

PRELIMINARY OFFICIAL STATEMENT DATED MAY 1, 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 Notes is excludable from gross income and is not an item of tax preference for federal income tax purposes; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Notes. The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

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

New Issue

Non-Rated

VILLAGE OF HORTONVILLE, WISCONSIN (Outagamie County)

\$1,740,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2026A

BID OPENING: May 7, 2026, 10:00 A.M., C.T.

CONSIDERATION: May 7, 2026, 6:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$1,740,000* General Obligation Promissory Notes, Series 2026A (the "Notes") are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the Village of Hortonville, Wisconsin (the "Village"), for public purposes, including financing project costs for the Village's Tax Incremental Districts 4, 5, 6, and 7 including road projects, Main Street Paving, Bridge Replacement / Aesthetics, Street Lighting, Memorial Square, and the Alonzo Park Entrance, as well as fire department lot projects and acquiring police and public works equipment. The Notes are general obligations of the Village, and all the taxable property in the Village is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF NOTES: May 28, 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	\$100,000	2032	\$115,000	2037	\$125,000
2028	85,000	2033	110,000	2038	125,000
2029	105,000	2034	115,000	2039	130,000
2030	105,000	2035	115,000	2040	135,000
2031	110,000	2036	130,000	2041	135,000

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

TERM BONDS: See "Term Bond Option" herein.

INTEREST: May 1, 2027 and semiannually thereafter.

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

MINIMUM BID: \$1,718,250.

MAXIMUM BID: \$1,914,000.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$34,800 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation.

BOND COUNSEL AND

DISCLOSURE COUNSEL: Quarles & Brady LLP.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

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

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



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REPRESENTATIONS

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

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

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

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

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

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

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

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

CLOSING CERTIFICATES

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

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VILLAGE OF HORTONVILLE VILLAGE BOARD

		<u>Term Expires</u>
Jeanne Bellile	Village President	April 2027
Therese Abitz	Trustee	April 2028
Julie Arendt Vanden Heuvel	Trustee	April 2028
Dalton Davis	Trustee	April 2028
Carrie Lathrop	Trustee	April 2027
James Moeller	Trustee	April 2027
Jane Olk	Trustee	April 2027

ADMINISTRATION

Nathan Treadwell, Village Administrator

Jane Booth, Village Clerk-Treasurer

PROFESSIONAL SERVICES

Ashley Lehocky, Town Counsel Law & Litigation, LLC, Village Attorney, Kaukauna, 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)

INTRODUCTORY STATEMENT

This Official Statement contains certain information regarding the Village of Hortonville, Wisconsin (the "Village") and the issuance of its \$1,740,000* General Obligation Promissory Notes, Series 2026A (the "Notes"). Any descriptions or summaries of the Notes, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Notes to be included in the resolution authorizing the issuance and sale of the Notes ("Authorizing Resolution") to be adopted by the Village Board on May 7, 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 NOTES

GENERAL

The Notes will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of May 28, 2026. The Notes 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 Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). All Notes of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

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

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

OPTIONAL REDEMPTION

At the option of the Village, the Notes maturing on or after May 1, 2035 shall be subject to optional redemption prior to maturity on May 1, 2034 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

*Preliminary, subject to change.

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

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

AUTHORITY; PURPOSE

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the Village, for public purposes, including financing project costs for the Village's Tax Incremental Districts 4, 5, 6, and 7 including road projects, Main Street Paving, Bridge Replacement / Aesthetics, Street Lighting, Memorial Square, and the Alonzo Park Entrance, as well as fire department lot projects and acquiring police and public works equipment.

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Notes	\$1,740,000	
Estimated Interest Earnings	<u>12,494</u>	
Total Sources		\$1,752,494
Uses		
Estimated Underwriter's Discount	\$21,750	
Costs of Issuance	62,600	
Deposit to Project Construction Fund	1,665,874	
Rounding Amount	<u>2,270</u>	
Total Uses		\$1,752,494

*Preliminary, subject to change.

SECURITY

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

RATING

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

CONTINUING DISCLOSURE

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

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

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

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

LEGAL MATTERS

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

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

TAX EXEMPTION

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

"The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the Notes is taken into account in determining "adjusted financial statement

income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The Village has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Village comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Notes."

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

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

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

ORIGINAL ISSUE DISCOUNT

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

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

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

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

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

BOND PREMIUM

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

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

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

MUNICIPAL ADVISOR

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

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, 2025 have been audited by Hawkins Ash CPAs, LLP, Manitowoc, Wisconsin, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Official Statement.

The financial statements include the Hortonville/Hortonia Fire District (the "District") as a component unit. As discussed in the Independent Auditors' Report, the District not recorded all of its capital assets and has not recorded depreciation expenses on the assets which are capitalized, contrary to accounting principles generally accepted in the United States of America ("GAAP"). As a result, the Independent Auditors' Report provides an adverse GAAP opinion with respect to the District. See APPENDIX A attached hereto.

RISK FACTORS

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

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

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

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

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

Tax Exemption: If the federal government taxes all or a portion of the interest on municipal bonds or notes or if the State government increases its tax on interest on bonds and notes, directly or indirectly, or if there is a change in

federal or state tax policy, then the value of these Notes may fall for purposes of resale. Noncompliance by the Village with the covenants in the Authorizing Resolution relating to certain continuing requirements of the Code may result in inclusion of interest to be paid on the Notes in gross income of the recipient for United States income tax purposes, retroactive to the date of issuance.

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

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

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

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

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

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

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

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	\$387,276,300
2025 Equalized Value Reduced by Tax Increment Valuation	\$362,916,900
2025 Assessed Value	\$390,547,700

2025 EQUALIZED VALUE BY CLASSIFICATION

	2025 Equalized Value ¹	Percent of Total Equalized Value
Residential	\$309,133,500	79.822%
Commercial	60,334,900	15.579%
Manufacturing	17,091,700	4.413%
Agricultural	92,400	0.024%
Undeveloped	104,100	0.027%
Ag Forest	132,800	0.034%
Forest	175,500	0.045%
Other	211,400	0.055%
Total	<u>\$387,276,300</u>	<u>100.000%</u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value ¹	Percent Increase/Decrease in Equalized Value
2021	\$248,994,598	\$245,970,800	6.60%
2022	256,156,000	291,437,100	18.48%
2023	265,765,000	338,628,100	16.19%
2024	267,751,200	379,550,300	12.08%
2025	390,547,700 ²	387,276,300	2.04%

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

¹ Includes tax increment valuation.

² Reassessment completed in 2025.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2025 Equalized Value ¹	Percent of Village's Total Equalized Value
SCS Hortonville Estates LLC	Multifamily Development	\$10,776,294	2.78%
Meno LLC	Industrial Development	4,727,029	1.22%
C&O Investments LLC	Industrial Development	4,599,151	1.19%
PBJC Hortonville	Elder Care Facility	3,874,541	1.00%
B&P of Hortonville LLC	Industrial Development	2,199,426	0.57%
Olk Thomas (Tom-Cin Metals)	Industrial Development	2,117,877	0.55%
Vandelay Properties LLC	Industrial Development	2,005,376	0.52%
Pineview Estates	Multifamily Development	1,986,825	0.51%
Gilbert Property	Commercial Development	1,930,971	0.50%
Cottages on Main Street	Multifamily Development	<u>1,743,668</u>	<u>0.45%</u>
Total		\$35,961,158	9.29%
Village's Total 2025 Equalized Value ²		\$387,276,300	

Source: The Village.

DEBT

DIRECT DEBT³

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Notes)*	<u>\$4,990,372</u>
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Revenue Debt (see schedules following)

Total revenue debt secured by waterworks and sewerage revenues	<u>\$1,265,669</u>
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*Preliminary, subject to change.

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

² Includes tax increment valuation.

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

DEBT PAYMENT HISTORY

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

FUTURE FINANCING

The Village plans to issue general obligation debt in 2027 to fund capital improvement projects for that year, however timing and exact amount for such borrowing have yet to be determined. Aside from the preceding, the Village has no current plans for additional financing in the next 12 months.

DEBT LIMIT

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

Equalized Value	\$387,276,300
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit	\$19,363,815
Less: General Obligation Debt*	<u>(4,990,372)</u>
Unused Debt Limit*	<u><u>\$14,373,443</u></u>

*Preliminary, subject to change.

Village of Hortonville, Wisconsin
 Schedule of Bonded Indebtedness
 General Obligation Debt Secured by Taxes
 (As of 05/28/2026)

	Corporate Purpose Bonds Series 2013A		Promissory Note		Promissory Note ¹		Promissory Note ¹		Promissory Note ¹	
Dated	12/30/2013		06/18/2021		03/25/2022		09/23/2022		11/04/2022	
Amount	\$3,970,000		\$250,000		\$250,000		\$75,990		\$200,000	
Maturity	12/01		06/01		06/01		09/23		Monthly	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	215,000	81,725	55,000	1,856	50,000	4,219	6,079	555	31,708	535
2027	220,000	74,200	55,000	619	55,000	2,578	6,079	277		
2028	230,000	66,170			55,000	859				
2029	255,000	57,430								
2030	260,000	47,230								
2031	275,000	36,570								
2032	280,000	25,020								
2033	295,000	12,980								
2034										
2035										
2036										
2037										
2038										
2039										
2040										
2041										
	2,030,000	401,325	110,000	2,475	160,000	7,656	12,158	832	31,708	535

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¹ This note contains provisions that allow the lender, at its option, to declare the note immediately due and payable upon occurrence of any one or more of the following events: (i) the Village fails to pay any amount when due under the note or any other instrument evidencing indebtedness of the Village to the lender; (ii) any representation or warranty made under the note or information provided by the Village in connection with the note is or was false or fraudulent in any material respect; (iii) a material adverse change occurs in the Village's financial condition; (iv) the Village fails to timely observe or perform any of the covenants or duties in the note; (v) an event of default occurs under any agreement securing the note; or (vi) the lender deems itself insecure.

Village of Hortonville, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 05/28/2026)

	Promissory Note ¹		Promissory Note ¹		Promissory Note ¹		Promissory Note ¹		Promissory Notes Series 2026A							
Dated	08/16/2024		07/21/2025		10/03/2025		11/21/2025		05/28/2026							
Amount	\$656,782		\$71,360		\$215,007		\$87,000		\$1,740,000*							
Maturity	Monthly		Monthly		Monthly		Monthly		05/01							
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2026	25,215	18,535	5,178	2,000	9,844	6,489	51,389	868	0	0	449,413	116,783	566,196	4,540,959	9.01%	2026
2027	45,319	29,681	9,290	3,016	17,687	10,314			100,000	91,492	508,375	212,176	720,551	4,032,584	19.19%	2027
2028	47,796	27,204	9,806	2,499	18,657	9,344			85,000	60,714	446,259	166,790	613,049	3,586,325	28.14%	2028
2029	50,572	24,428	10,367	1,938	19,737	8,264			105,000	57,574	440,675	149,634	590,310	3,145,650	36.97%	2029
2030	53,424	21,576	10,952	1,354	20,850	7,151			105,000	54,030	450,226	131,340	581,566	2,695,424	45.99%	2030
2031	56,438	18,562	11,569	736	22,026	5,974			110,000	50,348	475,033	112,190	587,223	2,220,391	55.51%	2031
2032	59,575	15,425	7,069	131	23,254	4,747			115,000	46,438	484,897	91,760	576,657	1,735,493	65.22%	2032
2033	247,136	12,018			24,580	3,420			110,000	42,473	676,716	70,891	747,607	1,058,777	78.78%	2033
2034					25,967	2,034			115,000	38,421	140,967	40,455	181,422	917,810	81.61%	2034
2035					22,810	579			115,000	34,166	137,810	34,745	172,556	780,000	84.37%	2035
2036									130,000	29,508	130,000	29,508	159,508	650,000	86.97%	2036
2037									125,000	24,536	125,000	24,536	149,536	525,000	89.48%	2037
2038									125,000	19,536	125,000	19,536	144,536	400,000	91.98%	2038
2039									130,000	14,308	130,000	14,308	144,308	270,000	94.59%	2039
2040									135,000	8,741	135,000	8,741	143,741	135,000	97.29%	2040
2041									135,000	2,936	135,000	2,936	137,936	0	100.00%	2041
	585,474	167,430	64,230	11,674	205,413	58,316	51,389	868	1,740,000	575,219	4,990,372	1,226,330	6,216,701			

¹ This note contains provisions that allow the lender, at its option, to declare the note immediately due and payable upon occurrence of any one or more of the following events: (i) the Village fails to pay any amount when due under the note or any other instrument evidencing indebtedness of the Village to the lender; (ii) any representation or warranty made under the note or information provided by the Village in connection with the note is or was false or fraudulent in any material respect; (iii) a material adverse change occurs in the Village's financial condition; (iv) the Village fails to timely observe or perform any of the covenants or duties in the note; (v) an event of default occurs under any agreement securing the note; or (vi) the lender deems itself insecure.

* Preliminary, subject to change.

**Village of Hortonville, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Waterworks and Sewerage Revenues
(As of 05/28/2026)**

**Waterworks and Sewerage System
Revenue Bonds (CWFL)
Series 2010**

Dated Amount	05/12/2010							
	\$5,393,293							
Maturity	05/01							
<hr/>								
Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2026	0	13,195	0	13,195	13,195	1,265,669	.00%	2026
2027	306,692	23,192	306,692	23,192	329,883	958,978	24.23%	2027
2028	313,086	16,731	313,086	16,731	329,817	645,892	48.97%	2028
2029	319,614	10,135	319,614	10,135	329,749	326,278	74.22%	2029
2030	326,278	3,401	326,278	3,401	329,679	0	100.00%	2030
	1,265,669	66,654	1,265,669	66,654	1,332,323			

OVERLAPPING DEBT¹

Taxing District	2025 Equalized Value²	% In Village	Total G.O. Debt³	Village's Proportionate Share
Outagamie County	\$28,276,117,500	1.3696%	\$60,150,000	\$823,814
Hortonville School District	4,152,674,763	9.3259%	36,920,000	3,443,122
Fox Valley Technical College District	70,106,588,328	0.5524%	82,145,000	<u>453,769</u>
Village's Share of Total Overlapping Debt				<u><u>\$4,720,706</u></u>

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$387,276,300	Debt/ Per Capita 3,363⁴
Total General Obligation Debt*	\$4,990,372	1.29%	\$1,483.90
Village's Share of Total Overlapping Debt	<u>4,720,706</u>	<u>1.22%</u>	<u>1,403.72</u>
Total*	\$9,711,078	2.51%	\$2,887.62

*Preliminary, subject to change.

