

**ADDENDUM DATED APRIL 8, 2026
TO PRELIMINARY OFFICIAL STATEMENT DATED APRIL 7, 2026**

New Issue

Rating Application Made: Moody's Investors Service, Inc.

**VILLAGE OF JACKSON, WISCONSIN
(Washington County)**

**\$1,475,000* WATER AND SEWER SYSTEM REVENUE BONDS,
SERIES 2026B**

BID OPENING: April 14, 2026, 10:00 AM C.T.

The following information for the above-referenced Preliminary Official Statement has changed:

Appendix E, "Bond Resolution" has been revised with the correct resolution attachment.

Following is the revised Preliminary Official Statement.

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 7, 2026

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

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

New Issue

Rating Application Made: Moody's Investors Service, Inc.

VILLAGE OF JACKSON, WISCONSIN (Washington County)

\$1,475,000* WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2026B

BID OPENING: April 14, 2026, 10:00 A.M., C.T.

CONSIDERATION: April 14, 2026, 7:30 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$1,475,000* Water and Sewer System Revenue Bonds, Series 2026B (the "Bonds") are being issued pursuant to Section 66.0621, Wisconsin Statutes, by the Village of Jackson, Wisconsin (the "Village"), to provide funds for the public purpose of financing additions, improvements and extensions to the Village's Water System and Sewer System (collectively, the "Utility System"). The Bonds are not general obligations of the Village but are payable only from and secured by a pledge of income and revenue of the Utility System. The Bonds are being issued on a parity with the Village's outstanding Water and Sewer System Revenue Bonds, Series 2023B, dated July 6, 2023 and the Water and Sewer System Revenue Bonds, Series 2024, dated July 10, 2024. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF BONDS: May 1, 2026

MATURITY: May 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2027	\$50,000	2034	\$80,000	2041	\$80,000
2028	50,000	2035	80,000	2042	80,000
2029	60,000	2036	80,000	2043	80,000
2030	60,000	2037	80,000	2044	80,000
2031	70,000	2038	80,000	2045	80,000
2032	70,000	2039	80,000	2046	85,000
2033	70,000	2040	80,000		

***MATURITY ADJUSTMENTS:** The Village reserves the right to increase or decrease the principal amount of the Bonds 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: May 1, 2027 and semiannually thereafter.

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

MINIMUM BID: \$1,456,562.50.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$29,500 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation.

BOND COUNSEL &

DISCLOSURE COUNSEL: Quarles & Brady LLP.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

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

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

REPRESENTATIONS

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

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

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

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

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

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

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

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

CLOSING CERTIFICATES

Upon delivery of the Bonds, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Bonds, (b) neither the corporate existence or boundaries of the 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 Bonds 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 Bonds in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

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VILLAGE OF JACKSON VILLAGE BOARD

		<u>Term Expires</u>
Brian J. Heckendorf	Village President	April 2027
Brian Emmrich	Village Trustee	April 2027
Tim Engelhardt	Village Trustee	April 2027
John Kruepke	Village Trustee	April 2026
Debra Kurtz	Village Trustee	April 2027
Donald Olson	Village Trustee	April 2026 ¹
Traci Wells	Village Trustee	April 2026 ¹

ADMINISTRATION

Jennifer Heidtke, Village Administrator

Darlene Smith, Village Treasurer

Pamela Wolf, Interim Village Clerk²

PROFESSIONAL SERVICES

Dempsey Law Firm, LLP, Village Attorney, Fond Du Lac, Wisconsin

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

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

¹Seeking re-election on April 7, 2026.

²The Village is currently accepting applicants for the Clerk position.

INTRODUCTORY STATEMENT

This Official Statement contains certain information regarding the Village of Jackson, Wisconsin (the "Village") and the issuance of its \$1,475,000* Water and Sewer System Revenue Bonds, Series 2026B (the "Bonds"). Any descriptions or summaries of the Bonds, 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 Bonds to be included in the resolution authorizing the issuance and sale of the Bonds ("Bond Resolution") to be adopted by the Village Board on April 14, 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 Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the Bond Sales link and following the directions at the top of the site.

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of May 1, 2026. The Bonds will mature on May 1 in the years and amounts set forth on the cover of this Official Statement. Interest will be payable on May 1 and November 1 of each year, commencing May 1, 2027, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Bonds shall be payable as provided in the Bond 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 Bonds maturing on or after May 1, 2036 shall be subject to optional redemption prior to maturity on May 1, 2035 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

*Preliminary, subject to change.

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

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

AUTHORITY; PURPOSE

The Bonds are being issued pursuant to Section 66.0621, Wisconsin Statutes, by the Village, to provide funds for the public purpose of financing additions, improvements and extensions to the Village's Water System and Sewer System (collectively, the "Utility System").

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Bonds	\$1,475,000	
Transfers from Prior Issue Debt Service Reserve Fund	535,012	
Estimated Interest Earnings	<u>10,351</u>	
Total Sources		\$2,020,363
Uses		
Estimated Underwriter's Discount	\$18,438	
Costs of Issuance	100,850	
Deposit to Debt Service Reserve Fund	518,783	
Deposit to Project Construction Fund	1,380,181	
Rounding Amount	<u>2,111</u>	
Total Uses		\$2,020,363

*Preliminary, subject to change.

SECURITY

This section is a summary of security provisions. A detailed explanation of the security provisions is contained in the Bond Resolution, the form of which is attached as Appendix E.

Source of Payment: THE BONDS ARE NOT GENERAL OBLIGATIONS of the Village but are payable only out of “Net Revenues” that are pledged to the Special Redemption Fund provided for in the Bond Resolution (the “Special Redemption Fund”). Net Revenues are defined as: (1) all revenues of the Utility System derived from any source less (2) the reasonable and necessary costs of operating, maintaining, administering and repairing the Utility System, including salaries, wages, costs of materials and supplies, insurance and audits, but excluding depreciation, debt service, tax equivalents, replacements and capital expenditures. In the Bond Resolution, the Village pledges

sufficient Net Revenues to the Special Redemption Fund to pay principal of and interest on the Prior Bonds (as defined in the Bond Resolution) and the Bonds and covenants to use such funds for no other purpose than payment on the Prior Bonds and the Bonds

Rate Covenant: The Village covenants to maintain the Utility System in reasonably good condition and operate the Utility System, and to establish, charge and collect such lawfully established rates and charges for the services provided by the Utility System so that Net Revenues will be at least 1.25 times the amount of principal and interest coming due on all outstanding bonds payable from the Net Revenues of the Utility System each year.

Additional Bonds Test: The Bonds are issued on a parity with the Prior Bonds. The Village reserves the right and privilege to issue additional revenue bonds payable from the Net Revenues of the Utility System on a parity with the outstanding bonds payable from the Net Revenues of the System ("Parity Bonds"), including the Prior Bonds and the Bonds. No bonds or obligations payable from the Net Revenues of the Utility System may be issued in such a manner as to enjoy priority over the Prior Bonds and the Bonds. Before issuing Parity Bonds, the Village must meet one of the two following tests with respect to Net Revenues of the Utility System:

(1) The Net Revenues for the last completed Fiscal Year preceding the issuance of such Parity Bonds must have been at least equal to 1.25 times the average combined annual principal and interest requirements on all Bonds and any Parity Bonds then outstanding payable from the revenues of the Utility System (other than Bonds and any Parity Bonds being refunded), and the Parity Bonds proposed to be issued, for any succeeding Fiscal Year in which there shall be a principal maturity on such outstanding bonds; provided, however, that if prior to the authorization of such additional obligations the Village shall have adopted and put into effect a revised schedule of rates, then the Net Revenues of the Utility System for the last completed Fiscal Year which would, in the calculations of an independent consulting engineer, registered municipal advisor or independent certified public accountant employed for that purpose, have resulted from such rates had they been in effect for such period may be used in lieu of the actual Net Revenues for the last completed Fiscal Year; or

(2) An independent certified public accountant, registered municipal advisor or consulting professional engineer provides calculations setting forth for each of the three Fiscal Years commencing with the Fiscal Year following that in which the projects financed by such additional obligations are to be completed, the projected Net Revenues and the maximum annual interest and principal requirements on all bonds outstanding payable from the Gross Revenues of the Utility System and on the Parity Bonds proposed to be issued (the "Maximum Annual Debt Service Requirement"); and demonstrating that for each of the three Fiscal Years the projected Net Revenues will be in an amount not less than 125% of such Maximum Annual Debt Service Requirement;

Service to Village: The Village is to pay the reasonable cost and value of any services rendered to the Village by the Utility System by furnishing water and sewer services for public purposes in an amount as may be necessary from year to year to produce Net Revenues equivalent to not less than 1.25 times the annual debt service requirements on the Bonds and any other outstanding parity bonds. Such payment by the Village is subject to annual appropriation by the Village Board and other conditions set forth in the Bond Resolution.

Bond Reserve Account: In the Bond Resolution, the Village covenants and agrees that upon the issuance of the Bonds an amount equal to the "Reserve Requirement" will be on deposit in the Reserve Account and will be maintained therein as additional security for the payment of principal and interest on the 2023 Bonds and the Bonds. Reserve Requirement is defined as an amount, determined as of the date of issuance of the Bonds, equal to the least of (a) the amount required to be on deposit in the Reserve Account prior to the issuance of the Bonds plus the amount permitted pursuant to Section 148(d)(1) of the Code and Regulations; (b) the maximum annual debt service on the 2023 Bonds and the Bonds in any bond year; and (c) 125% of average annual debt service on the 2023 Bonds and the Bonds in a bond year; provided, however, that on an ongoing basis the Reserve Requirement shall never exceed the remaining maximum annual principal and interest due on the outstanding 2023 Bonds and the Bonds in any bond year. The 2024 Bonds are not secured by the Reserve Account.

If Parity Bonds which are to be secured by the Reserve Account are issued, the Reserve Requirement shall mean the least of (a) the amount on deposit in the Reserve Account prior to the issuance of such Parity Bonds plus the amount permitted to be deposited therein from proceeds of the Parity Bonds pursuant to Section 148(d)(1) of the Code and Regulations, (b) the maximum annual debt service on outstanding obligations secured by the Reserve Account and the Parity Bonds to be issued and (c) 125% of the average annual debt service for outstanding obligations secured by the Reserve Account and the Parity Bonds to be issued; provided, however, that on an ongoing basis the Reserve Requirement shall never exceed the remaining maximum annual principal and interest due on the outstanding obligations secured by the Reserve Account and Parity Bonds.

UTILITY SYSTEM REVENUE DEBT OUTSTANDING

All outstanding Utility System revenue debt of the Village is listed on the following page. The debt service coverage ratios included on this page are calculated using unaudited 2025 Net Revenues. No guarantee can be given that the Net Revenues in future years will be the same as the Net Revenues in 2025, and future Net Revenues may be materially different.

HISTORIC UTILITY SYSTEM DEBT SERVICE COVERAGES

The exhibit on Page 6 presents the historic revenues available for debt service of the Utility System.

Village of Jackson, Wisconsin
 Schedule of Bonded Indebtedness
 Revenue Debt Secured by Water and Sewer System Revenues
 (As of 05/01/2026)

	Water and Sewer System Revenue Bonds Series 2023B		Water and Sewer System Revenue Bonds (CWFL) ¹⁾ Series 2024		Water and Sewer System Revenue Bonds Series 2026B								Unaudited 2025 Net Revenue Available for Debt Service**
Dated Amount	07/06/2023 \$5,250,000		07/10/2024 \$5,709,010		05/01/2026 \$1,475,000*								\$1,581,118
Maturity	05/01		05/01		05/01								
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending	Coverage
2026	0	96,700	0	63,135	0	0	0	159,835	159,835	11,381,264	.00%	2026	0
2027	270,000	186,650	248,354	123,402	50,000	93,609	568,354	403,661	972,015	10,812,910	4.99%	2027	1.63
2028	270,000	173,150	254,090	117,599	50,000	60,306	574,090	351,055	925,145	10,238,820	10.04%	2028	1.71
2029	260,000	159,900	259,960	111,662	60,000	58,326	579,960	329,888	909,848	9,658,860	15.13%	2029	1.74
2030	260,000	146,900	265,965	105,587	60,000	56,160	585,965	308,647	894,612	9,072,895	20.28%	2030	1.77
2031	260,000	133,900	272,109	99,373	70,000	53,779	602,109	287,052	889,160	8,470,786	25.57%	2031	1.78
2032	260,000	120,900	278,395	93,014	70,000	51,147	608,395	265,061	873,456	7,862,391	30.92%	2032	1.81
2033	260,000	109,200	284,825	86,509	70,000	48,445	614,825	244,154	858,979	7,247,566	36.32%	2033	1.84
2034	260,000	98,800	291,405	79,854	80,000	45,480	631,405	224,134	855,539	6,616,161	41.87%	2034	1.85
2035	260,000	88,400	298,136	73,044	80,000	42,220	638,136	203,664	841,801	5,978,025	47.47%	2035	1.88
2036	260,000	78,000	305,023	66,078	80,000	38,820	645,023	182,898	827,921	5,333,001	53.14%	2036	1.91
2037	260,000	67,600	312,069	58,950	80,000	35,340	652,069	161,890	813,960	4,680,932	58.87%	2037	1.94
2038	260,000	57,200	319,278	51,658	80,000	31,820	659,278	140,678	799,957	4,021,654	64.66%	2038	1.98
2039	260,000	46,800	326,654	44,198	80,000	28,260	666,654	119,258	785,911	3,355,000	70.52%	2039	2.01
2040	260,000	36,400	334,199	36,565	80,000	24,660	674,199	97,625	771,824	2,680,801	76.45%	2040	2.05
2041	260,000	26,000	341,919	28,756	80,000	21,020	681,919	75,776	757,695	1,998,882	82.44%	2041	2.09
2042	260,000	15,600	349,818	20,766	80,000	17,340	689,818	53,706	743,524	1,309,064	88.50%	2042	2.13
2043	260,000	5,200	357,898	12,592	80,000	13,620	697,898	31,412	729,310	611,166	94.63%	2043	2.17
2044			366,166	4,229	80,000	9,840	446,166	14,069	460,235	165,000	98.55%	2044	3.44
2045					80,000	6,000	80,000	6,000	86,000	85,000	99.25%	2045	18.39
2046					85,000	2,040	85,000	2,040	87,040	0	100.00%	2046	18.17
	4,440,000	1,647,300	5,466,264	1,276,972	1,475,000	738,232	11,381,264	3,662,504	15,043,768				

* Preliminary, subject to change.

**The debt service coverage ratios included on this page are calculated using unaudited 2025 Net Revenues. No guarantee can be given that the Net Revenues in future years will be the same as the Net Revenues in 2025 and future Net Revenues may be materially different.

1) Pursuant to the Wisconsin Capital Finance Office, Project No. 4266-04, the amount of disbursements as of March 24, 2026 is \$5,143,187.04. The schedule shown assumes full draws of amounts available under the loan.

Historic Utility System Debt Service Coverages

The following table sets forth the historic comparison of Net Revenues and debt service secured by revenues of the Utility System for the audited three-year period ended December 31, 2024 and the unaudited year ended December 31, 2025.

	<u>Audited</u> <u>2022</u>	<u>Audited</u> <u>2023</u>	<u>Audited</u> <u>2024</u>	<u>Unaudited</u> <u>2025</u>
OPERATING REVENUES				
Charges for Services				
Water	\$1,344,128	\$1,413,393	\$1,496,169	\$1,596,744
Sewer	1,881,312	1,903,787	1,962,146	2,447,446
Other Operating Revenue				
Water	49,129	73,136	52,017	83,804
Sewer	3,467	7,526	39,222	4,897
TOTAL OPERATING REVENUES	<u>3,278,036</u>	<u>3,397,842</u>	<u>3,549,554</u>	<u>4,132,891</u>
OPERATING EXPENSES				
Operation and Maintenance				
Water	738,147	859,754	912,908	1,105,721
Sewer	<u>1,416,224</u>	<u>1,476,066</u>	<u>1,458,766</u>	<u>1,390,101</u>
Total Expenses	2,154,371	2,335,820	2,371,674	2,495,822
Depreciation				
Water	498,939	513,225	552,210	583,915
Sewer	<u>837,182</u>	<u>863,039</u>	<u>913,467</u>	<u>952,222</u>
Total Depreciation	1,336,121	1,376,264	1,465,677	1,536,137
Taxes				
Water	<u>227,324</u>	<u>200,781</u>	<u>245,929</u>	<u>256,009</u>
Total Taxes	<u>227,324</u>	<u>200,781</u>	<u>245,929</u>	<u>256,009</u>
TOTAL OPERATING EXPENSES	<u>3,717,816</u>	<u>3,912,865</u>	<u>4,083,280</u>	<u>4,287,968</u>
OPERATING INCOME	(439,780)	(515,023)	(533,726)	(155,077)
Plus:				
Investment Income	61,429	252,719	179,298	200,058
Depreciation	<u>1,336,121</u>	<u>1,376,264</u>	<u>1,465,677</u>	<u>1,536,137</u>
NET REVENUES AVAILABLE FOR DEBT SER	<u>957,770</u>	<u>1,113,960</u>	<u>1,111,249</u>	<u>1,581,118</u>
REVENUE DEBT SERVICE				
<i>2023B Water and Sewer Sys Rev Bonds</i>	0	0	571,868	483,650
<i>2024 Clean Water Fund Loan</i>	<u>0</u>	<u>0</u>	<u>40,662</u>	<u>81,722</u>
Total Debt Service	<u>0</u>	<u>0</u>	<u>612,530</u>	<u>565,372</u>
DEBT SERVICE COVERAGE	<u>N/A</u>	<u>N/A</u>	<u>1.81</u>	<u>2.80</u>

DESCRIPTION OF WATER SYSTEM

The Village’s Water System is operated by the Jackson Board of Public Works (the “Board of Public Works”), which consists of seven members appointed by the Village President, subject to approval of the Village Board. The Board of Public Works is the policy making body of the Water System, overseeing all projects and programs, reviewing, and determining Water System projects. Water System operations are directed by the Director of Public Works.

The Water System consists of 6 wells with electric pumping equipment and a water distribution system. The wells have an actual capacity of 6,415,200 gallons per day. The wells pumped an average of 638,780 gallons per day in 2024. The maximum gallons pumped in any one day during 2024 was 1,722,000 gallons and the minimum gallons pumped in any one day was 325,000 gallons. In addition, the Water System owns 2 steel elevated storage tanks with a total storage capacity of 750,000 gallons.

The Water System includes other related appurtenances including 286,715 feet of various types of 4"-16" water mains; 2,888 various types of 1"-12" water service lines, 3,769 utility-owned meters; and 719 hydrants.

History of Water Customers¹

Year	Residential	Multi Family	Commercial	Public Authority	Industrial	Total
2021	3,288	53	91	17	42	3,491
2022	3,313	53	91	17	42	3,516
2023	3,347	66	109	15	46	3,583
2024	3,429	66	109	15	47	3,666
2025	3,526	66	112	14	48	3,766

Source: WPSC Annual Reports (2021-2024); Village (2025).

History of Water Billings by Customer Type²

Year	Residential	Multi Family	Commercial	Industrial	Public Authority	Total Billings
2021	\$677,174	\$54,786	\$83,648	\$51,900	\$484,121	\$1,351,629
2022	665,278	52,682	82,071	49,927	494,172	1,344,130
2023	712,540	53,732	84,359	53,133	509,627	1,413,391
2024	746,163	56,029	93,812	54,413	545,750	1,496,167
2025	799,457	56,781	104,843	58,237	490,296	1,509,614

Source: WPSC Annual Reports (2021-2024); Village (2025).

¹ Excludes fire protection services.

² Includes fire protection services.

History of Water Sales

Year	No. of Customers ¹	Gallons Sold (in 000's) ²	Total Billings ²
2021	3,491	212,961	\$1,351,629
2022	3,516	202,210	1,344,130
2023	3,583	214,763	1,413,391
2024	3,666	210,630	1,496,167
2025	3,766	219,105	1,509,614

Source: WPSC Annual Reports (2021-2024); Village (2025).

2025 Larger Water Customers

Total 2025 Gallons Sold:	219,105,000
Total 2025 Billings:	\$1,509,614

Customer	Gallons Sold	Billings	% of Total Billings
St. Joseph's Community Hospital	12,998,900	\$23,912	1.58%
Kerry Inc.	12,833,610	23,885	1.58%
Sysco	5,220,300	12,513	0.83%
Wisconsin Pharmacal	4,130,400	10,286	0.68%
East Side Wash	2,398,446	6,110	0.40%
Kettle Moraine Coatings	2,321,199	6,212	0.41%
SNH SE Tenant TRS Inc.	2,264,314	5,486	0.36%
The Village	1,674,205	4,387	0.29%
Washington County Fair Park	1,449,230	4,758	0.32%
Comfort Inn and Suites	1,254,891	3,627	0.24%

Source: Village.

¹Excludes fire protection services.

²Includes fire protection services.

Water Rates and Charges

Rates and charges for the Water System are subject to approval by the Wisconsin Public Service Commission (“WPSC”). The following quarterly water rates were adopted on January 21, 2026 and have been in effect since April 1, 2026.

