PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 15, 2026

Subject to compliance by the Village with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois ("Bond Counsel"), under present law, interest on the Notes is excludible from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals. Interest on the Notes may affect the corporate alternative minimum tax for certain corporations. Interest on the Notes is not exempt from present State of Wisconsin income taxes. See "TAX EXEMPTION" herein for a more complete discussion.

The Village will NOT designate the Notes as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Notes to the extent permitted under prior law.

New Issue **Rating: Moody's Ratings "Aa1"**

VILLAGE OF ELM GROVE, WISCONSIN
(Waukesha County)

$16,090,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2026A

BID OPENING: October 22, 2026, 10:00 A.M., C.T.
CONSIDERATION: Not later than 11:59 P.M., C.T. on October 22, 2026 (PARAMETERS RESOLUTION)

PURPOSE/AUTHORITY/SECURITY: The $16,090,000* General Obligation Promissory Notes, Series 2026A (the "Notes") are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the Village of Elm Grove, Wisconsin (the "Village"), for public purposes, including completing certain capital projects in and for the Village, purchasing certain equipment for the Village and refunding the Village's $1,000,000 State Trust Fund Loan, dated August 16, 2023, and the Village's $178,150 State Trust Fund Loan, dated August 16, 2023. 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 delivery of an approving legal opinion by Chapman and Cutler LLP, Chicago, Illinois.

DATE OF NOTES: November 12, 2026

MATURITY: March 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2027	$700,000	2034	$1,080,000	2041	$960,000
2028	865,000	2035	1,130,000	2042	490,000
2029	905,000	2036	770,000	2043	520,000
2030	935,000	2037	800,000	2044	465,000
2031	965,000	2038	835,000	2045	405,000
2032	1,000,000	2039	880,000	2046	430,000
2033	1,040,000	2040	915,000		

***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, up to an increase of $515,000 per maturity or a decrease of not more than $430,000 per maturity. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: March 1, 2027 and semiannually thereafter.

OPTIONAL REDEMPTION: Notes maturing on March 1, 2036 and thereafter are subject to prepayment prior to maturity at the option of the Village on March 1, 2035 or any date thereafter, at a price of par plus accrued interest to the date of optional prepayment.

MINIMUM BID: $15,888,875.

MAXIMUM BID: $17,538,100.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of $321,800 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation.

BOND COUNSEL: Chapman and Cutler 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.

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. Bond Counsel has not participated in the preparation of this Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers and Associates, Inc., payable entirely by the Village, is contingent upon the delivery of the Notes.

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

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

Preliminary Official Statement: This 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 supporting the tax exemption of the interest on the Notes.

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BID FORM

VILLAGE OF ELM GROVE
VILLAGE BOARD

		Term Expires
James Koleski	Village President	April 2027
Tom Castile	Village Trustee	April 2027
Shawn Hillmann	Village Trustee	April 2028
Jim Olson	Village Trustee	April 2027
Kristina Sayas	Village Trustee	April 2028
John Schindler	Village Trustee	April 2028
Jennifer Stuckert	Village Trustee	April 2028

ADMINISTRATION

Tom Harrigan, Village Manager
Brian Lahey, Village Finance Director
Crystal Turner, Village Clerk/Deputy Treasurer

PROFESSIONAL SERVICES

Remzy Bitar, Municipal Law and Litigation Group, S.C., Village Attorney, Waukesha, Wisconsin

Chapman and Cutler LLP, Bond Counsel, Chicago, Illinois

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 Elm Grove, Wisconsin (the "Village") and the issuance of its $16,090,000* General Obligation Promissory Notes, Series 2026A (the "Notes"). **The Village Board adopted a resolution on September 29, 2026 as supplemented by a notification of sale (the "Parameters Resolution"), which authorizes the Finance Director or the Village Manager (each an "Authorized Officer") to accept a bid for the Notes if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on October 22, 2026, neither the Finance Director nor the Village Manager will have the authority to accept a bid for the Notes, and all bids for the Notes will be rejected.**

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Waukesha, Wisconsin, (262) 785-1520, the Village's municipal advisor. A copy of this 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 November 12, 2026. The Notes will mature on March 1 in the years and amounts set forth on the cover of this Official Statement. Interest will be payable on March 1 and September 1 of each year, commencing March 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 month next preceding any interest payment date. 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%.

REGISTRATION AND TRANSFER

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

The Registrar (as hereinafter defined) will maintain books (the "Register") for the registration of ownership and transfer of the Notes. Subject to the provisions of the Notes as they relate to book entry form, any Note may be transferred upon the surrender thereof at the principal corporate trust office of the Registrar, together with an assignment duly executed by the registered owner or his or her attorney in such form as will be satisfactory to the Registrar. No service charge shall be made for any transfer or exchange of Notes, but the Village or the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Notes except in the case of the issuance of a Note or Notes for the unredeemed portion of a Note surrendered for redemption.

*Preliminary, subject to change.

The Registrar shall not be required to transfer or exchange any Note during the period beginning at the close of business on the 15th day of the month next preceding any interest payment date on such Note and ending at the opening of business on such interest payment date, nor to transfer or exchange any Note after notice calling such Note for prepayment has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of prepayment of any Notes.

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 registrar (the "Registrar") and Paying Agent services. The Village reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL PREPAYMENT

The Notes maturing on or after March 1, 2036 are subject to prepayment prior to maturity at the option of the Village from any available funds, as a whole or in part in such order as the Village shall determine (less than all of the Notes of a single maturity to be selected by the Registrar, as hereinafter provided) on March 1, 2035 or any date thereafter, at a price of par plus accrued interest.

The Village will, at least 45 days prior to any optional prepayment date (unless a shorter time period shall be satisfactory to the Registrar), notify the Registrar of such prepayment date and of the principal amount and maturity or maturities of Notes to be redeemed. For purposes of any prepayment of less than all of the outstanding Notes of a single maturity, the particular Notes or portions of Notes to be redeemed shall be selected by lot by the Registrar from the Notes of such maturity by such method of lottery as the Registrar shall deem fair and appropriate (except when the Notes are held in a book-entry system, in which case the selection of Notes to be redeemed will be made in accordance with procedures established by DTC or any other book-entry depository); *provided* that such lottery shall provide for the selection for prepayment of Notes or portions thereof in principal amounts of $5,000 and integral multiples thereof.

Unless waived by any holder of Notes to be redeemed, notice of the call for any prepayment will be given by the Registrar on behalf of the Village by mailing the prepayment notice by first-class mail at least 30 days and not more than 60 days prior to the date fixed for prepayment to each registered owner of the Notes to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such registered owner to the Registrar.

Unless moneys sufficient to pay the prepayment price of the Notes to be redeemed at the option of the Village are received by the Registrar prior to the giving of such notice of prepayment, such notice may, at the option of the Village, state that said prepayment will be conditional upon the receipt of such moneys by the Registrar on or prior to the date fixed for prepayment. If such moneys are not received, such notice will be of no force and effect, the Village will not redeem such Notes, and the Registrar will give notice, in the same manner in which the notice of prepayment has been given, that such moneys were not so received and that such Notes will not be redeemed. Otherwise, prior to any prepayment date, the Village will deposit with the Registrar an amount of money sufficient to pay the prepayment price of all the Notes or portions of Notes which are to be redeemed on that date.

