arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred inflows of resources is removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund financial statements (other than custodial funds) are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Fiduciary (custodial) funds follow the accrual basis of accounting, and do not have a measurement focus.

VILLAGE OF ROCHESTER
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024
(Continued)

Note A - Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Fund Financial Statements (continued)

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 and services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash and Cash Equivalents

For the purpose of the statement of net position and for the statement of cash flows, the Village considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of Village funds is restricted by state statutes. Permitted investments are limited to:

- Time deposits in any credit union, bank, savings bank, trust company, or savings and loan association which is authorized to transact business in Wisconsin.
- Bonds or securities of any county, drainage district, technical college district, city, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or by the Wisconsin Aerospace Authority.
- Bonds or securities issued or guaranteed by the federal government and its agencies.
- The local government investment pool.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.

Receivables

All accounts receivable are shown at gross amounts with uncollectible amounts recognized under the direct write-off method. Accounts receivable in all funds report amounts that have arisen in the ordinary course of business.

During the course of operations, numerous 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 (non-current portion) are reported as "advances to and from other funds". For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of net position as internal balances.

VILLAGE OF ROCHESTER
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024
(Continued)

Note A - Summary of Significant Accounting Policies (continued)

Receivables (continued)

Property taxes are recorded in the year levied as receivables and deferred inflows of resources. They are recognized as revenues in the subsequent year when services financed by the levy are provided. In addition to property taxes for the municipality, taxes are collected for and remitted to the state and county governments as well as the local and vocational school districts. Taxes for all state and other local governmental units billed in the current year for the subsequent year are reflected as receivables and as due to other governmental units on the statement of fiduciary net position – fiduciary fund. Taxes are levied in December on the assessed value as of the prior January 1.

Details of the Village’s property tax calendar for the 2024 tax levy follows:

Lien and levy dates	December 2024
Real estate collection due dates:	
First installment due	January 31, 2025
Second installment due	July 31, 2025
Personal property tax due in full	January 31, 2025
Final settlement with county	August 2025
Tax sale of 2024 delinquent real estate taxes	October 2027

Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes collection. Therefore, management has determined that no allowance account is considered necessary.

Prepaid Expenditures/Expenses

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

Capital Assets

Government-wide Financial Statements - Capital assets are defined by the Village as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year, except for certain assets of the sewer utility which may be capitalized at a lower cost. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation. The costs of maintenance and repairs that do not add to the value of the asset or extend the assets life are not capitalized. No interest was capitalized during the current year.

Prior to January 1, 2004, infrastructure assets of the Village’s governmental funds were not required to be capitalized. Upon implementation of GASB 34, the Village is required to account for all capital assets, including infrastructure, in the government-wide financial statements prospectively from the date of implementation. Retroactive reporting of all major infrastructure assets is encouraged, but not required. The Village has chosen not to retroactively report infrastructure assets from prior to January 1, 2004. The Village has incorporated all infrastructure assets meeting the Village’s definition into the government-wide financial statements in subsequent years.

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

VILLAGE OF ROCHESTER
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024
(Continued)

Note A - Summary of Significant Accounting Policies (continued)

Capital Assets (continued)

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

Buildings and improvements	25 - 50 Years
Machinery and equipment	3 - 40 Years
Infrastructure	40 Years
Sewer utility systems	7 - 50 Years

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

The Village reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

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 bonds payable.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debt and premiums on issuance are reported as other financing sources. Payments of principal and interest, as well as costs of issuance, are reported as expenditures.

For the government-wide statements, bond premiums are deferred and amortized over the life of the issuance using the straight-line method.

The accounting for proprietary fund obligations is the same in the fund financial statements as it is in the government-wide financial statements.

Estimates

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

VILLAGE OF ROCHESTER
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024
(Continued)

Note A - Summary of Significant Accounting Policies (continued)

Claims and Judgements

Claims and judgments are recorded as liabilities if all of the conditions of GASB pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, 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.

Deferred Outflows / Inflows of Resources

In addition to assets and liabilities, the statement of net position will sometimes report separate sections for deferred outflows and inflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and thus will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent the acquisition of net assets that is applicable to a future reporting period(s) and thus, will not be recognized as an inflow of resources (revenue) until then. The Village reports deferred inflows and outflows of resources related to the WRS net pension liability (asset), and the OPEB.

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 were reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (OPEB)

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

- Net OPEB Liability,
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post-Employment Benefits, 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.

VILLAGE OF ROCHESTER
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024
(Continued)

Note A - Summary of Significant Accounting Policies (continued)

Net Position and Fund Balances

Government-wide Statements and Proprietary Fund Statements

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

Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation, and any capital related deferred outflows of resources 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 and any capital related deferred inflows of resources.

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.

Unrestricted Net Position – Consists of net position which is available for appropriation and expenditure in future periods and is not classified as either restricted or as 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.

Governmental Fund Financial Statements

Governmental fund equity is classified as fund balance. GASB established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. The initial distinction that is made is identifying amounts that are considered nonspendable. Fund balance is further classified as restricted, committed, assigned and unassigned.

The Village's fund balance classification policies and procedures are as follows:

Nonspendable Fund Balance – includes amounts that cannot be spent because they are not in a spendable form and cannot be converted to cash or because they are legally or contractually required to remain intact.

Restricted Fund Balance – includes amounts that have constraints placed upon the use of resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

Committed Fund Balance – includes amounts that can be used only for the specific purposes pursuant to constraints imposed by a formal action of the Village Board, the Village's highest level of decision-making authority. This formal action is a Village Board resolution.

Assigned Fund Balance – includes amounts that are constrained by the Village's intent to be used for a specific purpose, but are neither restricted nor committed. For governmental funds, other than the general fund, this is the residual amount within the fund that is not restricted or committed. Assignments of fund balance are created by the Village Board.

Unassigned Fund Balance – is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports an unassigned fund balance amount.

VILLAGE OF ROCHESTER
NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2024
 (Continued)

Note A - Summary of Significant Accounting Policies (continued)

Net Position and Fund Balances (continued)

Governmental Fund Financial Statements (continued)

The Village applies resources in the following order when expense is incurred for purposes of which multiple fund balances are available: restricted, committed, assigned, unassigned.

Subsequent Events

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed (June 16, 2025). Management noted no significant subsequent events that require reporting or disclosure.

Note B - Cash and Cash Equivalents

The Village's cash and cash equivalents at December 31, 2024 consisted of the following:

	<u>Cash and Cash Equivalents</u>
Petty Cash	\$ 100
Custodial Risk:	
Demand Deposits	<u>4,805,563</u>
Totals	<u><u>\$ 4,805,663</u></u>

The Village's cash and cash equivalents are reported in the financial statements as follows:

Per Statement of Net Position

Cash and cash equivalents	\$ 2,185,555
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Per Statement of Fiduciary Net Position

Cash and cash equivalents	<u>2,620,108</u>
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Total cash and cash equivalents	<u><u>\$ 4,805,663</u></u>
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All time and savings deposits owned by the Village and held by the Village's official custodian in an insured depository institution within the state in which the Village is located are added together and insured up to \$250,000 per financial institution by the Federal Deposit Insurance Corporation ("FDIC"). Separately, all demand deposits owned by the Village and held in the Village's official custodian in an insured depository institution within the State in which the Village is located are added together and insured up to an additional \$250,000 by the FDIC. In addition, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per entity above the amount provided by the FDIC. However, due to the relatively small size of the Guarantee Fund in relation to the total coverage and other legal implications, recovery of material principal losses may not be significant to individual government entities.