Quarterly Service Charge:

5/8 inch meter	\$ 27.00	3 inch meter	\$ 198.00
3/4 inch meter	27.00	4 inch meter	279.00
1 inch meter	42.00	6 inch meter	510.00
1 1/4 inch meter	69.00	8 inch meter	798.00
1 1/2 inch meter	69.00	10 inch meter	1,179.00
2 inch meter	138.00	12 inch meter	1,557.00

Plus Volume Charge:

First 30,000 gallons used each quarter	\$ 4.25	per 1,000 gallons
Next 1,500,000 gallons used each quarter	\$ 3.99	per 1,000 gallons
Over 1,530,000 gallons used each quarter	\$ 2.84	per 1,000 gallons

Plus Public Fire Protection Service:

5/8 inch meter	\$ 35.85	3 inch meter	\$ 530.40
3/4 inch meter	35.85	4 inch meter	881.10
1 inch meter	88.50	6 inch meter	1,749.90
1 1/4 inch meter	131.10	8 inch meter	2,879.40
1 1/2 inch meter	174.30	10 inch meter	4,143.90
2 inch meter	282.60	12 inch meter	5,525.10

Average Bill for Residential Service in 2025

Avg. Quarterly Usage in Gallons	Avg. Quarterly Bill
9,606	\$56.68

Bills for water service are rendered quarterly and become due and payable upon issuance following the period for which service is rendered. A late payment charge of 1 percent per month will be added to bills not paid within 20 days of issuance. This late payment charge will be applied to the total unpaid balance for utility service, including unpaid late payment charges. The late payment charge is applicable to all customers. The Water System customer may be given a written notice that the bill is overdue no sooner than 20 days after the bill is issued. Unless payment or satisfactory arrangement for payment is made within the next 10 days, service may be disconnected pursuant to Wis. Adm. Code ch. PSC 185.

DESCRIPTION OF SEWER SYSTEM

The Village owns, operates and maintains the Sewer System and related appurtenances serving customers located entirely within the Village and the Townships of Jackson and Polk. The wastewater treatment plant, constructed in 1978, is operated by the Board of Public Works. The Board of Public Works is the policy making body of the Sewer System, overseeing all projects and programs, reviewing, and approving the budget, and determining Sewer System projects. Sewer System operations are directed by the Director of Public Works.

The Sewer System consists of the wastewater treatment facility and 44 miles of various-sized sewer lines. The treatment facility has an average daily flow capacity of 1.69 million gallons per day (1,174 gallons per minute) and a current usage of 1.1 million gallons per day. The treatment facility has a current projected design life to handle current and future development to at least the year 2042.

History of Usage and Total Billings

Year	Total Usage in Gallons	Total Billings
2021	181,562,343	\$1,598,673
2022	175,448,797	1,581,361
2023	184,170,580	1,645,868
2024	182,190,640	1,695,959
2025	190,551,389	2,162,619

History of Sewer Connections by Customer Type

Year	Residential	Commercial	Industrial	Public Authority	Multi Family	Total
2021	3,566	98	43	15	0	3,722
2022	3,484	101	42	16	0	3,643
2023	3,463	110	42	12	68	3,627
2024	3,687	112	47	12	70	3,928
2025	3,691	111	52	12	66	3,932

2025 Larger Sewer Customers

Total 2025 Sewer Billings \$2,162,619

Customer	2025 Usage in Gallons	2025 Total Billings	Percent of Total Sewer Billings
St. Joseph’s Community Hospital	12,998,900	\$80,952.92	3.74%
Wisconsin Pharmacal	4,130,400	25,936.66	1.20%
East Side Wash	2,398,446	15,333.98	0.71%
Kettle Moraine Coatings	2,321,199	15,041.28	0.70%
SNH SE Tenant TRS Inc.	2,264,314	14,614.72	0.68%
Sysco	2,138,090	15,634.54	0.72%
Kerry Inc.	1,812,480	12,949.81	0.60%
Washington County Fair Park	1,410,230	10,473.99	0.48%
Comfort Inn and Suites	1,254,891	8,292.63	0.38%
Jackson Elementary	1,067,126	7,609.92	0.35%

Sewer Rates

The Village Board establishes rates and charges for the Sewer System. Sewer rates are not subject to approval by the WPSC. The Village annually reviews rates as required under Village sewer ordinances to determine if adjustments are required. The sewer service charge for any lot, parcel of land, building or premise is based on the quantity and quality of wastewater generated, on debt service related to the Sewer System, and operation, maintenance and replacement costs of the Sewer System. The following sewer rates were approved on November 11, 2025 and became effective January 1, 2026:

General Service - Metered

<u>Quarterly Volume Charge</u>		<u>Quarterly Service Charge</u>	
		<u>Meter Size</u>	<u>Charge</u>
Volume Charge	\$7.58/1,000 gallons	5/8"	\$71.79
		3/4"	71.79
		1"	99.37
		1-1/4"	137.82
		1-1/2"	171.19
		2"	220.90
		3"	358.98
		4"	414.20
		6"	602.27
		8"	837.75
		10"	1,158.59

General Service - Unmetered

Quarterly Charge for Unmetered Residential Sanitary / Debt Service: \$66.48

Quarterly Charge for Unmetered Residential Sanitary Sewer / Volume Charge: \$143.83

Average Bill for Residential Service in 2025

Avg. Quarterly Usage in Gallons

8,840

Avg. Quarterly Bill

\$113.12

RATING

Outstanding Water and Sewer System revenue debt of the Village is currently rated "A2" by Moody's Investors Service, Inc. ("Moody's").

The Village has requested a rating on the Bonds from Moody's, and bidders will be notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from Moody's.

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

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

CONTINUING DISCLOSURE

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

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

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

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

LEGAL MATTERS

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

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

TAX EXEMPTION

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

"The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the Bonds is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The 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 Bonds."

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

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

From time to time legislation is proposed, and there are or may be legislative proposals pending in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether, or in what form, any proposal that could alter one or

more of the federal tax matters referred to above or adversely affect the market value of the Bonds may be enacted. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

ORIGINAL ISSUE DISCOUNT

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

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

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

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

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

BOND PREMIUM

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

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

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

MUNICIPAL ADVISOR

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

MUNICIPAL ADVISOR AFFILIATED COMPANIES

BTSC and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the 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 Official Statement.

RISK FACTORS

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

System Revenues: Should rates set be inadequate to cover expenses, an unusual number of delinquencies occur, or a major breakdown or other disaster cause the Utility System to be inoperable, a shortfall of revenues could result in a delay of debt payments.

Larger Users: Should larger users increase or decrease usage of the water and sewer service currently provided, the revenues of the Utility System will be affected proportionately.

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

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

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

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

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

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the 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 Bonds in the secondary market.

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

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

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

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

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

Assessed Value

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

CURRENT PROPERTY VALUATIONS

2025 Equalized Value	\$1,431,604,400
2025 Equalized Value Reduced by Tax Increment Valuation	\$1,370,601,400
2025 Assessed Value	\$1,335,954,400

2025 EQUALIZED VALUE BY CLASSIFICATION

	2025 Equalized Value¹	Percent of Total Equalized Value
Residential	\$1,022,390,500	71.416%
Commercial	332,929,200	23.256%
Manufacturing	76,139,400	5.318%
Agricultural	30,000	0.002%
Undeveloped	<u>115,300</u>	<u>0.008%</u>
 Total	 <u><u>\$1,431,604,400</u></u>	 <u><u>100.000%</u></u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value¹	Percent Increase/Decrease in Equalized Value
2021	\$903,288,566	\$916,555,900	16.69%
2022	923,155,555	1,069,281,100	16.66%
2023	940,914,346	1,182,093,600	10.55%
2024	1,280,767,200 ²	1,308,958,400	10.73%
2025	1,335,954,400	1,431,604,400	9.37%

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

¹Includes tax increment valuation.

² Reassessment completed this year.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2025 Equalized Value¹	Percent of Village's Total Equalized Value
Sysco Food Services	Food Manufacturing	\$68,686,248	4.80%
Premier Rosewood Jackson LLC	Property Management	10,393,055	0.73%
Pinehurst Properties	Property Management	10,227,899	0.71%
Delaney Group LLC	Commercial	10,079,891	0.70%
CS, RM & TW Cranberry Jackson LLC	Property Management	9,416,265	0.66%
SNH SE Properties Trust	Senior Living Community	7,933,288	0.55%
Meadowlark Properties; Life Investors	Property Management	7,889,989	0.55%
Jackson Industrial LLC	Commercial	7,814,431	0.55%
Home Path Financial LP	Property Management	7,757,628	0.54%
Baldi Real Estate LLC	Commercial	<u>7,484,119</u>	<u>0.52%</u>
Total		\$147,682,813	10.32%
Village's Total 2025 Equalized Value ²		\$1,431,604,400	

Source: The Village.

DEBT

DIRECT DEBT³

General Obligation Debt (see schedules following)

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

\$28,832,713

*Preliminary, subject to change.

¹Calculated by dividing the 2025 Assessed Values by the 2025 Aggregate Ratio of assessment for the Village.

²Includes tax increment valuation.

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

Revenue Debt (see schedules following)

Total revenue debt secured by water and sewer revenues (includes the Bonds)* (See schedule on Page 5)

\$11,381,264

*Preliminary, subject to change.

DEBT PAYMENT HISTORY

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

FUTURE FINANCING

Concurrently with the Bonds, the Village plans to issue its \$2,530,000* General Obligation Promissory Notes, Series 2026A (the “Concurrent Obligations”). The Village expects to issue general obligation and possibly water and sewer system revenue debt for capital projects in 2027, but the final amount and timing of any such borrowings have not yet been determined. Aside from the preceding, the Village has no current plans for additional financing in the next 12 months.

DEBT LIMIT

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

Equalized Value	\$1,431,604,400
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit ¹	\$71,580,220
Less: General Obligation Debt*	<u>(28,832,713)</u>
Unused Debt Limit*	<u>\$42,747,507</u>

*Preliminary, subject to change.

¹The Village Board has adopted a General Obligation Debt Limit Policy that imposes a direct debt burden limitation of 60 percent of the statutory debt limit, which is equivalent to utilization of no more than three percent of its equalized valuation.

Village of Jackson, Wisconsin
 Schedule of Bonded Indebtedness
 General Obligation Debt Secured by Taxes
 (As of 05/01/2026)

	Refunding Bonds Series 2014A		State Trust Fund Loan		Promissory Note		Community Development Bonds Series 2019A		Taxable Promissory Notes Series 2019B	
Dated	12/09/2014		03/21/2017		4/10/2018		06/27/2019		06/27/2019	
Amount	\$3,025,000		\$550,000		\$600,000		\$1,235,000		\$1,020,000	
Maturity	06/01		03/15		05/01		06/01		06/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	209,000	18,853	0	0	0	0	20,000	34,950	165,000	12,910
2027	216,000	11,678	62,575	1,877	66,968	4,486	20,000	34,350	190,000	7,918
2028	224,000	3,976			69,171	2,286	20,000	33,750	200,000	2,700
2029							100,000	31,950		
2030							100,000	28,950		
2031							100,000	25,950		
2032							100,000	22,950		
2033							100,000	19,950		
2034							100,000	16,950		
2035							100,000	13,950		
2036							100,000	10,950		
2037							100,000	7,950		
2038							105,000	4,875		
2039							110,000	1,650		
2040										
2041										
2042										
2043										
2044										
2045										
2046										
	649,000	34,507	62,575	1,877	136,139	6,771	1,175,000	289,125	555,000	23,528

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Village of Jackson, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 05/01/2026)

	Promissory Notes Series 2019C		Public Safety Building Bonds Series 2019D		Public Safety Building Bonds Series 2021A		Taxable Community Development Bonds Series 2023A		Promissory Notes Series 2024A	
	Dated	Amount	Dated	Amount	Dated	Amount	Dated	Amount	Dated	Amount
	12/30/2019	\$2,005,000	12/30/2019	\$6,350,000	02/25/2021	\$8,030,000	02/01/2023	\$1,465,000	07/02/2024	\$5,695,000
	06/01		06/01		06/01		06/01		06/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	225,000	16,673	285,000	123,440	400,000	110,475	25,000	65,750	0	247,800
2027	240,000	12,600	300,000	114,665	400,000	98,475	25,000	64,700	55,000	246,425
2028	260,000	7,970	315,000	105,440	400,000	86,475	25,000	63,650	55,000	243,675
2029	275,000	2,750	330,000	95,765	400,000	74,475	100,000	61,025	225,000	236,675
2030			380,000	87,015	400,000	62,475	100,000	56,725	275,000	224,175
2031			385,000	79,269	450,000	54,225	110,000	52,105	270,000	210,550
2032			390,000	71,228	450,000	49,725	120,000	47,045	270,000	197,050
2033			395,000	62,886	450,000	45,000	120,000	41,585	280,000	183,300
2034			400,000	54,240	450,000	39,825	120,000	35,945	280,000	169,300
2035			410,000	45,228	450,000	34,313	125,000	30,188	290,000	155,050
2036			420,000	35,785	450,000	28,575	125,000	24,125	295,000	141,900
2037			430,000	25,903	450,000	22,613	125,000	17,875	300,000	130,000
2038			440,000	15,570	450,000	16,425	145,000	11,125	305,000	117,900
2039			420,000	5,145	450,000	10,013	150,000	3,750	310,000	105,600
2040					450,000	3,375			375,000	91,900
2041									535,000	73,700
2042									540,000	52,200
2043									545,000	30,500
2044									490,000	9,800
2045										
2046										
	1,000,000	39,993	5,300,000	921,578	6,500,000	736,463	1,415,000	575,593	5,695,000	2,867,500

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Village of Jackson, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 05/01/2026)

Dated Amount	Promissory Notes Series 2025A		Promissory Notes Series 2026A		Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
	05/01/2025		05/01/2026							
	\$3,815,000		\$2,530,000*							
Maturity	05/01		05/01							
Calendar Year Ending	Principal	Interest	Principal	Estimated Interest						
2026	0	84,650	0	0	1,329,000	715,500	2,044,500	27,503,713	4.61%	2026
2027	110,000	166,550	40,000	159,441	1,725,543	923,165	2,648,708	25,778,171	10.59%	2027
2028	110,000	161,050	40,000	104,838	1,718,171	815,809	2,533,980	24,060,000	16.55%	2028
2029	115,000	155,425	40,000	103,578	1,585,000	761,643	2,346,643	22,475,000	22.05%	2029
2030	115,000	149,675	100,000	101,323	1,470,000	710,338	2,180,338	21,005,000	27.15%	2030
2031	120,000	143,800	75,000	98,441	1,510,000	664,340	2,174,340	19,495,000	32.39%	2031
2032	150,000	137,050	75,000	95,873	1,555,000	620,920	2,175,920	17,940,000	37.78%	2032
2033	165,000	129,175	75,000	93,210	1,585,000	575,106	2,160,106	16,355,000	43.28%	2033
2034	165,000	120,925	75,000	90,454	1,590,000	527,639	2,117,639	14,765,000	48.79%	2034
2035	170,000	113,400	75,000	87,641	1,620,000	479,769	2,099,769	13,145,000	54.41%	2035
2036	180,000	106,400	75,000	84,829	1,645,000	432,564	2,077,564	11,500,000	60.11%	2036
2037	195,000	98,900	75,000	81,866	1,675,000	385,106	2,060,106	9,825,000	65.92%	2037
2038	210,000	90,800	75,000	78,754	1,730,000	335,449	2,065,449	8,095,000	71.92%	2038
2039	220,000	82,200	65,000	75,849	1,725,000	284,206	2,009,206	6,370,000	77.91%	2039
2040	265,000	72,169	125,000	71,813	1,215,000	239,256	1,454,256	5,155,000	82.12%	2040
2041	275,000	60,694	245,000	63,858	1,055,000	198,251	1,253,251	4,100,000	85.78%	2041
2042	280,000	48,900	245,000	53,078	1,065,000	154,178	1,219,178	3,035,000	89.47%	2042
2043	280,000	37,000	245,000	42,053	1,070,000	109,553	1,179,553	1,965,000	93.18%	2043
2044	305,000	24,188	245,000	31,028	1,040,000	65,015	1,105,015	925,000	96.79%	2044
2045	385,000	8,663	270,000	19,170	655,000	27,833	682,833	270,000	99.06%	2045
2046			270,000	6,413	270,000	6,413	276,413	0	100.00%	2046
	3,815,000	1,991,613	2,530,000	1,543,505	28,832,713	9,032,050	37,864,764			

* Preliminary, subject to change. The Concurrent obligations are expected to be issued concurrently with the Bonds.

OVERLAPPING DEBT¹

Taxing District	2025 Equalized Value²	% In Village	Total G.O. Debt³	Village's Proportionate Share
Washington County	\$26,921,507,900	5.3177%	\$30,070,000	\$1,599,032
Germantown School District	6,012,943,823	2.1445%	45,270,000	970,815
Slinger School District	3,855,629,204	2.7822%	17,080,000	475,200
West Bend School District	9,355,726,903	12.7770%	95,310,000	12,177,759
Milwaukee Area Technical College District	132,613,201,359	0.0972%	108,225,000	105,195
Moraine Park Technical College District	48,418,435,439	2.6904%	70,345,000	1,892,562
Village's Share of Total Overlapping Debt				<u><u>\$17,220,563</u></u>

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$1,431,604,400	Debt/ Per Capita 8,096⁴
Total General Obligation Debt*	\$28,832,713	2.01%	\$3,561.35
Village's Share of Total Overlapping Debt	<u>17,220,563</u>	<u>1.20%</u>	<u>2,127.05</u>
Total*	\$46,053,276	3.22%	\$5,688.40

*Preliminary, subject to change.

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

²Includes tax increment valuation.

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

⁴Estimated 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	\$5,754,955	100%	\$6.75
2022/23	5,540,616	100%	5.60
2023/24	5,788,198	100%	5.31
2024/25	6,063,961	100%	4.99
2025/26	6,716,180	In Process of Collection	4.90

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	Schools¹	County	Local	Total
2021/22	\$8.59	\$2.24	\$6.75	\$17.58
2022/23	7.05	1.95	5.60	14.60
2023/24	6.10	1.74	5.31	13.15
2024/25	6.85	1.67	4.99	13.51
2025/26	6.82	1.56	4.90	13.28

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%.

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

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

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 Bonds were authorized pursuant to Section 66.0621 of the Wisconsin Statutes and may be subject to the special provisions described above.

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 \$478,000 in shared revenue under Chapter 79, Wis. Stats., an increase from the approximately \$468,000 received in 2024. The Village is expected to receive approximately \$446,000 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 Village President and six other Village Board members. The Village President is a voting member. All are elected to two year terms. The appointed Village Administrator, Village Treasurer and Village Clerk are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The Village employs a staff of 46 full-time, 20 part-time, and two seasonal employees. All eligible employees in the Village are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The WRS is a cost-sharing multiple-employer defined benefit pension plan. The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

Village employees are generally required to contribute half of the actuarially determined contributions, and the Village generally may not pay the employees' required contribution. During the fiscal year ended December 31, 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 \$262,567, \$275,167, and \$330,651, 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 \$352,272 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 0.02369321% 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 L 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 following bargaining unit represents employees of the Village:

Bargaining Unit	Expiration Date of Current Contract
Jackson Professional Police Association	December 31, 2028

OTHER POST EMPLOYMENT BENEFITS

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

¹On 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 \$1,066. For Fiscal Year 2024, the Village reported a liability of \$240,784 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 0.05233700% 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 M 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 Bonds or otherwise questioning the validity of the Bonds.

MUNICIPAL BANKRUPTCY

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

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

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Bonds are outstanding, in a way that would allow the 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 Bonds could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Bonds, and there could ultimately be no assurance that holders of the Bonds would be paid in full or in part on the Bonds. Further, under such circumstances, there could be no assurance that the Bonds would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Bonds could be viewed as having no priority (a) over claims of other creditors of the Village; (b) to any particular assets of the Village, or (c) to revenues otherwise designated for payment to holders of the Bonds.

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 Bonds would not occur.

FUNDS ON HAND (as of February 28, 2026)

Fund	Total Cash and Investments
General	\$17,624,100
Fire/Rescue Reserve Fund	14,631
Fire Impact Fees	262,210
Police Impact Fees	173,921
Park Impact Fees	277,317
Water Utility	304,774
Sewer Utility	<u>3,510,882</u>
 Total Funds on Hand	 <u><u>\$22,167,834</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:

	2023 Audited	2024 Audited	2025 Unaudited
Water			
Total Operating Revenues	\$1,486,529	\$1,548,186	\$1,680,548
Less: Operating Expenses	<u>(1,573,760)</u>	<u>(1,711,047)</u>	<u>(1,945,645)</u>
Operating Income	(\$87,231)	(\$162,861)	(\$265,097)
Plus: Depreciation	513,225	552,210	583,915
Interest Income	<u>31,550</u>	<u>24,914</u>	<u>34,302</u>
Revenues Available for Debt Service	<u><u>\$457,544</u></u>	<u><u>\$414,263</u></u>	<u><u>\$353,120</u></u>
Sewer			
Total Operating Revenues	\$1,911,313	\$2,001,368	\$2,452,343
Less: Operating Expenses	<u>(2,339,105)</u>	<u>(2,372,233)</u>	<u>(2,342,323)</u>
Operating Income	(\$427,792)	(\$370,865)	\$110,020
Plus: Depreciation	863,039	913,467	952,222
Interest Income	<u>221,169</u>	<u>154,384</u>	<u>165,756</u>
Revenues Available for Debt Service	<u><u>\$656,416</u></u>	<u><u>\$696,986</u></u>	<u><u>\$1,227,998</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
	Audited	Audited	Audited	Unaudited
Revenues				
Taxes & Special assessments	\$3,486,312	\$3,811,487	\$4,345,626	\$4,560,931
Intergovernmental revenue	1,096,591	732,206	956,430	966,774
Licenses and permits	399,432	408,560	507,425	459,816
Fine and forfeitures	52,777	39,998	32,545	26,536
Charges for services	70,052	65,783	67,705	85,605
Interest income	9,529	204,935	345,917	281,491
Other	646,786	210,914	79,014	103,711
Total Revenues	\$5,761,479	\$5,473,883	\$6,334,662	\$6,484,864
Expenditures				
Current:				
General government	\$848,284	\$770,611	\$751,539	\$846,809
Public safety	2,023,958	2,350,334	2,419,391	2,545,637
Public works	1,045,223	1,083,468	1,204,650	1,231,792
Culture and recreation	197,058	202,525	244,272	254,876
Conservation and development	0	0	17,771	0
Capital outlay	46,947	4,177,951	683,241	0
Total Expenditures	\$4,161,470	\$8,584,889	\$5,320,864	\$4,879,114
Excess of revenues over (under) expenditures	\$1,600,009	(\$3,111,006)	\$1,013,798	\$1,605,750
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	\$0	\$0	\$741	\$0
Proceeds on leased vehicles	0	164,363	77,110	0
Developer contributions	0	3,963,983	0	0
Transfers in (out)	(475,958)	(513,572)	(880,384)	(917,849)
Total Other Financing Sources (Uses)	(475,958)	3,614,774	(802,533)	(917,849)
Net changes in Fund Balances	\$1,124,051	\$503,768	\$211,265	\$687,901
General Fund Balance January 1	\$2,601,033	\$3,725,084	\$4,228,852	
General Fund Balance December 31	\$3,725,084	\$4,228,852	\$4,440,117	
DETAILS OF DECEMBER 31 FUND BALANCE				
Nonspendable	\$322,725	\$567,668	\$695,960	
Restricted	0	46,543	20,899	
Unassigned	3,402,359	3,614,641	3,723,258	
Total	\$3,725,084	\$4,228,852	\$4,440,117	

GENERAL FUND BUDGET SUMMARY

FISCAL YEAR ENDING DECEMBER 31

COMBINED STATEMENT

	2026 Adopted Budget¹
Revenues	
Taxes & Special assessments	\$4,920,296
Intergovernmental revenue	1,009,039
Licenses and permits	326,461
Fine and forfeitures	47,058
Charges for services	44,008
Other	145,279
Total Revenues	<u>\$6,492,141</u>
Expenditures	
Current:	
General government	\$969,261
Public safety	3,597,463
Public works	1,354,888
Culture and recreation	570,529
Total Expenditures	<u>\$6,492,141</u>
Excess of revenues over (under) expenditures	\$0
Other Financing Sources (Uses)	
Transfers in (out)	995,528
Total Other Financing Sources (Uses)	<u>995,528</u>
Net changes in Fund Balances	\$995,528

¹ The 2026 budget was adopted on November 11, 2025.