Subject to the provisions for a conditional prepayment described above, notice of prepayment having been given as described above and in the Parameters Resolution, and notwithstanding failure to receive such notice, the Notes or portions of Notes so to be redeemed will, on the prepayment date, become due and payable at the prepayment price therein specified, and from and after such date (unless the Village shall default in the payment of the prepayment price) such Notes or portions of Notes shall cease to bear interest. Upon surrender of such Notes for prepayment in accordance with said notice, such Notes will be paid by the Registrar at the prepayment price.

AUTHORITY; PURPOSE

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the Village, for public purposes, including completing certain capital projects in and for the Village, purchasing certain equipment for the Village and refunding the Village's $1,000,000 State Trust Fund Loan, dated August 16, 2023 (the "2023A STFL"), and the Village's $178,150 State Trust Fund Loan, dated August 16, 2023 (the "2023B STFL") as follows:

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded
2023A STFL	8/16/2023	1/06/2027	Par	2027-2043	5.25%	$887,905
Total 2023A STFL Being Refunded						$887,905

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded
2023B STFL	8/16/2023	1/06/2027	Par	2027-2043	5.25%	$158,180
Total 2023B STFL Being Refunded						$158,180

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Notes	$16,090,000	
Estimated Interest Earnings	38,663	
Total Sources		**$16,128,663**
Uses		
Estimated Underwriter's Discount	$201,125	
Costs of Issuance	135,350	
Deposit to Project Construction Fund	14,697,840	
Deposit to Current Refunding Fund	1,090,773	
Rounding Amount	3,575	
Total Uses		**$16,128,663**

*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, irrepealable tax on all taxable property in the Village sufficient to pay the interest on the Notes when it becomes due and also to pay and discharge the principal on the Notes at maturity, in compliance with Article XI, Section 3 of the Wisconsin Constitution. Such tax may, under current law, be levied without limitation as to rate or amount.

RATING

The Village received a rating of "Aa1" on the Notes from Moody's Ratings ("Moody's"). Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from Moody's.

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

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

CONTINUING DISCLOSURE

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

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

In the previous five years, the Village believes it has not failed to comply in all material respects with its prior undertakings under the Rule. The Village has reviewed its continuing disclosure responsibilities along with any changes to the Rule, to ensure compliance. Ehlers is currently engaged as dissemination agent for the Village.

LEGAL OPINION

An opinion as to the validity of the Notes and the exemption from federal income taxation of the interest thereon will be furnished by Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel to the City ("Bond Counsel"), and will be available at the time of delivery of the Notes. The proposed form of opinion of Bond Counsel is attached as Appendix B hereto.

STATEMENT REGARDING COUNSEL PARTICIPATION

Certain legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Bond Counsel who has been retained by, and acts as, Bond Counsel to the Village. Bond Counsel has not assumed responsibility for this Official Statement or participated in its preparation (except with respect to the section entitled "TAX EXEMPTION" in this Official Statement and the "FORM OF LEGAL OPINION" found in Appendix B). Bond Counsel has not been retained or consulted on disclosure matters, and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Notes, and assumes no responsibility for the statements or information contained in or incorporated by reference in this Official Statement, except that in its capacity as Bond Counsel, Chapman and Cutler LLP has, at the request of the Village, reviewed the section entitled "TAX EXEMPTION" in this Official Statement and has provided the "FORM OF LEGAL OPINION" found in Appendix B. This review was undertaken solely at the request and for the benefit of the Village and did not include any obligation to establish or confirm factual matters set forth herein.

TAX EXEMPTION

Federal tax law contains a number of requirements and restrictions which apply to the Notes, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Village has covenanted to comply with all requirements that must be satisfied in order for the interest on the Notes to be excludible from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Notes to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Notes.

Subject to the Village's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Notes is excludible from the gross income of the owners thereof for federal income tax purposes, and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Notes may affect the corporate alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the Village with respect to certain material facts within the Village's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Notes should consult their tax advisors as to applicability of any such collateral consequences.

The issue price for original issue discount (as further discussed below) and market discount purposes (the *"OID Issue Price"*) for each maturity of the Notes is the price at which a substantial amount of such maturity of the Notes is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The OID Issue Price of a maturity of the Notes may be different from the price set forth, or the price corresponding to the yield set forth, on the cover page hereof.

If the OID Issue Price of a maturity of the Notes is less than the principal amount payable at maturity, the difference between the OID Issue Price of each such maturity, if any, of the Notes (the *"OID Notes"*) and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Note in the initial public offering at the OID Issue Price for such maturity and who holds such OID Note to its stated maturity, subject to the condition that the Village complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Note constitutes interest

which is excludible from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Note at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Code; and (d) the accretion of original issue discount in each year may result in certain collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Owners of OID Notes should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Notes.

Owners of Notes who dispose of Notes prior to the stated maturity (whether by sale, redemption or otherwise), purchase Notes in the initial public offering, but at a price different from the OID Issue Price or purchase Notes subsequent to the initial public offering should consult their own tax advisors.

If a Note is purchased at any time for a price that is less than the Note's stated redemption price at maturity or, in the case of an OID Note, its OID Issue Price plus accreted original issue discount (the *"Revised Issue Price"*), the purchaser will be treated as having purchased a Note with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Note is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Note for a price that is less than its Revised Issue Price even if the purchase price exceeds par. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Note. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Notes.

An investor may purchase a Note at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Note in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Note. Investors who purchase a Note at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Note's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Note.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Notes. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. 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.

The Internal Revenue Service (the *"Service"*) has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Notes. If an audit is commenced, under current procedures the Service may treat the Village as a taxpayer and the Note holders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Notes until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Notes, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Note owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Note owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest on the Notes is not exempt from present State of Wisconsin income taxes. Ownership of the Notes may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Notes. Prospective purchasers of the Notes should consult their tax advisors regarding the applicability of any such state and local taxes.

NON-QUALIFIED TAX-EXEMPT OBLIGATIONS

The Village will NOT designate the Notes as "qualified tax-exempt obligations" pursuant to Section 265 of the Code.

MUNICIPAL ADVISOR

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

MUNICIPAL ADVISOR AFFILIATED COMPANIES

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

INDEPENDENT AUDITORS

The basic financial statements of the Village for the fiscal year ended December 31, 2025 have been audited by Baker Tilly US, LLP, Milwaukee, Wisconsin, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Official Statement.

RISK FACTORS

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

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

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

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

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

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

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

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

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

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

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

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

Cybersecurity: The Village is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the Village will not experience an information technology breach or attack with financial consequences that could have a material adverse impact. In May 2024, the Village experienced a cyber security incident where an unauthorized actor accessed a limited portion of the Village's network and may have accessed documents containing customer's personal information. The Village took immediate steps upon discovering the intrusion to isolate the network and secure the environment. No data was lost, and the Village regained access to all systems within three days with limited disruption to its operations. The Village notified potentially impacted customers of the data breach and has taken further steps to secure its systems from potential additional cyber-attacks.