Custodial Risk: Is the risk that in the event of a financial institution failure, the Village's deposits and value of investments may not be returned to the Village. As of December 31, 2024, the Village's book value was \$4,805,663 and the bank's carrying value for cash and cash equivalents was \$4,810,588, of which \$650,000 was fully insured and \$4,160,588 was uninsured and uncollateralized.

Fluctuating cash flows during the year due to tax collections, receipt of state aids and/or proceeds from borrowing may have resulted in uninsured balances during the year significantly exceeding uninsured amounts at year end.

VILLAGE OF ROCHESTER
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024
(Continued)

Note C - Receivables

All of the receivables on the balance sheet – governmental funds are expected to be collected within one year.

Governmental funds report *deferred inflows* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not available and cannot be used to liquidate liabilities of the current period. Governmental funds also report *deferred inflows of resources* in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *deferred inflows of resources* reported in the governmental funds were as follows:

	Unearned
Property taxes	\$ 1,590,761

Note D - Capital Assets

Governmental Activities

Governmental activities capital asset activity for the year ended December 31, 2024 was as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Capital assets not being depreciated:				
Land	\$ 139,854	\$ 935,800	\$ -	\$ 1,075,654
Capital assets being depreciated:				
Buildings and improvements	1,622,099	-	-	1,622,099
Machinery and equipment	1,470,967	249,783	-	1,720,750
Infrastructure	6,386,442	204,838	-	6,591,280
Total capital assets being depreciated	9,479,508	454,621	-	9,934,129
Less: accumulated depreciation	(3,420,053)	(263,658)	-	(3,683,711)
Net capital assets being depreciated	6,059,455	\$ 190,963	\$ -	6,250,418
 Total capital assets	 \$ 6,199,309			 \$ 7,326,072

Depreciation expense was charged to functions as follows:

General government	\$ 17,504
Public safety	68,302
Public works (includes depreciation of infrastructure)	164,472
Culture, recreation, and education	13,380
Total Governmental Activities Depreciation Expense	\$ 263,658

VILLAGE OF ROCHESTER
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024
(Continued)

Note D - Capital Assets (continued)

Business-type Activities

Capital asset activity in the business-type activities for the year ended December 31, 2024 was as follows:

<u>Sewer Utility</u>	<u>Balance</u>	<u>Balance</u>
	<u>Beginning</u>	<u>Ending</u>
Infrastructure	\$ 2,959,790	\$ 2,978,935
Less: accumulated depreciation	(1,076,093)	(1,125,885)
Business-type capital assets, net of accumulated depreciation	<u>\$ 1,883,697</u>	<u>\$ 1,853,050</u>

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

Sewer Utility	<u>\$ 60,101</u>
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Note E - Interfund Receivables, Payables and Transfers

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". Interfund receivables and payables between funds within governmental activities are eliminated on the statement of net position.

Due to and from other funds consist of the following at December 31, 2024:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Sewer Utility	General Fund	<u>\$ 38,340</u>	Special assessments and delinquent charges on the tax roll.

The outstanding balances between funds result mainly from the time lag between the dates that interfund goods and services are provided or reimbursable expenses occur; transactions are recorded in the accounting system; and payments between funds are made.

Interfund transfers consist of the following at December 31, 2024:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Capital Projects	General Fund	<u>\$ 55,517</u>	To finance capital projects

VILLAGE OF ROCHESTER
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024
(Continued)

Note F - Long-term Obligations

General Obligation Debt

General obligation bonds payable are backed by the full faith and credit of the Village. Governmental funds general obligation debt will be retired by future property tax levies accumulated in the debt service fund. Business-type activities general obligation debt, when applicable, will be retired by revenues from user fees or, if the revenues are not sufficient to cover debt, by future tax levies.

Outstanding debt was comprised of the following at December 31, 2024:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
General obligation bonds	\$ 3,285,000	\$ -	\$ 215,000	\$ 3,070,000	\$ 225,000

General obligation debt of the Village currently outstanding is as follows:

<u>General Obligation Debt Governmental Activities</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Principal</u>	<u>Balance 12/31/2024</u>
2016A GO Bonds	08/11/16	04/01/36	0.8 - 3.00%	\$ 2,175,000	\$ 1,300,000
2021A GO Bond	02/03/21	02/03/31	1.51%	\$ 2,030,000	1,770,000
General obligation debt - governmental activities					<u>\$ 3,070,000</u>

The annual debt service requirements to maturity for general obligation long-term debt as of December 31, 2024 is as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 225,000	\$ 64,439
2026	230,000	60,090
2027	245,000	55,398
2028	245,000	50,435
2029	250,000	45,266
2030-2034	1,030,000	148,930
2035-2039	645,000	49,400
2040-2044	200,000	3,999
	<u>\$ 3,070,000</u>	<u>\$ 477,957</u>

Total interest paid and expensed on long-term obligations during the year was \$68,494 and \$66,648 respectively.

VILLAGE OF ROCHESTER
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024
(Continued)

Note F - Long-term Obligations (continued)

Margin of Indebtedness

Wisconsin Statutes restrict the Village's general obligation debt to 5% of the equalized value of all property within the Village. The following summarizes the debt limit calculation as of December 31, 2024:

Equalized Value - 2024	\$	579,490,000
Debt limit (5% of \$579,490,000)		28,974,500
Deduct general obligation debt		<u>3,070,000</u>
Margin of indebtedness	\$	<u><u>25,904,500</u></u>
Ratio of applicable general obligation debt to debt limit		<u><u>10.60%</u></u>

Note G - Net Position and Fund Balances

Government-wide Financial Statement Net Position

Governmental Activities

Governmental net position at December 31, 2024 consists of the following:

Net Investment in Capital Assets:

Land	\$	1,075,654
Other capital assets, net of accumulated depreciation		6,250,418
Less: related long-term debt		(3,070,000)
Less: unamortized premium on debt issuance		<u>(100,855)</u>
		4,155,217

Restricted for:

WRS pension	71,174	
Honey Lake Road fund	<u>21,651</u>	92,825

Unrestricted

		<u>651,444</u>
Total Governmental Activities Net Position		<u><u>\$ 4,899,486</u></u>

Business-type Activities

Business-type net position at December 31, 2024 consists of the following:

Net Investment in Capital Assets:

Capital assets	\$	2,978,935
Less: accumulated depreciation		<u>(1,125,885)</u>
		1,853,050

Restricted for:

WRS pension		3,327
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Unrestricted

		<u>608,049</u>
Total Business-type Net Position		<u><u>\$ 2,464,426</u></u>

VILLAGE OF ROCHESTER
NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2024
 (Continued)

Note G - Net Position and Fund Balances (continued)

Governmental Fund Financial Statements

Governmental fund balances consist of the following:

Nonspendable:		
General fund - prepaid expenditures	\$ 17,327	
Stormwater utility - prepaid expenditures	93	
		\$ 17,420
Restricted:		
Honey Lake Road fund		21,651
Committed:		
General fund - Library building projects	14,640	
		14,640
Assigned:		
Library	1,276	
Stormwater utility	160,800	
Public site fund	1,666	
School monument	8,663	
		172,405
Unassigned		544,372
Total Governmental Fund Balance		\$ 770,488

Note H - Employee Retirement Plans – Wisconsin Retirement System (“WRS”)

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

ETF issues a standalone Annual Comprehensive Financial Report (“ACFR”) which can be found at <http://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.