GENERAL INFORMATION

LOCATION

The Village, with a 2020 U.S. Census population of 7,185 and a current estimated population of 8,096 comprises an area of 1,901 acres and is located in Washington County, northwest of Milwaukee.

LARGER EMPLOYERS¹

Larger employers in the Village include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Kerry Ingredients and Flavours	Food products and manufacturer	300
Sysco Food Services	Food service distribution	200
Rytec Corp.	High performance doors	150
Universal Strap Inc.	Custom woven materials developer	120
Kettle Moraine Lutheran High	Religious Schools	112
Wisconsin Pharmacal Company	Outdoor Health and Safety Solutions manufacturer	105
Supplyone Inc.	Packaging Materials Manufacturer	100
Reliable Door and Dock Inc.	Overhead door solutions	100
Cost of Wisconsin Inc. (Jackson location only)	Natural habitat developer	90 ²
Kruepke Trucking Inc.	Transportation	80

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

¹This 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.

²250 - 300 employees company-wide.

BUILDING PERMITS

	2022	2023	2024	2025	2026 ¹
<u>New Single Family Homes</u>					
No. of building permits	23	55	94	91	4
Valuation	\$5,353,330	\$15,740,281	\$24,461,536	\$19,284,761	\$1,220,352
<u>New Multiple Family Buildings</u>					
No. of building permits	0	0	0	4	0
Valuation	\$0	\$0	\$0	\$7,191,665	\$0
<u>New Commercial/Industrial</u>					
No. of building permits	1	2	2	1	0
Valuation	\$2,174,362	\$6,916,000	\$7,330,563	\$3,514,230	\$0
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	1,020	1,764	1,574	1,321	191
Valuation	\$84,720,751	\$37,353,366	\$54,149,738	\$40,361,599	\$1,885,967

Source: The Village.

¹As of March 17, 2026.

U.S. CENSUS DATA

Population Trend: The Village

2010 U.S. Census Population	6,753
2020 U.S. Census Population	7,185
Percent of Change 2010 - 2020	6.40%
2025 Estimated Population	8,096

Income and Age Statistics

	The Village	Washington County	State of Wisconsin	United States
2024 per capita income	\$57,155	\$49,106	\$43,373	\$44,673
2024 median household income	\$93,170	\$96,359	\$77,485	\$80,734
2024 median family income	\$99,982	\$114,977	\$100,141	\$99,999
2024 median gross rent	\$1,151	\$1,153	\$1,087	\$1,413
2024 median value owner occupied units	\$321,500	\$344,800	\$266,500	\$332,700
2024 median age	42.6 yrs.	43.8 yrs.	40.2 yrs.	38.9 yrs.

	State of Wisconsin	United States
Village % of 2024 per capita income	131.78%	127.94%
Village % of 2024 median family income	99.84%	99.98%

Housing Statistics

	<u>The Village</u>		
	2020	2024	Percent of Change
All Housing Units	3,300	3,661	10.94%

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>	
	Washington County	Washington County	Washington County	State of Wisconsin
2021	73,714	3.1%	3.1%	3.8%
2022	74,857	2.4%	2.4%	2.8%
2023	75,776	2.4%	2.4%	2.8%
2024	76,083 ¹	2.5%	2.5%	3.0%
2025, December ¹	74,368	2.7%	2.7%	3.0%

Source: Wisconsin Department of Workforce Development.

¹Preliminary.

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the Village's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The Village has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Official Statement, nor has the Village requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the Village since the date of the financial statements, in connection with the issuance of the Bonds, 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 JACKSON

**INDEPENDENT AUDITORS' REPORT
AND
FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2024

VILLAGE OF JACKSON

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INDEPENDENT AUDITORS' REPORT

To the Village Board
Village of Jackson, 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 Jackson (the "Village"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Village of Jackson'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 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 J to the financial statements, the Village 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.

To the Village Board
Village of Jackson, Wisconsin

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

To the Village Board
Village of Jackson, Wisconsin

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, 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.

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

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 accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management as was derived from and relates directly to the underlying accounting and other records used to prepare the 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 information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Lucida LLC
Lake Geneva, Wisconsin
July 31, 2025

VILLAGE OF JACKSON
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Primary Government		Totals
	Governmental Activities	Business-type Activities	
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 15,802,247	\$ 3,157,056	\$ 18,959,303
Taxes receivable	4,636,222	-	4,636,222
Delinquent taxes and special charges	8,931	-	8,931
Accounts receivable (net of allowance of \$453,828)	100,459	844,544	945,003
Inventory	-	49,400	49,400
Prepaid expenditures	128,200	-	128,200
Non-current assets:			
Restricted - cash and investments	47,176	3,206,640	3,253,816
Special assessments receivable	293,701	-	293,701
Capital assets:			
Land	2,259,704	384,719	2,644,423
Construction in progress	4,366,119	2,906,062	7,272,181
Capital leases, net of amortization	215,356	-	215,356
Capital assets, net of accumulated depreciation	50,696,781	36,532,676	87,229,457
TOTAL ASSETS	78,554,896	47,081,097	125,635,993
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows related to pension	2,846,252	351,784	3,198,036
Deferred outflows related to OPEB	102,735	12,697	115,432
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,948,987	364,481	3,313,468
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable, tax equivalent, and other accruals	1,353,197	1,005,793	2,358,990
Accrued salaries and benefits	112,228	6,023	118,251
Accrued interest	87,018	45,147	132,165
Deposits held	1,285,630	-	1,285,630
Developer agreements, due within one year	709,045	-	709,045
Capital leases, due within one year	42,746	-	42,746
Long-term debt, due within one year	1,458,694	270,000	1,728,694
Non-current liabilities:			
Developer agreements, due in more than one year	1,755,450	-	1,755,450
Capital leases, due in more than one year	133,159	-	133,159
Long-term debt, due in more than one year	22,669,892	6,948,193	29,618,085
Unamortized premium on debt	825,050	216,561	1,041,611
Net OPEB liability	214,299	26,486	240,785
Net pension liability	313,522	38,750	352,272
Accrued compensated absences	348,210	82,378	430,588
TOTAL LIABILITIES	31,308,140	8,639,331	39,947,471
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Property taxes	7,320,222	-	7,320,222
Deferred inflows related to pension	1,692,451	209,180	1,901,631
Deferred inflows related to OPEB	124,738	15,417	140,155
TOTAL DEFERRED INFLOWS OF RESOURCES	9,137,411	224,597	9,362,008
<u>NET POSITION</u>			
Net investment in capital assets	36,728,279	32,388,703	69,116,982
Restricted	2,154,789	3,314,016	5,468,805
Unrestricted	2,175,264	2,878,931	5,054,195
TOTAL NET POSITION	\$ 41,058,332	\$ 38,581,650	\$ 79,639,982

See accompanying notes to basic financial statements.

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

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Totals
PRIMARY GOVERNMENT							
GOVERNMENTAL ACTIVITIES							
General government	\$ 995,649	\$ 109,080	\$ -	\$ 41,512	\$ (845,057)	\$ -	\$ (845,057)
Public safety	4,220,213	860,758	560,072	-	(2,799,383)	-	(2,799,383)
Public works	2,235,351	247,798	320,277	-	(1,667,276)	-	(1,667,276)
Culture and recreation	966,464	353,985	-	119,259	(493,220)	-	(493,220)
Conservation and development	678,193	-	-	-	(678,193)	-	(678,193)
Interest and fiscal charges	644,643	-	-	-	(644,643)	-	(644,643)
TOTAL GOVERNMENTAL	9,740,513	1,571,621	880,349	160,771	(7,127,772)	-	(7,127,772)
BUSINESS-TYPE ACTIVITIES							
Water	1,807,651	1,548,186	-	1,154,290	-	894,825	894,825
Sewer	2,563,469	2,001,368	-	1,303,801	-	741,700	741,700
TOTAL BUSINESS-TYPE	4,371,120	3,549,554	-	2,458,091	-	1,636,525	1,636,525
TOTAL PRIMARY GOVERNMENT	\$ 14,111,633	\$ 5,121,175	\$ 880,349	\$ 2,618,862	(7,127,772)	1,636,525	(5,491,247)
GENERAL REVENUES							
					6,996,077	-	6,996,077
					77,180	-	77,180
					61,511	-	61,511
					189,892	-	189,892
					643,430	-	643,430
					534,374	-	534,374
					276,045	-	276,045
					172,889	-	172,889
					69,779	-	69,779
					607,403	-	607,403
					9,628,580	-	9,628,580
CHANGE IN NET POSITION					2,500,808	1,636,525	4,137,333
NET POSITION - BEGINNING OF YEAR					38,557,524	36,765,827	75,323,351
NET POSITION - END OF YEAR					\$ 41,058,332	\$ 38,402,352	\$ 79,460,684

See accompanying notes to basic financial statements.

VILLAGE OF JACKSON
BALANCE SHEETS
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General Fund	Debt Service Fund	Capital Projects		Nonmajor Governmental Funds	Total Governmental Funds
			General	TID 4		
<u>ASSETS</u>						
Cash and investments	\$ 5,550,096	\$ 1,549,453	\$ 5,287,198	\$ 1,810,794	\$ 1,604,706	\$ 15,802,247
Receivables:						
Taxes	2,694,307	1,035,395	125,712	498,477	282,331	4,636,222
Delinquent taxes and special charges	8,931	-	-	-	-	8,931
Accounts (net of allowance for doubtful accounts of \$453,828)	26,354	-	1,566	-	72,539	100,459
Special assessments	-	-	287,964	-	5,737	293,701
Advances to other funds	572,248	-	1,165,886	-	-	1,738,134
Prepaid expenditures	123,712	-	-	-	4,488	128,200
Restricted Assets:						
Cash and investments	41,904	-	5,272	-	-	47,176
TOTAL ASSETS	9,017,552	2,584,848	6,873,598	2,309,271	1,969,801	22,755,070
<u>LIABILITIES</u>						
Accounts payable and other accruals	202,865	-	1,078,036	-	72,296	1,353,197
Accrued salaries and benefits	93,502	-	-	-	18,726	112,228
Deposits held	2,368	-	1,283,262	-	-	1,285,630
Advance from other funds	-	-	-	1,165,886	572,248	1,738,134
TOTAL LIABILITIES	298,735	-	2,361,298	1,165,886	663,270	4,489,189
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Property taxes	4,278,700	1,654,695	141,862	796,592	448,373	7,320,222
Special assessments	-	-	343,556	-	7,171	350,727
TOTAL DEFERRED INFLOWS OF RESOURCES	4,278,700	1,654,695	485,418	796,592	455,544	7,670,949
<u>FUND BALANCES</u>						
Nonspendable	695,960	-	1,165,886	-	4,488	1,866,334
Restricted	20,899	930,153	-	346,793	16,665	1,314,510
Assigned	-	-	-	-	1,442,521	1,442,521
Unassigned	3,723,258	-	2,860,996	-	(612,687)	5,971,567
TOTAL FUND BALANCES	\$ 4,440,117	\$ 930,153	\$ 4,026,882	\$ 346,793	\$ 850,987	\$ 10,594,932

See accompanying notes to basic financial statements.

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

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 10,594,932

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	\$ 72,509,535	
Accumulated depreciation	<u>(14,971,575)</u>	57,537,960
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the funds.		
Special assessments		350,727
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.		(313,522)
The Village's proportionate share of the net OPEB liability for the Local Retiree Life Insurance Fund ("LRLIF") administered by the Wisconsin Department of Employee Trust Funds ("ETF") is reported on the statement of net position, but is not reported in the governmental funds.		(214,299)
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	2,846,252	
Deferred inflows related to pensions	(1,692,451)	
Deferred outflows related to OPEB	102,735	
Deferred inflows related to OPEB	<u>(124,738)</u>	1,131,798
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 debt and related items at year end consist of:		
Long-term debt	(24,128,586)	
Capital leases	(175,905)	
Unamortized premium on debt issuance	(825,050)	
Developer agreements	(2,464,495)	
Compensated absences	<u>(348,210)</u>	(27,942,246)
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>(87,018)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		<u><u>\$ 41,058,332</u></u>

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

	General Fund	Debt Service Fund	Capital Projects			Nonmajor Governmental Funds	Total Governmental Funds
			General	TID 4	TID 7		
REVENUES							
Taxes	\$ 4,345,626	\$ 1,545,216	\$ 184,000	\$ 762,115	\$ -	\$ 491,315	7,328,272
Special assessments	-	-	79,156	-	-	1,434	80,590
Intergovernmental revenue	956,430	-	-	24,910	-	91,245	1,072,585
Licenses and permits	507,425	-	-	-	-	-	507,425
Fines and forfeitures	32,545	-	-	-	-	-	32,545
Charges for services	67,705	-	231,305	-	-	841,181	1,140,191
Intergovernmental charges for services	-	-	-	-	-	434,171	434,171
Interest income	345,917	-	183,356	-	-	5,101	534,374
Other	79,014	-	350,066	-	-	119,871	548,951
TOTAL REVENUES	6,334,662	1,545,216	1,027,883	787,025	-	1,984,318	11,679,104
EXPENDITURES							
Current:							
General government	751,539	-	-	1,900	-	8,897	762,336
Public safety	2,419,391	-	-	-	-	1,301,668	3,721,059
Public works	1,204,650	-	-	-	-	-	1,204,650
Culture and recreation	244,272	-	-	-	-	597,527	841,799
Conservation and development	17,771	-	61,949	-	-	317,907	397,627
Capital outlay	683,241	-	4,217,794	-	-	415,203	5,316,238
Debt Service:							
Principal	-	1,427,313	-	-	-	82,985	1,510,298
Interest and fiscal charges	-	479,593	-	-	-	-	479,593
Debt issuance costs	-	86,811	87,300	-	-	-	174,111
TOTAL EXPENDITURES	5,320,864	1,993,717	4,367,043	1,900	-	2,724,187	14,407,711
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,013,798	(448,501)	(3,339,160)	785,125	-	(739,869)	(2,728,607)
OTHER FINANCING SOURCES (USES)							
Proceeds from sale of capital assets	741	-	-	-	-	641,662	642,403
Proceeds on bonds	-	-	5,695,000	-	-	-	5,695,000
Proceeds on leased vehicles	77,110	-	-	-	-	-	77,110
Premium on debt issuance	-	170,353	-	-	-	-	170,353
Transfers in (out)	(880,384)	840,973	-	-	-	39,411	-
TOTAL OTHER FINANCING SOURCES (USES)	(802,533)	1,011,326	5,695,000	-	-	681,073	6,584,866
NET CHANGE IN FUND BALANCES	211,265	562,825	2,355,840	785,125	-	(58,796)	3,856,259
FUND BALANCES - BEGINNING OF YEAR							
As previously stated	4,228,852	367,328	1,671,042	(438,332)	(589,476)	1,499,259	6,738,673
Change within financial reporting entity (major to nonmajor fund)	-	-	-	-	589,476	(589,476)	-
FUND BALANCES - BEGINNING AS RESTATED	4,228,852	367,328	1,671,042	(438,332)	-	909,783	6,738,673
FUND BALANCES - ENDING	\$ 4,440,117	\$ 930,153	\$ 4,026,882	\$ 346,793	\$ -	\$ 850,987	\$ 10,594,932

See accompanying notes to basic financial statements.

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 3,856,259

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 5,316,238	
Depreciation expense	<u>(1,945,584)</u>	
		3,370,654

Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.

Special assessments	<u>(80,189)</u>	
		(80,189)

In the statement of activities, the cost of pension 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) revenue	(156,341)	
Village pension contributions	310,062	
OPEB expense	(18,198)	
Village OPEB contributions	<u>(3,973)</u>	
		131,550

Governmental funds report proceeds from the issuance of long-term debt as other financing sources, but issuing debt increases long-term liabilities in the statement of net position. 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.

Proceeds on issuance of debt	(5,695,000)	
Proceeds on premium	(170,353)	
Proceeds on capital leases	(77,110)	
Developers agreements	(542,734)	
Amortization of premium on debt	44,411	
Principal payments on developer agreement	191,532	
Principal payments on capital leases	45,945	
Principal payments on bonds and notes	<u>1,427,313</u>	
		(4,775,997)

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

Changes in interest accrued on long-term debt	(35,342)	
Changes in compensated absences	<u>33,874</u>	
		<u>(1,469)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 2,500,808

VILLAGE OF JACKSON
STATEMENTS OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2024

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
<u>ASSETS</u>			
Current Assets:			
Cash and investments	\$ 1,091,203	\$ 2,065,853	\$ 3,157,056
Customer and other accounts receivable	384,663	459,881	844,544
Inventories	49,400	-	49,400
Total Current Assets	1,525,266	2,525,734	4,051,000
Non-current Assets:			
Cash and investments - restricted	206,652	2,999,988	3,206,640
Capital Assets:			
Land	352,219	32,500	384,719
Construction in process	19,080	2,886,982	2,906,062
Capital assets, net of accumulated depreciation	19,448,520	17,084,156	36,532,676
Total Non-current Assets	20,026,471	23,003,626	43,030,097
TOTAL ASSETS	21,551,737	25,529,360	47,081,097
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows related to pension	159,902	191,882	351,784
Deferred outflows related to OPEB	5,772	6,925	12,697
TOTAL DEFERRED OUTFLOWS OF RESOURCES	165,674	198,807	364,481
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts payable	\$ 48,969	\$ 725,643	\$ 774,612
Accrued salaries and benefits	2,842	3,181	6,023
Accrued property tax equivalent	231,181	-	231,181
Accrued interest on long-term obligations	12,891	32,256	45,147
Revenue bonds due within 1 year	95,000	175,000	270,000
Total Current Liabilities	390,883	936,080	1,326,963
Non-current liabilities:			
Net OPEB liability	12,039	14,447	26,486
Net pension liability	17,614	21,136	38,750
Revenue bonds due in greater than 1 year	1,650,000	5,298,193	6,948,193
Unamortized premium on issuance	76,804	139,757	216,561
Accrued compensated absences	32,662	49,716	82,378
Total Non-current Liabilities	1,789,119	5,523,249	7,312,368
TOTAL LIABILITIES	2,180,002	6,459,329	8,639,331
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows related to pension	95,082	114,098	209,180
Deferred inflows related to OPEB	7,008	8,409	15,417
TOTAL DEFERRED INFLOWS	102,090	122,507	224,597
<u>NET POSITION</u>			
Net investment in capital assets	17,998,015	14,390,688	32,388,703
Restricted for:			
Capital Projects	206,652	1,745,757	1,952,409
Equipment Replacement	-	1,254,231	1,254,231
WRS Pension	47,206	60,170	107,376
Unrestricted	1,183,446	1,695,485	2,878,931
TOTAL NET POSITION	\$ 19,435,319	\$ 19,146,331	\$ 38,581,650

See accompanying notes to basic financial statements.

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

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
<u>OPERATING REVENUES</u>			
Charges for service	\$ 1,496,169	\$ 1,962,146	\$ 3,458,315
Other operating revenues	52,017	39,222	91,239
TOTAL OPERATING REVENUES	1,548,186	2,001,368	3,549,554
<u>OPERATING EXPENSES</u>			
Operation and maintenance	912,908	1,458,766	2,371,674
Taxes	245,929	-	245,929
Depreciation	552,210	913,467	1,465,677
TOTAL OPERATING EXPENSES	1,711,047	2,372,233	4,083,280
OPERATING INCOME (LOSS)	(162,861)	(370,865)	(533,726)
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Interest income	24,914	154,384	179,298
Interest expense	(96,404)	(191,036)	(287,440)
Bond issuance expense	(200)	(200)	(400)
TOTAL NONOPERATING REVENUES (EXPENSES)	(71,690)	(36,852)	(108,542)
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	(234,551)	(407,717)	(642,268)
Capital contributions/Impact fees	1,154,290	1,303,801	2,458,091
CHANGE IN NET POSITION	919,739	896,084	1,815,823
NET POSITION - BEGINNING OF YEAR	18,515,580	18,250,247	36,765,827
NET POSITION - END OF YEAR	\$ 19,435,319	\$ 19,146,331	\$ 38,581,650

See accompanying notes to basic financial statements.