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

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

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

Assessed Value

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

CURRENT PROPERTY VALUATIONS

2026 Equalized Value	$2,064,057,500
2026 Equalized Value Reduced by Tax Increment Valuation	$1,910,557,100
2025 Assessed Value	$1,757,403,400

2026 EQUALIZED VALUE BY CLASSIFICATION

	2026 Equalized Value[1]	Percent of Total Equalized Value
Residential	$1,825,892,200	88.461%
Commercial	238,165,300	11.539%
Total	$2,064,057,500	100.000%

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value[1]	Percent Increase/Decrease in Equalized Value
2022	$1,437,330,600	$1,481,021,900	13.98%
2023	1,455,766,900	1,611,607,000	8.82%
2024	1,693,864,500	1,746,770,700	8.39%
2025	1,757,403,400	1,919,757,200	9.90%
2026	N/A	2,064,057,500	7.52%

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

[1] Includes tax increment valuation.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2025 Equalized Value[1]	Percent of Village's Total Equalized Value
Caroline Heights Apartments, LLC	Apartments	$67,117,229	3.50%
LCM Fund 68 Elm Grove, LLC	Real Estate	17,789,951	0.93%
Oshcon Corp.	UPS Distribution Facility	14,932,645	0.78%
Elm Grove ALF, LLC	Senior Assisted Living Facility	14,691,880	0.77%
NRF VIII - Autumn Grove, LLC	Retail	7,820,375	0.41%
Western Raquet Club	Private Club	7,476,145	0.39%
University of Wisconsin Credit Union	Bank	6,086,783	0.32%
SC Elliott Family Limited Partnership	Retail	5,600,560	0.29%
Building Trades United Pension Trust Fund, Inc.	Pension/Insurance Agency	4,711,609	0.25%
Individual	Private Residence	4,699,494	0.24%
Total		$150,926,671	7.86%
Village's Total 2025 Equalized Value[2]		$1,919,757,200	

Source: The Village.

DEBT

DIRECT DEBT[3]

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Notes)*	$26,300,000

*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, and excludes the refunded obligations.

DEBT PAYMENT HISTORY

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

FUTURE FINANCING

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	$2,064,057,500
Multiply by 5%	0.05
Statutory Debt Limit	$103,202,875
Less: General Obligation Debt*	(26,300,000)
Unused Debt Limit*	$76,902,875

*Preliminary, subject to change.

Village of Elm Grove, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 11/12/2026)

	Corporate Purpose Bonds Series 2019A		Taxable Promissory Notes Series 2025B		Promissory Notes Series 2026A							
Dated	10/16/2019		08/13/2025		11/12/2026							
Amount	$2,355,000		$8,545,000		$16,090,000*							
Maturity	03/01		03/01		03/01							
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Estimated Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2027	110,000	38,494	155,000	416,800	700,000	510,548	965,000	965,841	1,930,841	25,335,000	3.67%	**2027**
2028	115,000	35,119	495,000	400,550	865,000	613,347	1,475,000	1,049,016	2,524,016	23,860,000	9.28%	**2028**
2029	115,000	31,669	555,000	374,300	905,000	584,309	1,575,000	990,278	2,565,278	22,285,000	15.27%	**2029**
2030	120,000	28,744	605,000	345,300	935,000	553,205	1,660,000	927,249	2,587,249	20,625,000	21.58%	**2030**
2031	125,000	26,294	660,000	313,675	965,000	520,090	1,750,000	860,058	2,610,058	18,875,000	28.23%	**2031**
2032	125,000	23,716	705,000	279,550	1,000,000	484,909	1,830,000	788,175	2,618,175	17,045,000	35.19%	**2032**
2033	125,000	21,059	760,000	242,925	1,040,000	447,361	1,925,000	711,345	2,636,345	15,120,000	42.51%	**2033**
2034	135,000	18,213	810,000	203,675	1,080,000	407,069	2,025,000	628,957	2,653,957	13,095,000	50.21%	**2034**
2035	135,000	15,175	860,000	163,215	1,130,000	363,851	2,125,000	542,241	2,667,241	10,970,000	58.29%	**2035**
2036	135,000	12,053	910,000	121,393	770,000	325,808	1,815,000	459,253	2,274,253	9,155,000	65.19%	**2036**
2037	140,000	8,788	955,000	76,621	800,000	293,418	1,895,000	378,827	2,273,827	7,260,000	72.40%	**2037**
2038	140,000	5,375	875,000	31,806	835,000	258,704	1,850,000	295,885	2,145,885	5,410,000	79.43%	**2038**
2039	145,000	1,813	100,000	7,625	880,000	221,306	1,125,000	230,743	1,355,743	4,285,000	83.71%	**2039**
2040			100,000	2,550	915,000	181,085	1,015,000	183,635	1,198,635	3,270,000	87.57%	**2040**
2041					960,000	138,093	960,000	138,093	1,098,093	2,310,000	91.22%	**2041**
2042					490,000	103,961	490,000	103,961	593,961	1,820,000	93.08%	**2042**
2043					520,000	79,135	520,000	79,135	599,135	1,300,000	95.06%	**2043**
2044					465,000	54,640	465,000	54,640	519,640	835,000	96.83%	**2044**
2045					405,000	32,688	405,000	32,688	437,688	430,000	98.37%	**2045**
2046					430,000	11,180	430,000	11,180	441,180	0	100.00%	**2046**
	1,665,000	266,509	8,545,000	2,979,985	16,090,000	6,184,704	26,300,000	9,431,199	35,731,199			

* Preliminary, subject to change.

OVERLAPPING DEBT[1]

Taxing District	Equalized Value[2]	% In Village	Total G.O. Debt[3]	Village's Proportionate Share
Waukesha County	$102,884,496,600	2.0062%	$113,800,000	$2,283,056
Waukesha County Technical College District	105,454,590,874	1.9573%	23,660,000	463,097
Elmbrook School District	13,902,271,204	14.8469%	10,000,000	1,484,690
Village's Share of Total Overlapping Debt				$4,230,843

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value $2,064,057,500	Debt/ Per Capita 6,494[4]
Total General Obligation Debt*	$26,300,000	1.27%	$4,049.89
Village's Share of Total Overlapping Debt	4,230,843	0.21%	651.50
Total*	$30,530,843	1.48%	$4,701.39

*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] Preliminary estimated 2026 population.

TAX LEVIES, RATES 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	$7,444,435	100%	$5.90
2022/23	7,497,240	100%	5.21
2023/24	7,649,890	100%	4.93
2024/25	7,729,511	100%	4.59
2025/26	7,997,081	In Process of Collection	4.48

Property tax statements are distributed to taxpayers by the town, village, and city treasurers in December of the levy year. Current State law requires counties to pay 100% of the real property taxes levied to cities, villages, towns, school districts and other taxing entities on or about August 20 of the collection year.