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

² Includes tax increment valuation.

³ Outstanding debt based on information obtained on EMMA, Wisconsin Department of Revenue, Wisconsin Department of Public Instruction and the Municipal Advisor's records.

⁴ Estimated 2025 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Levy for Village Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2021/22	\$1,670,722	100%	\$7.08
2022/23	1,735,798	100%	6.24
2023/24	1,799,288	100%	5.75
2024/25	1,843,713	100%	5.28
2025/26	1,851,524	In Process of Collection	5.10

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	Other²	Total
2021/22	\$8.90	\$3.49	\$7.08	\$0.23	\$19.70
2022/23	7.41	3.18	6.24	0.19	17.02
2023/24	6.65	2.86	5.75	0.19	15.45
2024/25	6.47	2.76	5.28	0.18	14.69
2025/26	6.23	2.59	5.10	0.17	14.09

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

LEVY LIMITS

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

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

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

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

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

The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005. In addition, the statute provides for certain other adjustments to and exclusions from the tax levy limit. Among the exclusions, Section 66.0602(3)(e)5. of the Wisconsin Statutes provides that the levy limit does not apply to "the amount that a political subdivision levies in that year to make up any revenue shortfall for the debt service on a revenue bond issued under Section 66.0621 by that political subdivision." Recent positions taken by the Wisconsin Department of Revenue ("DOR") call into question the availability of this exception if the revenue shortfall is planned or ongoing. To date, such DOR positions have not been expressed formally in a declaratory ruling under Section 227.41(5)(a) of the Wisconsin Statutes, nor have they been the subject of any court challenge or resulting court ruling.

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

REVENUE FROM THE STATE

In addition to local property taxes described above, a number of State programs exist which provide revenue to the Village. One such program is commonly known as shared revenue which, pursuant to sec. 79.036, Wis. Stats., provides funding to the Village that can be used for any public purpose. Chapter 79, Wis. Stats. includes other revenue sharing programs, which each have their own requirements. 2023 Wisconsin Act 12 ("Act 12") created a supplement to shared revenue, with payments to the Village beginning in 2024. This supplemental shared revenue may be used only for the purposes specified in section 79.037, Wis. Stats. In 2025, the Village received approximately \$599,000 in shared revenue under Chapter 79, Wis. Stats., an increase from the approximately \$586,000 received in 2024. The Village is expected to receive approximately \$601,000 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 on August 11, 1894 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 Village Administrator and the Village Clerk-Treasurer are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The Village employs a staff of 22 full-time, 12 part-time, and eight 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, 2023, the fiscal year ended December 31, 2024 and the fiscal year ended December 31, 2025 ("Fiscal Year 2025"), the Village's portion of contributions to WRS (not including any employee contributions) totaled \$118,783, \$135,417 and \$148,590, 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, 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.

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 2025, the Village reported a liability of \$146,977 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2024 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 0.00894476% of the aggregate WRS net pension liability as of December 31, 2024.

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 6 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
Wisconsin Professional Police Association /Law Enforcement Employee Relations	December 31, 2027

¹ On July 3, 2024, a Wisconsin circuit court judge issued a decision in the case *Abbotsford Education Association vs. Wisconsin Employment Relations Commission, Case No. 2023CV3152*, denying the Wisconsin State Legislature's intervening motion to dismiss the plaintiffs' challenge to the different classifications the Act created regarding collective bargaining rights. The court's order denying the motion to dismiss stated that the Act violates the equal protection clause of the Wisconsin Constitution and declared those provisions of the Act relating to collective bargaining modifications unconstitutional and void. The decision further instructed the parties to make additional filings to the court as to whether the court should issue judgment on the pleadings in light of the court's order or take some other action to bring the case to a final judgment. On December 2, 2024, the court issued an order granting the plaintiffs' motion for judgment on the pleadings and striking down substantial portions of the Act. The court's decision has been appealed to the Wisconsin Court of Appeals. On January 23, 2025, the court granted a motion to stay the decision pending outcome of the appeal. No guarantee can be made regarding the outcome of the matter.

OTHER POST EMPLOYMENT BENEFITS

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

For Fiscal Year 2025, the Village's portion of contributions to the LRLIF totaled \$449. For Fiscal Year 2025, the Village reported a liability of \$84,517 for its proportionate share of the net OPEB liability/asset of the LRLIF. The net OPEB liability was measured as of December 31, 2024 based on the Village's share of contributions to the LRLIF relative to the contributions of all participating employers. The Village's proportion was 0.021603% of the aggregate LRLIF net OPEB liability as of December 31, 2024.

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

LITIGATION

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

MUNICIPAL BANKRUPTCY

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

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

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

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

FUNDS ON HAND (as of December 31, 2025)

Fund	Total Cash and Investments
General	\$377,335
Debt Service Fund	1,281,295
Water & Sewer Utility	<u>1,056,588</u>
 Total Funds on Hand	 <u><u>\$2,715,218</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 Audited
Water and Wastewater			
Total Operating Revenues	\$1,666,349	\$1,643,098	\$1,643,047
Less: Operating Expenses	<u>(1,459,486)</u>	<u>(1,502,429)</u>	<u>(1,803,554)</u>
Operating Income	\$206,863	\$140,669	(\$160,507)
Plus: Depreciation	502,345	506,483	522,108
Interest Income	<u>96,011</u>	<u>127,453</u>	<u>78,598</u>
Revenues Available for Debt Service	<u><u>\$805,219</u></u>	<u><u>\$774,605</u></u>	<u><u>\$440,199</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 2025 audited financial statements.

FISCAL YEAR ENDING DECEMBER 31					
COMBINED STATEMENT					
	2021	2022	2023	2024	2025
	Audited	Audited	Audited	Audited	Audited
Revenues					
Taxes & special assessments	\$987,925	\$1,014,808	\$1,093,905	\$1,159,416	\$1,175,810
Intergovernmental	885,655	849,977	892,192	853,272	881,402
Licenses and permits	86,296	74,754	68,964	66,943	96,078
Fines, forfeits and penalties	57,535	54,511	55,726	62,196	58,809
Public charges for services	343,834	366,722	356,391	369,754	382,589
Intergovernmental charges for services	9,076	3,755	5,688	27,995	32,471
Miscellaneous	23,745	278,748	232,081	197,799	113,584
Total Revenues	\$2,394,066	\$2,643,275	\$2,704,947	\$2,737,375	\$2,740,743
Expenditures					
Current:					
General government	\$402,570	\$423,902	\$806,762	\$499,355	\$546,886
Public safety	1,075,249	1,080,821	1,125,701	1,256,420	1,277,157
Public works	518,501	583,579	659,973	612,050	786,629
Health and human services	22,070	30,552	22,543	29,330	13,177
Culture, recreation and education	278,444	304,924	365,957	149,656	181,334
Conservation and development	9,998	7,180	24,666	56,556	44,953
Total Expenditures	\$2,306,832	\$2,430,958	\$3,005,602	\$2,603,367	\$2,850,136
Excess of revenues over (under) expenditures	\$87,234	\$212,317	(\$300,655)	\$134,008	(\$109,393)
Other Financing Sources (Uses)					
Transfers in	\$33,098	\$33,097	\$33,097	\$33,097	\$33,617
Transfers (out)	(40,000)	(40,000)	(10,472)	(485,821)	(145,284)
Sale of capital assets	0	0	5,087	295	27,100
Total Other Financing Sources (Uses)	(6,902)	(6,903)	27,712	(452,429)	(84,567)
Net changes in Fund Balances¹	\$80,332	\$205,414	(\$272,943)	(\$318,421)	(\$193,960)
General Fund Balance January 1	\$876,917	\$957,249	\$1,162,665	\$889,719	\$571,295
Prior Period Adjustment	0	2	(3)	0	0
General Fund Balance December 31	\$957,249	\$1,162,665	\$889,719	\$571,298	\$377,335
DETAILS OF DECEMBER 31 FUND BALANCE					
Assigned	485,123	504,762	480,353	474,886	508,124
Unassigned ¹	472,126	657,903	409,366	96,412	(130,789)
Total	\$957,249	\$1,162,665	\$889,719	\$571,298	\$377,335

¹ The Village's general fund balance policy provides that the Village seeks to maintain its unassigned and unreserved general fund balance at a minimum of 30% and maximum of 35% of total general fund budgeted operating expenditures, including transfers, excluding enterprise and designated funds. The Village is currently not in compliance with such policy. The Village has chosen in recent years to fund capital projects through fund balance in lieu of borrowing. In addition, the Village's tax increment districts have relied on the general fund to support expenditure shortfalls, while development and increment have yet to be realized. These factors have caused the general fund balance to not meet the fund balance policy. The Village expects that as additional development occurs, such amounts will be restored to the general fund. The fund balance policy provides that to maintain the fund balance within the acceptable range, the Village shall (i) strive to eliminate the budgeted use of fund balance if its use would reduce the available balance to below policy minimums; (ii) apply any operational surplus at the end of the fiscal year to the general fund balance to meet the policy minimum; and (iii) apply any general funds in excess of the maximum to the funds designated in the corresponding percentage.

GENERAL FUND BUDGET SUMMARY

FISCAL YEAR ENDING DECEMBER 31

COMBINED STATEMENT

	2026 Adopted Budget¹
Revenues	
Property taxes	\$1,222,456
Licenses and permits	86,750
Intergovernmental	892,386
Intergovernmental Charges for Service	15,173
Charges for services	360,030
Fine and forfeitures	58,400
Other Financing Sources	98,858
Miscellaneous	100,700
Total Revenues	<u>\$2,834,752</u>
Expenditures	
Current:	
General government	\$494,564
Public safety	1,317,056
Public Works	645,814
Health and Human Services	12,470
Culture and Recreation	180,506
Conservation and Development	33,550
Total Expenditures	<u>\$2,683,960</u>
Excess of revenues over (under) expenditures	\$150,792
Other Financing Sources (Uses)	
Sale of capital asset	
Transfers in	
Transfers (out)	(150,792)
Total Other Financing Sources (Uses)	<u>(150,792)</u>
Net changes in Fund Balances	\$0

¹ The 2026 budget was adopted on December 4, 2025.

GENERAL INFORMATION

LOCATION

The Village, with a 2020 U.S. Census population of 3,028, and a current estimated population of 3,363, comprises an area of 4.28 square miles and is located in southwestern Outagamie County, an area known as the Fox Valley. The Village is located at the intersection of State Highway 15 and County Highway M, ten miles northwest of the City of Appleton. Approximately 1 million people live and work within a 50 miles radius of the Village. Green Bay is 43 miles to the northeast, Oshkosh is 24 miles to the south, and Fond du Lac is 50 miles to the southeast.

LARGER EMPLOYERS¹

Larger employers in or near the Village include the following:

Firm	Type of Business/Product	Estimated No. of Employees
School District of Hortonville	Elementary and secondary education	547
Brotoloc Health Care Systems	Community based residential facilities	169
Piping Systems Inc	Pipe fabrication	150
Gardan Inc.	Contract packaging and assembly	95
Wolf River Bank	Bank	78
Tom-Cin Metals Inc.	Metal fabricator	50
Gilbert's Super Value	Grocery Store	50
SCP Inc.	Skids, crates and pallets	45
Global Fab Inc	Pollution control and dust collection	45
The Village	Municipal government and services	42

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

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

BUILDING PERMITS

	2022	2023	2024	2025	2026 ¹
<u>New Single Family Homes</u>					
No. of building permits	5	8	8	40	3
Valuation	\$2,336,000	\$3,451,000	\$3,015,000	\$12,332,700	\$1,378,000
<u>New Multiple Family Buildings</u>					
No. of building permits	0	0	0	0	0
Valuation	\$0	\$0	\$0	\$0	\$0
<u>New Commercial/Industrial</u>					
No. of building permits	15	15	24	10	3
Valuation	\$5,071,514	\$2,371,701	\$2,626,874	\$1,461,182	\$4,286,144
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	177	128	89	104	21
Valuation	\$21,106,925	\$7,105,616	\$6,735,058	\$14,400,779	\$5,876,420

Source: The Village.

¹ As of April 20, 2026.

U.S. CENSUS DATA

Population Trend: The Village

2010 U.S. Census Population	2,711
2020 U.S. Census Population	3,028
Percent of Change 2010 - 2020	11.69%
2025 Estimated Population	3,363

Income and Age Statistics

	The Village	Outagamie County	State of Wisconsin	United States
2024 per capita income	\$40,069	\$47,256	\$43,373	\$44,673
2024 median household income	\$82,063	\$85,069	\$77,485	\$80,734
2024 median family income	\$94,440	\$106,362	\$100,141	\$99,999
2024 median gross rent	\$851	\$1,057	\$1,087	\$1,413
2024 median value owner occupied units	\$263,900	\$267,300	\$266,500	\$332,700
2024 median age	44.4 yrs.	38.9 yrs.	40.2 yrs.	38.9 yrs.

	State of Wisconsin	United States
Village % of 2024 per capita income	92.38%	89.69%
Village % of 2024 median family income	94.31%	94.44%

Housing Statistics

	<u>The Village</u>		
	2020	2024	Percent of Change
All Housing Units	1,220	1,278	4.75%

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>	
	Outagamie County		Outagamie County	State of Wisconsin
2022	102,897		2.4%	2.8%
2023	104,014		2.4%	2.8%
2024	104,718 ¹		2.6% ¹	3.0%
2025, December	102,521		2.6%	3.0%
2026, January	101,315 ¹		3.2% ¹	3.9%

Source: Wisconsin Department of Workforce Development.

¹ Preliminary.

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the Village's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The Village has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Official Statement, nor has the Village requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the Village since the date of the financial statements, in connection with the issuance of the Notes, the Village represents that there have been no material adverse 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 HORTONVILLE, WISCONSIN
FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2025

VILLAGE OF HORTONVILLE, WISCONSIN
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MEMBERS OF THE VILLAGE BOARD

President	Jeanne Bellile
Trustee	Julie Arendt Vanden Heuvel
Trustee	Carrie Lathrop
Trustee	Bob Jewell
Trustee	Jim Moeller
Trustee	Jane Olk
Trustee	Sauna Keel
Village Administrator	Nathan Treadwell
Clerk-Treasurer	Jane Booth



INDEPENDENT AUDITORS' REPORT

To the Village Board
Village of Hortonville, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Hortonville, Wisconsin, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Village of Hortonville, Wisconsin's basic financial statements as listed in the table of contents.