VILLAGE OF JACKSON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2024

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Receipts from customers and users	\$ 1,530,436	\$ 1,984,567	\$ 3,515,003
Payments to suppliers	(664,665)	(476,385)	(1,141,050)
Payments to employees	(421,328)	(508,823)	(930,151)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>444,443</u>	<u>999,359</u>	<u>1,443,802</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Capital contributions/impact fees	1,154,290	1,303,801	2,458,091
Proceeds of bonds	-	2,238,193	2,238,193
Principal paid on bonds	(95,000)	(175,000)	(270,000)
Interest paid on bonds	(96,404)	(191,036)	(287,440)
Bond issuance costs	(200)	(200)	(400)
Acquisition and construction of capital assets	(1,271,667)	(4,247,240)	(5,518,907)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(308,981)</u>	<u>(1,071,482)</u>	<u>(1,380,463)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest income	24,914	154,384	179,298
NET CHANGE IN CASH AND INVESTMENTS	160,376	82,261	242,637
CASH AND INVESTMENTS - BEGINNING OF YEAR	<u>1,137,479</u>	<u>4,983,580</u>	<u>6,121,059</u>
CASH AND INVESTMENTS - END OF YEAR	<u>\$ 1,297,855</u>	<u>\$ 5,065,841</u>	<u>\$ 6,363,696</u>

See accompanying notes to basic financial statements.

VILLAGE OF JACKSON
STATEMENT OF CASH FLOWS - CONTINUED
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2024

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET</u>			
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Operating income (loss)	\$ (162,861)	\$ (370,865)	\$ (533,726)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	582,261	913,467	1,495,728
Amortization of premium	(4,267)	(7,765)	(12,032)
Changes in assets and liabilities:			
(Increase) decrease in customer and other receivables	(17,750)	(16,801)	(34,551)
(Increase) decrease in inventories	5,042	-	5,042
(Increase) decrease in prepaid expenses	6,438	7,666	14,104
(Increase) decrease related to pensions and OPEB	(1,350)	(2,706)	(4,056)
Increase (decrease) in accounts payable	22,166	507,252	529,418
Increase (decrease) in accrued liabilities	23,053	(20,389)	2,664
Increase (decrease) in compensated absences payable	(8,289)	(10,500)	(18,789)
NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 444,443	\$ 999,359	\$ 1,443,802
<u>RECONCILIATION OF CASH AND INVESTMENTS TO STATEMENT OF NET POSITION - PROPRIETARY FUNDS</u>			
Cash and investments reported as current assets	\$ 1,091,203	\$ 2,065,853	\$ 3,157,056
Cash and investments reported as restricted assets	206,652	2,999,988	3,206,640
TOTAL CASH AND INVESTMENTS	\$ 1,297,855	\$ 5,065,841	\$ 6,363,696
<u>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Capital outlay paid by developers	\$ 1,060,384	\$ 887,794	\$ 1,948,178

See accompanying notes to basic financial statements.

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

	Custodial Funds
	Tax Collection Fund
<u>ASSETS</u>	
Cash and investments	\$ 3,883,570
Taxes receivable	6,475,452
TOTAL ASSETS	10,359,022
<u>LIABILITIES</u>	
Due to other governmental units	10,359,022
TOTAL LIABILITIES	10,359,022
NET POSITION	\$ -

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

	Custodial Funds
	Tax Collection Fund
<u>ADDITIONS</u>	
Collection of property tax	\$ 8,550,578
TOTAL ADDITIONS	8,550,578
<u>DEDUCTIONS</u>	
Distributions to other governmental units	8,550,578
TOTAL DEDUCTIONS	8,550,578
NET POSITION, January 1	-
NET POSITION, December 31	\$ -

See accompanying notes to basic financial statements.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

Note A - Summary of Significant Accounting Policies

The basic financial statements of the Village of Jackson (the "Village") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied 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 organization. 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. Blended component units, although legally separate entities are, in substance, part of the government's operations and are reported with similar funds of the primary government.

This report does not contain any component units or blended component units.

Basis of Presentation

Government-wide Financial Statements

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

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 JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

Note A - Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

Fund Financial Statements

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 providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses.

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

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

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 - The General Fund is the primary operating fund of the Village and is always classified as a major fund. It is used to account for all financial transactions except those legally and/or administratively required to be accounted for in another fund.

Debt Service Fund - This 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 - This fund accounts for the activities involving borrowing for construction or purchase of capital assets.

Tax Incremental District No. 4 - This fund accounts for revenues and expenditures associated with the Tax Incremental District No. 4.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

Note A - Summary of Significant Accounting Policies (continued)

Major Funds (continued)

The Village reports the following major proprietary funds:

Water Utility Enterprise Fund – This fund accounts for the activities of operating the water distribution system.

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

Non-Major Funds

The Village reports the following non-major governmental funds:

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or assigned to expenditures for specific purposes. The Village reports the following non-major special revenue funds:

Recreation Fund
Hotel/Motel Tax Fund
Park Fund
Fire and EMS

Capital Projects Funds – Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures of funds for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village reports the following non-major capital projects funds:

Tax Incremental District No. 5
Tax Incremental District No. 6
Tax Incremental District No. 7

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 financial statements.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

Note A - Summary of Significant Accounting Policies (continued)

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. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 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, pension and 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 succeeding year when services financed by the levy are being provided.

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

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.

VILLAGE OF JACKSON
NOTES TO 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)

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.

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 agency funds) are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds allow the accrual basis of accounting, and do not have a measurement focus.

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

Estimates

The preparation of the Village's financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Cash and Investments

The Village's cash and cash equivalents consist of cash on hand and demand deposits. Cash balances for individual funds are pooled unless maintained in segregated accounts. For purposes of the statement of cash flows for the enterprise funds, cash equivalents are temporary cash investments with a maturity of three months or less at the date of purchase.

Investments are measured at fair value on a recurring basis. *Recurring* fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

Note A - Summary of Significant Accounting Policies (continued)

Cash and Investments (continued)

Wisconsin Statute 66.0603 authorizes the Village to invest in the following types of investments:

- 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, Village, City, 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.

As discussed in Note C, the Village categorizes fair value measurements of its investments based on the hierarchy established by GAAP. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Exchange Traded Funds: Valued at the closing price reported on the active market on which the individual securities are traded.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Village believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Interest income is recorded on the accrual basis. Interest income on comingled investments of the Village's accounting funds is allocated based on average investment balances. Purchases and sales of investments are recorded on a trade-date basis. Realized gains and losses of the Village's assets are reported in the statement of revenues, expenditures and changes in fund balances. Adjustments necessary to record investments at fair value are recorded in the statement of revenues, expenditures and changes in fund balance as interest income.

The Village also has investments in the Local Government Investment Pool ("LGIP"), which is valued at amortized cost and is exempt from fair value disclosure.

The Village has adopted an investment policy which permits all investments allowed under the state statutes as described above.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

Note A - Summary of Significant Accounting Policies (continued)

Receivables

In the government-wide statements, receivables consist of all revenues earned or to which the Village is otherwise entitled and has not yet received.

In the fund financial statements, material receivables include revenue accruals such as intergovernmental grants and aids and other similar revenues since they are usually both measurable and available. Receivables collectible, but not available, are deferred in the fund financial statements in accordance with the modified accrual basis of accounting but not deferred in the government-wide financial statements in accordance with the accrual basis of accounting. Interest earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. No provision for uncollectible accounts receivable has been made for the proprietary funds because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

Property taxes are recorded in the year levied as receivables and deferred inflows of resources. They are recognized as revenues in the succeeding year when services financed by the levy are 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 succeeding year are reflected as receivables and as due to other governmental units on the statement of net position – fiduciary (agency) 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 the collection. Therefore, management has determined that no allowance accounts are considered necessary.

Inventories

Inventories of the utility enterprise funds are generally used in the operation and maintenance of the Water Utility. The inventories are valued at cost using the first-in/first-out method (“FIFO”), which approximates market value. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Prepaid Expenditures

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

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

Note A - Summary of Significant Accounting Policies (continued)

Restricted Assets

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

Cash and equivalents of the Village's governmental and proprietary funds have been restricted for the following purposes:

	Governmental Funds	Proprietary Funds	Total
Impact fees	\$ -	\$ 28,171	\$ 28,171
Unspent debt proceeds	47,176	-	47,176
2023A Bond reserves	-	512,972	512,972
Equipment replacement fund	-	1,016,433	1,016,433
Connection fees	-	1,649,064	1,649,064
Total Restricted Assets	\$ 47,176	\$ 3,206,640	\$ 3,253,816

Capital Assets

Government-wide Statements

Capital assets, which include property, plant and equipment and intangible assets, are reported in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial cost of more than \$5,000 for general capital assets and infrastructure assets, with an estimated useful life in excess of two years. All capital assets are valued at historical cost or estimated historical costs 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 asset life are not capitalized. No interest was capitalized during the current period.

Prior to January 2004, infrastructure assets of governmental funds were not capitalized. Upon implementing GASB Statement No. 34, governmental units are required to account for all capital assets, including infrastructure, in the government-wide statements prospectively from the date of implementation. Retroactive reporting of all major general infrastructure assets is encouraged but not required. The Village has not retroactively reported infrastructure acquired by its governmental fund types prior to implementation of GASB Statement No. 34.

Additions to, and replacements of, capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed funds proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

Note A - Summary of Significant Accounting Policies (continued)

Capital Assets (continued)

Government-wide Statements (continued)

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

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

<u>Assets</u>	<u>Years</u>
Buildings	20 - 50
Land improvements	20 - 50
Equipment	5 - 25
Infrastructure	40

Fund Financial Statements

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

Compensated Absences

Employees earn vacation time and compensatory time off in varying amounts in accordance with Village policy. All full-time employees are eligible for paid vacation annually on the anniversary of their date of hire. Payments for vacation will be made at rates in effect when the benefits are used. At December 31, 2024, the total vacation and compensatory benefits accrued were \$348,210 for the governmental activities and \$82,378 for the business-type activities.

Full-time employees may accumulate unused sick leave up to a maximum of 960 hours. Upon retirement from Village employment, in accordance with any provisions of the Wisconsin State Retirement Fund, fifty (50) percent of the value of the accrued sick leave hours, to a maximum of 480 hours based on the last hourly base rate, shall be placed into an account to be used by the retiree or their spouse for medical insurance premiums.

All full-time represented employees may accumulate unused sick leave up to a maximum of 1,020 hours. Upon death or retirement, 100% of accumulated sick leave credits converted to its monetary value at the employee's last rate of pay will be held by the Village and utilized for the sole purpose of paying health insurance premiums for themselves and/or their dependents.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

Note A - Summary of Significant Accounting Policies (continued)

Compensated Absences (continued)

Nonexempt employees shall be allowed to utilize accrued compensatory time off, subject to approval of their immediate supervisor. The choice of compensatory time credit or pay must be made by the employee when the overtime is worked, with the exception of December during which month all overtime worked shall be paid as overtime. Compensatory time off will be allowed to accumulate until the employee has accrued forty (40) hours in a regenerated account. Accumulated compensatory time off must be used in the calendar year in which it is earned. In the event there are extenuating medical or operational reasons an employee cannot utilize all accrued compensatory time in the same calendar year, the employee's supervisor may grant a one-time allowance for remaining compensatory time to be paid on the last pay period in December of the current calendar year. Exempt employees are not eligible for compensatory time off.

All vested vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Deferred Outflows / Inflows of Resources

In accordance with GASB, the statement of financial position will sometimes report separate sections for deferred outflows and inflows of resources.

The separate financial statement element, deferred outflows of resources, represents a decrease in net position or fund balance that applies to future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The Village reports deferred outflows of resources related to pensions and OPEB.

The separate financial statement element, deferred inflows of resources, represents an increase in net position or fund balance that applies to a future period(s) and thus, will not be recognized as an inflow of resources (revenue) until then. The Village reports deferred inflows of resources related to property taxes, pensions, and OPEB.

Pensions

The fiduciary net position of the Wisconsin Retirement System ("WRS") 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 Pension Liability (Asset).
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions,
- Pension Expense (Revenue)

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

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

Note A - Summary of Significant Accounting Policies (continued)

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.

Long-term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, developer agreements, unamortized premium on debt, long-term lease agreements, and accrued compensated absences.

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 principle and interest, losses on debt refunding, as well as costs of issuance are reported as expenditures in the period in which they occur.

For the government-wide statements, bond premiums are deferred and amortized over the life of the issue using the straight-line method. Gains or losses on refunding are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. Unamortized premiums are shown as a liability on the statement of net position. The balance at year-end for gains/losses, is shown as a deferred outflows or resources or deferred inflow of resources on the statement of net position. The accounting for proprietary fund obligations is the same in the fund financial statements as it is in the government-wide financial statements.

Claims and Judgements

When applicable, 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.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

Note A - Summary of Significant Accounting Policies (continued)

Net Position and Fund Balances

Government-wide Financial Statements

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

Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances on any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position - Consists of Net Position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first unless legal requirements disallow it, 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 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:

Non-spendable 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 the 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 Administrator.

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 JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

Net Position and Fund Balances (continued)

Governmental Fund Financial Statements (continued)

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

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

Proprietary fund equity is classified in the same manner as the Government-wide statements.

It is the goal of the Village to achieve and maintain an unassigned fund balance in the general fund at fiscal year-end equal to a minimum of 35% and a maximum of 75% of the ensuing year's total budgeted general fund expenditures.

Utility User Rates

Water Utility user rates currently in place were approved by the Village Board effective October 1, 2023. Sewer Utility rates currently in place were approved by the Village Board effective October 1, 2023.

Note B - Stewardship, Compliance, and Accountability

DNR Replacement Fund

The Wisconsin Department of Natural Resources required the creation of an equipment replacement fund as a condition of receiving a grant for the sewer utility. The equipment replacement fund has been established and the balance at December 31, 2024 was \$1,350,924.

Deficit Fund Balance

At December 31, 2024 the following funds had a deficit fund balance:

<u>Fund</u>	<u>Amount</u>
TID #6	\$ 15,093
TID #7	597,594

Negative balances will be cured by future collections of tax increment.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

Note C - Cash and Investments

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

	<u>Cash</u>	<u>Investments</u>	<u>Total</u>
Custodial Risk:			
Petty cash	\$ 150	\$ -	\$ 150
Demand deposits	8,060,890	-	8,060,890
Money market	9,799,001	-	9,799,001
Local government investment pool	-	3,320,736	3,320,736
Custodial and Interest Rate Risk:			
Fixed income - Government securities	-	3,668,441	3,668,441
Certificates of deposit	-	919,709	919,709
Custodial, Interest Rate and Credit Risk:			
Mutual funds - Government obligations	-	327,762	327,762
Total cash and investments	<u>\$ 17,860,041</u>	<u>\$ 8,236,648</u>	<u>\$ 26,096,689</u>

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

Per Statement of Net Position

Cash and investments	\$ 18,959,303
Restricted cash and investments	3,253,816

Per State of Fiduciary Net Position

Cash and investments	<u>3,883,570</u>
Total cash and investments	<u>\$ 26,096,689</u>

Deposits in local and area banks are insured by the Federal Deposit Insurance Corporation ("FDIC"). All time and savings deposits owned by the Village and held by the Village's official custodian in an insured depository institution in the state in which the Village is located are added together and insured up to \$250,000 per financial institution. Separately, all demand deposits owned by the Village and held by the Village's official custodian in an insured depository within the state in which the Village is located are added together and insured up to an additional \$250,000 per financial institution. Deposits in each local and area bank and in the Wisconsin Local Government Investment Pool ("LGIP") are also insured by the State Deposit Guarantee Fund in the amount of \$400,000 per financial institution. 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. Investments in the local government investment pool are covered under a surety bond issued by Financial Security Assurance, Inc. The fund insures against losses arising from principal defaults on substantially all types of securities acquired by the pool. The bond provides unlimited coverage on principal losses, reduced by any FDIC, SDGF insurance, and income on the investment during the calendar quarter a loss occurs.

The LGIP does not have a credit quality rating and is also not subject to credit risk disclosures because investments are not issued in securities form. It is part of the State Investment Fund ("SIF") and is managed by the State of Wisconsin Investment Board. The LGIP is not registered with the Securities and Exchange Commission but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually and carries investments at amortized cost for purposes of calculating income to participants. At December 31, 2024, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount reported in these statements.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

Note C - Cash and Investments (continued)

In accordance with certain contractual provisions, investment income associated with LGIP is assigned to the corresponding fund in which the assets are held. Participants in LGIP have the right to withdraw their funds in total on one day's notice. The LGIP does not include any involuntary participants.

A separate financial report for SIF is prepared in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Copies of the report can be obtained from [HTTP://www.doa.state.wi.us/Division/Budget-and-Financial/LGIP](http://www.doa.state.wi.us/Division/Budget-and-Financial/LGIP).

The Village has investments through Ehlers Investment Partners, LLC and Pershing Advisor Solutions consisting of money market accounts, fixed income securities and mutual funds. Ehlers is the joint marketing name of the following affiliated businesses (collectively, the "Affiliates"): Ehlers & Associates, Inc. ("EA"), a municipal advisor registered with the Municipal Securities Rulemaking Board ("MSRB") and the Securities and Exchange Commission ("SEC"); Ehlers Investment Parts, LLC ("EIP"), an SEC registered investment advisor; and Bond Trust Services Corporation ("BTS"), holder of a limited banking charter issued by the State of Minnesota. Funds may be withdrawn from bank deposit accounts and money market accounts upon order.

Ehlers Investment Partners, LLC is covered by the Securities Investor Protection Corporation ("SIPC") which provides protection including loss of cash and securities held by a customer at a financially-troubled SIPC-member brokerage firm. The limit of SIPC protection is \$500,000, which includes a \$250,000 limit for cash.

The Village has adopted an investment policy which permits all investments allowed under the state statutes.

Custodial Risk

Custodial risk is the risk that, in the event of a financial institution failure, the Village's deposits may not be returned to the Village. The Village's carrying value for cash and investments was \$26,096,689 at December 31, 2024, and the bank's carrying value was \$26,156,783, of which \$1,800,000 was fully insured, \$16,399,952 was collateralized by pledges, and \$7,956,831 was uninsured and uncollateralized.

The Village has policies to minimize custodial risk, which is the risk that in the event of a financial institution failure, the Village's deposits may not be returned to it, by:

- Maintaining a list of financial institutions, public depositories and broker/dealers authorized by resolution to provide deposit and investment services.
- All financial institutions, public depositories and broker/dealers authorized by resolution to provide deposit and investment services must supply as appropriate audited financial statements demonstrating compliance with state and federal capital adequacy guidelines.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Village's investment policy limits the maturity of any security in accordance with state statutes and structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2024
 (CONTINUED)

Note C - Cash and Investments (continued)

Interest Rate Risk (continued)

Information regarding the exposure of the Village's investments to this risk using the segmented time distribution model is as follows:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Investment Maturities in Years</u>	
		<u>Less than 1 Year</u>	<u>1-5 Years</u>
Pershing-Ehlers Investments			
US Government bonds/securities	\$ 3,668,441	\$ 3,668,441	\$ -
Mutual Funds/Government obligations	327,762	327,762	-
Certificates of deposit	919,709	919,709	-
	<u>\$ 4,915,912</u>	<u>\$ 4,915,912</u>	<u>\$ -</u>

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government Securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

The Village has policies to minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by:

- Limiting investments to the types of securities listed in the policy resolution.
- The Village Board shall by resolution each year approve the public depositories within the Village that are deemed appropriate for use under the state and federal law.
- Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.
- Maintain balances with its banking financial institutions that do not exceed the combined amount of FDIC insurance and State Deposit Guarantee Fund insurance, along with the amount of collateralized deposits per an agreement with its primary banking institution. However, deposits may temporarily exceed the insured and collateralized amounts during periods when property taxes are collected.

The Village's deposits were exposed to custodial credit risk as follows:

<u>Type of Investment</u>	<u>Amount</u>	<u>Rating as of 12/31/2024</u>
Pershing-Ehlers Investments		
Mutual Funds - Government obligations	<u>\$ 327,762</u>	AAAm

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

Note C - Cash and Investments (continued)

Fair Value Measurements of Investments

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets and is described as follows:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that a government can access at the measurement date.
- Level 2 Significant inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 Significant unobservable inputs for an asset or liability.

	Level 1	Level 2	Level 3	Exempt from Disclosure	Total
LGIP	-	-	-	3,320,736	3,320,736
Mutual funds-Government obligations	327,762	-	-	-	327,762
US government bonds/securities	3,668,441	-	-	-	3,668,441
Certificates of deposit	919,709	-	-	-	919,709
	\$ 4,915,912	\$ -	\$ -	\$ 3,320,736	\$ 8,236,648

Note D - Receivables

Governmental funds report deferred inflows of resources 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. Special assessments are not available and cannot be used to liquidate liabilities in the current period. Governmental funds also report deferred inflows of resources in connection with resources that have been received, but not yet earned.

A provision for uncollectable accounts has been provided for rescue squad receivables as the Village has determined that some accounts will not be collected. The receivable and allowance at year end for these rescue squad services were \$515,252 and (\$453,828), respectively.

A provision for uncollectable accounts has not been provided in the customer accounts receivable of the Water and Sewer utilities as the Village has the statutory authority to collect all delinquent utility bills from the property tax roll.