Special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31, unless the municipality, by ordinance, permits special assessments to be paid in installments. Real property taxes must be paid in full by January 31 or in two equal installments by January 31 and July 31. Alternatively, municipalities may adopt a payment plan which permits real property taxes to be paid in three or more equal installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31, are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. On or before January 15 and February 20 the town, city or village treasurer settles with other taxing jurisdictions for all collections through December and January, respectively. In municipalities which have authorized the payment of real property taxes in three or more installments, the town, city or village treasurer settles with the other taxing jurisdictions on January 15, February 20 and on the fifteenth day of each month following the month in which an installment payment is required. On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. Any county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Previously, personal property taxes were required to be paid to the town, city or village treasurer in full by January 31. Uncollected personal property taxes owed by an entity that had ceased operations or filed a petition for bankruptcy, or were due on personal property that had been removed from the next assessment roll were formerly collected from each taxing entity in the year following the levy year. The personal property tax was repealed, starting with the property tax assessments as of January 1, 2024. Beginning in 2025, the personal property tax was replaced with a payment from the State intended to replace the amount of property taxes imposed on personal property for the property tax assessments as of January 1, 2023.

PROPERTY TAX RATES

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

Year Levied/ Year Collected	Schools[1]	County	Local	Total
2021/22	$9.30	$1.68	$5.90	$16.88
2022/23	7.74	1.53	5.21	14.48
2023/24	6.75	1.39	4.93	13.07
2024/25	6.77	1.35	4.59	12.71
2025/26	6.51	1.27	4.48	12.26

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%.

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

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

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 $286,000 in shared revenue under Chapter 79, Wis. Stats., an increase from the approximately $280,000 received in 2024. The Village is expected to receive approximately $272,000 in shared revenue under Chapter 79, Wis. Stats. in 2026. In future years, the amount of supplemental shared revenue could grow if State sales tax collections grow.

THE ISSUER

VILLAGE GOVERNMENT

The Village was incorporated in 1955 and is governed by a seven member Village Board, of which the Village President is a voting member. All Board Members are elected to two-year terms. The appointed Village Manager, Finance Director and Clerk/Deputy Treasurer are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The Village employs a staff of 46 full-time, 24 part-time, and 15 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 $368,020, $417,814 and $453,441, 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 $459,349 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 0.02795518% 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 V.A. in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Recognized and Certified Bargaining Units

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

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

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

The following bargaining unit represents employees of the Village:

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

OTHER POST EMPLOYMENT BENEFITS

Approximately 42 active Village employees are offered health insurance coverage through the Village's insured United Health Care plan. The Village offers police officers (currently 15 active) the opportunity upon retirement to continue on the Village's health plan at their expense until Medicare eligible. The Village has had no retired officers exercising this option now nor in the past 15 years (at least since 2003). The Village does not offer a post-employment benefit to other retirees other than the option to elect COBRA or State Continuation of coverage wherein the former employee pays 100% of the required premium amount to stay on the Village's health insurance plan. There are no former employees who have elected COBRA or State Continuation and there are no former employees currently continuing coverage on the Village's health plan. Based upon the current benefits and insurance plan noted above, Key Benefits Concepts LLC determined for the Village that the Village's post-employment benefits are immaterial.

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[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 Circuit 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 Circuit 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 was appealed to the Wisconsin Court of Appeals. On January 23, 2025, the Court of Appeals granted a motion to stay the decision pending outcome of the appeal. On July 29, 2026, the Court of Appeals overturned the Circuit Court's decision and upheld the Act. On August 17, 2026, the plaintiff petitioned the Wisconsin Supreme Court for review, and no guarantee can be made regarding the outcome of the matter.

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 July 31, 2026)

Fund	Total Cash and Investments
General	$5,521,961
Sewer Fund	2,659,801
Stormwater Fund	486,290
Library Operating Fund	266,967
Library Gift Fund	80,587
Capital Improvements Fund	1,714,370
Emergency Medical Service Fund	294,067
Debt Service Fund	967,464
Donation Fund	132,075
Transportation Fund	(965,682) [1]
Total Funds on Hand	$11,157,900

[1] The negative cash balance in the Transportation Fund reflects completion of pathway construction projects, which will be reimbursed with proceeds from the Notes.

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.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31			
	2022 Audited	**2023 Audited**	**2024 Audited**	**2025 Audited**
Revenues				
Taxes	$4,748,324	$4,971,670	$5,103,330	$5,214,171
Intergovernmental revenues	627,278	794,751	927,338	957,284
Licenses and permits	288,697	775,071	449,348	487,585
Fines, forfeitures and penalties	138,530	173,852	158,745	187,594
Public charges for services	866,088	989,446	1,003,021	1,052,749
Commercial revenues	254,144	474,445	507,392	492,928
Total Revenues	$6,923,061	$8,179,235	$8,149,174	$8,392,311
Expenditures				
Current:				
General government	$1,498,592	$1,723,515	$1,718,484	$1,903,704
Public safety	3,289,841	3,893,401	3,995,978	4,106,602
Health and sanitation	652,826	719,227	742,172	780,485
Public works	977,205	959,148	1,108,087	1,132,139
Park and recreation	279,750	291,100	341,912	369,416
Total Expenditures	$6,698,214	$7,586,391	$7,906,633	$8,292,346
Excess of revenues over (under) expenditures	$224,847	$592,844	$242,541	$99,965
Other Financing Sources (Uses)				
Transfers in	$4,000	$4,163	$4,267	$0
Transfers (out)	(215,250)	(275,000)	(19,570)	0
Total Other Financing Sources (Uses)	(211,250)	(270,837)	(15,303)	0
Net changes in Fund Balances	$13,597	$322,007	$227,238	$99,965
General Fund Balance January 1	$2,072,953	$2,086,550	$2,408,557	$2,635,795
General Fund Balance December 31	$2,086,550	$2,408,557	$2,635,795	$2,735,760
DETAILS OF DECEMBER 31 FUND BALANCE				
Nonspendable	$389,641	$309,023	$235,240	$1,462,271
Restricted	13,545	12,987	0	1,698
Assigned	181,270	179,639	228,530	244,455
Unassigned	1,502,094	1,906,908	2,172,025	1,027,336
Total	$2,086,550	$2,408,557	$2,635,795	$2,735,760

GENERAL FUND BUDGET SUMMARY

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31
	2026 Adopted Budget[1]
Revenues	
Taxes	$5,498,403
Intergovernmental revenues	970,541
Licenses and permits	257,700
Fines, forfeitures and penalties	161,500
Public charges for services	851,233
Recreation Fees	209,650
Commercial revenues	419,800
Total Revenues	$8,368,827
Expenditures	
General government	$1,854,085
Public safety	4,168,890
Health and sanitation	808,875
Public works	1,153,920
Parks and recreation	342,207
Total Expenditures	$8,327,977
Excess of revenues over (under) expenditures	$40,850
Net changes in Fund Balances	$40,850

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

GENERAL INFORMATION

LOCATION

The Village, with a 2010 U.S. Census population of 6,513 and a current 2026 preliminary estimated population of 6,494 comprises an area of four square miles and is located in Southeastern Wisconsin in Waukesha County approximately five miles west of the City of Milwaukee.