VILLAGE OF ROCHESTER
NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2024
 (Continued)

Note H - Employee Retirement Plans – Wisconsin Retirement System (“WRS”) (continued)

Benefits provided (continued)

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

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

The WRS also provides death and disability benefits for employees.

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2014	4.7 %	25 %
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17
2019	0.0	(10)
2020	1.7	21
2021	5.1	13
2022	7.4	15
2023	1.6	(21)

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

VILLAGE OF ROCHESTER
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024
(Continued)

Note H - Employee Retirement Plans – Wisconsin Retirement System (“WRS”) (continued)

Contributions (continued)

During the reporting period, the WRS recognized \$30,174 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%	13.22%
Protective without Social Security	6.80%	18.12%

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

At December 31, 2024, the Village reported a liability of \$28,675 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022 rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village’s proportion of the net pension asset was based on the Village’s share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, the Village’s proportion was .00192868%, which was an increase of 0.00024598% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the Village recognized pension expense (revenue) of \$20,648.

At December 31, 2024, 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 projected and actual experience	\$ 115,619	\$ 153,139
Net differences between projected and actual earnings on pension plan investments	99,932	-
Changes in assumptions	12,498	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	768
Employer contributions subsequent to the measurement date	29,034	-
	<u>\$ 257,083</u>	<u>\$ 153,907</u>

The amount of \$29,034 reported as deferred outflows related to pension resulting from the WRS Employer’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2024.

VILLAGE OF ROCHESTER
NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2024

(Continued)

Note H - Employee Retirement Plans – Wisconsin Retirement System (“WRS”) (continued)

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

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

Year Ended December 31,	Deferred Outflows of Resources	Deferred Inflows of Resources
2024	\$ 182,573	\$ 167,530
2025	148,672	132,804
2026	118,412	55,878
2027	4,625	23,928

Actuarial assumptions. The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2022
Measurement Date of Net Pension (Liability) Asset:	December 31, 2023
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.00%
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, 2023 is based upon a roll-forward of the liability calculated from the December 31, 2022 actuarial valuation.

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

VILLAGE OF ROCHESTER
NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2024
 (Continued)

Note H - Employee Retirement Plans – Wisconsin Retirement System (“WRS”) (continued)

Long-term Expected Return on Plan Assets (continued)

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, 2023			
<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	40%	7.3%	4.5%
Public Fixed Income	27	5.8	3.0
Inflation Sensitive	19	4.4	1.7
Real Estate	8	5.8	3.0
Private Equity/Debt	18	9.6	6.7
Leverage ³	(12)	3.7	1.0
Total Core Fund	<u>100 %</u>	7.4 %	4.6 %
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	6.8	4.0
International Equities	<u>30</u>	7.6	4.8
Total Variable Fund	<u>100 %</u>	7.3 %	4.5 %

¹Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocation.
²New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.7%.
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 12% 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 single discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 3.77%. (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, 2023. 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 ROCHESTER
NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2024
 (Continued)

Note H - Employee Retirement Plans – Wisconsin Retirement System (“WRS”) (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 6.8%, 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 (5.8%) or 1-percentage-point higher (7.8%) than the current rate:

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
Village's proportionate share of the net pension liability (asset)	\$ 277,164	\$ 28,675	\$ (145,202)

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

Payables to the Pension Plan. At December 31, 2024 the Village reported a payable of \$5,809 for the outstanding amount of contributions to the pension plan.

Note I - Other Post-Employment Benefits – Local Retiree Life Insurance Fund (“LRLIF”)

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://eft.wi.gov/about-eft/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 ROCHESTER
NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2024
 (Continued)

Note I - Other Post-Employment Benefits – Local Retiree Life Insurance Fund (“LRLIF”)
(continued)

Contributions (continued)

Contribution rates as of December 31, 2023 are:

Coverage Type	Employer Contribution
50% Post Retirement Coverage	40% of member contribution
25% Post Retirement Coverage	20% of member contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2023 are as listed below:

Life Insurance Member Contribution Rates* For the year ended December 31, 2023		
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 \$409 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, 2024, the Village reported a liability of \$92,386 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2023 rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village’s proportion of the net OPEB liability was based on the Village’s share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31 2023, the Village’s proportion was .02008100%, which was an increase of .00296% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the Village recognized OPEB expense of \$10,952.

VILLAGE OF ROCHESTER
NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2024
 (Continued)

Note I - Other Post-Employment Benefits – Local Retiree Life Insurance Fund (“LRLIF”)
(continued)

OPEB Liabilities, OPEB Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (continued)

At December 31, 2024, the Village’s reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 8,177
Net differences between projected and actual earnings on plan investments	1,249	-
Changes in actuarial assumptions	28,900	36,379
Changes in proportion and differences between employer contributions and proportionate share of contributions	25,170	2,835
Employer contributions subsequent to the measurement date	298	-
	\$ 55,617	\$ 47,391

The amount of \$298 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 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 as follows:

Year Ended December 31,	Deferred Outflows of Resources	Deferred Inflows of Resources
2024	\$ 15,408	\$ 12,331
2025	14,402	10,373
2026	10,074	8,793
2027	6,838	8,180
2028	5,306	7,342
Thereafter	3,291	372

VILLAGE OF ROCHESTER
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024
(Continued)

Note I - Other Post-Employment Benefits – Local Retiree Life Insurance Fund (“LRLIF”)
(continued)

Actuarial assumptions. The total OPEB liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2023
Measurement Date of Net OPEB Liability	December 31, 2023
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*:	3.26%
Long-term Expected Rated of Return:	4.25%
Discount Rate:	3.32%
Salary Increases	
Wage Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

*Based on the Bond Buyer GO 20-Bond Municipal index.

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total OPEB Liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the January 1, 2023 actuarial valuation.