At the end of the current fiscal year, the various components of deferred inflows of resources reported in the governmental funds were as follows:

Description	
Unearned property taxes	\$ 7,320,222
Deferred special assessments	350,727
Total Deferred / Unearned Revenue for Governmental Funds	\$ 7,670,949

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

Note E - Capital Assets

Governmental Activities

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

Governmental Activities:	Balance 1/1/2024	Additions	Transfers	Disposals	Balance 12/31/2024
Capital assets not being depreciated:					
Land	\$ 2,087,681	\$ 172,023	\$ -	\$ -	\$ 2,259,704
Construction in process	3,017,897	4,514,855	(3,166,633)	-	4,366,119
Total capital assets not being depreciated	<u>5,105,578</u>	<u>4,686,878</u>	<u>(3,166,633)</u>	<u>-</u>	<u>6,625,823</u>
Capital assets being depreciated:					
Buildings and improvements	18,200,390	-	-	-	18,200,390
Land improvements and structures	-	-	-	-	-
Machinery and Equipment	5,960,413	353,499	-	-	6,313,912
Capital leases	189,260	131,909	-	-	321,169
Infrastructure	37,737,654	143,953	3,166,633	-	41,048,240
Total capital assets being depreciated:	<u>62,087,717</u>	<u>629,361</u>	<u>3,166,633</u>	<u>-</u>	<u>65,883,711</u>
Less: accumulated depreciation	12,986,152	1,879,609	-	-	14,865,761
Less: accumulated amortization on leases	39,838	65,975	-	-	105,813
Total accumulated	<u>13,025,990</u>	<u>1,945,584</u>	<u>-</u>	<u>-</u>	<u>14,971,574</u>
Net capital assets being depreciated:	<u>49,061,727</u>	<u>\$ (1,316,223)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>50,912,137</u>
Net governmental activities capital assets	<u>\$ 54,167,305</u>				<u>\$ 57,537,960</u>

Depreciation expense was charged to governmental activities of the Village as follows:

General government	\$ 97,742
Public safety	640,777
Public works (includes depreciation of infrastructure)	1,072,745
Culture and recreation	134,320
Total governmental activities depreciation expense	<u>\$ 1,945,584</u>

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

Note E - 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>Balance 1/1/2024</u>	<u>Additions</u>	<u>Transfers</u>	<u>Disposals</u>	<u>Balance 12/31/2024</u>
Water Utility					
Capital assets not being depreciated:					
Land	\$ 352,219	\$ -	\$ -	\$ -	\$ 352,219
Construction in process	1,695,633	19,080	(1,695,633)	-	19,080
Total capital assets not being depreciated	<u>2,047,852</u>	<u>19,080</u>	<u>(1,695,633)</u>	<u>-</u>	<u>371,299</u>
Capital assets being depreciated:					
Infrastructure	25,145,067	1,252,588	1,695,633	(72,009)	28,021,279
Less: accumulated depreciation	<u>(8,062,508)</u>	<u>(582,260)</u>	<u>-</u>	<u>72,009</u>	<u>(8,572,759)</u>
Net capital assets being depreciated	<u>17,082,559</u>	<u>\$ 670,328</u>	<u>\$ 1,695,633</u>	<u>\$ -</u>	<u>19,448,520</u>
Net water utility capital assets	<u>\$ 19,130,411</u>				<u>\$ 19,819,819</u>

	<u>Balance 1/1/2024</u>	<u>Additions</u>	<u>Transfers</u>	<u>Disposals</u>	<u>Balance 12/31/2024</u>
Sewer Utility					
Capital assets not being depreciated:					
Land	\$ 32,500	\$ -	\$ -	\$ -	\$ 32,500
Construction in process	4,018,857	2,580,095	-	(3,711,970)	2,886,982
Total capital assets not being depreciated	<u>4,051,357</u>	<u>2,580,095</u>	<u>-</u>	<u>(3,711,970)</u>	<u>2,919,482</u>
Capital assets being depreciated:					
Infrastructure	33,621,424	5,379,116	-	(1,339,789)	37,660,751
Less: accumulated depreciation	<u>(21,002,917)</u>	<u>(913,467)</u>	<u>-</u>	<u>1,339,789</u>	<u>(20,576,595)</u>
Net capital assets being depreciated	<u>12,618,507.00</u>	<u>\$ 4,465,649</u>	<u>\$ -</u>	<u>\$ -</u>	<u>17,084,156</u>
Net sewer utility capital assets	<u>\$ 16,669,864</u>				<u>\$ 20,003,638</u>

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

Water Utility	\$ 582,260
Sewer Utility	913,467
Total business-type activities depreciation expense	<u>\$ 1,495,727</u>

Depreciation expense may differ from business-type activity accumulated depreciation additions due to joint metering costs, salvage and costs associated with disposal of assets.

Note F - Inter-fund 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 (non-current 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.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

Note F - Inter-fund Receivables, Payables and Transfers (continued)

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General capital projects	TID No. 4	\$ 1,165,886	To fund negative balance
General fund	TID No. 7	572,248	To fund negative balance
		<u>\$ 1,738,134</u>	

Advances will be repaid with future tax increment, future borrowings and fund transfers.

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>
None in cy		\$ -

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

<u>Fund Transferred From</u>	<u>Fund Transferred To</u>	<u>Amount</u>	<u>Purpose</u>
Fire and EMS	Debt service	\$ 71,454	Debt payments
TID #7	Debt service	126,285	Debt payments
General Fund	Recreation fund	261,021	Village contributions to recreation
General Fund	Fire and EMS	619,363	Fund Village portion of Fire and EMS
General Fund	Debt service	643,234	Debt payments
		<u>\$1,721,357</u>	

Note G - Long-term Obligations

General Obligation Debt

General obligation notes and 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 and tax increments accumulated in the Debt Service Fund. Business-type activities general obligation debt will be retired by revenues from user fees or, if the revenues are not sufficient to cover debt, by future tax levies.

Water and Sewer Revenue Bonds

During the year ended December 31, 2023, the Village issued \$5,250,000 in water and sewer revenue bonds. Proceeds from the bonds provided financing for capital projects within the water and sewer utilities. These bonds carry interest rates ranging from 4.00% to 5.00% and mature on May 1, 2043. There were no principal and interest payments due on these bonds during 2023. Business-type activities revenue bonds are payable solely from revenues derived from the operation of the water and sewer utilities of the Village.

By Board resolution, the utilities have pledged future water and sewer revenues to repay revenue bonds. The Village covenants to maintain the utility systems in reasonably good condition and operate the utility system and to establish, charge and collect such lawfully established rates and charges for the services provided by the utility system so that net revenues will be at least 1.25 times the amount of principal and interest coming due on all outstanding bonds payable from the net revenues of the utility system each year. The Village has met this requirement.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

Note G - Long-term Obligations (continued)

Water and Sewer Revenue Bonds (continued)

A reserve requirement was established equal to the least of (a) 10% of the stated principal amount of the bonds; (b) the maximum annual debt service on the bonds in a bonds year; and (c) 125% of average annual debt service on the bonds in a bond year; provided, however, that on an ongoing basis it shall never exceed the remaining maximum annual principal and interest due on the outstanding bonds in any bond year. The Village has met this requirement.

During the year ended December 31, 2024, the Village entered into an agreement for a Clean Water Fund Loan. The Village has been approved for a maximum loan amount of \$5,709,010. Total disbursements from the loan during 2024 were \$2,238,193. The project is anticipated to be completed during 2025 and the full amount of the loan drawn. The interest rate on this loan is 2.31% with a final maturity date of 05/01/2044.

Developer Agreement Obligations

The Village has entered into various agreements with developers. The Village is obligated to pay various amounts to developers if certain conditions of the developer agreements are fulfilled that contribute to economic development or otherwise benefit the Village or the citizens of the Village. As of December 31, 2024, the Village was obligated under agreements for a total of \$2,464,495. These amounts will be paid out over various time periods. A portion of the annual tax increments levied for TID #5, TID #6 and TID #7 are being used to fund these payments.

Developer Deposits

The Village has received deposits from two developers for infrastructure advancement in new housing developments. As of December 31, 2024, the Village held deposits totaling \$1,285,630 for the Morning Meadows Phase 3 project, and the Maple Fields Phase 1 project. These amounts will be repaid over various time periods as work on the projects progresses.

Compensated Absences

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability attributable to governmental activities will be liquidated primarily by the general fund.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

Note G - Long-term Obligations (continued)

Outstanding debt and other long-term obligations were 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>
<u>Governmental Activities</u>					
General obligation debt:					
General obligation notes	\$ 2,579,468	\$ 5,695,000	\$ 395,734	\$ 7,878,734	\$ 427,764
General obligation bonds	16,877,000	-	921,000	15,956,000	917,000
Direct borrowings					
State trust fund loans	404,431	-	110,579	293,852	113,930
Capital leases	144,740	77,110	45,945	175,905	42,738
Total general obligation debt	<u>20,005,639</u>	<u>5,772,110</u>	<u>1,473,258</u>	<u>24,304,491</u>	<u>1,501,432</u>
Other liabilities:					
Developer agreements	\$ 2,113,293	\$ 542,734	\$ 191,532	\$ 2,464,495	\$ 709,045
Premium on debt issuance	699,107	170,353	44,410	825,050	52,928
Compensated absences	382,083	-	33,873	348,210	-
Total other liabilities	<u>3,194,483</u>	<u>713,087</u>	<u>269,815</u>	<u>3,637,755</u>	<u>761,973</u>
term obligations	<u>\$ 23,200,122</u>	<u>\$ 6,485,197</u>	<u>\$ 1,743,073</u>	<u>\$ 27,942,246</u>	<u>\$ 2,263,405</u>
<u>Business-type Activities</u>					
Other liabilities:					
Water and sewer revenue bonds	\$ 5,250,000	\$ 2,238,193	\$ 270,000	\$ 7,218,193	\$ 270,000
Premium on revenue bond issuance	228,592	-	12,031	216,561	12,032
Compensated absences	101,167	-	18,789	82,378	-
Total business-type activities:	<u>\$ 5,579,759</u>	<u>\$ 2,238,193</u>	<u>\$ 300,820</u>	<u>\$ 7,517,132</u>	<u>\$ 282,032</u>
Total Long-Term Obligations	<u>\$ 28,779,881</u>	<u>\$ 8,723,390</u>	<u>\$ 2,043,893</u>	<u>\$ 35,459,378</u>	<u>\$ 2,545,437</u>

The amount of compensated absence liability that is due within one year has not been determined.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

Note G - Long-term Obligations (continued)

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

Governmental Activities	Date of Issue	Final Maturity	Interest Rates	Original Principal	Balance 12/31/2024
G.O. Promissory Note	4/10/2018	5/1/2028	3.25%	600,000	263,734
G.O. Taxable Promissory Note	6/27/2019	6/1/2028	2.65% - 3.00%	1,020,000	700,000
G.O. Promissory Note	12/30/2019	6/1/2029	1.35% - 2.00%	2,005,000	1,220,000
G.O. Refunding Bond	12/9/2014	6/1/2028	0.40% - 3.55%	3,025,000	851,000
G.O. Community Dev Bond	6/27/2019	6/1/2039	3.00%	1,235,000	1,195,000
G.O. Bond	12/30/2019	6/1/2039	2.00% - 3.00%	6,350,000	5,570,000
State Trust Fund Loan	3/21/2017	3/15/2027	3.00%	550,000	182,309
State Trust Fund Loan	11/28/2016	3/15/2026	3.00%	450,000	111,543
G.O. Bond	2/25/2021	6/1/2030	1.00% - 3.00%	8,030,000	6,900,000
G.O. Bond	2/1/2023	6/1/2039	4.20%-5.00%	1,465,000	1,440,000
G.O Promissory Note	6/28/2024	12/1/2044	4.00%-5.00%	5,695,000	5,695,000
Total general obligation debt - governmental activities					<u>\$ 24,128,586</u>

General obligation debt for business-type activities of the Village currently outstanding is as follows:

Business Activities	Date of Issue	Final Maturity	Interest Rates	Original Principal	Balance 12/31/2024
Water and sewer revenue bond	7/6/2023	5/1/2043	4.00%-5.00%	5,250,000	4,980,000
Clean Water Fund Loan	7/110/24	5/1/20424	2.31%	2,238,193	2,238,193
Total general obligation debt - business activities					<u>\$ 7,218,193</u>

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

Year Ending	Governmental Activities							
	G.O. Notes		G.O. Bonds		STF Loans		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
December 31,								
2025	\$ 427,764	\$ 396,985	\$ 917,000	\$ 382,073	\$ 113,930	\$ 8,816	\$ 1,458,694	\$ 787,874
2026	454,832	284,005	939,000	353,468	117,348	5,398	1,511,180	642,871
2027	551,968	271,428	961,000	323,868	62,574	1,877	1,575,542	597,173
2028	584,170	256,631	984,000	293,291	-	-	1,568,170	549,922
2029	500,000	239,425	930,000	263,215	-	-	1,430,000	502,640
2030-2034	1,375,000	984,375	5,220,000	954,043	-	-	6,595,000	1,938,418
2035-2039	1,500,000	650,450	5,555,000	366,005	-	-	7,055,000	1,016,455
2040-2044	2,485,000	258,100	450,000	3,375	-	-	2,935,000	261,475
	<u>\$ 7,878,734</u>	<u>\$ 3,341,399</u>	<u>\$ 15,956,000</u>	<u>\$ 2,939,338</u>	<u>\$ 293,852</u>	<u>\$ 16,091</u>	<u>\$ 24,128,586</u>	<u>\$ 6,296,828</u>

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

Note G - Long-term Obligations (continued)

Year Ending December 31,	Business-type Activities					
	Revenue Bonds		Clean Water Fund		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 270,000	\$ 213,650	\$ -	\$ 51,090	\$ 270,000	\$ 264,740
2026	270,000	200,150	95,168	50,603	365,168	250,753
2027	270,000	186,650	97,366	48,379	367,366	235,029
2028	270,000	173,150	99,615	46,104	369,615	219,254
2029	260,000	159,900	101,916	43,777	361,916	203,677
2030-2034	1,300,000	609,700	546,002	182,041	1,846,002	791,741
2035-2039	1,300,000	338,000	612,046	115,234	1,912,046	453,234
2040-2044	1,040,000	83,200	686,080	40,345	1,726,080	123,545
	<u>\$ 4,980,000</u>	<u>\$ 1,964,400</u>	<u>\$ 2,238,193</u>	<u>\$ 577,573</u>	<u>\$ 7,218,193</u>	<u>\$ 2,541,973</u>

Leases

The Village entered into several lease agreement for police vehicles during the year ended December 31, 2024. Future minimum required payments under these contracts are as follows:

Years Ending December 31,	Principal Payment	Interest Payment
2025	\$ 42,748	\$ 12,707
2026	39,012	11,016
2027	24,436	7,237
2028	14,094	4,546
2029	55,616	617
	<u>\$ 175,906</u>	<u>\$ 36,123</u>

Leased vehicles are expected to have a residual value at the end of the lease period, which is included in the principal payment schedule in the final year of the lease agreement.

Debt premiums are deferred and amortized using the straight-line method over the life of the debt issuance in the government-wide statements. The unamortized debt premiums are reported in the liability section.

Activity for the year ended December 31, 2024 is summarized as follows:

	Balance Beginning	Additions	Amortization	Balance Ending
Governmental activities	<u>\$ 699,107</u>	<u>\$ 170,353</u>	<u>\$ (44,410)</u>	<u>\$ 825,050</u>

	Balance Beginning	Additions	Amortization	Balance Ending
Business Activities	<u>\$ 228,592</u>	<u>\$ -</u>	<u>\$ (12,031)</u>	<u>\$ 216,561</u>

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2024
 (CONTINUED)

Note G - Long-term Obligations (continued)

Margin of Indebtedness

The Wisconsin Statutes restrict the Village's general obligation debt to 5% of the equalized value of all property in the Village. This amount is compared below with the outstanding debt on December 31, 2024:

Equalized Value - 2024	\$ 1,308,958,400
Debt limit (5% of \$1,308,958,400)	65,447,920
Deduct general obligation debt	<u>(24,128,586)</u>
Margin of indebtedness	<u><u>\$ 41,319,334</u></u>

Other Debt Information

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absence liability attributable to governmental activities will be liquidated primarily by the general fund.

Subsequent Debt Issuances

Subsequent to year-end, the Village issued \$3,815,000 in General Obligation Promissory Notes, Series 2025A for the purpose of funding capital projects, TID #7 projects, water system projects and sewer system projects. Interest on these bonds varies between 4.50% and 5.00%. Final payment will be November 1, 2045.

Note H - Lease Income

The Village has entered into various lease agreements with telecommunications companies, wherein the Village has agreed to allow the use of Village property for the purpose of telecommunications relays. Payments received on these leases totaled \$69,779 for the year ended December 31, 2024. Future minimum lease payments receivable in conjunction with these leases are as follows:

Year	Amount
2025	\$ 69,779
2026	72,707
2027	72,707
2028	72,707
2029	80,806
2030-2034	365,101
2035-2039	187,805
2040-2041	<u>77,957</u>
Expected future lease receipts	<u><u>\$ 999,569</u></u>

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

Note I - Net Position and Fund Balances

Governmental Activities

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

Net investment in capital assets:

Land	\$ 2,259,704	
Construction in process	4,366,119	
Other capital assets, net of accumulated depreciation	50,696,781	
Leased asset, net of accumulated amortization	215,356	
Less: Related long-term debt	(24,304,491)	
Less: Premium on issuance	(825,050)	
Plus: Unspent proceeds on long-term debt	4,319,860	
		\$ 36,728,279

Restricted for:

Debt service	930,153	
Police K-9 program	20,899	
TID #4	346,793	
TID #5	16,665	
WRS Pension	840,279	
		2,154,789
Unrestricted		2,175,264

Total Governmental Activities Net Position \$ 41,058,332

Business-type Activities

Net investment in capital assets:

Land	\$ 384,719	
Construction in process	2,906,062	
Capital assets, net of accumulated depreciation	36,532,676	
Less: Related long-term debt	(7,218,193)	
Less: Unamortized premium on debt	(216,561)	
		\$ 32,388,703

Restricted for:

Capital projects	1,952,409	
Equipment replacement	1,254,231	
WRS pension	107,376	
		3,314,016
Unrestricted		2,878,931

Total Business-type Activities Net Position \$ 38,581,650

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

Note I - Net Position and Fund Balances (continued)

Governmental Fund Financial Statements

Nonspendable:

Prepaid expenditures	\$ 128,200	
Advances	<u>1,738,134</u>	
		\$ 1,866,334

Restricted:

Debt service fund	930,153	
Police K-9 program	20,899	
Tid #4	346,793	
TID #5	<u>16,665</u>	
		1,314,510

Assigned:

Fire/EMS fund	976,733	
Recreation fund	115,061	
Hotel/Motel tax fund	53,237	
Park fund	<u>297,490</u>	
		1,442,521

Unassigned:

		<u>5,971,567</u>
Total governmental funds - Fund balance		<u><u>\$ 10,594,932</u></u>

Note J - 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.

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.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2024
 (CONTINUED)

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

The Village made a change to report activity TID #7 from a major fund to a nonmajor fund. This change represents 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	Restated Balance
Major Funds	\$ 5,239,414	\$ 589,476	\$ 5,828,890
Nonmajor Funds	1,499,259	(589,476)	909,783
	\$ 6,738,673		\$ 6,738,673

Note L - WRS Pension Plan

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

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <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.

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.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2024
 (CONTINUED)

Note L - WRS Pension Plan (continued)

Benefits provided (continued)

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.	(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.

During the reporting period, the WRS recognized \$330,651 in contributions from the employer.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

Note L - WRS Pension Plan (continued)

Contributions (continued)

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 \$352,272 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 liability was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, the Village's proportion was 0.02369321%, which was an increase of 0.00096211% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the Village recognized pension expense (revenue) of \$175,664.

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 expected and actual experience	\$ 1,420,356	\$ 1,881,272
Net differences between projected and actual earnings on pension plan investments	1,227,612	-
Changes in assumptions	153,545	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,251	20,358
Employer contributions subsequent to the measurement date	396,272	-
	<u>\$ 3,200,036</u>	<u>\$ 1,901,630</u>

The amount of \$396,272 reported as deferred outflows related to pension resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2024.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

Note L - WRS Pension Plan (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 as follows:

Year Ended December 31,	Deferred Outflow of Resources	Deferred Inflow of Resources
2024	\$ 2,245,102	\$ 2,062,658
2025	1,826,396	1,636,342
2026	1,454,664	688,204
2027	56,823	293,647

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	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:	6.80%
Discount Rate:	6.80%
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 JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

Note L - WRS Pension Plan (continued)

Long-term Expected Return on Plan Assets (continued). The target allocation and best estimates of arithmetic 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			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %²
Public Equity	40 %	7.3 %	4.5 %
Public Fixed Income	27	5.8	3.0
Inflation Sensitive Assets	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 %
Variable Fund Asset Class			
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 allocations

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

³The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 12% policy is used, subject to an allowable range of up to 20%.

Single Discount rate. A single discount rate of 6.80% 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 6.80% 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 6.80% 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 JACKSON
NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2024
 (CONTINUED)

Note L - WRS Pension Plan (continued)

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

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
Village's proportionate share of the net pension liability (asset)	\$ 3,404,879	\$ 352,272	\$ (1,783,766)

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

Payables to the Pension Plan. The Village reported a payable of \$79,157 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2024.

Note M - 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 employees.

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

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

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

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

Employers are required to pay the following contributions based on employee 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 employee premiums until age 65 in order to be eligible for the benefit after age 65.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2024
 (CONTINUED)

Note M - 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 employee contribution
25% Post Retirement Coverage	20% of employee 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 employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2023 are as listed below:

Life Insurance Employee 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 \$1,066 in contributions from the employer.