LARGER EMPLOYERS[1]

Larger employers in the Village include the following:

Firm	Type of Business/Product	Estimated No. of Employees
School District of Elmbrook	Elementary and secondary education	215
Elliot Hardware Inc.	Hardware store	95
Cornerstone Caregiving	Nursing & Convalescent Homes	87
The Village	Municipal government and services	85
Western Racquet Club	Country club	75
St. Mary's Parish & School	Catholic parish and school	58
Culver's	Restaurant	40
Annex Wealth Management LLC	Financial Advisory Services	40
Studio 890	Beauty Salons	40
United Parcel Service	UPS distribution center	36

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

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

BUILDING PERMITS (as of August 31, 2026)

	2022	2023	2024	2025	2026
New Single Family Homes					
No. of building permits	1	1	4	12	2
Valuation	$857,871	$631,666	$3,920,000	$15,937,712	$4,061,000
New Multiple Family Buildings					
No. of building permits	2	4	0	0	0
Valuation	$1,000,000	$7,073,800	$0	$0	$0
New Commercial/Industrial					
No. of building permits	2	1	2	0	0
Valuation	$1,390,000	$902,397	$1,528,265	$0	$0
All Building Permits *(including additions and remodelings)*					
No. of building permits	198	207	199	242	149
Valuation	$13,608,700	$15,408,100	$14,833,483	$25,756,237	$12,011,662

Source: The Village.

U.S. CENSUS DATA

Population Trend: The Village

2010 U.S. Census Population	5,934
2020 U.S. Census Population	6,513
Percent of Change 2010 - 2020	9.76%
2026 Preliminary Estimated Population	6,494

Income and Age Statistics

	The Village	Waukesha County	State of Wisconsin	United States
2024 per capita income	$78,957	$58,126	$43,373	$44,673
2024 median household income	$158,016	$106,076	$77,485	$80,734
2024 median family income	$176,000	$132,381	$100,141	$99,999
2024 median gross rent	$1,900	$1,356	$1,087	$1,413
2024 median value owner occupied units	$510,400	$398,200	$266,500	$332,700
2024 median age	44.3 yrs.	43.5 yrs.	40.2 yrs.	38.9 yrs.

	State of Wisconsin	United States
Village % of 2024 per capita income	182.04%	176.74%
Village % of 2024 median family income	175.75%	176.00%

Housing Statistics

	The Village		
	2020	2024	Percent of Change
All Housing Units	2,562	2,446	-4.53%

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.

	Average Employment	Average Unemployment	
Year	Waukesha County	Waukesha County	State of Wisconsin
2022	215,968	2.4%	2.8%
2023	218,860	2.5%	2.8%
2024	219,265	2.6%	3.0%
2025[1]	216,353	2.9%	3.2%
2026, August[1]	220,006	3.1%	3.4%

Source: Wisconsin Department of Workforce Development.

[1] Preliminary.

APPENDIX A

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 Elm Grove, Wisconsin
Financial Statements
For the Year Ending December 31, 2025

Village of Elm Grove

Elm Grove, Wisconsin

Financial Statements

Including Independent Auditor's Report

As of and for the Year Ended
December 31, 2025

Prepared by
Brian Lahey Finance Director

Village of Elm Grove
Financial Statements
As of and For the Year Ended December 31, 2025

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Village of Elm Grove
Financial Statements
As of and For the Year Ended December 31, 2025

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INTRODUCTORY SECTION

Village of Elm Grove, Wisconsin

Directory of Officials
For the Year Ended December 31, 2025

Elected Officials

Name	Title	Term
James Koleski	Village President	April 2027
John Schindler	Village Trustee	April 2026
Jennifer Stuckert	Village Trustee	April 2026
Kristina Sayas	Village Trustee	April 2027
Jim Olson	Village Trustee	April 2027
Thomas Castile	Village Trustee	April 2027
Shawn Hillmann	Village Trustee	April 2026
W. Timothy Steinle	Municipal Judge	April 2027

Administrators

Name	Title	Term
Thomas Harrigan	Village Manager/ Treasurer	Appointed
Isabella Naughton	Recreation Manager	Appointed
Jason Hennen	Chief of Police	Appointed
Ethan Sowl	Zoning Administrator/ Assistant Village Manager	Appointed
Brian Lahey	Finance Director	Appointed
Sarah Muench	Library Director	Appointed
Richard Paul Jr.	Director of Public Works	Appointed
Curt Waddell	EMS Service Director	Appointed
Brian Naylor	Fire Chief	Appointed
Crystal Turner	Village Clerk/Deputy Treasurer	Appointed
Jeffrey Thornton	Assessor	Appointed
Hector de la Mora	Village Attorney	Contracted
SafeBuilt	Building Inspector	Contracted
Ruekert & Mielke	Village Engineering	Contracted
Matthew Deluhery (EMSPS)	EMS Medical Director	Contracted