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

State OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2023

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-term Expected Geometric Real Rate of Return</u>
US Intermediate Credit Bonds	Bloomberg US Interm Credit	40%	2.32%
US Mortgages	Bloomberg US MBS	60%	2.52%
Inflation			2.30%
Long-term Expected Rate of Return			4.25%

VILLAGE OF ROCHESTER
NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2024
 (Continued)

Note I - Other Post-Employment Benefits – Local Retiree Life Insurance Fund (“LRLIF”)
(continued)

Single Discount rate. A single discount rate of 3.32% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.76% for the prior year. The change in the discount rate was primarily caused by the decrease in the municipal bond rate from 3.72% as of December 31, 2022 to 3.26% as of December 31, 2023. The Plan’s fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan’s fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan’s fiduciary net position is projected to be insufficient. The plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

Sensitivity of the Village’s proportionate share of the Net OPEB Liability (Asset) to changes in the discount rate. The following presents the Village’s proportionate share of the net OPEB liability calculated using the discount rate of 3.32%, as well as what the Village’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.32%) or 1-percentage-point higher (4.32%) than the current rate:

	1% Decrease to Discount Rate (2.32%)	Current Discount Rate (3.32%)	1% Increase to Discount Rate (4.32%)
Village's proportionate share of the OPEB liability	\$ 124,133	\$ 92,386	\$ 68,152

Note J - Litigation and Contingencies

Village management is unaware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments against the Village that would have a material effect on the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.

Note K – Change in Accounting Principle

In May 2020, The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, which is effective for fiscal years beginning after June 15, 2022. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (“SBITAs”) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The Village reviewed potential SBITAs and determined there were no subscriptions that required recognition under the standard. The statement did not have an effect on the financial reporting of the Village.

VILLAGE OF ROCHESTER
NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2024
 (Continued)

Note K – Change in Accounting Principle (continued)

In June 2022, the Governmental Accounting Standards Board issued GASB Statement No. 100, *Accounting Changes and Error Corrections an amendment of GASB Statement No. 62 (GASB 100)* which is effective for fiscal years beginning after June 15, 2023. This statement identifies accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes various transactions or events included in these changes. GASB 100 established accounting and financial reporting requirements for each type of accounting changes and correction of an error in previously issued financial statements (error correct). A prior period adjustment was made to include changes in the financial reporting entity for the year ended December 31, 2024.

Note L – Prior Period Adjustment due to Change in Accounting Principle

The Village made a change to report activity for the capital projects fund from a nonmajor fund to a major fund, and for the stormwater fund from a major fund to a nonmajor fund. These changes represent changes within the reporting entity, affecting the beginning fund balance of the governmental funds. Changes to beginning fund balance are as follows:

	Beginning Balance	Major to Nonmajor Stormwater Fund	Nonmajor to Major Capital Projects Fund	Restated Balance
Major Funds	\$ 1,049,022	\$ (189,478)	\$ 42,720	\$ 902,264
Nonmajor Funds	134,104	189,478	(42,720)	280,862
	<u>\$ 1,183,126</u>			<u>\$ 1,183,126</u>

Note M - Western Racine County Sewerage District

The Village has an agreement with the Western Racine County Sewerage District, a metropolitan sewerage district, to provide interceptor and treatment services to the Village. The sewerage district also provides treatment services to two other municipalities. Costs and expenses are allocated to the Village and the other municipalities based upon usage. The total expense for the year ended December 31, 2024 was \$332,376.

Note N - Commitments

The Village entered into an agreement with the Rochester Volunteer Fire Company Incorporated on January 1, 2014. The agreement automatically renews at year-end upon approval of both parties. The Village purchases fixed assets on behalf of the fire department.

Note O - Effect of New Accounting Standards on Financial Statements

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

- Statement No. 101, *Compensated absences*
- Statement No. 102, *Certain Risk Disclosures*
- Statement No. 103, *Financial Reporting Model Improvements*

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

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF ROCHESTER
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND REVENUES
YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<u>TAXES</u>				
General property taxes	\$ 665,757	\$ 665,757	\$ 665,757	\$ -
Ag use values	8,000	8,000	5,497	(2,503)
Forest Crop/Managed Forest	3,300	3,300	2,467	(833)
Interest on taxes	25	25	4	(21)
TOTAL TAXES	677,082	677,082	673,725	(3,357)
<u>INTERGOVERNMENTAL</u>				
Shared revenues from state	169,188	169,188	169,760	572
Fire insurance tax from state	15,250	15,250	21,145	5,895
Miscellaneous local grants	500	500	453	(47)
State aid - transportation	109,350	109,350	109,367	17
State aid - recycling	6,150	6,150	6,161	11
Forest Crop/Managed Forest	-	-	67	67
State aid - in lieu of taxes	5,418	5,418	5,028	(390)
TOTAL INTERGOVERNMENTAL	305,856	305,856	311,981	6,125
<u>LICENSES AND PERMITS</u>				
Liquor and malt beverage licenses	5,300	5,300	6,151	851
Operators licenses	1,300	1,300	1,375	75
Cigarette licenses	630	630	630	-
Cable TV fees	37,000	37,000	34,472	(2,528)
Fireworks permits	200	200	270	70
Special animal permits and applications	250	250	250	-
Dance hall licenses	600	600	600	-
Dog license	4,600	4,600	4,809	209
Building permits	110,000	110,000	126,663	16,663
Driveway permits	1,000	1,000	2,100	1,100
Other permits	1,100	1,100	1,168	68
Zoning/conditional use permits	24,000	24,000	24,390	390
TOTAL LICENSES AND PERMITS	185,980	185,980	202,878	16,898
<u>FINES AND FORFEITURES</u>				
Court penalties and costs	\$ 9,000	\$ 9,000	\$ 13,458	\$ 4,458

See accompanying notes to required supplementary information.

VILLAGE OF ROCHESTER
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND REVENUES (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<u>CHARGES FOR SERVICES</u>				
Garbage/recycling on tax roll	\$ 293,475	\$ 293,475	\$ 293,085	\$ (390)
Assessment letters	3,000	3,000	4,050	1,050
Legal publication fees	70	70	65	(5)
Honey Creek Lighting District	750	750	750	-
Weed removal	300	300	-	(300)
Parking permits	50	50	100	50
Passport application fees	2,200	2,200	1,925	(275)
TOTAL CHARGES FOR SERVICES	299,845	299,845	299,975	130
<u>INTERGOVERNMENTAL CHARGES FOR SERVICES</u>				
Storm Sewer Utility administration fees	12,000	12,000	12,000	-
Sewer Utility administration fees	28,121	28,121	28,121	-
TOTAL INTERGOVERNMENTAL CHARGES FOR SERVICES	40,121	40,121	40,121	-
<u>INVESTMENT INCOME</u>				
Interest on investments	65,000	65,000	75,223	10,223
<u>MISCELLANEOUS REVENUE</u>				
Rental income - building and facilities	3,000	3,000	3,500	500
Miscellaneous	200	200	553	353
TOTAL MISCELLANEOUS REVENUE	3,200	3,200	4,053	853
TOTAL REVENUES	\$ 1,586,084	\$ 1,586,084	\$ 1,621,414	\$ 35,330

See accompanying notes to required supplementary information.