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

At December 31, 2024, the Village reported a liability of \$240,784 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 0.05233700%, which was an increase of 0.003632% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the Village recognized OPEB expense of \$20,447.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

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

OPEB Liabilities, OPEB Expense, 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	\$ -	\$ 21,310
Net differences between projected and actual earnings on OPEB plan investments	3,251	-
Changes in assumptions	75,319	94,816
Changes in proportion and differences between employer contributions and proportionate share of contributions	35,660	24,028
Employer contributions subsequent to measurement date	1,203	-
	\$ 115,433	\$ 140,154

The amount of \$1,203 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 Outflow of Resources	Deferred Inflow of Resources
2024	\$ 34,950	\$ 34,770
2025	32,330	29,814
2026	20,583	28,339
2027	10,849	27,124
2028	9,507	19,136
2029	6,011	971

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

Note M - 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 (Asset)	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:	3.72%
Long-term Expected Rated of Return:	4.25%
Discount Rate:	3.76%
Salary Increases	
Wage Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

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.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2024
 (CONTINUED)

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

Long-term expected Return on Plan Assets (continued).

Local 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%

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding the expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate remained unchanged from the prior year at 2.30%.

Single Discount rate. A single discount rate of 3.32% 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 significant 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 employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan’s fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan’s fiduciary net position is projected to be insufficient. The plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2024
 (CONTINUED)

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

Sensitivity of the Village’s proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Village’s proportionate share of the net OPEB liability calculated using the discount rate of 3.32 percent, as well as what the Village’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.32 percent) or 1-percentage-point higher (4.32 percent) 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	\$ 323,527	\$ 240,784	\$ 177,625

Note N – Joint Agreements

The Village of Jackson, Town of Jackson, and the Town of Polk have a joint agreement for Fire and EMS services. These activities are accounted for in the Fire and EMS Special Revenue Fund. The cost of this fund is shared by the municipalities based on proportionate share of equalized values and other factors. The cost of operations to the Village for the year ended December 31, 2024 was \$434,171.

Note O - Litigation and Contingencies

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

Note P - Subsequent Events

Management has evaluated the need for disclosure or recording of transactions resulting from subsequent events through (July 31, 2025) the date the financial statements were available to be issued.

- Subsequent to year-end, the Village issued new debt. See Note G for additional information.

Note Q - 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 JACKSON
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND REVENUES
YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>TAXES</u>				
General property taxes	\$ 4,058,981	\$ 4,058,981	\$ 4,058,982	\$ 1
Ag use-value penalties	-	-	13,084	13,084
Mobile home parking fees	140,000	140,000	77,180	(62,820)
Taxes from Utilities	260,000	260,000	189,434	(70,566)
Interest on personal property taxes	100	100	6,946	6,846
TOTAL TAXES	4,459,081	4,459,081	4,345,626	(113,455)
<u>INTERGOVERNMENTAL</u>				
Shared taxes from state	265,160	265,160	468,118	202,958
State personal property aid	19,976	19,976	19,976	-
State video service aid	19,431	19,431	19,431	-
Exempt computer aid	20,689	20,689	20,689	-
Recycling grants	10,569	10,569	10,584	15
Police - State/Federal aids	5,000	5,000	33,481	28,481
State Aid - in lieu of taxes	500	500	458	(42)
State transportation aid	309,647	309,647	309,693	46
Fire and EMS grant - Washington County	-	-	74,000	74,000
Other state payments	203,502	203,502	-	(203,502)
TOTAL INTERGOVERNMENTAL	650,972	650,972	956,430	101,956
<u>LICENSES AND PERMITS</u>				
Liquor license	3,380	3,380	5,394	2,014
Hotel/Motel license	300	300	286	(14)
Operators license	3,400	3,400	3,293	(107)
Cigarette license	300	300	587	287
Video franchise fees	75,000	75,000	70,088	(4,912)
Dog license	5,500	5,500	6,605	1,105
Cat license	600	600	714	114
Other licenses	1,000	1,000	3,574	2,574
Building permits	180,000	180,000	384,740	204,740
Special assessments	-	-	-	-
Planning/Zoning application fees	3,500	3,500	3,540	40
WI permit seals	1,500	1,500	3,960	2,460
Address/Fire #	2,000	2,000	3,962	1,962
Erosion control permits	5,000	5,000	20,412	15,412
Publication fees	170	170	270	100
TOTAL LICENSES AND PERMITS	281,650	281,650	507,425	225,775

See accompanying notes to required supplementary information.

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

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>FINES AND FORFEITURES</u>				
Police - Court penalties	55,000	55,000	30,117	(24,883)
Police - Parking fines	4,500	4,500	2,428	(2,072)
TOTAL FINES AND FORFEITURES	59,500	59,500	32,545	(26,955)
<u>CHARGES FOR SERVICES</u>				
Police - Accident reports	500	500	125	(375)
Police - OWI test/fingerprinting	2,500	2,500	1,879	(621)
Conceal carry class	-	-	850	850
Police - DVD's	-	-	40	40
Police - Warrant fees	250	250	1,011	761
Clerks fees	7,000	7,000	18,164	11,164
Public works revenue	100	100	105	5
Recycling revenue	-	-	886	886
Street opening permits	1,000	1,000	11,560	10,560
NSF charges	160	160	105	(55)
Aurora Healthcare payment	30,000	30,000	32,980	2,980
TOTAL CHARGES FOR SERVICES	41,510	41,510	67,705	26,195
<u>MISCELLANEOUS AND INTEREST</u>				
Interest on temporary investments	25,703	25,703	345,917	320,214
Insurance dividends	7,218	7,218	-	(7,218)
Verizon lease	29,285	29,285	29,285	-
US Cellular lease	33,745	33,745	40,494	6,749
Police - Donations	-	-	8,141	8,141
Police - Fundraiser	-	-	1,146	1,146
Miscellaneous general revenue	130,000	130,000	(52)	(130,052)
TOTAL MISCELLANEOUS AND INTEREST	225,950	225,950	424,931	198,981
TOTAL REVENUES	\$ 5,718,663	\$ 5,718,663	\$ 6,334,662	\$ 412,497

See accompanying notes to required supplementary information.

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

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>GENERAL GOVERNMENT</u>				
Village board	\$ 39,350	\$ 39,350	\$ 29,642	\$ 9,708
Appointed committee wages	6,150	6,150	3,206	2,944
Village attorney	62,000	62,000	37,259	24,741
Administrative wages	448,409	448,409	401,779	46,630
Administration	236,750	236,750	49,958	186,792
Elections	31,269	31,269	40,721	(9,452)
Admin - audit and accounting	30,000	30,000	36,075	(6,075)
Assessments	40,000	40,000	40,753	(753)
Insurance	58,000	58,000	49,976	8,024
Utilities	32,600	32,600	18,511	14,089
Supplies	2,000	2,000	325	1,675
Computer and internet	25,000	25,000	28,467	(3,467)
Repairs and maintenance	11,300	11,300	10,413	887
Signs	1,500	1,500	1,430	70
Licenses and fees	2,425	2,425	2,262	163
ARPA expenses	-	-	762	(762)
TOTAL GENERAL GOVERNMENT	1,026,753	1,026,753	751,539	275,214
<u>PUBLIC SAFETY</u>				
Police department	2,276,108	2,276,108	2,258,780	17,328
Emergency government	5,220	5,220	3,225	1,995
Building inspector	186,304	186,304	157,386	28,918
TOTAL PUBLIC SAFETY	2,467,632	2,467,632	2,419,391	48,241
<u>PUBLIC WORKS</u>				
Engineering	59,161	59,161	37,238	21,923
Streets	676,134	676,134	658,320	17,814
Storm sewers	3,000	3,000	10,679	(7,679)
Trash	340,108	340,108	296,426	43,682
Recycling	196,584	196,584	201,987	(5,403)
TOTAL PUBLIC WORKS	1,274,987	1,274,987	1,204,650	70,337
<u>CULTURE AND RECREATION</u>				
Parks	256,111	256,111	244,272	11,839
<u>CONSERVATION AND DEVELOPMENT</u>				
Conservation and development	16,800	16,800	17,771	(971)

See accompanying notes to required supplementary information.

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

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>CAPITAL OUTLAY</u>				
General government	\$ -	\$ -	\$ 201,158	\$ (201,158)
Culture, Recreation and Education	-	-	148,996	(148,996)
Police	-	-	102,773	(102,773)
Public works - contributed and purchased	-	-	230,314	(230,314)
TOTAL CAPITAL OUTLAY	-	-	683,241	(683,241)
TOTAL EXPENDITURES	5,042,283	5,042,283	5,320,864	(278,581)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	(880,384)	(880,384)	(880,384)	-
Proceeds on leased vehicles	-	-	77,110	77,110
Police - Sale of property	500	500	741	241
TOTAL OTHER FINANCING SOURCES (USES)	(879,884)	(879,884)	(802,533)	77,351
NET CHANGE IN FUND BALANCE	(203,504)	(203,504)	211,265	\$ 768,429
FUND BALANCES - BEGINNING OF YEAR	1,969,744	1,969,744	4,228,852	
FUND BALANCES - END OF YEAR	\$ 1,766,240	\$ 1,766,240	\$ 4,440,117	

See accompanying notes to required supplementary information.

VILLAGE OF JACKSON
DECEMBER 31, 2024

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
Wisconsin Retirement System
Last 10 Fiscal Years*

WRS Year End	Proportion of the net pension (asset) liability	Proportionate share of the net pension (asset) liability	Covered-employee payroll	Net pension (asset) liability as a percentage of employee payroll	Plan fiduciary net position as a percentage of total pension (asset) liability
2023	0.02369321%	\$ 352,272	\$ 3,277,081	10.75%	98.85%
2022	0.02273110%	\$ 1,204,226	\$ 2,963,207	40.64%	95.72%
2021	0.02175548%	\$ (1,753,531)	\$ 2,858,709	-61.34%	106.02%
2020	0.02083029%	\$ (1,300,463)	\$ 2,784,138	-46.71%	105.26%
2019	0.01972279%	\$ (635,952)	\$ 2,541,523	-25.02%	102.96%
2018	0.01903829%	\$ 677,322	\$ 2,388,882	28.36%	96.45%
2017	0.01831388%	\$ (543,760)	\$ 2,278,882	-23.86%	102.93%
2016	0.01780272%	\$ 145,947	\$ 2,221,840	6.57%	99.12%
2015	0.01782027%	\$ 289,291	\$ 2,128,161	13.59%	98.20%
2014	0.00178682%	\$ (438,892)	\$ 2,005,966	-21.88%	102.74%

SCHEDULE OF CONTRIBUTIONS
Wisconsin Retirement System
Last 10 Fiscal Years*

WRS Year End	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered-employee payroll
2023	\$ 330,651	\$ 330,651	\$ -	\$ 3,277,081	10.09%
2022	\$ 275,167	\$ 275,167	\$ -	\$ 2,963,207	9.29%
2021	\$ 262,567	\$ 262,567	\$ -	\$ 2,858,709	9.18%
2020	\$ 251,023	\$ 251,023	\$ -	\$ 2,784,138	9.02%
2019	\$ 213,126	\$ 213,126	\$ -	\$ 2,541,523	8.39%
2018	\$ 203,618	\$ 203,618	\$ -	\$ 2,388,882	8.52%
2017	\$ 192,405	\$ 192,405	\$ -	\$ 2,278,882	8.44%
2016	\$ 173,975	\$ 173,975	\$ -	\$ 2,221,840	7.83%
2015	\$ 170,215	\$ 170,215	\$ -	\$ 2,128,161	8.00%
2014	\$ 169,291	\$ 169,291	\$ -	\$ 2,005,966	8.44%

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

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

VILLAGE OF JACKSON
DECEMBER 31, 2024

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
Local Retiree Life Insurance
Last 10 Fiscal Years*

LRLIF Year End	Proportion of the net OPEB (asset) liability	Proportionate share of the net OPEB (asset) liability	Covered-employee payroll	Net OPEB (asset) liability as a percentage of employee payroll	Plan fiduciary net position as a percentage of total OPEB (asset) liability
2023	0.05233700%	\$ 240,784	\$ 3,135,000	7.68%	33.90%
2022	0.04870500%	\$ 185,558	\$ 2,864,000	6.48%	38.81%
2021	0.04466600%	\$ 263,993	\$ 2,727,000	9.68%	29.57%
2020	0.05541700%	\$ 304,834	\$ 2,728,000	11.17%	31.36%
2019	0.05223100%	\$ 222,746	\$ 2,379,000	9.36%	37.58%
2018	0.51101000%	\$ 131,858	\$ 2,305,000	5.72%	48.69%
2017	0.04788100%	\$ 144,054	\$ 2,013,533	7.15%	44.81%

SCHEDULE OF CONTRIBUTIONS - OPEB
Local Retiree Life Insurance
Last 10 Fiscal Years*

LRLIF Year End	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
2023	\$ 1,066	\$ 1,066	\$ -	\$ 3,135,000	0.03%
2022	\$ 977	\$ 977	\$ -	\$ 2,864,000	0.05%
2021	\$ 1,105	\$ 1,105	\$ -	\$ 2,727,000	0.04%
2020	\$ 1,105	\$ 1,105	\$ -	\$ 2,728,000	0.04%
2019	\$ 945	\$ 945	\$ -	\$ 2,379,000	0.04%
2018	\$ 1,673	\$ 1,673	\$ -	\$ 4,126,000	0.04%
2017	\$ 1,802	\$ 1,802	\$ -	\$ 3,991,195	0.05%

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

*GASB Pronouncement 75 require 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 for this schedule.

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

Note 1. Budgetary Information

The Village creates a budget for the General Fund. The Village reviews and adopts its annual budget by December or earlier of the preceding year. The budgetary information included in the accompanying financial statements is comprised of the originally approved budget plus or minus approved revisions of budgeted revenues and expenditures. These budgets are adopted on a basis consistent with GAAP. Management control of the budgetary process has been established at the departmental level of expenditure. A department can be a fund, cost center, program or other activity for which control of expenditures is considered desirable. Budget appropriations for certain capital projects funds are project oriented, often possessing multi-year lives; consequently, budgeted capital projects expenditures are controlled through fund balances. The budget may be amended for supplemental appropriations periodically during the year. Budget changes require a two-thirds approval by the Village Board. The 2024 general fund budget was amended by the Village Board.

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>Amount</u>
Capital outlay	\$ 683,241
Conservation and development	971

The excess expenditures were absorbed by revenues in excess of budget and expenditures under budget in other areas.

Note 3. OPEB Information

Changes of benefit terms. There were no recent changes in benefit terms.

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

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

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

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

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

VILLAGE OF JACKSON
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024
(CONTINUED)

Note 4. Wisconsin Retirement Systems Pensions

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 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 JACKSON
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

Note 4 - Wisconsin Retirement System Pensions - continued

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Valuation Date:	December 31, 2020	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, actuarial experience, and other factors. Value is assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

VILLAGE OF JACKSON
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

Note 4 - Wisconsin Retirement System Pensions - continued

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
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.	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 scaled BB to all future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scaled BB to all future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scaled BB to all future improvements (margin) in mortality.	Wisconsin Projected Experience Table - 2005 for women of the Wisconsin Projected Experience Table - 2005 for men.

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

SUPPLEMENTARY INFORMATION

VILLAGE OF JACKSON
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
DECEMBER 31, 2024

	<u>Special Revenue Funds</u>				Total Nonmajor Funds Special Revenue Funds
	Recreation Fund	Hotel/ Motel Tax Fund	Fire and EMS	Park Fund	
<u>ASSETS</u>					
Cash and investments	\$ 128,589	\$ 63,961	\$ 958,385	\$ 297,490	\$ 1,448,425
Receivables:					
Accounts (net of allowance for doubtful accounts of \$453,828)	-	11,115	61,424	-	72,539
Prepaid expenses	4,488	-	-	-	4,488
TOTAL ASSETS	<u>133,077</u>	<u>75,076</u>	<u>1,019,809</u>	<u>297,490</u>	<u>1,525,452</u>
<u>LIABILITIES</u>					
Accounts payable and accrued expenses	10,522	21,839	27,356	-	59,717
Accrued salaries and fringes	3,006	-	15,720	-	18,726
TOTAL LIABILITIES	<u>13,528</u>	<u>21,839</u>	<u>43,076</u>	<u>-</u>	<u>78,443</u>
<u>FUND BALANCES</u>					
Nonspendable	4,488	-	-	-	4,488
Assigned	115,061	53,237	976,733	297,490	1,442,521
TOTAL FUND BALANCES	<u>\$ 119,549</u>	<u>\$ 53,237</u>	<u>\$ 976,733</u>	<u>\$ 297,490</u>	<u>\$ 1,447,009</u>

VILLAGE OF JACKSON
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
YEAR ENDED DECEMBER 31, 2024

	Special Revenue Funds				Total Nonmajor Funds Special Revenue Funds
	Recreation Fund	Hotel/ Motel Tax Fund	Fire and EMS	Park Fund	
REVENUES					
Taxes	\$ -	\$ 61,092	\$ -	\$ -	\$ 61,092
Intergovernmental	-	-	91,245	-	91,245
Charges for services	353,985	-	367,937	119,259	841,181
Intergovernmental charges for services	-	-	434,171	-	434,171
Interest income	-	-	875	3,867	4,742
Other	-	-	16,460	-	16,460
TOTAL REVENUES	353,985	61,092	910,688	123,126	1,448,891
EXPENDITURES					
Current:					
Public safety	-	-	1,301,668	-	1,301,668
Culture and recreation	597,527	-	-	-	597,527
Conservation and development	-	115,574	-	-	115,574
TOTAL EXPENDITURES	597,527	115,574	1,301,668	-	2,014,769
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(243,542)	(54,482)	(390,980)	123,126	(565,878)
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	261,021	-	547,909	-	808,930
Proceeds from sale of assets	-	-	35,000	-	35,000
TOTAL OTHER FINANCING SOURCES (USES)	261,021	-	582,909	-	843,930
NET CHANGE IN FUND BALANCES	17,479	(54,482)	191,929	123,126	278,052
FUND BALANCES - BEGINNING	102,070	107,719	784,804	174,364	1,168,957
FUND BALANCES - ENDING	\$ 119,549	\$ 53,237	\$ 976,733	\$ 297,490	\$ 1,447,009

VILLAGE OF JACKSON
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS
DECEMBER 31, 2024

	Capital Projects Funds			Total Nonmajor Capital Projects Funds
	TID 5	TID 6	TID 7	
<u>ASSETS</u>				
Cash and investments	\$ 52,170	\$ 104,111	\$ -	\$ 156,281
Receivables:				
Taxes	59,326	201,694	21,311	282,331
Special assessments	-	5,737	-	5,737
TOTAL ASSETS	111,496	311,542	21,311	444,349
<u>LIABILITIES</u>				
Accounts payable	-	-	12,579	12,579
Advance from other funds	-	-	572,248	572,248
TOTAL LIABILITIES	-	-	584,827	584,827
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Property taxes	94,831	319,464	34,078	448,373
Special assessments	-	7,171	-	7,171
TOTAL DEFERRED INFLOWS OF RESOURCES	94,831	326,635	34,078	455,544
<u>FUND BALANCES</u>				
Restricted	16,665	-	-	16,665
Unassigned	-	(15,093)	(597,594)	(612,687)
TOTAL FUND BALANCES	\$ 16,665	\$ (15,093)	\$ (597,594)	\$ (596,022)

VILLAGE OF JACKSON
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS
YEAR ENDED DECEMBER 31, 2024

	Capital Projects Funds			Total Nonmajor Capital Projects Funds
	TID 5	TID 6	TID 7	
REVENUES				
Taxes	\$ 88,282	\$ 328,758	\$ 13,183	\$ 430,223
Special assessments	-	1,434	-	1,434
Interest income	-	359	-	359
Other	-	-	103,411	103,411
TOTAL REVENUES	88,282	330,551	116,594	535,427
EXPENDITURES				
Current:				
General government	1,899	4,349	2,649	8,897
Conservation and development	-	-	202,333	202,333
Capital outlay	-	15,096	400,107	415,203
Debt Service:				
Principal	82,985	-	-	82,985
TOTAL EXPENDITURES	84,884	19,445	605,089	709,418
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,398	311,106	(488,495)	(173,991)
OTHER FINANCING SOURCES (USES)				
Transfer out	-	(643,234)	(126,285)	(769,519)
Sale of Village property	-	-	606,662	606,662
TOTAL FINANCING SOURCES (USES)	-	(643,234)	480,377	(162,857)
NET CHANGE IN FUND BALANCES	3,398	(332,128)	(8,118)	(336,848)
FUND BALANCES - BEGINNING OF YEAR				
As previously stated	13,267	317,035	-	330,302
Change within financial reporting entity (major to nonmajor fund)	-	-	(589,476)	(589,476)
FUND BALANCES - BEGINNING, AS RESTATED	13,267	317,035	(589,476)	(259,174)
FUND BALANCES - ENDING	\$ 16,665	\$ (15,093)	\$ (597,594)	\$ (596,022)

FORM OF LEGAL OPINION

(See following pages)

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

May 1, 2026

Re: Village of Jackson, Wisconsin ("Issuer")
\$1,475,000 Water and Sewer System Revenue Bonds, Series 2026B,
dated May 1, 2026 ("Bonds")

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

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

The Bonds are issued pursuant to Section 66.0621, Wisconsin Statutes, and a resolution adopted by the Village Board of the Issuer on April 14, 2026 (the "Bond Resolution"). Pursuant to the Bond Resolution, the Bonds are issued on a parity with the Issuer's outstanding Water and Sewer System Revenue Bonds, Series 2023B, dated July 6, 2023 and the Water and Sewer System Revenue Bonds, Series 2024, dated July 10, 2024 (collectively, the "Prior Bonds"). The Issuer covenanted in the Bond Resolution that revenues of the Water System and Sewer System (collectively, the "System") of the Issuer which are deposited in the Special Redemption Fund provided by the Bond Resolution (the "Revenues") shall at all times be sufficient to pay the principal of and interest on the Prior Bonds and the Bonds as the same falls due.