Unmodified Opinions on the Governmental Activities, Business-Type Activities, Major Funds, and Aggregate Remaining Fund Information

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Hortonville, as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Adverse Opinion on the Discretely Presented Component Unit

In our opinion, because of the significance of the matter described in the Basis for Adverse Opinion on Discretely Presented Component Unit section, the discretely presented component unit does not present fairly, in accordance with the accounting principles generally accepted in the United States of America, the financial position of the discretely presented component unit, as of December 31, 2025, and the changes in financial position thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Hortonville 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.

Basis for Adverse Opinion on Discretely Presented Component Unit

As discussed in Note 1 to the financial statements, the discretely presented component unit has not

recorded all of its capital assets and has not recorded depreciation expense on the assets which were capitalized. Accounting principles generally accepted in the United States of America require capital assets be capitalized and depreciated, which would increase the assets, net position, and expenses of the discretely presented component unit. The amount by which this departure would affect the assets, net position, and expenses of the discretely presented component unit is not reasonably determinable.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Management has omitted 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 opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Hortonville's basic financial statements. The combining and individual nonmajor fund financial statements and comparative schedule of water and wastewater utility - operating revenues and expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information


Management is responsible for the other information. The other information comprises the detailed statement of revenue and other financing sources - budget and actual general fund and detailed statement of expenditures and other financing uses - budget and actual general fund but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be

materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 1, 2026 on our consideration of the Village of Hortonville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Hortonville's internal control over financial reporting and compliance.

HAWKINS ASH CPAS, LLP

A handwritten signature in cursive script that reads "Hawkins Ash CPAs, LLP".

Manitowoc, Wisconsin
April 1, 2026

VILLAGE OF HORTONVILLE, WISCONSIN

**BASIC
FINANCIAL STATEMENTS**

VILLAGE OF HORTONVILLE, WISCONSIN

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

VILLAGE OF HORTONVILLE, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	FIRE DISTRICT
ASSETS				
Cash and investments	\$ 4,044,646	\$ 1,056,588	\$ 5,101,234	\$ 103,693
Receivables				
Taxes	3,165,958	-	3,165,958	-
Accounts and other	185,283	461,283	646,566	-
Special assessments	213,319	-	213,319	-
Loans	101,422	-	101,422	-
Receivable from external parties	24,323	-	24,323	-
Inventories	-	2,389	2,389	-
Lease receivable	-	74,687	74,687	-
Restricted assets				
Cash and investments	-	946,353	946,353	-
Capital assets (net of accumulated depreciation)				
Capital assets not being depreciated	2,299,681	177,874	2,477,555	-
Capital assets being depreciated	12,463,974	9,959,554	22,423,528	1,227,335
TOTAL ASSETS	<u>22,498,606</u>	<u>12,678,728</u>	<u>35,177,334</u>	<u>1,331,028</u>
DEFERRED OUTFLOWS OF RESOURCES				
Wisconsin Retirement System pension	709,671	162,314	871,985	-
Wisconsin Retirement System LRLIF	27,328	6,250	33,578	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>736,999</u>	<u>168,564</u>	<u>905,563</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>23,235,605</u>	<u>12,847,292</u>	<u>36,082,897</u>	<u>1,331,028</u>
LIABILITIES				
Accounts payable	163,622	206,537	370,159	-
Accrued liabilities				
Payroll	49,943	17,584	67,527	-
Interest	10,768	-	10,768	-
Other	153	-	153	-
Due to other governments	3,261,941	-	3,261,941	-
Deposit payable	6,780	-	6,780	-
Current portion of long-term obligations	656,530	-	656,530	-
Payable from restricted assets				
Accrued revenue bond interest	-	5,442	5,442	-
Current portion of long-term obligations	-	300,428	300,428	-
Noncurrent portion of long-term obligations	2,990,114	1,308,760	4,298,874	-
TOTAL LIABILITIES	<u>7,139,851</u>	<u>1,838,751</u>	<u>8,978,602</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Taxes levied for subsequent year	2,431,067	-	2,431,067	-
Wisconsin Retirement System pension	354,031	80,973	435,004	-
Wisconsin Retirement System LRLIF	54,189	12,394	66,583	-
Lease	-	74,687	74,687	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>2,839,287</u>	<u>168,054</u>	<u>3,007,341</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	11,702,691	8,571,331	20,274,022	1,227,335
Restricted for				
Special revenue	152,315	-	152,315	-
Debt service	1,281,295	220,643	1,501,938	-
Capital projects	76,614	-	76,614	-
Other activities	-	720,268	720,268	-
Unrestricted	43,552	1,328,245	1,371,797	103,693
TOTAL NET POSITION	<u>13,256,467</u>	<u>10,840,487</u>	<u>24,096,954</u>	<u>1,331,028</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 23,235,605</u>	<u>\$ 12,847,292</u>	<u>\$ 36,082,897</u>	<u>\$ 1,331,028</u>

The accompanying notes are an integral part of these statements.

VILLAGE OF HORTONVILLE, WISCONSIN

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION			COMPONENT UNIT
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	FIRE DISTRICT
PRIMARY GOVERNMENT								
GOVERNMENTAL ACTIVITIES								
General government	\$ 815,439	\$ 172,721	\$ -	\$ -	\$ (642,718)		\$ (642,718)	
Public safety	1,374,443	163,104	23,844	-	(1,187,495)		(1,187,495)	
Public works	1,710,676	152,105	189,986	31,138	(1,337,447)		(1,337,447)	
Health and human services	13,437	13,075	269	-	(93)		(93)	
Culture, recreation and education	337,509	63,927	736,323	-	462,741		462,741	
Conservation and development	63,181	-	-	-	(63,181)		(63,181)	
Interest and fiscal charges	150,095	-	-	-	(150,095)		(150,095)	
TOTAL GOVERNMENTAL ACTIVITIES	4,464,780	564,932	950,422	31,138	(2,918,288)		(2,918,288)	
BUSINESS-TYPE ACTIVITIES								
Water and Wastewater Utility	1,838,306	1,686,602	-	221,660		\$ 69,956	69,956	
TOTAL PRIMARY GOVERNMENT	6,303,086	2,251,534	950,422	252,798	(2,918,288)	69,956	(2,848,332)	
COMPONENT UNIT								
Fire District	\$ 175,826	\$ 3,600	\$ 186,433	\$ -				\$ 14,207
General revenues								
Taxes								
Property taxes					2,285,922	-	2,285,922	-
Other taxes					7,487	-	7,487	-
Intergovernmental revenues not restricted to specific programs					683,853	-	683,853	-
Interest and investment income					82,893	75,025	157,918	-
Miscellaneous					42,818	-	42,818	794
Transfers in (out) net					33,097	(33,097)	-	-
Total general revenues					3,136,070	41,928	3,177,998	794
CHANGE IN NET POSITION					217,782	111,884	329,666	15,001
NET POSITION - BEGINNING OF YEAR,								
AS PREVIOUSLY REPORTED					13,038,685	10,802,006	23,840,691	1,316,027
ERROR CORRECTION					-	(73,403)	(73,403)	-
NET POSITION - BEGINNING OF YEAR,								
AS RESTATED					13,038,685	10,728,603	23,767,288	1,316,027
NET POSITION - END OF YEAR					\$ 13,256,467	\$ 10,840,487	\$ 24,096,954	\$ 1,331,028

The accompanying notes are an integral part of these statements.

VILLAGE OF HORTONVILLE, WISCONSIN

**FUND
FINANCIAL STATEMENTS**

VILLAGE OF HORTONVILLE, WISCONSIN

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL IMPROVEMENTS FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and investments	\$ 2,509,280	\$ 1,281,295	\$ 26,000	\$ 228,071	\$ 4,044,646
Receivables					
Taxes	2,154,439	668,297	-	343,222	3,165,958
Accounts and other	185,283	-	-	-	185,283
Special assessments	-	213,319	-	-	213,319
Loan	24,080	-	-	77,342	101,422
Due from other funds	636,456	-	-	-	636,456
TOTAL ASSETS	5,509,538	2,162,911	26,000	648,635	8,347,084
LIABILITIES					
Accounts payable	163,622	-	-	-	163,622
Accrued expenses					
Payroll	49,943	-	-	-	49,943
Other	153	-	-	-	153
Due to other funds	-	-	370,392	241,741	612,133
Due to other governments	3,261,941	-	-	-	3,261,941
Deposit payable	6,580	-	-	200	6,780
Unearned revenue - other	141,589	-	-	77,342	218,931
TOTAL LIABILITIES	3,623,828	-	370,392	319,283	4,313,503
DEFERRED INFLOWS OF RESOURCES					
Taxes levied for subsequent year	1,419,548	668,297	-	343,222	2,431,067
Unavailable revenue - special assessments	88,827	213,319	-	-	302,146
TOTAL DEFERRED INFLOWS OF RESOURCES	1,508,375	881,616	-	343,222	2,733,213
FUND BALANCES (DEFICITS)					
Restricted	-	1,281,295	-	151,587	1,432,882
Assigned	508,124	-	-	76,484	584,608
Unassigned	(130,789)	-	(344,392)	(241,941)	(717,122)
TOTAL FUND BALANCES (DEFICITS)	377,335	1,281,295	(344,392)	(13,870)	1,300,368
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 5,509,538	\$ 2,162,911	\$ 26,000	\$ 648,635	

Total net position reported for governmental activities in the statement of net position are different from the amount reported above as total governmental funds fund balance because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position are:

Governmental capital asset	\$ 25,412,825	
Governmental accumulated depreciation	(10,649,170)	14,763,655

Some revenues are unearned in the funds because they are not available to pay current period's expenditures:

Special assessments to be collected after year end	302,146	
Other unearned revenue to be collected after year end	218,931	521,077

Wisconsin Retirement System asset, deferred outflows of resources, and deferred inflows of resources are not current financial resources and are not reported in fund statements.

328,779

Long term liabilities, including bonds and notes payable, are not due in the current period and therefore are not reported in the fund statements. Long term liabilities reported in the statement of net position that are not reported in the funds balance sheet are:

General obligation debt	(3,330,964)	
Accrued interest	(10,768)	
Compensated absences	(127,277)	
Wisconsin Retirement System liability	(188,403)	(3,657,412)

Total net position - governmental activities **\$ 13,256,467**

The accompanying notes are an integral part of these statements.

VILLAGE OF HORTONVILLE, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL IMPROVEMENTS FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Taxes	\$ 1,175,810	\$ 670,390	\$ 5,000	\$ 442,209	\$ 2,293,409
Special assessment	-	19,187	54,370	-	73,557
Intergovernmental	881,402	-	501,246	220,602	1,603,250
Licenses and permits	96,078	-	-	2,000	98,078
Fines, forfeits and penalties	58,809	-	-	-	58,809
Public charges for services	382,589	-	-	40,068	422,657
Intergovernmental charges for services	32,471	-	-	-	32,471
Miscellaneous	113,584	1,198	29	14,825	129,636
TOTAL REVENUES	2,740,743	690,775	560,645	719,704	4,711,867
EXPENDITURES					
Current					
General government	546,886	-	-	3,658	550,544
Public safety	1,277,157	-	-	10,540	1,287,697
Public works	786,629	-	-	127,957	914,586
Health and human services	13,177	-	-	-	13,177
Culture, recreation and education	181,334	-	-	344,354	525,688
Conservation and development	44,953	-	-	17,976	62,929
Debt service					
Principal	-	780,906	-	-	780,906
Interest	-	150,807	-	-	150,807
Capital outlay	-	-	992,037	201,807	1,193,844
TOTAL EXPENDITURES	2,850,136	931,713	992,037	706,292	5,480,178
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(109,393)	(240,938)	(431,392)	13,412	(768,311)
OTHER FINANCING SOURCES (USES)					
Transfers in	33,617	249,848	-	145,284	428,749
Transfers (out)	(145,284)	-	-	(250,368)	(395,652)
Sale of capital assets	27,100	-	-	-	27,100
Issuance of long-term debt	-	-	87,000	286,367	373,367
TOTAL OTHER FINANCING SOURCES (USES)	(84,567)	249,848	87,000	181,283	433,564
NET CHANGE IN FUND BALANCE	(193,960)	8,910	(344,392)	194,695	(334,747)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	571,295	1,272,385	-	(171,352)	1,672,328
ERROR CORRECTION	-	-	-	(37,213)	(37,213)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR, AS RESTATED	571,295	1,272,385	-	(208,565)	1,635,115
FUND BALANCE (DEFICIT) - END OF YEAR	\$ 377,335	\$ 1,281,295	\$ (344,392)	\$ (13,870)	\$ 1,300,368

The accompanying notes are an integral part of these statements.

VILLAGE OF HORTONVILLE, WISCONSIN
 RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED DECEMBER 31, 2025

Net change in fund balances - total governmental funds \$ (334,747)

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

The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.

Capital outlay reported in governmental fund statements	\$	1,193,844	
Less noncapitalized outlay		(314,149)	
Depreciation expense reported in the statement of activities		<u>(587,074)</u>	
Amount by which capital outlays are greater than depreciation in the current period:			292,621

The proceeds from long-term obligations are reported in the governmental funds as a source of financing. In the statement of net position however, long-term obligations are not reported as a financing source, but rather constitute a long-term liability. (373,367)

Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.
 This year the accrual of these benefits increased by: (16,347)

Certain revenues are unavailable in the governmental funds because they are not available to pay current period expenditures. In the statement of activities these are recorded as revenue in the current year: (89,502)

Wisconsin Retirement System pension asset, deferred outflows of resources, liability, and deferred inflows of resources changes: (40,522)

Wisconsin Retirement System LRLIF deferred outflows of resources, liability, and deferred inflows of resources changes: (1,972)

Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.
 The amount of long-term debt principal payments in the current year is: 780,906

In governmental funds interest payments and other debt costs on outstanding debt are reported as an expenditure when paid. In the statement of activities it is reported as it accrues.
 The amount of interest and other debt costs paid during the current period \$ 150,807
 The amount of interest and other debt costs accrued during the current period (150,095)
 Interest paid is greater than interest accrued by: 712

Change in net position - governmental activities \$ 217,782

The accompanying notes are an integral part of these statements.