VILLAGE OF ROCHESTER
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND EXPENDITURES
YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<u>GENERAL GOVERNMENT</u>				
Village Board	\$ 58,430	\$ 58,430	\$ 59,405	\$ (975)
Village Attorney fees	20,290	20,290	24,405	(4,115)
Clerk and Treasurer	274,961	274,961	282,996	(8,035)
Administrative	21,400	21,400	21,299	101
Elections	12,060	12,060	16,307	(4,247)
Assessment of property	39,859	39,859	40,488	(629)
Board of review	550	550	537	13
Auditor	5,425	5,425	5,425	-
Financial administration	3,900	3,900	1,650	2,250
Village hall	10,278	10,278	59,752	(49,474)
Buildings and property	7,470	7,470	22,227	(14,757)
Property and liability insurance	20,100	20,100	18,208	1,892
TOTAL GENERAL GOVERNMENT	474,723	474,723	552,699	(77,976)
<u>PUBLIC SAFETY</u>				
Law enforcement contract	121,873	121,873	119,720	2,153
Fire district	232,470	232,470	220,864	11,606
Building inspection	61,000	61,000	69,131	(8,131)
TOTAL PUBLIC SAFETY	415,343	415,343	409,715	5,628
<u>PUBLIC WORKS</u>				
Wages and benefits	143,027	143,027	66,849	76,178
Hazardous waste	2,700	2,700	2,871	(171)
Engineering	4,000	4,000	4,496	(496)
Streets	141,500	141,500	103,238	38,262
Mowing	25,300	25,300	22,179	3,121
Street lighting	28,924	28,924	25,231	3,693
Sidewalk repairs	10,000	10,000	2,850	7,150
Garbage and refuse collection	190,212	190,212	182,524	7,688
Recycling collection	106,554	106,554	107,855	(1,301)
TOTAL PUBLIC WORKS	\$ 652,217	\$ 652,217	\$ 518,093	\$ 134,124

See accompanying notes to required supplementary information.

VILLAGE OF ROCHESTER
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND EXPENDITURES (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<u>HEALTH AND HUMAN SERVICES</u>				
Animal control	\$ 3,660	\$ 3,660	\$ 3,533	\$ 127
<u>CULTURE, RECREATION, AND EDUCATION</u>				
Community	1,100	1,100	1,057	43
Historical society	200	200	2,381	(2,181)
Parks and recreation	18,000	18,000	16,678	1,322
TOTAL CULTURE, RECREATION, AND EDUCATION	19,300	19,300	20,116	(816)
<u>CONSERVATION AND DEVELOPMENT</u>				
Zoning	68,842	68,842	66,040	2,802
Planning and development - engineering	1,000	1,000	258	742
TOTAL CONSERVATION AND DEVELOPMENT	69,842	69,842	66,298	3,544
<u>CAPITAL OUTLAY</u>				
Public works	-	-	-	-
Library	24,000	24,000	54,381	(30,381)
Donated land	-	-	935,800	(935,800)
TOTAL CAPITAL OUTLAY	24,000	24,000	990,181	(966,181)
TOTAL EXPENDITURES	1,659,085	1,659,085	2,560,635	(901,550)
<u>OTHER FINANCING (USES)</u>				
Sale of Village property	-	-	10,000	10,000
Transfers out	-	-	(55,517)	(55,517)
Donated land	-	-	935,800	935,800
TOTAL OTHER FINANCING SOURCES (USES)	-	-	890,283	890,283
NET CHANGE IN FUND BALANCE	(73,001)	(73,001)	(48,938)	\$ 24,063
FUND BALANCE - BEGINNING OF YEAR	942,178	942,178	855,374	
FUND BALANCE - END OF YEAR	\$ 869,177	\$ 869,177	\$ 806,436	

See accompanying notes to required supplementary information.

VILLAGE OF ROCHESTER
BUDGETARY COMPARISON SCHEDULE - LIBRARY FUND REVENUES
YEAR ENDED DECEMBER 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>TAXES</u>				
General property taxes	\$ 128,564	\$ 128,564	\$ 128,564	\$ -
<u>INTERGOVERNMENTAL</u>				
Lakeshore Library resource grant	63,164	63,164	63,166	2
Other library grants	300	300	-	(300)
TOTAL INTERGOVERNMENTAL	<u>63,464</u>	<u>63,464</u>	<u>63,166</u>	<u>(298)</u>
<u>CHARGES FOR SERVICES</u>				
Library copy fees	300	300	-	(300)
Library fines	500	500	355	(145)
Historical Society utility payments	500	500	-	(500)
TOTAL CHARGES FOR SERVICES	<u>1,300</u>	<u>1,300</u>	<u>355</u>	<u>(945)</u>
<u>MISCELLANEOUS REVENUE</u>				
Library miscellaneous income/donation	-	-	659	659
TOTAL REVENUES	<u>\$ 193,328</u>	<u>\$ 193,328</u>	<u>\$ 192,744</u>	<u>\$ (584)</u>

See accompanying notes to required supplementary information.

VILLAGE OF ROCHESTER
BUDGETARY COMPARISON SCHEDULE - LIBRARY FUND EXPENDITURES
YEAR ENDED DECEMBER 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>CULTURE, RECREATION, AND EDUCATION</u>				
Staff and volunteer development	650	650	351	(299)
Staff wages	120,195	120,195	125,767	5,572
Staff FICA	9,265	9,265	8,370	(895)
Staff pension	6,746	6,746	6,630	(116)
Life insurance	108	108	177	69
Gas	2,418	2,418	1,008	(1,410)
Electricity	5,820	5,820	4,459	(1,361)
Telephone	1,900	1,900	1,753	(147)
Internet line and access	1,200	1,200	-	(1,200)
Sewer	1,548	1,548	1,995	447
Building maintenance	3,500	3,500	2,995	(505)
Office supplies and repairs	1,900	1,900	4,127	2,227
Computer/IT expense	6,000	6,000	2,059	(3,941)
Wave consortium	3,277	3,277	3,369	92
WISCAT	200	200	1,800	1,600
Copier	1,510	1,510	1,268	(242)
Administrative	1,000	1,000	655	(345)
Audio Books	2,000	2,000	3,903	1,903
Books	15,000	15,000	16,622	1,622
Music CDs	100	100	37	(63)
Periodicals	625	625	256	(369)
Program expense	4,000	4,000	4,364	364
Video materials/DVDs	2,000	2,000	1,555	(445)
Equipment	2,366	2,366	2,118	(248)
TOTAL CULTURE, RECREATION, AND EDUCATION	<u>193,328</u>	<u>193,328</u>	<u>195,638</u>	<u>(2,310)</u>
TOTAL EXPENDITURES	<u>193,328</u>	<u>193,328</u>	<u>195,638</u>	<u>(2,310)</u>
NET CHANGE IN FUND BALANCE	-	-	(2,894)	<u>\$ (2,894)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>12,329</u>	<u>12,329</u>	<u>4,170</u>	
FUND BALANCE - END OF YEAR	<u>\$ 12,329</u>	<u>\$ 12,329</u>	<u>\$ 1,276</u>	

See accompanying notes to required supplementary information.