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

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2027	\$50,000	___%
2028	50,000	___
2029	60,000	___
2030	60,000	___
2031	70,000	___
2032	70,000	___
2033	70,000	___
2034	80,000	___
2035	80,000	___
2036	80,000	___
2037	80,000	___
2038	80,000	___
2039	80,000	___
2040	80,000	___
2041	80,000	___
2042	80,000	___

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2043	\$80,000	___%
2044	80,000	___
2045	80,000	___
2046	85,000	___

Interest is payable semi-annually on May 1 and November 1 of each year commencing on May 1, 2027.

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

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

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

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

1. The Issuer is duly created and validly existing under the Constitution and laws of the State of Wisconsin with the power to adopt the Bond Resolution, perform the agreements on its part contained therein and issue the Bonds.
2. The Bond Resolution has been duly adopted by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer.
3. The Bonds have been lawfully authorized and issued by the Issuer pursuant to the laws of the State of Wisconsin now in force and are valid and binding special obligations of the Issuer in accordance with their terms payable solely from the Revenues of the System. The Bonds, together with interest thereon, do not constitute an indebtedness of the Issuer nor a charge against its general credit or taxing power.
4. The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the Bonds is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income

retroactively to the date of issuance of the Bonds. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

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

We express no opinion regarding the creation, perfection or priority of any security interest in the Revenues or other funds created by the Bond Resolution or on the sufficiency of the Revenues.

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

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

QUARLES & BRADY LLP

BOOK-ENTRY-ONLY SYSTEM

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

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

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Village of Jackson, Washington County, Wisconsin (the "Issuer") in connection with the issuance of \$1,475,000 Water and Sewer System Revenue Bonds, Series 2026B, dated May 1, 2026 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on April 14, 2026 (the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

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

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

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

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

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

"Final Official Statement" means the Final Official Statement dated April 14, 2026 delivered in connection with the Securities, which is available from the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

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

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

"Issuer Contact" means the Village Administrator of the Issuer who can be contacted at Jackson Municipal Complex, N168 W19851 Main Street, Jackson, Wisconsin 53037, phone (262) 677-9001, fax (262) 677-1710.

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

"SEC" means the Securities and Exchange Commission.

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

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year ending December 31, 2025, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

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

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

1. DEBT - DIRECT DEBT
2. DEBT - DEBT LIMIT
3. VALUATIONS - CURRENT PROPERTY VALUATIONS
4. THE BONDS - DESCRIPTION OF WATER SYSTEM
5. THE BONDS – DESCRIPTION OF SEWER SYSTEM

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

Section 5. Reporting of Listed Events.

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

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

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

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

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

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

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

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 1st day of May, 2026.

Brian J. Heckendorf
President

(SEAL)

Pamela Wolf
Interim Village Clerk

FORM OF BOND RESOLUTION

(See following pages)

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF
\$1,475,000 WATER AND SEWER SYSTEM
REVENUE BONDS, SERIES 2026B**

WHEREAS, the Village of Jackson, Washington County, Wisconsin (the "Village") owns and operates a Water System and a Sewer System which are operated for public purposes as separate public utilities by the Village and which are hereby combined for the purposes of this financing (hereinafter, the Village's Water System and Sewer System shall be referred to collectively as the "System"); and

WHEREAS, under the provisions of Section 66.0621, Wisconsin Statutes, any municipality in the State of Wisconsin may, by action of its governing body, provide funds for extending, adding to and improving a public utility from the proceeds of bonds, which bonds are payable only from the income and revenues derived from any source by such utility and are secured by a pledge of the revenues of the utility; and

WHEREAS, pursuant to a resolution adopted by the Village Board on June 13, 2023 (the "2023 Resolution"), the Village has heretofore issued its Water and Sewer System Revenue Bonds, Series 2023B, dated July 6, 2023 (the "2023 Bonds"), which 2023 Bonds are payable from the Revenues of the System; and

WHEREAS, pursuant to a resolution adopted by the Village Board on July 10, 2024 (the "2024 Resolution"), the Village has heretofore issued its Water and Sewer System Revenue Bonds, Series 2024, dated July 10, 2024 (the "2024 Bonds"), which 2024 Bonds are payable from the Revenues of the System on a parity with the 2023 Bonds (hereinafter the 2023 Bonds and the 2024 Bonds shall be referred to collectively as the "Prior Bonds" and the 2023 Resolution and the 2024 Resolution shall be referred to collectively as the "Prior Resolutions"); and

WHEREAS, the Prior Resolutions permit the issuance of additional bonds payable from revenues of the System on a parity with the Prior Bonds upon compliance with certain conditions, and those conditions have been met; and

WHEREAS, on March 10, 2026, the Village Board of the Village adopted a resolution providing for the issuance of Water and Sewer System Revenue Bonds, Series 2026B to finance certain additions, improvements and extensions to the System (the "Project"); and

WHEREAS, it is necessary, desirable and in the best interests of the Village to authorize and sell revenue bonds (the "Bonds") for the purpose of financing the Project payable solely from the revenues of the System, which Bonds are to be authorized and

issued pursuant to the provisions of Section 66.0621, Wisconsin Statutes, on a parity with the Prior Bonds; and

WHEREAS, other than the Prior Bonds, the Village has no bonds or obligations outstanding which are payable from the income and revenues of the System; and

WHEREAS, the Village has directed Ehlers & Associates, Inc. ("Ehlers") to take the steps necessary to sell the Bonds; and

WHEREAS, Ehlers, in consultation with the officials of the Village, prepared a Notice of Sale (a copy of which is attached hereto as Exhibit A and incorporated herein by this reference) setting forth the details of and the bid requirements for the Bonds and indicating that the Bonds would be offered for public sale on April 14, 2026; and

WHEREAS, the Village Administrator (in consultation with Ehlers) caused a form of notice of the sale to be published and/or announced and caused the Notice of Sale to be distributed to potential bidders offering the Bonds for public sale on April 14, 2026; and

WHEREAS, the Village has duly received bids for the Bonds as described on the Bid Tabulation attached hereto as Exhibit B and incorporated herein by this reference (the "Bid Tabulation"); and

WHEREAS, it has been determined that the bid proposal (the "Proposal") submitted by the financial institution listed first on the Bid Tabulation fully complies with the bid requirements set forth in the Notice of Sale and is deemed to be the most advantageous to the Village. Ehlers has recommended that the Village accept the Proposal. A copy of said Proposal submitted by such institution (the "Purchaser") is attached hereto as Exhibit C and incorporated herein by this reference.

NOW, THEREFORE, BE IT RESOLVED by the Village Board of the Village that:

Section 1A. Ratification of the Notice of Sale and Offering Materials. The Village Board of the Village hereby ratifies and approves the details of the Bonds set forth in Exhibit A attached hereto as and for the details of the Bonds. The Notice of Sale and any other offering materials prepared and circulated by Ehlers are hereby ratified and approved in all respects. All actions taken by officers of the Village and Ehlers in connection with the preparation and distribution of the Notice of Sale and any other offering materials are hereby ratified and approved in all respects.

Section 1B. Authorization of Bonds. For the purpose of paying the cost of the Project, the Village shall borrow on the credit of the Revenues of the System the sum of \$1,475,000. Negotiable, fully-registered bonds of the Village, in the denomination of \$5,000, or any whole multiple thereof, shall be issued in evidence thereof. The Bonds shall be designated "Water and Sewer System Revenue Bonds, Series 2026B", shall be numbered from R-1 upward and shall be dated May 1, 2026. The Bonds shall bear interest at the rates per annum set forth in the Proposal and shall mature on May 1 of each year, in the years and principal amounts as set forth on the Pricing Summary attached hereto as Exhibit D-1 and incorporated herein by this reference.

Interest on the Bonds shall be payable on May 1 and November 1 of each year, commencing May 1, 2027. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board.

The schedule of principal and interest payments due on the Bonds is set forth on the Debt Service Schedule attached hereto as Exhibit D-2 and incorporated herein by this reference (the "Schedule").

The Bonds maturing on May 1, 2036 and thereafter shall be subject to redemption prior to maturity, at the option of the Village, on May 1, 2035 or on any date thereafter. Said Bonds shall be redeemable as a whole or in part, and if in part, from maturities selected by the Village and within each maturity, by lot, at the principal amount thereof, plus accrued interest to the date of redemption. If the Proposal specifies that any of the Bonds are subject to mandatory redemption, the terms of such mandatory redemption are set forth on an attachment hereto as Exhibit MRP and incorporated herein by this reference. Upon the optional redemption of any of the Bonds subject to mandatory redemption, the principal amount of such Bonds so redeemed shall be credited against the mandatory redemption payments established in Exhibit MRP for such Bonds in such manner as the Village shall direct.

The schedule of maturities is found to be such that the amount of annual debt service payments is reasonable in accordance with prudent municipal utility practices.

Section 1C. Security for the Bonds. The Bonds, together with interest thereon, shall not constitute an indebtedness of the Village nor a charge against its general credit or taxing power. The Bonds, together with interest thereon, shall be payable only out of the Special Redemption Fund provided for in Section 4 herein, and shall be a valid claim of the registered owner or owners thereof only against the Special Redemption Fund and the Revenues of the System pledged to such fund, on a parity with the pledge granted to the owners of the Prior Bonds. Sufficient Revenues are hereby pledged to said Special Redemption Fund, and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Prior Bonds, the Bonds and Parity Bonds as the same becomes due.

Section 2. Form of the Bonds. The Bonds shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit E and incorporated herein by this reference.

Section 3. Definitions. In addition to the words defined elsewhere in this Resolution, the following words shall have the following meanings unless the context or use indicates another or different meaning or intent:

"Annual Debt Service Requirement" means the total amount of principal and interest due in any Fiscal Year on the Prior Bonds, the Bonds and Parity Bonds.

"Bond Year" means the Fiscal Year.

"Code" means the Internal Revenue Code of 1986, as amended.

"DTC" means The Depository Trust Company, New York, New York, or any successor securities depository for the Village with respect to the Bonds.

"Fiscal Year" means the fiscal year adopted by the Village for the System, which is currently the calendar year.

"Net Revenues" means the Revenues minus all Operation and Maintenance Expenses of the System.

"Operation and Maintenance Expenses" means the reasonable and necessary costs of operating, maintaining, administering and repairing the System, including salaries, wages, costs of materials and supplies, insurance and audits, but excluding depreciation, debt service, tax equivalents and capital expenditures.

"Parity Bonds" means additional bonds or obligations issued on a parity as to pledge and lien with the Prior Bonds and the Bonds in accordance with the provisions of Section 7 of this Resolution.

"Reserve Requirement" means an amount, determined as of the date of issuance of the Bonds, equal to the least of (a) the amount currently required to be on deposit in the Reserve Account prior to the issuance of the Bonds plus the amount permitted to be deposited therein from proceeds of the Bonds pursuant to Section 148(d)(1) of the Code and Regulations; (b) the maximum annual debt service on the 2023 Bonds and the Bonds in a Bond Year; and (c) 125% of average annual debt service on the 2023 Bonds and the Bonds in a Bond Year; provided, however, that on an ongoing basis it shall never exceed the remaining maximum annual principal and interest due on the outstanding 2023 Bonds and the Bonds in any Bond Year. The 2024 Bonds are not secured by the Reserve Account. If Parity Bonds which are to be secured by the Reserve Account are issued, the Reserve Requirement shall mean an amount, determined as of the date of issuance of the Parity Bonds, equal to the least of (a) the amount required to be on deposit in the Reserve Account prior to the issuance of such

Parity Bonds, plus the amount permitted to be deposited therein from proceeds of the Parity Bonds pursuant to Section 148(d)(1) of the Code and Regulations; (b) the maximum annual debt service on outstanding obligations secured by the Reserve Account and the Parity Bonds to be issued; and (c) 125% of average annual debt service on the outstanding obligations secured by the Reserve Account and the Parity Bonds to be issued; provided, however, that on an ongoing basis it shall never exceed the remaining maximum annual principal and interest due on the outstanding obligations secured by the Reserve Account and Parity Bonds in any Bond Year.

"Regulations" means the Regulations of the Commissioner of Internal Revenue under the Code.

"Revenues" means all income and revenue of the System, including the revenues received from the Village for services rendered to it and all moneys received from any other source, including moneys appropriated by the Village Board pursuant to Section 5 herein and income derived from investments.

"System" means the entire Water System and Sewer System of the Village specifically including that portion of the Project owned by the Village and including all property of every nature now or hereafter owned by the Village for the extraction, collection, storage, treatment, transmission, distribution, metering and discharge of industrial and potable public water, and the collection, transmission, treatment, storage, metering and disposal of domestic, industrial and public sewage, including all improvements and extensions thereto made by the Village while any of the Prior Bonds, the Bonds and Parity Bonds remain outstanding, including all real and personal property of every nature comprising part of or used or useful in connection with such Water System and Sewer System and including all appurtenances, contracts, leases, franchises and other intangibles.

Section 4. Income and Revenue Funds. When the Bonds shall have been delivered in whole or in part, the Revenues shall be set aside into the Water and Sewer System Revenue Fund and then transferred to the following separate and special funds in the order of priority listed below, which funds were created by the 2023 Resolution, continued by the 2024 Resolution and hereby further continued, to be used and applied as described below:

- Revenues of the Water System in amounts sufficient to provide for the reasonable and proper operation and maintenance of the Water System through the payment of Operation and Maintenance Expenses shall be set aside into the Water System Operation and Maintenance Fund (the "Water System Operation and Maintenance Fund").

- Revenues of the Sewer System in amounts sufficient to provide for the reasonable and proper operation and maintenance of the Sewer System through the payment of Operation and Maintenance Expenses shall be set aside into the Sewer

System Operation and Maintenance Fund (the "Sewer System Operation and Maintenance Fund" and collectively with the Water System Operation and Maintenance Fund, the "Operation and Maintenance Funds").

- Revenues in amounts sufficient to pay the principal of and interest on the Prior Bonds, the Bonds and any Parity Bonds and to meet the Reserve Requirement shall be set aside into the Water and Sewer System Revenue Bond and Interest Special Redemption Fund (the "Special Redemption Fund"), to be applied to the payment of the principal of and interest on the Prior Bonds, the Bonds and Parity Bonds and to meet the Reserve Requirement. The monies standing in the Special Redemption Fund are irrevocably pledged to the payment of principal of and interest on the Prior Bonds, the Bonds and any Parity Bonds, except the 2024 Bonds which are not secured by the Reserve Account.

- Revenues of the Water System in amounts sufficient to provide a proper and adequate depreciation account for the Water System shall be set aside into the Water System Depreciation Fund (the "Water System Depreciation Fund").

- Revenues of the Sewer System in amounts sufficient to provide a proper and adequate depreciation account for the Sewer System shall be set aside into the Sewer System Depreciation Fund (the "Sewer System Depreciation Fund" and collectively with the Water System Depreciation Fund, the "Depreciation Funds").

The Operation and Maintenance Funds and Depreciation Funds shall be deposited as received in public depositories to be selected by the Village Board in the manner required by Chapter 34, Wisconsin Statutes and may be invested in legal investments subject to the provisions of Section 66.0603(1m), Wisconsin Statutes.

Money in the Operation and Maintenance Funds shall be used to pay Operation and Maintenance Expenses as the same come due; money not immediately required for Operation and Maintenance Expenses shall be used to accumulate a reserve in the Operation and Maintenance Funds equal to estimated Operation and Maintenance Expenses for one month. Any money then available and remaining in the Operation and Maintenance Funds may be transferred to the Surplus Fund, which fund was created by the 2023 Resolution and is hereby continued.

Revenues of the Water System and Sewer System shall be deposited in the respective Depreciation Funds each month until such amount as the Village Board may from time to time determine to constitute an adequate and reasonable depreciation account for the System (the "Depreciation Requirement") is accumulated therein. Money in the Depreciation Funds shall be available and shall be used, whenever necessary, to restore any deficiency in the Special Redemption Fund and for the maintenance of the Reserve Account therein. When the Special Redemption Fund is sufficient for its purpose, funds in the Depreciation Funds may be expended for repairs, replacements, new construction, extensions or additions to the respective Water System

or Sewer System. Any money on deposit in the Depreciation Funds in excess of either Depreciation Requirement which is not required during the current Fiscal Year for the purposes of the Depreciation Funds may be transferred to the Surplus Fund.

It is the express intent and determination of the Village Board that the amount of Revenues to be set aside and paid into the Special Redemption Fund (including the Reserve Account) shall in any event be sufficient to pay principal of and interest on the Prior Bonds, the Bonds and Parity Bonds and to meet the Reserve Requirement, and the Village Treasurer shall each Fiscal Year deposit at least sufficient Revenues in the Special Redemption Fund to pay promptly all principal and interest falling due on the Prior Bonds, the Bonds and Parity Bonds and to meet the Reserve Requirement.

The Revenues so set aside for payment of the principal of and interest on the Prior Bonds, the Bonds and Parity Bonds shall be set apart and shall be paid into the Special Redemption Fund not later than the 10th day of each month. The amount deposited each month shall be not less than one-sixth of the interest next coming due, plus one-twelfth of the principal next maturing.

The minimum amounts to be so deposited for debt service on the Bonds are set forth on the Schedule.

The Special Redemption Fund shall be used for no purpose other than the payment of interest upon and principal of the Prior Bonds, the Bonds and Parity Bonds promptly as the same become due and payable or to pay redemption premiums. All money in the Special Redemption Fund shall be deposited in a special account and invested in legal investments subject to Section 66.0603(1m), Wisconsin Statutes, and the monthly payments required to be made to the Special Redemption Fund shall be made directly to such account.

The Reserve Account, established by the 2023 Resolution, shall be continued to additionally secure the payment of principal of and interest on the 2023 Bonds, the Bonds and any Parity Bonds, secured by the Debt Service Reserve Account (the "Reserve Account"). The Village shall, upon the issuance of the Bonds, deposit an amount equal to the Reserve Requirement into the Reserve Account, and an amount equal to the Reserve Requirement shall be maintained in the Reserve Account. The 2024 Bonds are not secured by the Reserve Account.

The Village covenants and agrees that at any time that the Reserve Account is drawn on and the amount in the Reserve Account shall be less than the Reserve Requirement, an amount equal to one-twelfth of the Reserve Requirement will be paid monthly into the Reserve Account from those funds in the Special Redemption Fund, the Operation and Maintenance Funds, the Depreciation Funds and the Surplus Fund which are in excess of the minimum amounts required by the preceding paragraphs to be paid therein until the Reserve Requirement will again have accumulated in the Reserve Account. No such payments need be made into the Reserve Account at such

times as the monies in the Reserve Account are equal to the highest remaining annual debt service requirement on the 2023 Bonds, the Bonds and Parity Bonds secured by the Reserve Account in any Bond Year. If at any time the amount on deposit in the Reserve Account exceeds the Reserve Requirement, the excess shall be transferred to the Special Redemption Fund and used to pay principal and interest on the 2023 Bonds, the Bonds and any Parity Bonds secured by the Reserve Account. If for any reason there shall be insufficient funds on hand in the Special Redemption Fund to meet principal or interest becoming due on the 2023 Bonds, the Bonds or Parity Bonds secured by the Reserve Account, then all sums then held in the Reserve Account shall be used to pay the portion of interest or principal on such 2023 Bonds, the Bonds or Parity Bonds becoming due as to which there would otherwise be default, and thereupon the payments required by this paragraph shall again be made into the Reserve Account until an amount equal to the Reserve Requirement is on deposit in the Reserve Account. The Reserve Account is not pledged to the payment of the principal or interest on the 2024 Bonds and moneys on deposit therein shall under no circumstances be used to pay principal and interest on the 2024 Bonds.

Funds in the Special Redemption Fund in excess of the minimum amounts required to be paid therein plus reserve requirements may be transferred to the Surplus Fund.

Money in the Surplus Fund shall first be used when necessary to meet requirements of the Operation and Maintenance Funds including the one month reserve, the Special Redemption Fund including the Reserve Account, and the Depreciation Funds. Any money then remaining in the Surplus Fund at the end of any Fiscal Year may be used only as permitted and in the order specified in Section 66.0811(2), Wisconsin Statutes. Money thereafter remaining in the Surplus Fund may be transferred to any of the funds or accounts provided for by this section.

Section 5. Service to the Village. The reasonable cost and value of any service rendered to the Village by the System by furnishing water and sewer services for public purposes shall be charged against the Village and shall be paid by it in monthly installments as the service accrues, out of the current revenues of the Village collected or in the process of collection, exclusive of the Revenues, and out of the tax levy of the Village made by it to raise money to meet its necessary current expenses. It is hereby found and determined that the reasonable cost and value of such service to the Village in each year shall be in an amount which, together with Revenues of the System, will produce Net Revenues equivalent to not less than 1.25 times the Annual Debt Service Requirement. Such compensation for such service rendered to the Village shall, in the manner provided hereinabove, be paid into the separate and special funds described in Section 4 of this Resolution. However, such payment is subject to (a) annual appropriations by the Village Board therefor, (b) approval of the Wisconsin Public Service Commission, or successors to its function, if necessary, and (c) applicable levy limits, if any; and neither this Resolution nor such payment shall be construed as

constituting an obligation of the Village to make any such appropriation over and above the reasonable cost and value of services rendered to the Village and its inhabitants or to make any subsequent payment over and above such reasonable cost and value.