VILLAGE OF HORTONVILLE, WISCONSIN
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2025

	<u>WATER AND WASTEWATER</u>
ASSETS	
CURRENT ASSETS	
Cash	\$ 1,056,588
Accounts receivable	
Customer	382,628
Other	78,655
Inventories	2,389
Lease receivable	74,687
RESTRICTED ASSETS	
Investments	946,353
TOTAL CURRENT ASSETS	<u>2,541,300</u>
NONCURRENT ASSETS	
OTHER ASSETS	
Capital assets (net of accumulated depreciation)	
Capital assets not being depreciated	177,874
Capital assets being depreciated	9,959,554
NET CAPITAL ASSETS	<u>10,137,428</u>
TOTAL NONCURRENT ASSETS	<u>10,137,428</u>
TOTAL ASSETS	<u>12,678,728</u>
DEFERRED OUTFLOWS OF RESOURCES	
Wisconsin Retirement System pension	162,314
Wisconsin Retirement System LRLIF	6,250
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 168,564</u>

The accompanying notes are an integral part of these statements.

VILLAGE OF HORTONVILLE, WISCONSIN
STATEMENT OF NET POSITION - PROPRIETARY FUNDS - Continued
DECEMBER 31, 2025

	<u>WATER AND WASTEWATER</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	\$ 206,537
Accrued liabilities	
Payroll	17,584
PAYABLE FROM RESTRICTED ASSETS	
Accrued interest	5,442
Current portion of long-term obligations	300,428
TOTAL CURRENT LIABILITIES	<u>529,991</u>
NONCURRENT LIABILITIES	
Long-term obligations	<u>1,308,760</u>
TOTAL LIABILITIES	<u>1,838,751</u>
DEFERRED INFLOWS OF RESOURCES	
Wisconsin Retirement System pension	80,973
Wisconsin Retirement System LRLIF	12,394
Lease	<u>74,687</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>168,054</u>
NET POSITION	
Net investment in capital assets	8,571,331
Restricted for debt service	220,643
Restricted for other	720,268
Unrestricted	<u>1,328,245</u>
TOTAL NET POSITION	<u>\$ 10,840,487</u>

The accompanying notes are an integral part of these statements.

VILLAGE OF HORTONVILLE, WISCONSIN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2025

	<u>WATER AND WASTEWATER</u>
OPERATING REVENUES	
General customers	\$ 1,394,464
Public fire protection	168,554
Other sales to public authorities	59,430
Interdepartmental sales	396
Forfeited discounts	14,168
Other revenues	6,035
TOTAL OPERATING REVENUES	1,643,047
 OPERATING EXPENSES	
Plant and maintenance expenses:	
Salaries and wages	139,043
Power	114,826
Chemicals	44,284
Supplies and expenses	55,458
Repairs and maintenance	279,246
TOTAL PLANT AND MAINTENANCE EXPENSES	632,857
 General expenses:	
Administrative and general salaries	253,781
Office supplies and other expenses	42,380
Outside services employed	122,615
Insurance expense	43,280
Employee benefits	80,018
Miscellaneous general expenses	103,207
Transportation	2,679
TOTAL GENERAL EXPENSES	647,960
 Depreciation	 522,108
Taxes	629
TOTAL OPERATING EXPENSES	1,803,554
OPERATING (LOSS)	\$ (160,507)

The accompanying notes are an integral part of these statements.

VILLAGE OF HORTONVILLE, WISCONSIN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS - Continued
YEAR ENDED DECEMBER 31, 2025

	WATER AND WASTEWATER
NONOPERATING REVENUES (EXPENSES)	
Interest income	\$ 78,598
Miscellaneous revenue	39,982
Interest expense	(34,752)
TOTAL NONOPERATING REVENUES (EXPENSES)	83,828
(LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(76,679)
TRANSFER IN (OUT)	(33,097)
CAPITAL CONTRIBUTIONS	221,660
CHANGE IN NET POSITION	111,884
NET POSITION - BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	10,802,006
ERROR CORRECTION	(73,403)
NET POSITION - BEGINNING OF YEAR, AS RESTATED	10,728,603
NET POSITION - END OF YEAR	\$ 10,840,487

The accompanying notes are an integral part of these statements.

VILLAGE OF HORTONVILLE, WISCONSIN

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

YEAR ENDED DECEMBER 31, 2025

	WATER AND WASTEWATER
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 1,491,246
Receipts from municipality	228,380
Payments to suppliers for goods and services	(942,912)
Payments for employees wages and benefits	(468,840)
Net cash provided by operating activities	307,874
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer from governmental funds	(33,097)
Net cash (used in) noncapital financing activities	(33,097)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of property, plant and equipment	(781,504)
Lease revenue	(22,927)
Retirement of long-term debt	(306,137)
Interest paid	(35,780)
Contributed capital	221,660
Net cash (used in) capital and related financing activities	(924,688)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	78,602
Investments sold	364,471
Other investing activities	(73,403)
Net cash provided by investing activities	369,670
Net change in cash and cash equivalents	(280,241)
Cash and cash equivalents - beginning of year	1,336,829
Cash and cash equivalents - end of year	1,056,588
Reconciliation of operating income to net cash provided	
by operating activities	
Operating (loss) income	(160,507)
Adjustments to reconcile operating income to	
net cash flows from operating activities	
Depreciation	522,108
Changes in assets and liabilities	
(Increase) decrease in receivables - customers	55,301
(Increase) decrease in receivables - other	(1,649)
(Increase) decrease in receivables - leases	22,927
(Increase) decrease in inventories	332
(Increase) decrease in Wisconsin Retirement System	7,416
Increase (decrease) in accounts payable	(134,640)
Increase (decrease) in payroll payable	(3,414)
Total adjustments	468,381
Net cash provided by operating activities	307,874

The accompanying notes are an integral part of these statements.

VILLAGE OF HORTONVILLE, WISCONSIN

STATEMENT OF NET POSITION

FIDUCIARY FUND

DECEMBER 31, 2025

	<u>CUSTODIAL FUND</u>
	<u>LIBRARY DONATION</u>
	<u>FUND</u>
ASSETS	
Cash and investments	\$ -
TOTAL ASSETS	<u>-</u>
LIABILITIES	
Due to other funds	24,323
Accounts payable	<u>576</u>
TOTAL LIABILITIES	<u>24,899</u>
NET POSITION (DEFICIT)	
Restricted for other library improvements	<u>(24,899)</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

VILLAGE OF HORTONVILLE, WISCONSIN
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND
YEAR ENDED DECEMBER 31, 2025

	CUSTODIAL FUND
	LIBRARY DONATION FUND
ADDITIONS	
Miscellaneous	\$ -
DEDUCTIONS	
Disbursements	-
CHANGE IN NET POSITION	-
NET POSITION (DEFICIT) - BEGINNING OF YEAR	(24,899)
NET POSITION (DEFICIT) - END OF YEAR	\$ (24,899)

The accompanying notes are an integral part of these statements.

VILLAGE OF HORTONVILLE, WISCONSIN

**NOTES TO THE BASIC
FINANCIAL STATEMENTS**

VILLAGE OF HORTONVILLE, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 - Summary of Significant Accounting Policies

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

Reporting Entity - The Village of Hortonville, Wisconsin was incorporated under the provisions of Chapter 280, Laws of Wisconsin. The Village operates under a Village Administrator form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services.

The Village's basic financial statements include a fire district component unit, as defined in GASB 14 and amended by GASB 39 and GASB 61. The criterion for including a legally separate organization as a component unit is the degree of financial accountability and fiscal dependency the Village has with the organization. A financial benefit or burden relationship needs to be present between the primary government and that organization for it to be included in the reporting entity as a component unit.

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

The financial statements include the Hortonville/Hortonia Fire District (the "District") as a component unit. The District is a legally separate organization established in December 1997 to provide public fire protection to the two communities. Existing fire equipment of both communities was transferred to the newly formed District. However, the District has elected not to depreciate these assets. Costs of the District are shared based on equalized values. The five member Board of Commissioners consists of two members from each community plus a fifth member selected by the Board. The District is fiscally dependent on the municipalities, which must approve rates charged and debt issued. As a component unit, the District's financial statements have been presented as a discrete column in the financial statements. Separate financial statements for the District are not issued.

Basis of Presentation

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's proprietary funds. 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.

VILLAGE OF HORTONVILLE, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2025

NOTE 1 - Summary of Significant Accounting Policies - Continued

As discussed earlier, the government has one discretely presented component unit. The Fire Department is considered to be a major component unit and is shown in a separate column in the government-wide financial statements.

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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.

Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and proprietary funds, each displayed in a separate column. All remaining governmental and proprietary funds are aggregated and reported as nonmajor funds. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

General Fund - is used for all financial activity that is not required to be accounted for in another fund. This is the Village's primary operating fund.

Debt Service Fund - is used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest payments.

Capital Improvements Fund - is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The Village reports the following major proprietary fund:

Water and Wastewater Utility - accounts for operations of the water and wastewater system.

In addition, the Village reports the following fund types:

VILLAGE OF HORTONVILLE, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2025

NOTE 1 - Summary of Significant Accounting Policies - Continued

Fiduciary Custodial Fund - Library Donation Fund - is used to account for financial resources to be used for a specific purpose.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in and out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes are recorded in the year levied as receivables and unavailable revenue. They are recognized as revenue in the succeeding year when services financed by the levy are being provided. Special assessments are recorded as revenue when they become measurable and available as current assets. Sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are

VILLAGE OF HORTONVILLE, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2025

NOTE 1 - Summary of Significant Accounting Policies - Continued

all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary and fiduciary fund are reported using the economic resources measurement focus and the accrual basis of accounting.

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

Cash and Cash Equivalents - Cash and cash equivalents, as classified in the statement of cash flows, consist of all highly liquid investments with an initial maturity of three months or less.

Accounts Receivable - Accounts receivable have been adjusted for all uncollectible accounts. No allowance for uncollectible accounts has been recorded since management believes all accounts are collectible. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made in the accompanying proprietary fund financial statements because the water and wastewater utility has the right to place delinquent bills on the tax roll.

Due To/From Advance To/From Other Funds - During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as due to and from other funds. Long-term interfund loans (noncurrent portion) are reported as advances from and to other funds. In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance amount which indicates it is not expendable available financial resources and, therefore, are not available for appropriation. Eliminations have been made for amounts due to/from and advance to/from within the same fund type on the government-wide statements.

Interfund Transactions - Non-exchange transactions which are not borrowing/lending (will not be repaid) are recorded as transfers, and exchange transactions are recorded as revenues and expenses.

Inventories - Inventories are valued at cost using the first-in/first-out method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Restricted Cash and Investments - Certain resources set aside for revenue bonds repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The "revenue bond redemption" account is used to segregate resources accumulated for

VILLAGE OF HORTONVILLE, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2025

NOTE 1 - Summary of Significant Accounting Policies - Continued

debt service payments over the next twelve months. The “revenue bond reserve” account is used to report resources set aside to meet unexpected contingencies.

Other restricted cash and investments include a “DNR Replacement Fund” which is required by the Wisconsin Department of Natural Resources for repairs and maintenance on the wastewater utility plant.

Capital Assets - In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than \$2,500 for general capital assets, and an estimated useful life of two years or more. Individual assets that cost less than \$2,500, but that operate as part of a network system will be capitalized in the aggregate, using the group method. Infrastructure improvements with a cost of \$20,000 or more will be capitalized. All land and buildings will be capitalized. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated assets are reported at their estimated acquisition value at the date of donation.

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. 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. 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 for governmental activities is as follows:

Land improvements	10 - 20 years
Buildings	20 - 40 years
Equipment	2 - 15 years
Infrastructure	20 - 50 years

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

The range of estimated useful lives by type of asset for business-type activities is as follows:

Buildings	20 - 50 years
Equipment	4 - 100 years

Leases - The Village is a lessor because it leases capital assets to other entities. The lease receivable is measured using the present value of payments to be received during the lease term. The corresponding deferred inflows of resources are recognized as inflows over the lease term.

Compensated Absences - Vacation and sick time off policies provide paid time off in varying amounts. Benefits considered more likely than not to be used or settled at separation are recognized as a liability. The liability is reported in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the government funds only if the liability has matured a result of

VILLAGE OF HORTONVILLE, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2025

NOTE 1 - Summary of Significant Accounting Policies - Continued

employee terminations, resignations or retirements. The liability includes salary related benefits where applicable.

Pensions - The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and 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.

Other Post Employment Benefits (OPEB) - The fiduciary net position of the local retiree life insurance fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability (asset), deferred outflows of resources, and deferred inflows of resources related to other post employment benefits, OPEB expense (revenue), and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows and Inflows of Resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expenditure) until then. The Village has two items that qualify for reporting in this category. They are the Wisconsin Retirement System pension and Wisconsin Retirement System local retiree life insurance fund (LRLIF) reported in the government-wide statement of net position. The Wisconsin Retirement System pension and Wisconsin Retirement System LRLIF result from changes in their actuarial studies and are amortized over the average of the expected remaining service lives of participants.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position which applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The Village has four types of items, unavailable revenue, Wisconsin Retirement System pension, Wisconsin Retirement System LRLIF, and leases which qualify for reporting in this category. The unavailable revenue may be from two sources: property taxes levied for subsequent year and special assessments. The unavailable revenue and lease amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The Wisconsin Retirement System pension and Wisconsin Retirement System LRLIF result from changes in their actuarial studies and are amortized over the average of the expected remaining service lives of participants.

Estimates - The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

VILLAGE OF HORTONVILLE, WISCONSIN
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 DECEMBER 31, 2025

NOTE 1 - Summary of Significant Accounting Policies - Continued

Net Position Classifications - Net position represents the difference between the total assets and deferred outflows of resources and the total liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement for those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Fund Balance Classifications - The Village classifies its fund equity as follows:

1) nonspendable fund balance consists of equity that is not in a spendable form or is legally or contractually required to be maintained intact, 2) restricted fund balance consists of equity constrained to specific purposes by their providers, externally imposed by creditors, constitutional provisions or by enabling legislation, 3) committed fund balance consists of equity constrained to specific purposes by the Village itself, using its highest level of decision making authority - Village Board resolutions and policies, 4) assigned fund balance consists of equity the governing body intends to use for a specific purpose, intent can be expressed by the governing body. The Village Board has authorized the Administrator and Clerk-Treasurer to assign fund balances through its fund balance policy and 5) unassigned fund balance consists of equity available for any purpose.

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

NOTE 2 - Cash and Investments

State statutes permit the Village to invest available cash balances in time deposits of authorized depositories, state obligations, U.S. Treasury obligations, U.S. agency issues, repurchase agreements and other investments secured by federal securities, high grade commercial paper, and the local government pooled-investment fund administered by the state investment board. No significant violations of these restrictions occurred during the year.