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

YEAR ENDED DECEMBER 31, 2024

Wisconsin Retirement System
Last 10 Fiscal Years*

WRS Year End	Village's proportion of the net pension (asset) liability	Village's proportionate share of the net pension (asset) liability	Village's covered payroll	Net pension (asset) liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of total pension (asset) liability
2023	0.00192868%	\$ 28,675	\$ 443,743	6.46%	98.85%
2022	0.00168270%	89,144	340,219	26.20%	95.72%
2021	0.00160435%	(129,313)	272,581	(47.44%)	106.02%
2020	0.00161821%	(101,027)	264,814	(38.15%)	105.26%
2019	0.00163352%	(52,672)	264,383	(19.92%)	102.96%
2018	0.00166976%	59,404	249,004	23.86%	96.45%
2017	0.00171537%	(50,931)	241,939	(21.05%)	102.93%
2016	0.00176898%	14,581	255,407	5.71%	99.12%
2015	0.00177717%	28,879	249,284	11.58%	98.20%
2014	0.00178048%	(43,733)	249,861	(17.50%)	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

YEAR ENDED DECEMBER 31, 2024

Wisconsin Retirement System
Last 10 Fiscal Years*

Fiscal Year End	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Village's covered payroll	Contributions as a percentage of covered payroll
2023	\$ 30,174	\$ 30,174	\$ -	\$ 443,743	6.80%
2022	22,114	22,114	-	340,219	6.50%
2021	18,399	18,399	-	272,581	6.75%
2020	17,875	17,875	-	264,814	6.75%
2019	17,317	17,317	-	264,383	6.55%
2018	16,683	16,683	-	249,004	6.70%
2017	16,451	16,451	-	241,939	6.80%
2016	16,857	16,857	-	255,407	6.60%
2015	16,952	16,952	-	249,284	6.80%
2014	17,490	17,490	-	249,861	7.00%

*The amounts presented for each fiscal year were determined as of the prior period calendar-year end.

*GASB Pronouncements 67 and 68 require the presentation of the last 10 prior fiscal years completed under these pronouncements.

VILLAGE OF ROCHESTER
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

YEAR ENDED DECEMBER 31, 2024

Local Retiree Life Insurance
Last 10 Fiscal Years*

LRLIF Year End	Village's proportion of the net OPEB (asset) liability	Village's proportionate share of the net OPEB (asset) liability	Village's covered payroll	Net OPEB (asset) liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of total OPEB (asset) liability
2023	0.02008100%	\$ 92,386	\$ 312,000	29.61%	33.90%
2022	0.01712100%	65,228	357,000	18.27%	38.81%
2021	0.01473900%	87,113	218,000	39.96%	29.57%
2020	0.01287400%	70,816	214,000	33.09%	31.36%
2019	0.01318200%	56,132	196,000	28.64%	37.58%
2018	0.15848000%	40,893	255,000	16.04%	48.69%
2017	0.01462100%	43,988	614,855	7.15%	44.81%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

YEAR ENDED DECEMBER 31, 2024

Local Retiree Life Insurance
Last 10 Fiscal Years*

Fiscal Year End	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Village's covered payroll	Contributions as a percentage of covered payroll
2023	\$ 409	\$ 409	-	\$ 312,000	0.13%
2022	343	343	-	357,000	0.10%
2021	301	301	-	218,000	0.14%
2020	256	256	-	214,000	0.12%
2019	238	238	-	196,000	0.12%
2018	423	423	-	255,000	0.17%
2017	277	277	-	614,855	0.05%

*The amounts presented for each fiscal year were determined as of the prior period calendar-year end.

*GASB Pronouncements 75 required the presentation of the last 10 prior fiscal years completed under these pronouncements. The fiscal years completed prior to the enactment of these pronouncements are not required to be presented in this schedule.

VILLAGE OF ROCHESTER
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024

Note 1. Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using the for each fund as described in Note A to the financial statements; however, the Village adopts a library fund which is reported with the general fund in accordance with accounting principles accepted in the United State of America ("GAAP"). An explanation of the differences between and Other Financing Sources (Uses) for budgetary funds on budgetary fund basis and a GAAP summarized below:

	General Fund	Library Fund
Revenues		
Actual amounts (budgetary basis)	\$ 1,621,414	\$ 192,744
Reclassification of library fund	192,744	(192,744)
Total Revenues (GAAP)	1,814,158	-
Expenditures		
Actual amounts (budgetary basis)	2,560,635	195,638
Reclassification of library fund	195,638	(195,638)
Total Expenditures	2,756,273	-
Excess of Revenues Over (Under) Expenditures		
Actual amounts (budgetary basis)	6,579	(2,894)
Reclassification of library fund	(2,894)	2,894
Excess of Revenues Over (Under) Expenditures (GAAP)	3,685	-
Fund Balance - Beginning of Year, as restated		
Actual amounts (budgetary basis and GAAP)	855,374	4,170
Reclassification of library fund	4,170	(4,170)
Total Fund Balance - Beginning of Year, as restated	859,544	-
Fund Balance - End of Year		
Actual amounts (budgetary basis and GAAP)	\$ 807,712	\$ -

VILLAGE OF ROCHESTER
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024
(Continued)

Note 1. Budgetary Information (continued)

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund. The Village adopted annual Governmental Fund Budgets for the General Fund, the Debt Service Fund, the Library Fund, the Capital Projects Fund, and the Stormwater Utility Fund. These budgets are adopted in accordance with State Statutes. All annual appropriations lapse at year-end except for certain non-lapsing funds specifically designated by the Board. Budgetary control is exercised at the individual function level for each fund.

The budget amounts presented include any amendments made during the year. The Village may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds Board action.

Note 2. Excess Expenditures over Appropriations

The Village had the following expenditures in excess of appropriations as presented in the "Budgetary Comparison Schedule – General Fund Expenditures".

<u>General Fund</u>	
General government	\$ 77,976
Culture, recreation, and education	816
Capital outlay	966,181
<u>Library Fund</u>	
Culture, recreation, and education	2,310

Excess expenditures were absorbed by expenditures under budget in other categories, donations of capital assets and available fund balance.

Note 3. WRS Information

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 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 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 ROCHESTER
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)**

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

	2023	2022	2021	2020	2019
Valuation Date:	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
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%	5.4%	5.5%
Weighted based on assumed rate for:					
Pre-retirement	7.0%	7.0%	7.0%	7.0%	7.2%
Post-retirement	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation	3.0%	3.0%	3.0%	3.0%	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%	1.9%	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 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.
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 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%).