Section 6. Operation of System; Village Covenants. It is covenanted and agreed by the Village with the owner or owners of the Bonds, and each of them, that:

(a) The Village will faithfully and punctually perform all duties with reference to the System required by the Constitution and Statutes of the State of Wisconsin, including the making and collecting of reasonable and sufficient rates lawfully established for services rendered by the System, and will collect and segregate the Revenues of the System and apply them to the respective funds and accounts described hereinabove;

(b) The Village will not sell, lease, or in any manner dispose of the System, including any part thereof or any additions, extensions, or improvements that may be made part thereto, except that the Village shall have the right to sell, lease or otherwise dispose of any property of the System found by the Village Board to be neither necessary nor useful in the operation of the System, provided the proceeds received from such sale, lease or disposal shall be paid into the Special Redemption Fund or applied to the acquisition or construction of capital facilities for use in the normal operation of the System, and such payment shall not reduce the amounts otherwise required to be paid into the Special Redemption Fund;

(c) The Village will cause the Project to be completed as expeditiously as reasonably possible;

(d) The Village will pay or cause to be paid all lawful taxes, assessments, governmental charges, and claims for labor, materials or supplies which if unpaid could become a lien upon the System or its Revenues or could impair the security of the Bonds;

(e) The Village will maintain in reasonably good condition and operate the System, and will establish, charge and collect such lawfully established rates and charges for the service rendered by the System, so that in each Fiscal Year Net Revenues shall not be less than 125% of the Annual Debt Service Requirement, and so that the Revenues of the System herein agreed to be set aside to provide for the payment of the Prior Bonds, the Bonds and Parity Bonds and the interest thereon as the same becomes due and payable, and to meet the Reserve Requirement, will be sufficient for those purposes;

(f) The Village will prepare a budget not less than sixty days prior to the end of each Fiscal Year and, in the event such budget indicates that the Net Revenues for each Fiscal Year will not exceed the Annual Debt Service Requirement for each corresponding Fiscal Year by the proportion stated hereunder, will take any and all

steps permitted by law to increase rates so that the aforementioned proportion of Net Revenues to the Annual Debt Service Requirement shall be accomplished as promptly as possible;

(g) The Village will keep proper books and accounts relative to the System separate from all other records of the Village and will cause such books and accounts to be audited annually by a recognized independent firm of certified public accountants including a balance sheet and a profit and loss statement of the System as certified by such accountants. Each such audit, in addition to whatever matters may be thought proper by the accountants to be included therein shall include the following: (1) a statement in detail of the income and expenditures of the System for the Fiscal Year; (2) a statement of the Net Revenues of the System for such Fiscal Year; (3) a balance sheet as of the end of such Fiscal Year; (4) the accountants' comment regarding the manner in which the Village has carried out the requirements of this Resolution and the accountants' recommendations for any changes or improvements in the operation of the System; (5) the number of connections to the System at the end of the Fiscal Year, for each user classification (i.e., residential, commercial, public and industrial); (6) a list of the insurance policies in force at the end of the Fiscal Year setting out as to each policy the amount of the policy, the risks covered, the name of the insurer, and the expiration date of the policy; and (7) the volume of water used as the basis for computing the service charge; and

(h) So long as any of the Bonds are outstanding the Village will carry for the benefit of the owners of the Bonds insurance of the kinds and in the amounts normally carried by private companies or other public bodies engaged in the operation of similar systems. All money received for loss of use and occupancy shall be considered Revenue of the System payable into the separate funds and accounts named in Section 4 of this Resolution. All money received for losses under any casualty policies shall be used in repairing the damage or in replacing the property destroyed provided that if the Village Board shall find it is inadvisable to repair such damage or replace such property and that the operation of the System has not been impaired thereby, such money shall be deposited in the Special Redemption Fund, but in that event such payments shall not reduce the amounts otherwise required to be paid into the Special Redemption Fund.

Section 7. Additional Bonds. The Bonds are issued on a parity with the Prior Bonds as to the pledge of Revenues of the System. No bonds or obligations payable out of the Revenues of the System may be issued in such manner as to enjoy priority over the Prior Bonds and the Bonds. Additional obligations may be issued if their lien and pledge is junior and subordinate to that of the Bonds. Additional obligations may be issued on a parity with the Bonds as to the pledge of Revenues of the System ("Parity Bonds") only if all of the following conditions are met:

- a. Either:
- i. The Net Revenues for the last completed Fiscal Year preceding the issuance of such Parity Bonds must have been at least equal to 1.25 times the average combined annual principal and interest requirements on all Bonds and any Parity Bonds then outstanding payable from the revenues of the System (other than Bonds and any Parity Bonds being refunded), and the Parity Bonds proposed to be issued, for any succeeding Fiscal Year in which there shall be a principal maturity on such outstanding bonds; provided, however, that if prior to the authorization of such additional obligations the Village shall have adopted and put into effect a revised schedule of rates, then the Net Revenues of the System for the last completed Fiscal Year which would, in the calculations of an independent consulting engineer, registered municipal advisor or independent certified public accountant employed for that purpose, have resulted from such rates had they been in effect for such period may be used in lieu of the actual Net Revenues for the last completed Fiscal Year; or
 - ii. An independent certified public accountant, registered municipal advisor or consulting professional engineer provides calculations setting forth for each of the three Fiscal Years commencing with the Fiscal Year following that in which the projects financed by such additional obligations are to be completed, the projected Net Revenues and the maximum annual interest and principal requirements on all bonds outstanding payable from the Gross Revenues of the System and on the Parity Bonds proposed to be issued (the "Maximum Annual Debt Service Requirement"); and demonstrating that for each of the three Fiscal Years the projected Net Revenues will be in an amount not less than 125% of such Maximum Annual Debt Service Requirement;
- b. The payments required to be made into the funds and accounts enumerated in Section 4 of this Resolution (including the Reserve Account, but not the Surplus Fund) must have been made in full.
- c. The Parity Bonds must have principal maturing on May 1 of each year in which principal falls due and interest falling due on May 1 and November 1 of each year.

d. If the Parity Bonds are to be secured by the Reserve Account, the amount on deposit in the Reserve Account must be increased to an amount equal to the Reserve Requirement applicable upon the issuance of Parity Bonds as defined in Section 3 of this Resolution.

e. The proceeds of the Parity Bonds must be used only for the purpose of providing additions, extensions or improvements to the System, or to refund obligations issued for such purpose.

Section 8. Sale of Bonds. The bid of the Purchaser for the purchase price set forth in the Proposal be and it hereby is accepted and the President and Village Clerk are authorized and directed to execute an acceptance of the offer of said successful bidder on behalf of the Village. The good faith deposit of the Purchaser shall be applied in accordance with the Notice of Sale, and any good faith deposits submitted by unsuccessful bidders shall be promptly returned. The officers of the Village are authorized and directed to do any and all acts necessary to conclude delivery of the Bonds to the Purchaser, upon receipt of the purchase price, as soon after adoption of this Resolution as is convenient.

Section 9. Application of Bond Proceeds. All accrued interest received from the sale of the Bonds shall be deposited into the Special Redemption Fund. An amount of proceeds of the Bonds sufficient to make the amount currently on deposit in the Reserve Account equal to the Reserve Requirement shall be deposited in the Reserve Account. The balance of the proceeds, less the expenses incurred in authorizing, issuing and delivering the Bonds, shall be deposited in a special fund designated as "Water and Sewer System Improvement Fund." Said special fund shall be adequately secured and used solely for the purpose of meeting costs of extending, adding to and improving the System, as described in the preamble hereof. The balance remaining in said Improvement Fund after paying said costs shall be transferred to the Special Redemption Fund for use in payment of principal of and interest on the Bonds.

Section 10. Amendment to Resolution. After the issuance of any of the Bonds, no change or alteration of any kind in the provisions of this Resolution may be made until all of the Bonds have been paid in full as to both principal and interest, or discharged as herein provided, except:

a. The Village may, from time to time, amend this Resolution without the consent of any of the owners of the Bonds, but only to cure any ambiguity, administrative conflict, formal defect, or omission or procedural inconsistency of this Resolution; and

b. This Resolution may be amended, in any respect, with the written consent of the owners of not less than two-thirds of the principal amount of the Bonds then outstanding, exclusive of Bonds held by the Village; provided, however, that no amendment shall permit any change in the pledge of Revenues derived from the

System, or in the maturity of any Bond issued hereunder, or a reduction in the rate of interest on any Bond, or in the amount of the principal obligation thereof, or in the amount of the redemption premium payable in the case of redemption thereof, or change the terms upon which the Bonds may be redeemed or make any other modification in the terms of the payment of such principal or interest without the written consent of the owner of each such Bond to which the change is applicable.

Section 11. Defeasance. When all Bonds have been discharged, all pledges, liens, covenants and other rights granted to the owners thereof by this Resolution shall cease. The Village may discharge all Bonds due on any date by depositing into a special account on or before that date a sum sufficient to pay the same in full; or if any Bonds should not be paid when due, it may nevertheless be discharged by depositing into a special account a sum sufficient to pay it in full with interest accrued from the due date to the date of such deposit. The Village, at its option, may also discharge all Bonds called for redemption on any date when they are prepayable according to their terms, by depositing into a special account on or before that date a sum sufficient to pay them in full, with the required redemption premium, if any, provided that notice of redemption has been duly given as required by this Resolution. The Village, at its option, may also discharge all Bonds of said issue at any time by irrevocably depositing in escrow with a suitable bank or trust company a sum of cash and/or bonds or securities issued or guaranteed as to principal and interest of the U.S. Government, or of a commission, board or other instrumentality of the U.S. Government, maturing on the dates and bearing interest at the rates required to provide funds sufficient to pay when due the interest to accrue on each of said Bonds to its maturity or, at the Village's option, if said Bond is prepayable to any prior date upon which it may be called for redemption, and to pay and redeem the principal amount of each such Bond at maturity, or at the Village's option, if said Bond is prepayable, at its earliest redemption date, with the premium required for such redemption, if any, provided that notice of the redemption of all prepayable Bonds on such date has been duly given or provided for. Upon such payment or deposit, in the amount and manner provided by this Section, all liability of the Village with respect to the Bonds shall cease, terminate and be completely discharged, and the owners thereof shall be entitled only to payment out of the money so deposited.

Section 12. Investments and Arbitrage. Monies accumulated in any of the funds and accounts referred to in Sections 4 and 9 hereof which are not immediately needed for the respective purposes thereof, may be invested in legal investments subject to the provisions of Sec. 66.0603(1m), Wisconsin Statutes, until needed. All income derived from such investments shall be credited to the fund or account from which the investment was made; provided, however, that at any time that the Reserve Requirement is on deposit in the Reserve Account, any income derived from investment of the Reserve Account shall be deposited into the Special Redemption Fund and used to pay principal and interest on the Bonds. A separate banking account is not required for each of the funds and accounts established under this Resolution; however, the

monies in each fund or account shall be accounted for separately by the Village and used only for the respective purposes thereof. The proceeds of the Bonds shall be used solely for the purposes for which they are issued but may be temporarily invested until needed in legal investments. No such investment shall be made in such a manner as would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or the Regulations.

An officer of the Village, charged with the responsibility for issuing the Bonds, shall, on the basis of the facts, estimates and circumstances in existence on the date of closing, make such certifications as are necessary to permit the conclusion that the Bonds are not "arbitrage bonds" under Section 148 of the Code or the Regulations.

Section 13. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the Village and the owner or owners of the Bonds, and after issuance of any of the Bonds no change or alteration of any kind in the provisions of this Resolution may be made, except as provided in Section 10, until all of the Bonds have been paid in full as to both principal and interest. The owner or owners of any of the Bonds shall have the right in addition to all other rights, by mandamus or other suit or action in any court of competent jurisdiction, to enforce such owner's or owners' rights against the Village, the governing body thereof, and any and all officers and agents thereof including, but without limitation, the right to require the Village, its governing body and any other authorized body, to fix and collect rates and charges fully adequate to carry out all of the provisions and agreements contained in this Resolution.

Section 14. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Bonds eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the Village agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations which the Village Administrator or other authorized representative of the Village is authorized and directed to execute and deliver to DTC on behalf of the Village to the extent an effective Blanket Issuer Letter of Representations is not presently on file in the Village Clerk's office.

Section 15. Payment of the Bonds; Fiscal Agent. The principal of and interest on the Bonds shall be paid by Bond Trust Services Corporation, which is hereby appointed as the Village's registrar and fiscal agent pursuant to the provisions of Section 67.10(2), Wisconsin Statutes (the "Fiscal Agent"). The Village hereby authorizes the President and Village Clerk or other appropriate officers of the Village to enter into a Fiscal Agency Agreement between the Village and the Fiscal Agent. Such contract may provide, among other things, for the performance by the Fiscal Agent of the functions listed in Section 67.10(2)(a) to (j), Wisconsin Statutes, where applicable, with respect to the Bonds.

Section 16. Persons Treated as Owners; Transfer of Bonds. The Village shall cause books for the registration and for the transfer of the Bonds to be kept by the Fiscal Agent. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Bond shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Any Bond may be transferred by the registered owner thereof by surrender of the Bond at the office of the Fiscal Agent, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such transfer, the President and Village Clerk shall execute and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount, series and maturity and the Fiscal Agent shall record the name of each transferee in the registration book. No registration shall be made to bearer. The Fiscal Agent shall cancel any Bond surrendered for transfer.

The Village shall cooperate in any such transfer, and the President and Village Clerk are authorized to execute any new Bond or Bonds necessary to effect any such transfer.

Section 17. Record Date. The fifteenth day of each calendar month next preceding each interest payment date shall be the record date for the Bonds (the "Record Date"). Payment of interest on the Bonds on any interest payment date shall be made to the registered owners of the Bonds as they appear on the registration book of the Village at the close of business on the Record Date.

Section 18. Compliance with Federal Tax Laws. (a) The Village represents and covenants that the projects financed by the Bonds and the ownership, management and use of the projects will not cause the Bonds to be "private activity bonds" within the meaning of Section 141 of the Code. The Village further covenants that it shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the Bonds including, if applicable, the rebate requirements of Section 148(f) of the Code. The Village further covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The officers of the Village charged with the responsibility of issuing the Bonds shall provide an appropriate certificate of the Village certifying that the Village can and covenanting that it will comply with the provisions of the Code and Regulations.

(b) The Village also covenants to use its best efforts to meet the requirements and restrictions of any different or additional federal legislation which may be made applicable to the Bonds provided that in meeting such requirements the Village will do so only to the extent consistent with the proceedings authorizing the Bonds and the laws of the State of Wisconsin and to the extent that there is a reasonable period of time in which to comply.

The foregoing covenants shall remain in full force and effect, notwithstanding the defeasance of the Bonds, until the date on which all of the Bonds have been paid in full.

Section 19. Designation as Qualified Tax-Exempt Obligations. The Bonds are hereby designated as "qualified tax-exempt obligations" for purposes of Section 265 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.

Section 20. Payment of Issuance Expenses. The Village authorizes the Purchaser to forward the amount of the proceeds of the Bonds allocable to the payment of issuance expenses to a financial institution selected by Ehlers at Closing for further distribution as directed by Ehlers.

Section 21. Official Statement. The Village Board hereby approves the Preliminary Official Statement with respect to the Bonds and deems the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by officers of the Village in connection with the preparation of such Preliminary Official Statement or Final Official Statement and any addenda to it are hereby ratified and approved. In connection with the closing of the Bonds, the appropriate Village official shall certify the Preliminary Official Statement or Final Official Statement and any addenda. The appropriate Village official shall cause copies of the Preliminary Official Statement or Final Official Statement and any addenda to be distributed to the Purchaser.

Section 22. Undertaking to Provide Continuing Disclosure. The Village hereby covenants and agrees, for the benefit of the owners of the Bonds, to enter into a written undertaking (the "Undertaking") if required by the Rule to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the Bonds or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the Village to comply with the provisions of the Undertaking shall not be an event of default with respect to the Bonds).

To the extent required under the Rule, the officers of the Village charged with the responsibility for issuing the Bonds, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the Village's Undertaking.

Section 23. Record Book. The Village Clerk shall provide and keep the transcript of proceedings as a separate record book (the "Record Book") and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Bonds in the Record Book.

Section 24. Bond Insurance. If the Purchaser determines to obtain municipal bond insurance with respect to the Bonds, the officers of the Village are authorized to take all actions necessary to obtain such municipal bond insurance. The President and Village Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the President and Village Clerk including provisions regarding restrictions on investment of Bond proceeds, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Bonds by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Bond provided herein.

Section 25. Execution of the Bonds; Closing; Professional Services. The Bonds shall be issued in printed form, executed on behalf of the Village by the manual or facsimile signatures of the President and Village Clerk, authenticated, if required, by the Fiscal Agent, sealed with its official or corporate seal, if any, or a facsimile thereof, and delivered to the Purchaser upon payment to the Village of the purchase price thereof, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Bonds may be imprinted on the Bonds in lieu of the manual signature of the officer but, unless the Village has contracted with a fiscal agent to authenticate the Bonds, at least one of the signatures appearing on each Bond shall be a manual signature. In the event that either of the officers whose signatures appear on the Bonds shall cease to be such officers before the Closing, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until the Closing. The aforesaid officers are hereby authorized and directed to do all acts and execute and deliver the Bonds and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The Village hereby authorizes the officers and agents of the Village to enter into, on its behalf, agreements and contracts in conjunction with the Bonds, including but not limited to agreements and contracts for legal, trust, fiscal agency, disclosure and continuing disclosure, and rebate calculation services. Any such contract heretofore entered into in conjunction with the issuance of the Bonds is hereby ratified and approved in all respects.

Section 26. Conflicting Ordinances or Resolutions. All prior ordinances, resolutions (other than the Prior Resolutions), rules, or orders, or parts thereof heretofore enacted, adopted or entered, in conflict with the provisions of this Resolution, are hereby repealed and this Resolution shall be in effect from and after its passage. In case of any conflict between this Resolution and the provisions of the Prior Resolutions, the terms of the Prior Resolutions shall prevail so long as any Prior Bonds are outstanding.

Adopted, approved and recorded April 14, 2026.

Brian Heckendorf
President

ATTEST:

Pamela Wolf
Interim Village Clerk

(SEAL)

DRAFT

NOTICE OF SALE

**\$1,475,000* WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2026B
VILLAGE OF JACKSON, WISCONSIN**

Bids for the purchase of \$1,475,000* Water and Sewer System Revenue Bonds, Series 2026B (the "Bonds") of the Village of Jackson, 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 14, 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 7:30 P.M., Central Time, on the same date. The bid offering to purchase the Bonds upon the terms specified herein and most favorable to the Village will be accepted unless all bids are rejected.

AUTHORITY; PURPOSE; SECURITY

The Bonds are being issued pursuant to Section 66.0621, Wisconsin Statutes, by the Village, to provide funds for the public purpose of financing additions, improvements and extensions to the Village's Water System and Sewer System (collectively, the "Utility System"). The Bonds are not general obligations of the Village but are payable only from and secured by a pledge of income and revenue of the Utility System. The Bonds are being issued on a parity with the Village's outstanding Water and Sewer System Revenue Bonds, Series 2023B, dated July 6, 2023 and the Water and Sewer System Revenue Bonds, Series 2024, dated July 10, 2024.

DATES AND MATURITIES

The Bonds will be dated May 1, 2026, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on May 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2027	\$50,000	2034	\$80,000	2041	\$80,000
2028	50,000	2035	80,000	2042	80,000
2029	60,000	2036	80,000	2043	80,000
2030	60,000	2037	80,000	2044	80,000
2031	70,000	2038	80,000	2045	80,000
2032	70,000	2039	80,000	2046	85,000
2033	70,000	2040	80,000		

ADJUSTMENT OPTION

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

INTEREST PAYMENT DATES AND RATES

Interest will be payable on May 1 and November 1 of each year, commencing May 1, 2027, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

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

PAYING AGENT

The 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 Bonds maturing on or after May 1, 2036 shall be subject to optional redemption prior to maturity on May 1, 2035 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

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

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

DELIVERY

On or about May 1, 2026, the Bonds 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 Bonds is then pending or, to the best knowledge of officers of the Village, threatened. Payment for the Bonds must be received by the Village at its designated depository on the date of closing in immediately available funds.

LEGAL MATTERS

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

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

SUBMISSION OF BIDS

Bids must not be for less than \$1,456,562.50 plus accrued interest on the principal sum of \$1,475,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

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

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

A good faith deposit ("Deposit") in the amount of \$29,500 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 Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the Village may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the 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 Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The 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 Bonds 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 Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the Village requested and received a rating on the Bonds 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 Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Bonds.

CUSIP NUMBERS

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

CONTINUING DISCLOSURE

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

NEW ISSUE PRICING

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

(a) The winning bidder shall assist the Village in establishing the issue price of the Bonds 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 Bonds, 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 Bonds 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 Bonds) will apply to the initial sale of the Bonds (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 Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

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

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

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

(1) the close of the fifth (5th) business day after the sale date; or

(2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

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

The 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 Bonds, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires,

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

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

(e) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the 10% test, the winning bidder agrees to promptly report to the Village, Bond Counsel and Ehlers the prices at which the Bonds have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Bonds, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the 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 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the 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 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

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

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

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

- (i) "public" means any person other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Village (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),
- (iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) "sale date" means the date that the Bonds are awarded by the Village to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

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

Information for bidders and bid forms may be obtained from Ehlers at 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, Telephone (651) 697-8500.

By Order of the Village Board

Pamela Wolf, Interim Village Clerk
Village of Jackson, Wisconsin

BID FORM

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

April 14, 2026

RE: \$1,475,000* Water and Sewer System Revenue Bonds, Series 2026B (the "Bonds")
DATED: May 1, 2026

For all or none of the above Bonds, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$_____ (not less than \$1,456,562.50) plus accrued interest to date of delivery for fully registered Bonds 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 Bonds 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 Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of \$29,500 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 Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the Village may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the 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 Bonds to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about May 1, 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 Official Statement for the Bonds.

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

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

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

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

Account Manager: _____ By: _____
Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from May 1, 2026 of the above bid is \$ _____ and the true interest cost (TIC) is _____ %.

The foregoing offer is hereby accepted by and on behalf of the Village of Jackson, Wisconsin, on April 14, 2026.

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