As of December 31, 2025, the Village had the following investment:

<u>Investment</u>	<u>Weighted Average Maturities</u>	<u>Fair Value</u>
State of Wisconsin Investment Pool	Less than one year	\$ 493
Fixed Income	More than one Year	<u>1,318,337</u>
		<u>\$1,318,830</u>

Investment Pool Information - Participation in the State of Wisconsin Local Government Investment Pool is voluntary. The Pool's regulatory oversight is provided by state statutes and its investment board. The fair value of the Village's position in the Pool is the same as the value of the Pool shares. At December 31, 2025, the Pool's fair value was 100 percent of book value.

Determining Fair Value - 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 asset. Level 1 inputs are quoted prices in active markets; level 2 inputs are significant other observable inputs; level 3 inputs are significant

VILLAGE OF HORTONVILLE, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2025

NOTE 2 - Cash and Investments - Continued

unobservable inputs. The Village has the following recurring fair value measurements:

- 1) Deposits and investments with stated interest rates (savings account and certificate of deposits) are stated at cost, and
- 2) State of Wisconsin Local Government Investment Pool fair value is determined monthly by the Pool's investment board based on published market quotations (level 2 inputs).
- 3) Fixed income investments are determined based on published market quotations (level 1 inputs).

Income Allocation - Interest income is allocated to the fund which owns the certificate of deposit, savings account and investment.

Interest Rate Risk - State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to those which mature or may be tendered for purchase at the option of the holder within not more than 7 years of the date acquired. The Village does not have a formal investment policy that would further limit investment maturities as a means of further managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The Village has no investment policy that would further limit its investment choices. The State of Wisconsin Investment Pool is not rated.

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Village's deposits may not be returned to it. The Village does not have a deposit policy in place for custodial credit risk. The State of Wisconsin's Public Deposit Guarantee Fund created under Chapter 34 of the Wisconsin Statutes protects the municipality's designated public depositories against any losses of public funds up to \$1,000,000 subject to the total amount of the Guarantee Fund available. As of December 31, 2025, \$2,345,447 of the Village's bank balance of \$3,939,511 was uninsured and uncollateralized.

NOTE 3 - Property Taxes

Property taxes attach as an enforceable lien on property in December when the tax roll is certified. Taxes are levied in December and payable in two installments on January 31 and July 31 or payable in full on January 31. Personal property taxes are payable in full on January 31. The Village bills and collects its own property taxes and also taxes for the State, Outagamie County, Fox Valley Technical College, Hortonville Area School District, and Black Otter Lake District until February 1, at which time all uncollected real estate taxes are turned over to the county for collection. Delinquent personal property tax remains the collection responsibility of the Village. Collection of the taxes and remittance of them to the appropriate entities are accounted for in the general fund. Village property tax revenue is recognized in the year they are levied for and available for use. The 2025 tax roll has been set up as a receivable and is offset by the amounts due to other governmental units. Advance tax collections are offset against the receivable.

NOTE 4 - Capital Assets

Capital asset balances and activity for the year ended December 31, 2025 are as follows:

VILLAGE OF HORTONVILLE, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2025

NOTE 4 - Capital Assets - Continued

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,642,899	\$ -	\$ -	\$ 1,642,899
Construction in progress	1,182,128	-	(525,346)	656,782
Total capital assets not being depreciated	<u>2,825,027</u>	<u>-</u>	<u>(525,346)</u>	<u>2,299,681</u>
Capital assets being depreciated:				
Land improvements	823,866	-	-	823,866
Buildings and improvements	4,050,461	-	-	4,050,461
Equipment	1,772,570	1,405,041	-	3,177,611
Infrastructure	15,061,206	-	-	15,061,206
Total capital assets being depreciated	<u>21,708,103</u>	<u>1,405,041</u>	<u>-</u>	<u>23,113,144</u>
Less accumulated depreciation for:				
Land improvements	(347,363)	(30,212)	-	(377,575)
Buildings and improvements	(1,237,171)	(76,578)	-	(1,313,749)
Equipment	(1,104,877)	(130,562)	-	(1,235,439)
Infrastructure	<u>(7,372,685)</u>	<u>(349,722)</u>	<u>-</u>	<u>(7,722,407)</u>
Total accumulated depreciation	<u>(10,062,096)</u>	<u>(587,074)</u>	<u>-</u>	<u>(10,649,170)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>11,646,007</u>	<u>817,967</u>	<u>-</u>	<u>12,463,974</u>
Governmental activities capital assets, net of accumulated depreciation	<u>\$ 14,471,034</u>	<u>\$ 817,967</u>	<u>\$ (525,346)</u>	<u>\$ 14,763,655</u>

Infrastructure information prior to January 1, 2004 is not included in the above amount.

Depreciation expense was charged to governmental functions as follows:

General government	\$ 80,908
Public safety	42,119
Public works	460,627
Culture, recreation and education	3,420
Total	<u>\$ 587,074</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 116,115	\$ -	\$ -	\$ 116,115
Construction in progress	401,904	61,759	(401,904)	61,759
Total capital assets not being depreciated	<u>518,019</u>	<u>61,759</u>	<u>(401,904)</u>	<u>177,874</u>

VILLAGE OF HORTONVILLE, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2025

NOTE 4 - Capital Assets - Continued

Capital assets being depreciated:				
Buildings	4,983,176	226,964	-	5,210,140
Equipment and systems	<u>16,113,839</u>	<u>968,088</u>	<u>(28,750)</u>	<u>17,053,177</u>
Total capital assets being depreciated	<u>21,097,015</u>	<u>1,195,052</u>	<u>(28,750)</u>	<u>22,263,317</u>
Less accumulated depreciation for:				
Buildings	(3,117,833)	(128,467)	-	(3,246,300)
Equipment and systems	<u>(8,692,572)</u>	<u>(393,641)</u>	<u>28,750</u>	<u>(9,057,463)</u>
Total accumulated depreciation	<u>(11,810,405)</u>	<u>(522,108)</u>	<u>28,750</u>	<u>(12,303,763)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>9,286,610</u>	<u>672,944</u>	<u>-</u>	<u>9,959,554</u>
Business-type activities capital assets, net of accumulated depreciation	<u>\$ 9,804,629</u>	<u>\$ 734,703</u>	<u>\$ (401,904)</u>	<u>\$ 10,137,428</u>

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

Water utility	\$ 143,188
Wastewater utility	<u>378,920</u>
Total	<u>\$ 522,108</u>

NOTE 5 - Long-Term Obligations

Long-term obligations are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds payable	\$2,235,000	\$ -	\$ (205,000)	\$2,030,000	\$ 215,000
Notes payable - direct borrowing	1,503,503	373,367	(575,906)	1,300,964	314,253
Compensated absences - vacation	43,321	3,966	-	47,287	47,287
Compensated absences - sick	67,609	12,381	-	79,990	79,990
Wisconsin Retirement System					
Net pension liability	105,193	14,425	-	119,618	-
LRLIF	<u>75,653</u>	<u>-</u>	<u>(6,868)</u>	<u>68,785</u>	<u>-</u>
Total	<u>\$4,030,279</u>	<u>\$ 404,139</u>	<u>\$ (787,774)</u>	<u>\$3,646,644</u>	<u>\$ 656,530</u>

VILLAGE OF HORTONVILLE, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2025

NOTE 5 - Long-Term Obligations - Continued

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Business-Type Activities					
Mortgage revenue bonds	\$ 1,860,389	\$ -	\$ (294,292)	\$ 1,566,097	\$ 300,428
Notes payable - direct borrowing	11,845	-	(11,845)	-	-
Wisconsin Retirement System					
Net pension liability - water	11,298	3,520	-	14,818	-
LRLIF - water	8,125	396	-	8,521	-
Net pension liability - sewer	11,438	1,103	-	12,541	-
LRLIF - sewer	8,226	-	(1,015)	7,211	-
Total	<u>\$ 1,911,321</u>	<u>\$ 5,019</u>	<u>\$ (307,152)</u>	<u>\$ 1,609,188</u>	<u>\$ 300,428</u>

Compensated absences are reported as a net change. Interest cost incurred during the year totaled \$150,095 for governmental activities and \$34,752 for business-type activities. Total interest paid during the year aggregated \$150,807 for governmental activities and \$35,780 for business-type activities.

General Obligation Debt - All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the Village. The general obligation debt is expected to be repaid with general property taxes and special assessments. General obligation debt at December 31, 2025 is comprised of the following individual issues:

<u>Issue Description</u>	<u>Issue Dates</u>	<u>Interest Rates (%)</u>	<u>Dates of Maturity</u>	<u>Balance</u>
Bonds	12/30/13	3.35-4.4%	12/1/33	\$ 2,030,000
Note payable - direct borrowing	6/18/21	2.25%	6/1/27	110,000
Note payable - direct borrowing	11/4/22	5%	12/1/26	53,817
Note payable - direct borrowing	3/24/22	3.125%	6/1/28	160,000
Note payable - direct borrowing	9/23/22	4.50%	9/23/27	6,827
Note payable - direct borrowing	8/16/24	5.50%	12/16/33	603,163
Note payable - direct borrowing	7/21/25	5.50%	7/21/32	67,846
Note payable - direct borrowing	10/3/25	5.50%	10/3/35	212,311
Note payable - direct borrowing	11/21/25	5%	11/21/26	87,000
Total				<u>\$ 3,330,964</u>

Default With Finance Related Consequences - The 3/24/22, 9/23/22, 11/4/22, 8/16/24, 7/21/25, 10/3/25, and 11/21/25 note payables - direct borrowing contains a provision that in event of default, outstanding amounts become immediately due if the Village is unable to make the payment.

Subjective Acceleration Clause - The 3/24/22, 9/23/22, 11/4/22, 8/16/24, 7/21/25, 10/3/25, and 11/21/25 note payables - direct borrowing contains a subjective acceleration clause that allows the lender to accelerate payment of the entire principal amount to become immediately due if the lender determines that a material adverse change occurs.

Proprietary fund debt is expected to be repaid with water and wastewater utility revenue. Proprietary fund debt at December 31, 2025, is comprised of the following individual issues:

VILLAGE OF HORTONVILLE, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2025

NOTE 5 - Long-Term Obligations - Continued

<u>Issue Description</u>	<u>Issue Dates</u>	<u>Interest Rates (%)</u>	<u>Dates of Maturity</u>	<u>Balance</u>
Mortgage revenue bonds - wastewater	5/12/10	2.085%	5/1/30	\$ 1,566,097

General Obligation Debt Limit Calculation - The 2025 equalized valuation of the Village as certified by the Wisconsin Department of Revenue is \$387,276,300. The legal debt limit and margin of indebtedness as of December 31, 2025, in accordance with Section 67.03(1) (a) of the Wisconsin Statutes follows:

Debt limit (5% of \$387,276,300)	\$ 19,363,815
Applicable long-term debt	(3,330,964)
Amount available in debt service	<u>1,281,295</u>
Margin of indebtedness	<u>\$ 17,312,948</u>

Maturities of Long-Term Obligations - Aggregate cash flow requirements for the retirement of long-term debt principal and interest are as follows:

Governmental Activities

<u>Year Ending</u>	<u>Bonds</u>		<u>Notes Payable - Direct Borrowing and Placement</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
December 31					
2026	\$ 215,000	\$ 81,725	\$ 314,253	\$ 56,909	\$ 667,887
2027	220,000	74,200	189,123	47,080	530,403
2028	230,000	66,170	131,259	39,906	467,335
2029	255,000	57,430	80,675	34,631	427,736
2030	260,000	47,230	85,226	30,080	422,536
2031-2035	850,000	74,570	500,428	63,626	1,488,624
	<u>\$ 2,030,000</u>	<u>\$ 401,325</u>	<u>\$ 1,300,964</u>	<u>\$ 272,232</u>	<u>\$ 4,004,521</u>

Business-Type Activities

<u>Year Ending</u>	<u>Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
December 31			
2026	\$ 300,428	\$ 29,521	\$ 329,949
2027	306,692	23,192	329,884
2028	313,086	16,731	329,817
2029	319,614	10,135	329,749
2030	326,277	3,401	329,678
	<u>\$ 1,566,097</u>	<u>\$ 82,980</u>	<u>\$ 1,649,077</u>

Bond Compliance Requirements - The 2010 revenue bond ordinance require segregation of the proceeds of the bond issues and creation and continual funding of redemption, depreciation and replacement funds. The Village is in compliance with these ordinances.

VILLAGE OF HORTONVILLE, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2025

NOTE 6 - Wisconsin Retirement System Pension

General Information about the 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, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

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

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

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

VILLAGE OF HORTONVILLE, WISCONSIN
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 DECEMBER 31, 2025

NOTE 6 - Wisconsin Retirement System Pension - Continued

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2015	2.9	2
2016	.5	(5)
2017	2	4
2018	2.4	17
2019	-	(10)
2020	1.7	21
2021	5.1	13
2022	7.4	15
2023	1.6	(21)
2024	3.6	15

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

During the reporting period, the WRS recognized \$148,590 in contributions from the employer.

Contribution rates as of December 31, 2024 are:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.90%	6.90%
Protective with Social Security	6.90%	14.30%
Protective without Social Security	6.90%	19.10%
Act 4 Protective County Jailers	14.3%	6.90%

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

At December 31, 2025, the Village reported a liability (asset) of \$146,977 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2023 rolled forward to December 31, 2024. 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 (asset) was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2024, the Village's proportion was 0.00894476%, which was an increase of 0.00034043% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the Village recognized pension expense (revenue) of \$194,976.

At December 31, 2025, the Village reported deferred outflows of resources and deferred inflows of

VILLAGE OF HORTONVILLE, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2025

NOTE 6 - Wisconsin Retirement System Pension - Continued

resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 456,445	\$ 428,915
Net differences between projected and actual earnings on pension plan investments	223,340	-
Changes in assumptions	43,610	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	6,089
Employer contributions subsequent to the measurement date	148,590	-
Total	\$ 871,985	\$ 435,004

\$148,590 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense (revenue) as follows:

Year Ending December 31	Deferred Outflows and (Inflows) of Resources
2026	\$ 85,989
2027	302,783
2028	(76,583)
2029	(23,798)
Thereafter	-

Actuarial Assumptions - The total pension liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2023
Measurement Date of Net Pension Liability (Asset)	December 31, 2024
Experience Study:	January 1, 2021 - December 31, 2023 Published November 19, 2024
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Inflation	3%
Seniority/Merit	.1% - 5.7%
Mortality:	2020 WRS Experience Mortality Table
Post-retirement Adjustments*	1.7%

VILLAGE OF HORTONVILLE, WISCONSIN
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 DECEMBER 31, 2025

NOTE 6 - Wisconsin Retirement System Pension - Continued

** 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. Includes the impact of known market recognition account deferred gains/losses on the liability for dividend payments.*

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. Based on this experience study, actuarial assumptions used to measure the total liability changed from prior year, including seniority (merit) and separation rates. The total pension liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the December 31, 2023 actuarial valuation.