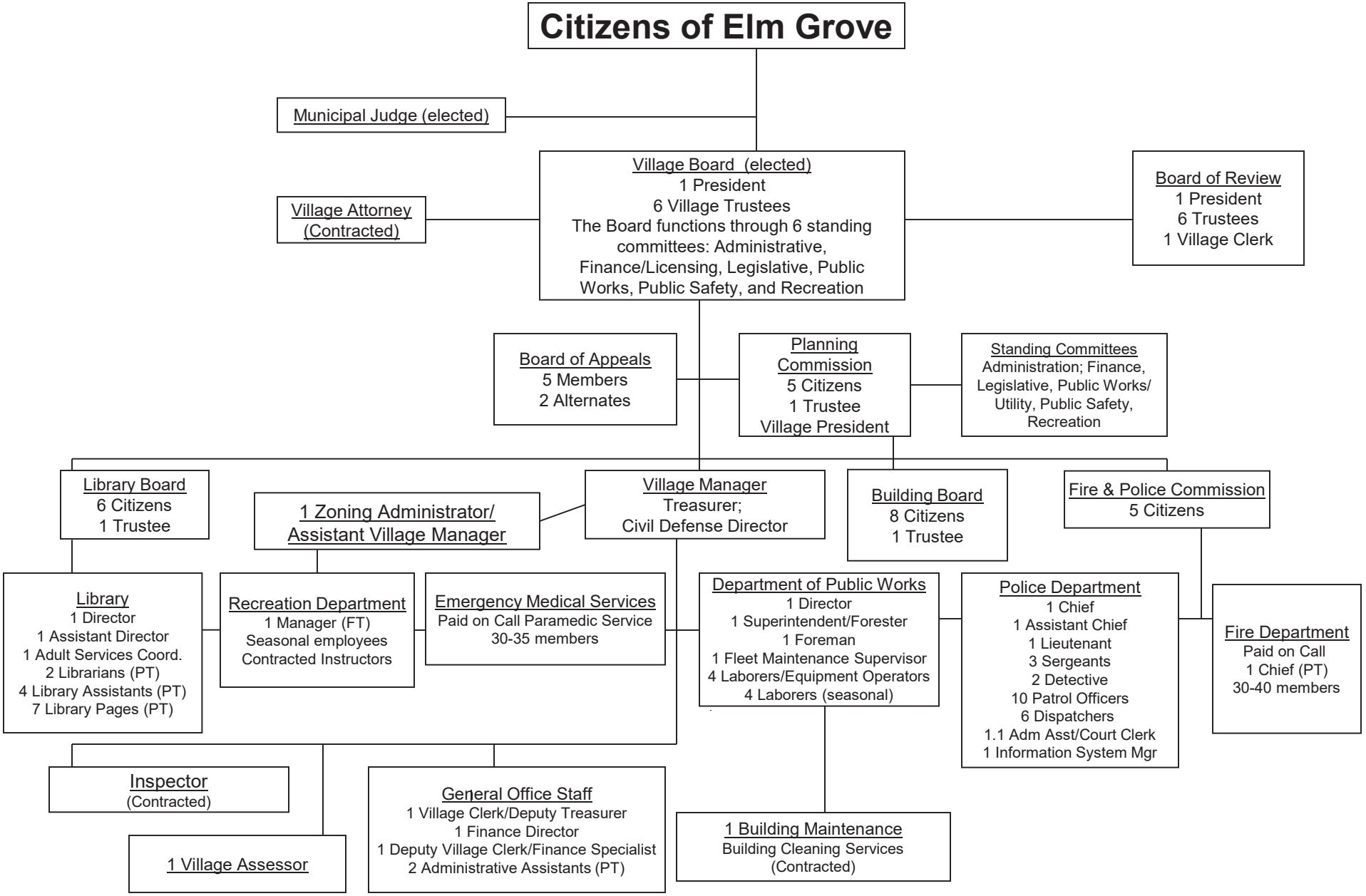
Officials Issuing Report:

Thomas Harrigan	Village Manager
Brian Lahey	Finance Director

Report Prepared by:

Brian Lahey	Finance Director

Village of Elm Grove



FINANCIAL SECTION

Independent Auditors' Report

To the Village Board of
Village of Elm Grove

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Elm Grove (the Village), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Village, as of December 31, 2025 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 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.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

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's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the Introductory Section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the 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.

Baker Tilly US, LLP

Milwaukee, Wisconsin
May 13, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Village of Elm Grove

Management's Discussion and Analysis
(Unaudited)
As of and for the Year Ended December 31, 2025

As management of the Village of Elm Grove, we offer readers of the Village of Elm Grove's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended December 31, 2025. A comparison with prior year data is also presented.

FINANCIAL HIGHLIGHTS

- The assets of the Village of Elm Grove exceeded its liabilities as of December 31, 2025 by $27 million.
- As of December 31, 2025 the Village's governmental funds reported combined ending fund balance of $4,217,560.
- The Village's tax increment district #2, implemented for stormwater management, had an increment value as of January 1, 2025 of $60,432,400 over its 2004 base year which generated 2025 revenues of $619,252.
- The Village successfully made its final payment on the 2005 stormwater general obligation bonds in 2025. The retirement of this long-term debt frees up future stormwater utility fee revenue to support upcoming infrastructure needs, such as the Underwood Creek daylighting project.
- Included in the general operating fund balance is unassigned fund balance of $1 million which is equal to 12% of total general fund expenditures. These funds are available for future Village needs including working capital.
- The Village's credit rating was upgraded to Aa1 by Moody's during their rate review prior to the 2019 general obligation issuance and reconfirmed during 2025.
- Tax increment district #3 was approved in 2023 to facilitate the development of Caroline Heights, 237 multi-family apartments and 21 single-family homes in a former large tax-exempt parcel. Final occupancy at the multi-family apartments occurred at the end of 2025.
- The development of Caroline Heights also brought municipal water to within the Village boundary providing future benefits for the community which mainly obtains water through private wells.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private sector business.

- The statement of net position presents information on all of the Village's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference between the four is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

- The statement of activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., sick pay benefits and other long-term liabilities.)

Both of the government–wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Village include general government, public safety, health and sanitation, highway and transportation, library and park and recreation. The Village does not operate any business-type activities.

Fund Financial Statements are groupings of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into two categories: governmental funds and fiduciary funds.

- Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Village's near-term financing requirements.

  Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village currently has 12 individual governmental funds and 1 custodial fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Sewer Fund, TIF #2 Fund, TIF #3 Fund, Debt Service Fund, and the 5 Year Capital Project Fund which are considered to be major funds.

Data from the other six funds are combined into a single, aggregate presentation under the heading "Nonmajor Governmental Funds." Individual fund data for each of these non-major governmental funds is provided in the form of "combining statements" elsewhere in this report.

- *Custodial funds* are used to account for resources held for the benefit of parties outside the government. Custodial funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Village's operations.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Village's total net position, net of related debt, exceeded liabilities by $26,953,719 at the close of 2025. The largest segment of net position is the Village's investment in capital assets. The Village reports land, land improvements, building, equipment, intangible assets, and infrastructure. Beginning in 2015 the Village implemented GASB 68 recognizing the Village's share of future pension obligations as a participant in the multi-employer Wisconsin Retirement System. This pension system is one of the strongest in the nation.

Village of Elm Grove's Net Position

	Governmental Activities	
	2025	2024
Current & other assets	$ 27,660,687	$ 19,168,372
Capital assets	33,901,691	31,564,561
Total assets	61,562,378	50,732,933
Deferred outflows of resources		
Advanced refunding of debt	-	41,529
Related to pensions	2,714,278	3,661,373
Total deferred outflows of resources	2,714,278	3,702,902
Long term general obligation liabilities outstanding	11,890,491	4,255,159
Net pension liability	459,349	407,851
Other liabilities	10,767,024	1,201,695
Total liabilities	23,116,864	5,864,705
Deferred inflows of resources		
Deferred amounts related to pension	1,343,520	2,179,683
Unearned revenues	12,862,553	11,699,147
Total deferred inflows of resources	14,206,073	13,878,830
Net position:		
Net investment in capital assets	30,900,545	27,627,090
Restricted- other	985,759	981,253
Unrestricted (deficit)	(4,932,585)	6,083,957
Total net postion	$ 26,953,719	$ 34,692,300

The Village's net position decreased by $7,711,051, or 22.24%, during 2025. This decline was primarily driven by the Series 2025B debt issuance, which funded an $8,466,000 grant obligation for Tax Incremental District (TIF) #3 as required by the Caroline Heights developer agreement. While the net position fell, the Village's capital assets grew by $2,337,130 over the same period.

Total general obligation debt reached $11,398,743 by year-end, a significant increase from the 2024 balance of $3,919,025. A majority of the debt obligation is funded from TIF #3 tax increment. The Village levied $404,724 to fund 2025 debt payments. Total principal retired during the fiscal year amounted to $1,065,282.