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

**VILLAGE OF ROCHESTER
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)**

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

	2018	2017	2016	2015	2014	2013
Valuation Date:	December 31, 2016	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	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	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	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)	Five Year Smoothed Market (Closed)
Actuarial Assumptions						
Net Investment Rate of Return	5.5%	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%	7.2%
Post-retirement	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases						
Wage Inflation	3.2%	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%	0.1%-5.6%
Post Retirement Benefit Adjustments*	2.1%	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 2015 valuation pursuant to an experience study of the period 2012-2014. 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%).	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 2009 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 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 future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all 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, actual experience, and other factors. Value is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

VILLAGE OF ROCHESTER
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024
(Continued)

Note 4. OPEB Information

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

Assumptions: In addition to the rate changes detailed in Note I to the financial statements, 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 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 5.0% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

SUPPLEMENTARY INFORMATION

VILLAGE OF ROCHESTER
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	Special Revenue Funds				
	Public Site Fund	Honey Lake Streets & Lights Fund	Stormwater Utility	School Monument	Total Non-major Funds
<u>ASSETS</u>					
Cash and cash equivalents	\$ 1,666	\$ 21,651	\$ 162,242	\$ 8,663	\$ 194,222
Receivables:					
Taxes	-	33,500	-	-	33,500
Prepaid expenditures	-	-	93	-	\$ 93
TOTAL ASSETS	1,666	55,151	162,335	8,663	227,815
<u>LIABILITIES</u>					
Accounts payable	-	-	1,442	-	1,442
TOTAL LIABILITIES	-	-	1,442	-	1,442
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Property taxes	-	33,500	-	-	33,500
<u>FUND BALANCE</u>					
Nonspendable	-	-	93	-	93
Restricted	-	21,651	-	-	21,651
Assigned	1,666	-	160,800	8,663	171,129
TOTAL FUND BALANCE	\$ 1,666	\$ 21,651	\$ 160,893	\$ 8,663	\$ 192,873

See accompanying independent auditors' report.

VILLAGE OF ROCHESTER
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	<u>Special Reveue Funds</u>					
	<u>Public Site Fund</u>	<u>Honey Lake Streets & Lights Fund</u>	<u>Formerly Nonmajor Fund Capital Projects</u>	<u>Formerly Major Fund Stormwater Utility</u>	<u>School Monument</u>	<u>Total Non-major Funds</u>
REVENUES						
Taxes	\$ -	\$ 30,010	\$ -	\$ -	\$ -	\$ 30,010
Charges for services	7,750	-	-	116,145	-	123,895
Investment income	1,787	3,038	-	11,774	406	17,005
TOTAL REVENUES	<u>9,537</u>	<u>33,048</u>	<u>-</u>	<u>127,919</u>	<u>406</u>	<u>170,910</u>
EXPENDITURES						
Current:						
General government	-	-	-	186	-	186
Public works	-	56,395	-	104,363	-	160,758
Capital Outlay:						
Public works	46,000	-	-	51,955	-	97,955
Culture, recreation, and education	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>46,000</u>	<u>56,395</u>	<u>-</u>	<u>156,504</u>	<u>-</u>	<u>258,713</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(36,463)	(23,347)	-	(28,585)	406	(87,989)
OTHER FINANCING SOURCES						
Transfers in	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	(36,463)	(23,347)	-	(28,585)	406	(87,989)
FUND BALANCE - BEGINNING OF YEAR As previously stated	38,129	44,998	42,720	-	\$ 8,257	134,104
Change within financial reporting entity (major to nonmajor fund)	-	-	-	189,478	-	189,478
Change within financial reporting entity (Nonmajor to major fund)	-	-	(42,720)	-	-	(42,720)
FUND BALANCE - BEGINNING OF YEAR As adjusted	38,129	44,998	-	189,478	8,257	280,862
FUND BALANCE - END OF YEAR	<u>\$ 1,666</u>	<u>\$ 21,651</u>	<u>\$ -</u>	<u>\$ 160,893</u>	<u>\$ 8,663</u>	<u>\$ 192,873</u>

See accompanying independent auditors' report.

FORM OF LEGAL OPINION

(See following pages)

May 7, 2026

\$2,600,000*
Village of Rochester
Racine County, Wisconsin
General Obligation Promissory Notes, Series 2026A

We have acted as bond counsel in connection with the issuance by the Village of Rochester, Racine County, Wisconsin (the “Village”), of its \$2,600,000* General Obligation Promissory Notes, Series 2026A, dated May 7, 2026 (the “Notes”). We have examined the law and a certified copy of the proceedings of record of the Village preliminary to and in connection with the issuance of the Notes, as well as other documents and records which we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certificates of officers of the Village and other public officials furnished to us, without undertaking to verify the same by independent investigation. The rights of the owners of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Based on the foregoing, we are of the opinion and hereby certify that, as of the date hereof:

1. The Notes are valid and binding general obligations of the Village, payable from a nonrepealable, direct annual tax levied upon all the taxable property of the Village for the express purpose of paying interest on the Notes as it falls due and also to pay and discharge the principal thereof at maturity.

2. 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 “annual adjusted financial statement income” of 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

* Preliminary; subject to change

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.

3. The Village has properly designated the Notes as “qualified tax-exempt obligations” under Section 265 of the Code.

Very truly yours,

HUSCH BLACKWELL 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 AGREEMENT

(See following pages)

\$2,600,000*
Village of Rochester
Racine County, Wisconsin
General Obligation Promissory Notes, Series 2026A

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) is executed and delivered by the Village of Rochester, Racine County, Wisconsin (the “Village”), in connection with the issuance of \$2,600,000* General Obligation Promissory Notes, Series 2026A (the “Notes”). The Notes are being issued pursuant to the resolutions adopted by the Village Board on February 9, 2026 and April 13, 2026 (the “Resolutions”). The Village covenants and agrees as follows:

Section 1. Purpose of Continuing Disclosure Agreement. This Continuing Disclosure Agreement is being executed and delivered by the Village for the benefit of the Noteholders and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

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

“Annual Report” shall mean any Annual Report provided by the Village pursuant to, and as described in, Sections 3 and 4 of this Continuing Disclosure Agreement.

“Audited Financial Statements” shall mean the Village’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 Village intends to continue to prepare in substantially the same form.

“Dissemination Agent” shall mean any Dissemination Agent designated in writing by the Village which has filed with the Village a written acceptance of such designation.

“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.

* Preliminary; subject to change.

“Fiscal Year” shall mean the fiscal year of the Village, currently ending on December 31 of each year.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Continuing Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board located at 1300 I Street NW, Suite 1000, Washington, D.C. 20005.

“National Repository” shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The sole National Repository is the MSRB, through the operation of EMMA, as provided in Section 3(e) hereof.

“Noteholder” shall mean the registered owner or beneficial owner of any of the Notes.

“Official Statement” shall mean the final official statement dated April 13, 2026 delivered in connection with the Notes, which is available from the MSRB.

“Participating Underwriter” shall mean the original underwriter of the Notes required to comply with the Rule in connection with offering of the Notes.

“Repository” shall mean each National Repository and each State Repository.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State Repository” shall mean any public or private repository or entity designated by the State as a state repository for the purpose of the Rule. As of the date of this Continuing Disclosure Agreement, there is no State Repository.

“Village Contact” shall mean the Village Clerk of the Village, 300 West Spring Street, Rochester, Wisconsin 53167.

Section 3. Provision of Annual Reports.

(a) The Village shall, or shall cause the Dissemination Agent to, not later than 365 days after the end of the Village’s Fiscal Year in each year, commencing with the Fiscal Year ending December 31, 2025, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Continuing Disclosure Agreement. Not later than fifteen (15) Business Days prior to said date, the Village shall provide the Annual Report to the Dissemination Agent, if any. In each case, 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 Continuing Disclosure Agreement; provided that the Audited Financial Statements of the Village 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 each Repository as soon as available by the Village.

(b) If the Village is unable or fails to provide an Annual Report to the Repositories by the date required above, the Village shall, in a timely manner, send a notice of that fact to the National Repositories, the MSRB and any State Repository.