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

Asset Allocation Targets and Expected Returns
 As of December 31, 2024

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Public Equity	38	7	4.3
Public Fixed Income	27	6.1	3.4
Private Equity/Debt	20	9.5	6.7
Inflation Sensitive Assets	19	4.8	2.1
Real Estate	8	6.5	3.8
Leverage	(12)	3.7	1.1
Total Core Fund	100	7.5	4.8
Variable Fund Asset Class			
U.S. Equities	70	6.5	3.8
International Equities	30	7.4	4.7
Total Variable Fund	100	6.9	4.2

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations. New England Pension Consultants Long-Term US CPI (Inflation) Forecast 2.6%.

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

Single Discount Rate - A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 4.08% (Source: "20-Bond GO Index" is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality as of December 31, 2024. In describing this index, the Bond Buyer notes that the bonds' average quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard and Poor's Corp.'s AA.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately

VILLAGE OF HORTONVILLE, WISCONSIN
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 DECEMBER 31, 2025

NOTE 6 - Wisconsin Retirement System Pension - Continued

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.

Sensitivity of the Village's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following presents the Village's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80 percent, as well as what the Village's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.80 percent) or one percentage point higher (7.80 percent) than the current discount 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)	\$ 1,378,838	\$ 146,977	\$ (728,224)

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 \$5,315 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2025.

NOTE 7 - Wisconsin Retirement System Local Retiree Life Insurance Fund

General Information about the Other Post Employment Benefits

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 using the link above.

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

Contributions - The Group Insurance Board approves contribution rates annually, based on

VILLAGE OF HORTONVILLE, WISCONSIN
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 DECEMBER 31, 2025

NOTE 7 - Wisconsin Retirement System Local Retiree Life Insurance Fund - Continued

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.

Contribution rates as of December 31, 2024 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, 2024 are as listed below:

Attained Age	Basic	Supplemental
Under 30	\$.05	\$.05
30-34	.06	.06
35-39	.07	.07
40-44	.08	.08
45-49	.12	.12
50-54	.22	.22
55-59	.39	.39
60-64	.49	.49
65-69	.57	.57
*Disabled members under age 70 receive a waiver-of-premium benefit.		

During the reporting period, the LRLIF recognized \$449 in contributions from the employer.

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

At December 31, 2025, the Village reported a liability (asset) of \$84,517 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2024 rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net OPEB liability (asset) was based on the Village's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2024, the Village's proportion was 0.021603%, which was an increase of 0.001605% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the Village recognized OPEB expense (revenue) of \$4,041.

VILLAGE OF HORTONVILLE, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2025

NOTE 7 - Wisconsin Retirement System Local Retiree Life Insurance Fund - Continued

At December 31, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 8,793
Net differences between projected and actual earnings on OPEB plan investments	1,160	-
Changes in assumptions	20,738	47,404
Changes in proportion and differences between employer contributions and proportionate share of contributions	11,231	10,386
Employer contributions subsequent to the measurement date	449	-
Total	\$ 33,578	\$ 66,583

\$449 reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows:

Year Ending December 31	Deferred Outflows and (Inflows) of Resources
2026	\$ (2,233)
2027	(6,290)
2028	(10,223)
2029	(10,387)
Thereafter	(4,321)

Actuarial Assumptions - The total OPEB liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2024
Measurement Date of Net OPEB Liability (Asset)	December 31, 2024
WRS Experience Study:	January 1, 2021 - December 31, 2023, Published November 19, 2024
Actuarial Cost Method:	Entry Age Normal
20 Year Tax Exempt Municipal Bond Yield*:	4.08%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	4.09%
Salary Increases:	
Inflation	3%
Seniority/Merit	.1% - 5.7%
Mortality:	2020 WRS Experience Mortality Table

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

VILLAGE OF HORTONVILLE, WISCONSIN
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 DECEMBER 31, 2025

NOTE 7 - Wisconsin Retirement System Local Retiree Life Insurance Fund - Continued

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. The total OPEB liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the January 1, 2024 actuarial valuation.

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

Local OPEB Life Insurance
 Asset Allocation Targets and Expected Returns
 As of December 31, 2024

Asset Class	Index	Target Allocation %	Long-Term Expected Geometric Real Rate of Return %
Us Intermediate Credit Bonds	Bloomberg US Intern Credit	40	2.41
US Mortgages	Bloomberg US MBS	60	2.71
Inflation			2.3
Long-term Expected Rate of Return			4.25

Single Discount Rate - A single discount rate of 4.09% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.32% for the prior year. The change in the discount rate was primarily caused by the increase in the municipal bond rate from 3.26% as of December 31, 2023 to 4.08% as of December 31, 2024. 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 payments 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, 2037.

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

Sensitivity of the Village's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate - The following presents the Village's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 4.09 percent, as well as what the Village's proportionate

VILLAGE OF HORTONVILLE, WISCONSIN
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 DECEMBER 31, 2025

NOTE 7 - Wisconsin Retirement System Local Retiree Life Insurance Fund - Continued

share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.09 percent) or 1-percentage-point higher (5.09 percent) than the current rate:

	1% Decrease to Discount Rate (3.09%)	Current Discount Rate (4.09%)	1% Increase to Discount Rate (5.09%)
Village's proportionate share of the net OPEB liability (asset)	\$ 112,968	\$ 84,517	\$ 62,592

Payables to the OPEB Plan - The Village reported a payable of zero for the outstanding amount of contributions to the OPEB plan required for the year ended December 31, 2025.

NOTE 8 - Interfund Balance and Activity

Interfund receivable and payable balances on December 31, 2025, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Library Donation Trust	\$ 24,323
General	TID No. 3	156,263
General	TID No. 4	50,838
General	TID No. 5	34,640
General	Capital Improvements	370,392
		<u>\$ 636,456</u>

The above balances resulted from the timing differences between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made. All amounts are due within one year. For the statement of net position, interfund balances which are owed within the governmental and business activities are netted and eliminated.

Interfund transfers at December 31, 2025 were as follows:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
General	Water and Wastewater Utility	\$ 33,097
General	American Rescue	520
Library	General	145,284
Debt Service	TID No. 3	86,395
Debt Service	TID No. 4	122,283
Debt Service	TID No. 6	41,170
		<u>\$ 428,749</u>

Generally, transfers are used to move revenues from the fund that collects them to the fund that the budget requires to expend them and use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 9 - Fund Balance and Net Position

Portions of fund balances and net position are not available for current appropriation or expenditure as follows:

VILLAGE OF HORTONVILLE, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2025

NOTE 9 - Fund Balance and Net Position - Continued

<u>Governmental Fund</u>	<u>Purpose</u>	<u>Amount</u>
Restricted		
Debt service	Principal and interest payments	\$ 1,281,295
Housing and neighborhood conservation	Specific purposes	\$ 32,772
Wisconsin development grant	Specific purposes	\$ 12,149
Subdivision park fees	Specific purposes	\$ 30,052
TID No. 6	Capital projects	\$ 76,614
Assigned		
General	General government	\$ 156,430
General	Public safety	\$ 44,985
General	Public works	\$ 130,088
General	Capital projects	\$ 176,621
Library	Library	\$ 76,484
 <u>Net Position</u>		
Governmental Activities		
Restricted		
Special revenue	Housing and neighborhood conservation, Wisconsin development grant, and subdivision park fees	\$ 152,315
Debt service	Principal and interest payments	\$ 1,281,295
Capital projects	Capital projects	\$ 76,614
 Business-Type Activities		
Restricted		
Water and wastewater utility	Wastewater debt retirement	\$ 220,643
Water and wastewater utility	Wastewater replacement	\$ 720,268

Deficits

The following individual funds had deficits at December 31, 2025:

Capital Improvement	\$ 344,392
TID No. 3	\$ 156,463
TID No. 4	\$ 50,838
TID No. 5	\$ 34,640

The deficits will be funded by future revenues.

The Village seeks to maintain its unassigned general fund balance at a minimum of 30% and maximum of 35% of total general fund budgeted operating expenditures, including transfers.

NOTE 10 - Risk Management

The Village is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters. For all risks of loss, the Village's policy is to purchase commercial insurance. Settled claims have not exceeded

VILLAGE OF HORTONVILLE, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2025

NOTE 10 - Risk Management - Continued

commercial insurance coverage in any of the past three years and there has been no significant reduction in insurance coverage from the prior year.

NOTE 11 - Component Unit

Hortonville Fire District - The Fire District is included as a discretely presented component unit. It is reported as a separate column on the government-wide statements of net position and activities. The rationale for the Fire District as a component unit is that the Village is financially accountable for it because the Fire District is fiscally dependent on the Village. The Fire District's relationship to the primary government is providing fire protection for properties located within the Village of Hortonville and the Town of Hortonia. Significant transactions with the Village of Hortonville are operating grants and contributions including annual operating subsidies and fire insurance dues from the Village of Hortonville. Separate financial statements are not prepared.

Capital assets for the year ended December 31, 2025 are:

	Beginning Balance	Increases	Decreases	Ending Balance
Equipment	\$ 1,227,335	\$ -	\$ -	\$ 1,227,335

The Fire District does not record depreciation on its capital assets.

NOTE 12 - Lease Receivable

The Village is a lessor of space on its water tower. The lessee pays a standard monthly fee to the Village of \$1,917 per month until the end of 2023, and then \$2,208 per month until the end of the contract. The agreement was signed on September 18, 2003 with an initial term of 5 years and allows for 4 additional 5-year terms. The lessee has the option to terminate 180 days prior to each term renewal. The Village recognized \$22,927 of lease revenue and \$3,573 of interest revenue under the lease. The lease receivable and deferred inflows of resources related to the lease are \$74,687 as of December 31, 2025.

NOTE 13 - Error Correction

The error correction in the business-type activities and proprietary fund for \$73,403 is for removing utility fixed assets that were recorded twice. The error correction in the nonmajor governmental funds consists of \$189,610 in the Wisconsin Development Grant for removing a grant and loan payments received, and \$152,397 in the American Rescue Grant for adding a grant.

Reporting Units Affected by Adjustments to and Restatements of Beginning Balance

	Funds				
	Business-Type Activities	Nonmajor Governmental Funds	Wisconsin Development Grant	American Rescue Grant	Proprietary Fund Water and Wastewater
	December 31, 2024, as previously reported	\$ 10,802,006	\$ (171,352)	\$ 164,392	\$ (151,877)
Error correction	(73,403)	(37,213)	(189,610)	152,397	(73,403)
December 31, 2024, as restated	<u>\$ 10,728,603</u>	<u>\$ (208,565)</u>	<u>\$ (25,218)</u>	<u>\$ 520</u>	<u>\$ 10,728,603</u>

VILLAGE OF HORTONVILLE, WISCONSIN

**REQUIRED
SUPPLEMENTARY INFORMATION**

VILLAGE OF HORTONVILLE, WISCONSIN
BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 1,174,120	\$ 1,174,120	\$ 1,175,810	\$ 1,690
Intergovernmental	880,041	880,041	881,402	1,361
Licenses and permits	86,750	86,750	96,078	9,328
Fines, forfeits and penalties	61,400	61,400	58,809	(2,591)
Public charges for services	394,094	394,094	382,589	(11,505)
Intergovernmental charges for services	39,650	39,650	32,471	(7,179)
Miscellaneous	107,004	107,004	113,584	6,580
TOTAL REVENUES	2,743,059	2,743,059	2,740,743	(2,316)
EXPENDITURES				
Current				
General government	478,633	478,633	546,886	(68,253)
Public safety	1,321,625	1,330,287	1,277,157	53,130
Public works	658,529	688,529	786,629	(98,100)
Health and human services	12,010	12,010	13,177	(1,167)
Culture, recreation and education	162,712	172,632	181,334	(8,702)
Conservation and development	50,450	56,945	44,953	11,992
TOTAL EXPENDITURES	2,683,959	2,739,036	2,850,136	(111,100)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	59,100	4,023	(109,393)	(113,416)
OTHER FINANCING SOURCES (USES)				
Transfers in	33,097	33,097	33,617	520
Transfers (out)	(145,284)	(145,284)	(145,284)	-
Sale of capital assets	7,000	7,000	27,100	20,100
TOTAL OTHER FINANCING SOURCES (USES)	(105,187)	(105,187)	(84,567)	20,620
NET CHANGE IN FUND BALANCE	(46,087)	(101,164)	(193,960)	(92,796)
FUND BALANCE - BEGINNING OF YEAR	571,295	571,295	571,295	-
FUND BALANCE - END OF YEAR	\$ 525,208	\$ 470,131	\$ 377,335	\$ (92,796)

The accompanying notes are an integral part of these statements.

VILLAGE OF HORTONVILLE, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
ON BUDGETARY ACCOUNTING AND CONTROL
DECEMBER 31, 2025

NOTE 1 - Budgetary Information - Budgets are adopted each fiscal year for the general fund in accordance with Section 65.90 of the Wisconsin Statutes. The Village follows these procedures in establishing the budgetary data reflected in the financial statements.

1. In August of each year, all department heads of the Village submit requests for appropriations to the Village Administrator so that a budget may be prepared. The Village Administrator submits to the Village Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted for taxpayers to approve the budget. This includes all required public notifications and publications prior to the public hearing.
3. In December, the budget is legally enacted through passage of a Resolution.
4. The department heads are authorized to transfer budget amounts within departmental operating expenses; however, any other revisions that alter the total expenditures of any fund or department must be approved by the Village Board.
5. Formal budgetary integration is employed as a management control device during the year for the general fund.
6. Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles in the United States of America.
7. Budgetary expenditure control is exercised at the department level within the fund.
8. Budgeted amounts are as authorized in the original budget resolution and subsequent revisions authorized by the Village Board.
9. Appropriations lapse at year-end, except those specifically carried forward by Board action.
10. Encumbrance accounting is not used.

NOTE 2 - Excess of Actual Expenditure Over Budget - The following expenditure classifications were in excess of \$1,000 over budget.