Village of Elm Grove Change in Net Position

	Governmental Activities	
	2025	2024
Revenues		
Program revenues		
Charges for services	$ 4,575,376	$ 4,228,070
Operating grants and contributions	773,703	722,525
Capital grants and contributions	121,471	230,108
General revenues		
Taxes	7,729,511	7,649,890
Taxes generated from TID increment	804,956	791,366
Intergovernmental revenue not restricted to specific programs	411,097	354,677
Invesment income	681,360	704,158
Other	361,979	314,034
Total revenue	15,459,453	14,994,828
Expenses		
General Government	10,899,768	2,123,405
Public Safety	5,142,885	4,541,039
Highway and Transportation	3,782,105	3,253,047
Health and Sanitation	1,641,431	1,638,419
Library	600,323	569,249
Parks and recreation	640,668	555,176
Interest and fiscal charges	463,324	237,205
Total Expenses	23,170,504	12,917,540
Increase in net position	(7,711,051)	2,077,288
Net position beginning	34,664,770	32,587,482
Net position ending	$ 26,953,719	$ 34,664,770

GOVERNMENTAL ACTIVITIES

Governmental activities decreased the Village's net position by $7,711,051. The tax revenue for 2025, excluding TIF #2 and #3, increased $79,621 or 1.04%. The Village continues to work to control the levy through careful management and a willingness to evaluate services, personnel and procedures while maintaining its high standard of living. Taxes, without the TID, accounted for 50.00% of the Village's total revenue as compared to 51.46% in 2024.

The Village contracts for refuse and recycling services and supports that service with a user fee. The Village also maintains a sewer fund and has partially supported sewer expenditures with tax levy dollars. In 2022 the Village shifted part of those levy dollars to a newly created transportation fund to dedicate funds for infrastructure improvements related to roads, pedestrian pathways and bridges. The sewer user fee was proportionally increased to offset the transferred levy dollars. The Village also supports its stormwater fund and associated debt from a large flood mitigation project done in 2005 with a stormwater utility fee to all property owners. The final payment on that debt was made in 2025.

Overall total charges for services increased approximately $347,000 in 2025. Charges for services come mainly from permits, licenses, sewer, storm water, recreation, garbage, and public safety fines. Permit revenue saw a large increase this year as building permits were issued for many of the newly created 21 single-family home lots that are a part of tax increment district #3. The Village contracts with Milwaukee Metropolitan Sewerage District for sewer treatment and is charged annually for user fees and a capital charge based on equalized property values. The Village tax levy included $325,000 in 2025 for a portion of the capital charge. All other sewer expenses including maintenance of Village sewerage flow system are covered by a user fee. The Village contracts for garbage/recycling collection and annually sets a user fee to cover these costs plus the cost of services provided by the Village for yard waste. The recreation department continues to evaluate recreational needs in the community and facilitates as needed. The Village evaluates the fees charged for specific services and programs with the goal of setting fees at a level that will proportionally recoup the costs of services.

Investment income for 2024 and 2025 was substantially higher than previous years. The Village invests in certificates of deposit at various term lengths through local banks. The Village also invested in the State of Wisconsin Local Government Investment Pool which continuously provides a marketable interest rate in a secure, flexible investment tool. During 2013 the Village chose to advance funds to build a limited water system within its TIF #2 district to assist development. These funds are being paid back to the general fund, plus 3% interest, through tax increments on a commercial parcel within the district. 2024 generated $5,800 of interest revenue to the general fund for its advancement and, in 2025 generated $4,500. TID #2 also received advancements from the Sewer and Debt Service Funds and paid market interest in the amount of $70,650 in 2024 and $77,000 in 2025. Other income for 2025 includes lease revenue from a cell tower (village owned) and cable franchise fees. Investment earnings in 2024 and 2025 also reflect the interest on the cell tower lease under accounting standard- GASB 87-Leases.

The Village continues to control expenses and looks for operating efficiencies in an environment of increasing general costs and rising health insurance costs. Expense in the government wide statements reflect an increase of $162,430 in 2025, for the Village's share of pension liability and corresponding deferred outflows and inflows of resources. As noted earlier the Village participates in the State of Wisconsin Employee Retirement System, one of the nation's strongest. The Village annually records its share of the pension system asset or liability in its government-wide statements. As of December 31, 2025 the Village recognizes a liability of $459,349 as compared to $407,851 in its 2024 statement. This system is constantly evaluated and adjustments made as necessary to maintain its integrity. Public safety costs increased due the change in pension liability. Public Safety expenses also reflect the associated inspection services incurred for the building permits issued on the multi-family development stated earlier. The Village contracts with an outside service for inspections which allows flexibility and limits overhead. The Village continues to use a Health Reimbursement Account Plan (HRA) with a high deductible health plan in an effort to control health costs.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

As of December 31, 2025, the Village of Elm Grove's governmental funds reported a combined ending fund balance of $4.218 million, reflecting a $2 million decrease from the 2024 balance of $6.245 million. This decline is primarily attributed to the timing of capital expenditures. Costs for the Underwood Creek daylighting, new pathways, and a DPW plow truck were incurred in 2025. The revenue intended to be utilized for these capital expenditures will be provided by issuance of General Obligation debt. The Village intended to receive the proceeds of the debt issuance in 2025, but has deferred this action to 2026.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village of Elm Grove's 2025 operations concluded within budgeted limits. The General Fund saw a surplus of $99,965, a favorable result compared to the amended budgeted deficit of $66,430. While the Village typically maintains an unassigned fund balance between 15% and 25%, the 2025 year-end balance was 12% (down from 27% in 2024). This temporary dip below policy is due to a $1.28 million short-term borrowing to the Transportation Fund to cover pathway expenses. This balance is planned to be restored once the anticipated General Obligation debt proceeds are received in 2026.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

Village of Elm Grove's Capital Assets

(net of depreciation)

	Governmental Activities	
	2025	**2024**
Land	$ 8,462,507	$ 8,462,507
Land Improvements	857,839	919,099
Buildings and Improvements	2,992,319	3,149,835
Intangibles	52,611	75,751
Machinery and Equipment	2,856,772	3,022,640
Construction in Progress	4,241,238	1,793,622
Infrastructure	14,438,405	14,141,107
	$ 33,901,691	$ 31,564,561

As of December 31, 2025, the Village's investment in capital assets for governmental activities totaled $33.9 million (net of accumulated depreciation), an increase from $31.56 million in 2024. This growth was driven by the capitalization of $3.7 million in new assets, which was offset by an annual depreciation expense of $1.4 million. By comparison, in 2024, the Village capitalized $2.79 million in assets with a depreciation expense of $1.38 million.