(c) The Village shall determine each year prior to the date for providing the Annual Report, the name and address of each National Repository and each State Repository, if any.

(d) The Dissemination Agent, if any, shall:

- (1) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and each State Repository, if any; and
- (2) file a report with the Village certifying that the Annual Report has been provided pursuant to this Continuing Disclosure Agreement, stating the date it was provided, and listing all the Repositories to which it was provided.

(e) The Securities and Exchange Commission has approved the submission of continuing disclosure filings with the Electronic Municipal Market Access (“EMMA”) system established by the MSRB until EMMA shall no longer be the sole National Repository recognized by the Securities and Exchange Commission for purposes of the Rule. All continuing disclosure filings under this Continuing Disclosure Agreement may thereafter be filed solely by transmitting such filings to EMMA at www.emma.msrb.org.

Section 4. Content of Annual Reports. The Village’s Annual Report shall contain or incorporate by reference the Audited Financial Statements of the Village and current general fund budget summary.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Village is an “obligated person” (as defined by the Rule), which have been filed with each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Village shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Significant Events.

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

- (1) Principal and interest payment delinquencies;
- (2) Nonpayment 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 Notes, or other material events affecting the tax status of the Notes;
- (7) Modifications to the rights of holders of the Notes, if material;
- (8) Note calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the Notes, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Village;
- (13) The consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, 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 such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee, or the change of the name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the Village, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Village, any of which affect security holders, 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 Village, any of which reflect financial difficulties.

(b) The Village shall file a notice of the occurrence of any of the Listed Events in a timely manner not in excess of ten business days after the occurrence of the event with the MSRB in an electronic format as prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

Section 6. Termination of Reporting Obligation. The Village's obligations under this Continuing Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Notes.

Section 7. Village Contact/Dissemination Agent. Information may be obtained from the Village Contact. The Village may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Agreement, and may

discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the Village may amend this Continuing Disclosure Agreement, and any provision of this Continuing Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

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

Section 10. Default. In the event of a failure of the Village to comply with any provision of this Continuing Disclosure Agreement, any Noteholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Village to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement shall not be deemed an event of default under the Resolutions, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the Village to comply with this Continuing Disclosure Agreement shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent, if any, shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement, and the Village agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Village under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Notes.

Section 12. Beneficiaries. This Continuing Disclosure Agreement shall inure solely to the benefit of the Village, the Dissemination Agent, if any, the Participating Underwriters and the Noteholders from time to time of the Notes and shall create no rights in any other person or entity.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, we have executed this Continuing Disclosure Agreement in our official capacities effective May 7, 2026.

[SEAL]

**VILLAGE OF ROCHESTER,
RACINE COUNTY, WISCONSIN**

By: _____
Nick Ahlers, Village President

Attest: _____
Amber Jensen, Village Clerk

NOTICE OF SALE

**\$2,600,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2026A
VILLAGE OF ROCHESTER, WISCONSIN**

Bids for the purchase of \$2,600,000* General Obligation Promissory Notes, Series 2026A (the "Notes") of the Village of Rochester, Wisconsin (the "Village") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, municipal advisors to the Village, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:00 A.M., Central Time, on April 13, 2026, at which time they will be opened, read and tabulated. The bids will be presented to the Village Board for consideration for award by resolution at a meeting to be held at 7:00 P.M., Central Time, on the same date. The bid offering to purchase the Notes upon the terms specified herein and most favorable to the Village will be accepted unless all bids are rejected.

AUTHORITY; PURPOSE; SECURITY

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the Village, for public purposes, including financing capital improvement projects including Oak Knoll Road rehabilitation, Riverside Park improvements, and acquisition of fire truck/fire equipment; and professional and financing fees. 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 7, 2026, will be issued as fully registered Notes in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on April 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2027	\$55,000	2034	\$125,000	2041	\$145,000
2028	100,000	2035	125,000	2042	150,000
2029	105,000	2036	135,000	2043	160,000
2030	110,000	2037	125,000	2044	165,000
2031	110,000	2038	130,000	2045	175,000
2032	115,000	2039	135,000	2046	180,000
2033	115,000	2040	140,000		

ADJUSTMENT OPTION

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

TERM BOND OPTION

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

INTEREST PAYMENT DATES AND RATES

Interest will be payable on April 1 and October 1 of each year, commencing April 1, 2027, 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, Minneapolis, Minnesota ("BTSC"), to act as paying agent (the "Paying Agent"). BTSC and Ehlers are affiliate companies. The Village will pay the charges for Paying Agent services. The Village reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the Village, the Notes maturing on or after April 1, 2035 shall be subject to optional redemption prior to maturity on April 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 redemption shall be sent by mail not more than 60 days and not less than 30 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 7, 2026, 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 Husch Blackwell 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 Official Statement or participated in its preparation (except with respect to the section entitled "TAX EXEMPTION" in the 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 \$2,567,500, nor more than \$2,860,000, plus accrued interest on the principal sum of \$2,600,000 from date of original issue of the Notes to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

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

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

A good faith deposit ("Deposit") in the amount of \$52,000 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The Village reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the Village may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the Village as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

The Village and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the bid is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the bid is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account

and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

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

AWARD

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

BOND INSURANCE

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

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

CUSIP NUMBERS

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

CONTINUING DISCLOSURE

In order to assist the Underwriters 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 Preliminary Official Statement.

NEW ISSUE PRICING

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

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

Sale to establish the issue price of the Notes may be taken on behalf of the Village by the Village's municipal advisor identified herein and any notice or report to be provided to the Village may be provided to the Village's municipal advisor.

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

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

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

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

(d) 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-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 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 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, Telephone (651) 697-8500.

By Order of the Village Board

Amber Jensen, Village Clerk
Village of Rochester, Wisconsin

BID FORM

**The Village Board
Village of Rochester, Wisconsin (the "Village")**

April 13, 2026

**RE: \$2,600,000* General Obligation Promissory Notes, Series 2026A (the "Notes")
DATED: May 7, 2026**

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 \$2,567,500, nor more than \$2,860,000) plus accrued interest to date of delivery for fully registered Notes bearing interest rates and maturing in the stated years as follows:

_____ % due	2027	_____ % due	2034	_____ % due	2041
_____ % due	2028	_____ % due	2035	_____ % due	2042
_____ % due	2029	_____ % due	2036	_____ % due	2043
_____ % due	2030	_____ % due	2037	_____ % due	2044
_____ % due	2031	_____ % due	2038	_____ % due	2045
_____ % due	2032	_____ % due	2039	_____ % due	2046
_____ % due	2033	_____ % due	2040		

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

All Notes of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%. A rating for the Notes may not be requested without contacting Ehlers and receiving the permission of the Village.

A good faith deposit ("Deposit") in the amount of \$52,000 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 7, 2026.

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 7, 2026 of the above bid is \$ _____ and the true interest cost (TIC) is _____ %.

The foregoing offer is hereby accepted on behalf of the Village of Rochester, Wisconsin, on April 13, 2026.

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