General government	\$	68,253
Public works		98,100
Health and human services		1,167
Culture, recreation and education		8,702

VILLAGE OF HORTONVILLE, WISCONSIN
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES
YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
Last 10 Fiscal Years

Pension Plan Fiscal Year	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2024	0.00894476%	\$ 146,977	\$ 1,435,874	10.24%	98.79%
2023	0.00860433%	127,929	1,303,599	9.81%	98.85%
2022	0.00817316%	432,989	1,175,150	36.85%	95.72%
2021	-0.00799080%	(644,073)	1,118,412	-57.59%	106.02%
2020	-0.00765112%	(477,670)	1,030,599	-46.35%	105.26%
2019	-0.00752816%	(242,742)	1,065,442	-22.78%	102.96%
2018	0.00734715%	261,388	932,916	28.02%	96.45%
2017	-0.00725599%	(215,440)	931,294	-23.13%	102.93%
2016	0.00708571%	58,403	949,299	6.15%	99.12%
2015	0.00679045%	110,343	875,225	12.61%	98.20%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

Village Fiscal Year End	Contractually Required Contributions	Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 148,590	\$ (148,590)	\$ -	\$ 1,543,279	9.63%
2024	135,417	(135,417)	-	1,435,874	9.43%
2023	118,783	(118,783)	-	1,303,599	9.11%
2022	100,512	(100,512)	-	1,175,150	8.55%
2021	96,094	(96,094)	-	1,118,412	8.59%
2020	87,028	(87,028)	-	1,030,599	8.44%
2019	83,840	(83,840)	-	1,065,442	7.87%
2018	71,134	(71,134)	-	932,916	7.62%
2017	60,202	(60,202)	-	931,294	6.46%
2016	67,105	(67,105)	-	949,299	7.07%

Notes to Required Supplementary Information for the Year Ended December 31, 2025

Changes of benefit terms - there were no changes of benefit terms for any participating employer in WRS.

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

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

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

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

VILLAGE OF HORTONVILLE
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES - Continued
YEAR ENDED DECEMBER 31, 2025

Notes to Required Supplementary Information for the Year Ended December 31, 2025 - Continued

SIGNIFICANT METHODS AND ASSUMPTIONS USED IN CALCULATING WISCONSIN RETIREMENT SYSTEM ACTUARIALLY DETERMINED CONTRIBUTIONS:

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Valuation Date:	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
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%	5.4%
Weighted based on assumed rate for:					
Pre-retirement:	6.8%	6.8%	7.0%	7.0%	7.0%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.0%	3.0%	3.0%
Seniority/Merit:	0.1% - 5.7%	0.1% - 5.6%	0.1% - 5.6%	0.1% - 5.6%	0.1% - 5.6%
Post Retirement Benefit Adjustments	1.7%	1.7%	1.9%	1.9%	1.9%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018- 2020.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018- 2020.	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.
Mortality:	2020 WRS Experience Tables. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010.	2020 WRS Experience Tables. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010.	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%).

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

VILLAGE OF HORTONVILLE
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES - Continued
YEAR ENDED DECEMBER 31, 2025

Notes to Required Supplementary Information for the Year Ended December 31, 2025 - Continued

SIGNIFICANT METHODS AND ASSUMPTIONS USED IN CALCULATING WISCONSIN RETIREMENT SYSTEM ACTUARIALLY DETERMINED CONTRIBUTIONS:

	2019	2018	2017	2016	2015
Valuation Date:	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1% - 5.6%	0.1% - 5.6%	0.1% - 5.6%	0.1% - 5.6%	0.1% - 5.6%
Post Retirement Benefit Adjustments	2.1%	2.1%	2.1%	2.1%	2.1%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012- 2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 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.
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 adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.

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

VILLAGE OF HORTONVILLE, WISCONSIN
WISCONSIN RETIREMENT SYSTEM LOCAL RETIREE LIFE INSURANCE FUND SCHEDULES
YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
Last 10 Fiscal Years

OPEB Plan Fiscal Year	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
2024	0.02160300%	\$ 84,517	\$ 1,388,000	6.09%	37.20%
2023	0.01999800%	92,004	1,228,000	7.49%	33.90%
2022	0.02228100%	84,887	1,176,000	7.22%	38.81%
2021	0.02312600%	136,683	1,035,000	13.21%	29.57%
2020	0.02200400%	121,038	959,000	12.62%	31.36%
2019	0.02004600%	85,360	974,000	8.76%	37.58%
2018	0.01958000%	50,523	968,000	5.22%	48.69%
2017	0.02124300%	63,911	893,329	7.15%	44.81%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

Village Fiscal Year End	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 449	\$ (449)	\$ -	\$ 1,543,279	0.03%
2024	454	(454)	-	1,388,000	0.03%
2023	407	(407)	-	1,228,000	0.03%
2022	447	(447)	-	1,176,000	0.04%
2021	473	(473)	-	1,035,000	0.05%
2020	438	(438)	-	959,000	0.05%
2019	362	(362)	-	974,000	0.04%
2018	398	(398)	-	968,000	0.04%

The Village implemented the Government Accounting Standards Board Statement No. 75 for the year ended December 31, 2018. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the proceeding years.

Notes to Required Supplementary Information for the Year Ended December 31, 2025

Changes of benefit terms - there were no recent changes of benefit terms.

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

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

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

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

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

VILLAGE OF HORTONVILLE, WISCONSIN
SUPPLEMENTARY INFORMATION

VILLAGE OF HORTONVILLE, WISCONSIN
 COMBINING BALANCE SHEETS
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2025

	SPECIAL REVENUE FUNDS					CAPITAL PROJECTS FUNDS				TOTAL NONMAJOR GOVERNMENTAL FUNDS
	LIBRARY	HOUSING AND NEIGHBORHOOD CONSERVATION	WISCONSIN DEVELOPMENT GRANT	AMERICAN RESCUE GRANT	SUBDIVISION PARK FEES	TID NO. 3	TID NO. 4	TID NO. 5	TID NO. 6	
ASSETS										
Cash and investments	\$76,484	\$ 32,772	\$ 12,149	\$ -	\$ 30,052	\$ -	\$ -	\$ -	\$ 76,614	\$ 228,071
Receivable										
Taxes	-	-	-	-	-	102,328	207,818	3,008	30,068	343,222
Loan	-	14,256	63,086	-	-	-	-	-	-	77,342
TOTAL ASSETS	<u>76,484</u>	<u>47,028</u>	<u>75,235</u>	<u>-</u>	<u>30,052</u>	<u>102,328</u>	<u>207,818</u>	<u>3,008</u>	<u>106,682</u>	<u>648,635</u>
LIABILITIES										
Due to other funds	-	-	-	-	-	156,263	50,838	34,640	-	241,741
Deposit payable	-	-	-	-	-	200	-	-	-	200
Unearned revenue - other	-	14,256	63,086	-	-	-	-	-	-	77,342
TOTAL LIABILITES	<u>-</u>	<u>14,256</u>	<u>63,086</u>	<u>-</u>	<u>-</u>	<u>156,463</u>	<u>50,838</u>	<u>34,640</u>	<u>-</u>	<u>319,283</u>
DEFERRED INFLOWS OF RESOURCES										
Taxes levied for subsequent year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,328</u>	<u>207,818</u>	<u>3,008</u>	<u>30,068</u>	<u>343,222</u>
FUND BALANCES (DEFICITS)										
Restricted	-	32,772	12,149	-	30,052	-	-	-	76,614	151,587
Assigned	76,484	-	-	-	-	-	-	-	-	76,484
Unassigned	-	-	-	-	-	(156,463)	(50,838)	(34,640)	-	(241,941)
TOTAL FUND BALANCES (DEFICITS)	<u>76,484</u>	<u>32,772</u>	<u>12,149</u>	<u>-</u>	<u>30,052</u>	<u>(156,463)</u>	<u>(50,838)</u>	<u>(34,640)</u>	<u>76,614</u>	<u>(13,870)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$76,484</u>	<u>\$ 47,028</u>	<u>\$ 75,235</u>	<u>\$ -</u>	<u>\$ 30,052</u>	<u>\$ 102,328</u>	<u>\$ 207,818</u>	<u>\$ 3,008</u>	<u>\$ 106,682</u>	<u>\$ 648,635</u>

VILLAGE OF HORTONVILLE, WISCONSIN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2025

	SPECIAL REVENUE FUNDS					CAPITAL PROJECTS FUND				TOTAL NONMAJOR GOVERNMENTAL FUNDS
	LIBRARY	HOUSING AND NEIGHBORHOOD CONSERVATION	WISCONSIN DEVELOPMENT GRANT	AMERICAN RESCUE GRANT	SUBDIVISION PARK FEES	TID NO. 3	TID NO. 4	TID NO. 5	TID NO. 6	
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 131,476	\$ 270,768	\$ 3,162	\$ 36,803	\$ 442,209
Intergovernmental	209,210	-	-	-	-	5,235	1,654	179	4,324	220,602
Licenses and permits	-	-	-	-	2,000	-	-	-	-	2,000
Public charges for services	2,855	-	37,213	-	-	-	-	-	-	40,068
Miscellaneous	14,516	31	154	-	52	-	-	-	72	14,825
TOTAL REVENUES	226,581	31	37,367	-	2,052	136,711	272,422	3,341	41,199	719,704
EXPENDITURES										
Current										
General government	-	-	-	-	-	1,075	861	861	861	3,658
Public safety	-	-	-	-	-	3,475	7,064	1	-	10,540
Public works	-	-	-	-	-	6,658	63,314	15,616	42,369	127,957
Culture, recreation and education	344,354	-	-	-	-	-	-	-	-	344,354
Conservation and development	-	-	-	-	-	-	17,976	-	-	17,976
Capital outlay	-	-	-	-	26,000	71,360	-	-	104,447	201,807
TOTAL EXPENDITURES	344,354	-	-	-	26,000	82,568	89,215	16,478	147,677	706,292
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(117,773)	31	37,367	-	(23,948)	54,143	183,207	(13,137)	(106,478)	13,412
OTHER FINANCING SOURCES (USES)										
Transfers in	145,284	-	-	-	-	-	-	-	-	145,284
Transfers (out)	-	-	-	(520)	-	(86,395)	(122,283)	-	(41,170)	(250,368)
Issuance of long-term debt	-	-	-	-	-	71,360	-	-	215,007	286,367
TOTAL OTHER FINANCING SOURCES (USES)	145,284	-	-	(520)	-	(15,035)	(122,283)	-	173,837	181,283
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	27,511	31	37,367	(520)	(23,948)	39,108	60,924	(13,137)	67,359	194,695
FUND BALANCE (DEFICITS) - BEGINNING OF YEAR										
AS PREVIOUSLY REPORTED	48,973	32,741	164,392	(151,877)	54,000	(195,571)	(111,762)	(21,503)	9,255	(171,352)
ERROR CORRECTION	-	-	(189,610)	152,397	-	-	-	-	-	(37,213)
FUND BALANCE (DEFICITS) - BEGINNING OF YEAR AS RESTATED	48,973	32,741	(25,218)	520	54,000	(195,571)	(111,762)	(21,503)	9,255	(208,565)
FUND BALANCE (DEFICITS) - END OF YEAR	\$ 76,484	\$ 32,772	\$ 12,149	\$ -	\$ 30,052	\$ (156,463)	\$ (50,838)	\$ (34,640)	\$ 76,614	\$ (13,870)

VILLAGE OF HORTONVILLE, WISCONSIN
SCHEDULE OF WATER AND WASTEWATER UTILITY
OPERATING REVENUES AND EXPENSES
YEAR ENDED DECEMBER 31, 2025

	<u>WATER</u>	<u>WASTEWATER</u>	<u>TOTAL</u>
OPERATING REVENUES			
Sales:			
Metered Sales			
Residential	\$ 265,509	\$ 761,288	\$ 1,026,797
Commerical	33,603	208,384	241,987
Industrial	11,364	31,084	42,448
Multifamily	28,590	-	28,590
Other water	54,642	-	54,642
Public authorities	13,872	45,558	59,430
Interdepartmental Sales	396	-	396
TOTAL METERED SALES	<u>407,976</u>	<u>1,046,314</u>	<u>1,454,290</u>
Public fire protection	168,554	-	168,554
TOTAL SALES	<u>576,530</u>	<u>1,046,314</u>	<u>1,622,844</u>
Other operating revenues			
Other forfeited discounts	3,845	10,323	14,168
Miscellaneous	5,105	930	6,035
TOTAL OPERATING REVENUES	<u>585,480</u>	<u>1,057,567</u>	<u>1,643,047</u>
OPERATING EXPENSES			
Plant, maintenance and general expenses			
Plant and maintenance expenses			
Supervision and labor	91,676	47,367	139,043
Maintenance and repairs of water plant	158,448	120,798	279,246
Power purchased for pumping	30,233	84,593	114,826
Chemicals	15,098	29,186	44,284
Operating supplies and expenses	9,249	46,209	55,458
TOTAL PLANT AND MAINTENANCE EXPENSES	<u>304,704</u>	<u>328,153</u>	<u>632,857</u>
General expenses			
Administrative salaries and wages	126,009	127,772	253,781
Office supplies and expenses	21,716	20,664	42,380
Professional services	22,614	100,001	122,615
Property insurance	16,777	26,503	43,280
Employee benefits	38,552	41,466	80,018
Transportation	1,446	1,233	2,679
Miscellaneous	50,710	52,497	103,207
TOTAL GENERAL EXPENSES	<u>277,824</u>	<u>370,136</u>	<u>647,960</u>
TOTAL PLANT, MAINTENANCE AND GENERAL EXPENSES	<u>582,528</u>	<u>698,289</u>	<u>1,280,817</u>
Other operating expenses			
Depreciation	143,188	378,920	522,108
Taxes	629	-	629
TOTAL OTHER OPERATING EXPENSES	<u>143,817</u>	<u>378,920</u>	<u>522,737</u>
TOTAL OPERATING EXPENSES	<u>726,345</u>	<u>1,077,209</u>	<u>1,803,554</u>
OPERATING INCOME (LOSS)	<u>\$ (140,865)</u>	<u>\$ (19,642)</u>	<u>\$ (160,507)</u>

VILLAGE OF HORTONVILLE, WISCONSIN
OTHER INFORMATION

VILLAGE OF HORTONVILLE, WISCONSIN
DETAILED STATEMENT OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED DECEMBER 31, 2025

	<u>FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES			
Taxes			
Property	\$ 1,094,188	\$ 1,168,323	\$ 74,135
Mobile home	74,135	-	(74,135)
Private forest crop/managed forest land	8	404	396
Other tax exempt entities	5,789	6,124	335
Interest and penalties on delinquent taxes	-	949	949
Other	-	10	10
TOTAL	<u>1,174,120</u>	<u>1,175,810</u>	<u>1,690</u>
Intergovernmental			
Federal grants	670	-	(670)
State shared taxes	641,828	644,070	2,242
State grants - public safety	2,500	2,560	60
State grants - transportation	192,743	188,868	(3,875)
Other state payments	-	4	4
County and other local grants	42,300	45,900	3,600
TOTAL	<u>880,041</u>	<u>881,402</u>	<u>1,361</u>
Licenses and Permits			
Business and occupational licenses	38,250	33,377	(4,873)
Nonbusiness licenses	4,000	3,490	(510)
Building permits and inspection fees	37,000	33,241	(3,759)
Zoning permits and fees	1,500	1,800	300
Other regulatory permits and fees	6,000	24,170	18,170
TOTAL	<u>86,750</u>	<u>96,078</u>	<u>9,328</u>
Fines, Forfeits and Penalties			
Law and ordinance violations	55,100	49,919	(5,181)
Forfeitures	6,300	8,890	2,590
TOTAL	<u>\$ 61,400</u>	<u>\$ 58,809</u>	<u>\$ (2,591)</u>

VILLAGE OF HORTONVILLE, WISCONSIN
DETAILED STATEMENT OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL - GENERAL FUND - Continued
YEAR ENDED DECEMBER 31, 2025

	<u>FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
Public Charges for Services			
General government	\$ 3,100	\$ 4,192	\$ 1,092
Public safety	167,474	150,150	(17,324)
Sanitation and utilities	148,220	150,105	1,885
Health	20,000	13,075	(6,925)
Culture, recreation and education	55,300	55,481	181
Conservation and development	-	9,586	9,586
TOTAL	<u>394,094</u>	<u>382,589</u>	<u>(11,505)</u>
Intergovernmental Charges for Service			
Other local governments - public safety	12,970	12,954	(16)
Other local governments - public works	13,864	12,359	(1,505)
Other local governments - other	<u>12,816</u>	<u>7,158</u>	<u>(5,658)</u>
TOTAL	<u>39,650</u>	<u>32,471</u>	<u>(7,179)</u>
Miscellaneous			
Interest	93,504	76,813	(16,691)
Donations	8,000	23,655	15,655
Other miscellaneous	<u>5,500</u>	<u>13,116</u>	<u>7,616</u>
TOTAL	<u>107,004</u>	<u>113,584</u>	<u>6,580</u>
TOTAL REVENUES	<u>2,743,059</u>	<u>2,740,743</u>	<u>(2,316)</u>
OTHER FINANCING SOURCES			
Transfers in	33,097	33,617	520
Sale of capital assets	<u>7,000</u>	<u>27,100</u>	<u>20,100</u>
TOTAL OTHER FINANCING SOURCES	<u>40,097</u>	<u>60,717</u>	<u>20,620</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 2,783,156</u>	<u>\$ 2,801,460</u>	<u>\$ 18,304</u>

VILLAGE OF HORTONVILLE, WISCONSIN
DETAILED STATEMENT OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED DECEMBER 31, 2025

	<u>FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
EXPENDITURES			
General Government			
Legislative	\$ 20,648	\$ 23,177	\$ (2,529)
Judicial	43,895	41,805	2,090
Legal	20,000	20,556	(556)
General administration	191,122	242,265	(51,143)
Financial administration	83,592	87,589	(3,997)
General buildings and plant	49,265	57,441	(8,176)
Other insurance	62,091	69,269	(7,178)
Other general government	8,020	4,784	3,236
TOTAL	<u>478,633</u>	<u>546,886</u>	<u>(68,253)</u>
Public Safety			
Law enforcement	933,489	868,371	65,118
Fire protection	321,744	326,845	(5,101)
Ambulance	45,010	45,010	-
Building inspection	24,200	29,238	(5,038)
Other public safety	5,844	7,693	(1,849)
TOTAL	<u>1,330,287</u>	<u>1,277,157</u>	<u>53,130</u>
Public Works			
Administration	63,374	75,855	(12,481)
Street maintenance and construction	353,834	416,645	(62,811)
Road related facilities	110,233	132,798	(22,565)
Sanitation	161,088	161,331	(243)
TOTAL	<u>688,529</u>	<u>786,629</u>	<u>(98,100)</u>
Health and Human Services			
Public health services	3,100	948	2,152
Cemetery	8,910	12,229	(3,319)
TOTAL	<u>\$ 12,010</u>	<u>\$ 13,177</u>	<u>\$ (1,167)</u>

VILLAGE OF HORTONVILLE, WISCONSIN
DETAILED STATEMENT OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL - GENERAL FUND - Continued
YEAR ENDED DECEMBER 31, 2025

	<u>FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
Culture, Recreation and Education			
Library	\$ 11,317	\$ 6,812	\$ 4,505
Parks	100,360	99,046	1,314
Recreation programs and events	53,200	64,909	(11,709)
Recreation facilities	<u>7,755</u>	<u>10,567</u>	<u>(2,812)</u>
TOTAL	<u>172,632</u>	<u>181,334</u>	<u>(8,702)</u>
Conservation and Development			
Economic development	<u>56,945</u>	<u>44,953</u>	<u>11,992</u>
TOTAL	<u>56,945</u>	<u>44,953</u>	<u>11,992</u>
TOTAL EXPENDITURES	<u>2,739,036</u>	<u>2,850,136</u>	<u>(111,100)</u>
OTHER FINANCING USES			
Transfers out	<u>145,284</u>	<u>145,284</u>	<u>-</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 2,884,320</u>	<u>\$ 2,995,420</u>	<u>\$ (111,100)</u>

**VILLAGE OF HORTONVILLE, WISCONSIN
OTHER REPORTS**



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

To the Village Board
Village of Hortonville, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Hortonville, Wisconsin, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Village of Hortonville, Wisconsin's basic financial statements and have issued our report thereon dated April 1, 2026.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described below as items 2024-001, 2024-002, and 2024-003 that we consider to be material weaknesses.

2025-001 - Management's Responsibility for Preparation of Financial Statements

Program: Government Wide.

Criteria: Adequate internal controls necessitate personnel (management or others) of the Village have adequate training and knowledge that would enable you to prepare financial statements and footnotes in accordance with generally accepted accounting principles (GAAP).

Condition: The training and knowledge of your personnel limits your ability to prepare GAAP basis financial statements.

Questioned Costs: Not applicable.

Context: Personnel have adequate knowledge and experience in governmental accounting and interim reporting requirements; however, their limited knowledge and lack of training limits their ability to prepare GAAP basis financial statements.

Effect: This weakness could result in the possibility of undetected errors and irregularities.

Information: Isolated instance.

Prior Year Finding: This was a prior year audit finding numbered 2024-001.

Recommendation: Obtain adequate training or continue to hire a certified public accounting (CPA) firm to prepare GAAP basis financial statements.

Management's Response: Due to the complexities involved with preparing GAAP basis financial statements, management has weighed the cost-benefit of training personnel or hiring a CPA firm. Management has concluded to hire a CPA firm.

2025-002 - Segregation of Duties

Program: Government Wide.

Criteria: Separation of accounting duties is necessary for adequate internal control.

Condition: Separation of accounting duties for adjusting journal entries, cash receipts, cash disbursements and payroll is currently limited to obtain an adequate internal control system.

Questioned Costs: Not applicable.

Context: The number of personnel limits the separation of accounting duties.

Effect: This weakness could result in the possibility of undetected errors and irregularities.

Information: Systemic problem.

Prior Year Finding: This was a prior year audit finding numbered 2024-002.

Recommendation: Management should monitor the accounting internal controls or hire additional personnel to be able to properly separate accounting duties.

Management's Response: This weakness is impractical to entirely correct due to the limited resources and personnel available to our Village. We will continue to use other controls, where practical, to compensate for this limitation.

2025-003 - Material Audit Adjustments

Program: Government Wide.

Criteria: Generally accepted accounting principles.

Condition: Material audit adjustments were required to prevent the Village's financial statements from being materially misstated.

Questioned Costs: Not applicable.

Context: Internal controls did not identify that an adjustment should be recorded.

Information: Systemic problem.

Prior Year Finding: This was a prior year audit finding numbered 2024-003.

Effect: This weakness could result in undetected errors and irregularities and misstated interim financial reports.

Recommendation: Improve the Village's financial reporting internal controls to prevent these types of adjustments from occurring in the future. Document which accounting procedures are needed to be completed on a monthly basis to detect material adjustments.

Management's Response: The Village will incorporate financial reporting internal controls to detect material adjustments, prevent materially misstated financial statements and increase the accuracy of the interim financial reports used by management.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Hortonville, Wisconsin's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards*, and which is described below.

2025-004 - Actual Expenditures Over Budget

Program: General Fund.

Criteria: Wisconsin Statute 65.06 prohibits spending more than budgeted expenditures.

Condition: The Village spent \$111,100 more than their adopted budget.

Questioned Costs: Not applicable.

Context: The Village did not monitor actual spending in comparison with budgeted amounts.

Effect: The Village is not in compliance with Wisconsin Statutes.

Information: Isolated instance.

Prior Year Finding: This was a prior year audit finding numbered 2024-004.

Recommendation: The Village should monitor actual expenditures compared to the adopted budget and formally amend the budget to ensure total actual expenditures do not exceed total budgeted expenditures.

Management's Response: The Village typically does not formally amend the original budget. In the future, we will review our budget calculations throughout the year and formally amend the budget if necessary.

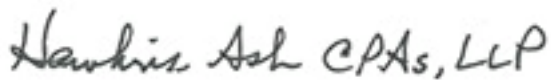
Village of Hortonville, Wisconsin's Response to Findings

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

Purpose of this Report

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

HAWKINS ASH CPAS, LLP

A handwritten signature in cursive script that reads "Hawkins Ash CPAs, LLP".

Manitowoc, Wisconsin
April 1, 2026

FORM OF LEGAL OPINION

(See following pages)

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

May 28, 2026

Re: Village of Hortonville, Wisconsin ("Issuer")
\$1,740,000 General Obligation Promissory Notes, Series 2026A,
dated May 28, 2026 ("Notes")

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

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

The Notes are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on 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	\$100,000	___%
2028	85,000	___
2029	105,000	___
2030	105,000	___
2031	110,000	___
2032	115,000	___
2033	110,000	___
2034	115,000	___
2035	115,000	___
2036	130,000	___
2037	125,000	___
2038	125,000	___
2039	130,000	___
2040	135,000	___
2041	135,000	___

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

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

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

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

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

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

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

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

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

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

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

QUARLES & BRADY LLP

QB\102035802.1

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 Hortonville, Outagamie County, Wisconsin (the "Issuer") in connection with the issuance of \$1,740,000 General Obligation Promissory Notes, Series 2026A, dated May 28, 2026 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on May 7, 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 annually and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

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

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

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

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

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

"Final Official Statement" means the Final Official Statement dated May 7, 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 Hortonville, Outagamie County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Village Clerk-Treasurer of the Issuer who can be contacted at 531 North Nash Street, Hortonville, Wisconsin 54944-0099, phone (920) 779-6011.

"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.

The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year ending December 31, 2026, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

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

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

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

Section 5. Reporting of Listed Events.

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

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
7. Modification to rights of holders of the Securities, if material;
8. Securities calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 28th day of May, 2026.

(SEAL)

Jeanne Bellile
President

Jane Booth
Village Clerk-Treasurer

NOTICE OF SALE

**\$1,740,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2026A
VILLAGE OF HORTONVILLE, WISCONSIN**

Bids for the purchase of \$1,740,000* General Obligation Promissory Notes, Series 2026A (the "Notes") of the Village of Hortonville, 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 May 7, 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 6:00 P.M., Central Time, on the same date. The bid offering to purchase the Notes upon the terms specified herein and most favorable to the Village will be accepted unless all bids are rejected.

AUTHORITY; PURPOSE; SECURITY

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the Village, for public purposes, including financing project costs for the Village's Tax Incremental Districts 4, 5, 6, and 7 including road projects, Main Street Paving, Bridge Replacement / Aesthetics, Street Lighting, Memorial Square, and the Alonzo Park Entrance, as well as fire department lot projects and acquiring police and public works equipment. The Notes are general obligations of the Village, and all the taxable property in the Village is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount.

DATES AND MATURITIES

The Notes will be dated May 28, 2026, will be issued as fully registered Notes 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	\$100,000	2032	\$115,000	2037	\$125,000
2028	85,000	2033	110,000	2038	125,000
2029	105,000	2034	115,000	2039	130,000
2030	105,000	2035	115,000	2040	135,000
2031	110,000	2036	130,000	2041	135,000

ADJUSTMENT OPTION

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

TERM BOND OPTION

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

INTEREST PAYMENT DATES AND RATES

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

BOOK-ENTRY-ONLY FORMAT

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

PAYING AGENT

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

OPTIONAL REDEMPTION

At the option of the Village, the Notes maturing on or after May 1, 2035 shall be subject to optional redemption prior to maturity on May 1, 2034 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

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

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

DELIVERY

On or about May 28, 2026, the Notes will be delivered without cost to the winning bidder at DTC. On the day of closing, the Village will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Notes is then pending or, to the best knowledge of officers of the Village, threatened. Payment for the Notes must be received by the Village at its designated depository on the date of closing in immediately available funds.

LEGAL MATTERS

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

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

SUBMISSION OF BIDS

Bids must not be for less than \$1,718,250, nor more than \$1,914,000, plus accrued interest on the principal sum of \$1,740,000 from date of original issue of the Notes to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

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

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

A good faith deposit ("Deposit") in the amount of \$34,800 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The Village reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the Village may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the Village as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

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

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

AWARD

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

BOND INSURANCE

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

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

CUSIP NUMBERS

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

CONTINUING DISCLOSURE

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

NEW ISSUE PRICING

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PRELIMINARY OFFICIAL STATEMENT

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

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

By Order of the Village Board

Jane Booth, Village Clerk-Treasurer
Village of Hortonville, Wisconsin

BID FORM

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

May 7, 2026

RE: \$1,740,000* General Obligation Promissory Notes, Series 2026A (the "Notes")
DATED: May 28, 2026

For all or none of the above Notes, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$_____ (not less than \$1,718,250, nor more than \$1,914,000) plus accrued interest to date of delivery for fully registered Notes bearing interest rates and maturing in the stated years as follows:

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

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

A rating for the Notes may not be requested without contacting Ehlers and receiving the permission of the Village.

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

A good faith deposit ("Deposit") in the amount of \$34,800 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The Village reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the Village may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the Village as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Notes to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about May 28, 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 Notes.

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

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

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

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

Account Manager: _____ By: _____
Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from May 28, 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 Board of the Village of Hortonville, Wisconsin, on May 7, 2026.

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