Long-term Debt

As of December 31, 2025, the Village of Elm Grove's total outstanding general obligation debt was $11.4 million, an increase from $3.9 million in 2024. This change is primarily due to the issuance of $8.545 million Series 2025B general obligation bonds in order to satisfy the Village's Developer Grant obligations associated with the Caroline Heights multi-family redevelopment. Despite this increase, the Village maintains significant borrowing capacity; under state statutes, the Village may borrow up to 5% of its equalized value, or $95.9 million. Currently, outstanding debt represents only 0.60% of the Village's $1.919 billion equalized value, compared to 0.22% of $1.746 billion in 2024. Notably, Moody's reconfirmed the Village's Aa1 bond rating prior to the 2025 issuance.

	Governmental Activities	
	2025	**2024**
General Obligation Bonds		
Stormwater Project GO Bonds	$ -	$ 885,000
Capital Project GO Bonds	1,770,000	1,875,000
Series 2025B GO Bonds	8,545,000	-
State Trust Fund Loan-WI 2019	-	39,503
State Trust Fund Loan-WI 2023	919,868	950,237
State Trust Fund Loan-WI 2023	163,875	169,285
Total G.O. Debt	$ 11,398,743	$ 3,919,025

As previously noted, the Series 2025B debt is funded through tax increments generated by TIF #3. Other capital project general obligation bonds and State Trust Fund loans are supported by the general tax levy, with level payments scheduled over a 5-to-20-year term.

In the government-wide statements, the Village previously reported an accrued liability for future health benefits related to a police officer retired under the state's Duty Disability Program. This contractual obligation has concluded, and the liability has been reduced to zero. The Village continues to manage health reimbursement arrangements and adjust plan designs based on market conditions.

Regarding GASB 75, the Village has determined its liability for Other Post-Employment Benefits (OPEB) to be immaterial. While public safety employees may remain on the Village's group insurance at their own cost, the resulting implicit rate subsidy is rarely utilized; no retirees have used this benefit in the past decade. Given the availability of the health insurance marketplace, the Village does not anticipate future utilization but will review this annually. Additionally, the Village's share of the liability for the State of Wisconsin life insurance program was reviewed and found to be immaterial for the current statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Village of Elm Grove is a premier residential community covering 3.26 square miles with a population of approximately 6,513 (2020 Census). Located just west of Milwaukee, the Village offers residents a unique small-town environment with easy access to metropolitan opportunities. The Village provides 24-hour public safety through a full-time police force, expanded to 18 officers in recent years, and a dedicated paid-on-call fire and paramedic department. Beyond safety, the Village maintains a robust infrastructure including a well-kept road system, sanitary sewers, a public library, and extensive park and recreation facilities.

As a fully developed community, Elm Grove reached an equalized valuation of $1.919 billion in 2025. Residential properties drive the local economy, comprising 90.93% of real property values. The median assessed value of a single-family residence stands at $630,000, which is substantially higher than state and regional averages. This strong demand for residential property is evidenced by a consistent trend of significant remodeling and the replacement of existing homes with new builds, a pattern that is expected to continue.

The 2026 operating and capital budgets were designed to maintain current service levels through a stable tax levy, which saw a modest increase of 3.46% or $267,570. Personnel costs include $280,200 in contributions to the Wisconsin Retirement System and a health insurance structure where employees pay 15% of premium costs. Although the Village experienced a 10% premium increase for 2026, the plan is structured to encourage consumerism through high deductibles and co-insurance. The Village continues to fund a health reimbursement plan to assist employees with out-of-pocket costs, a strategy that consistently yields premium savings compared to standard insurance plans.

Infrastructure remains a primary focus, with the 2026 budget allocating $554,078 for the local library, $614,770 for paramedic services, and $1,856,582 for capital equipment and improvements. In 2022, the Village established a separate Transportation Capital Fund to specifically address aging roads by allocating $550,000 in annual tax levy dollars. The transportation budget for the upcoming cycle includes $550,000 for road paving and $1,800,080 dedicated to pedestrian pathways.

The Village is currently managing several large capital projects intended to enhance its long-term desirability. In 2025, a large taxable debt issuance of $8,545,000 was executed to fulfill development incentive obligations for the Caroline Heights project in TID #3. A second non-taxable issuance of $12,025,000 is planned to fund the Underwood Creek daylighting, additional pathways, and debt refinancing in 2026. While these represent significant figures, the Village maintains a conservative debt posture. The taxable issuance will be repaid via tax increment from TID #3 rather than the general levy, and a substantial portion of the non-taxable debt will be supported by remaining increments from TID #2.

TID #2 is projected to provide a tax increment of $725,000 in 2026, which will cover its share of debt obligations and reimburse funds previously advanced from the debt service, general, and sewer funds. Meanwhile, TID #3 is facilitating the development of 237 apartments and 21 single-family homes on a thirty-acre downtown parcel. This project also brought Lake Michigan water from the City of Wauwatosa to the site, offering a strategic opportunity to expand municipal water into the downtown commercial district. Construction began in late 2023, and the district is expected to generate its first significant increment of $914,000 in 2026.

Finally, the Village continues to adhere to public oversight requirements for large-scale projects. Following a 2022 referendum, the Village must seek voter approval for public works expenditures exceeding a specific cap. On December 16, 2024, the Village Board increased this referendum requirement threshold to $2.5 million (plus CPI). The Village remains committed to working within this limit and presenting major projects to the citizens for approval as required by law.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village of Elm Grove's finances for all those with an interest in the government's financial condition. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Village of Elm Grove, 13600 Juneau Boulevard, Elm Grove, WI 53122.

General information relating to the Village of Elm Grove and a digital copy of this report are also available on the Village's website at www.elmgrovewi.org.

BASIC FINANCIAL STATEMENTS

VILLAGE OF ELM GROVE

Statement of Net Position
As of December 31, 2025

	Governmental Activities
ASSETS	
Cash and Investments	$ 20,416,201
Receivables	
Taxes	6,617,152
Delinquent Personal Property Taxes	3,412
Accounts	370,796
Allowance for Doubtful Accounts	(57,099)
Leases	264,592
Prepaids	45,633
Non-Current Assets	
Capital Assets	
Land	8,462,507
Construction in Progress	4,241,238
Other Capital Assets, Net of Depreciation	21,197,946
Total Assets	61,562,378
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Amounts Related to Pensions	2,714,278
Total Deferred Outflows of Resources	2,714,278
LIABILITIES	
Current Liabilities	
Accounts Payable and Accrued Liabilities	10,479,748
Developer Deposits	225,442
Unearned Revenue	61,834
Current Portion of Long-Term Obligations	344,915
Total Current Liabilities	11,111,939
Non-Current Liabilities	
Net Pension Liability	459,349
Non-Current Portion of Long-Term Obligations	11,545,576
Total Non- Current Liabilities	12,004,925
Total Liabilities	23,116,864
DEFERRED INFLOWS OF RESOURCES	
Deferred Amounts Related to Pension	1,343,520
Unearned Revenue Related to Leases	264,592
Unearned Revenue	12,597,961
Total Deferred Inflows of Resources	14,206,073
NET POSITION	
Net Investment in Capital Assets	30,900,545
Restricted for:	
Restricted for Debt service	777,969
Restricted for Donor Specified Purpose	115,778
Restricted for Library	39,120
Restricted for State Act 102 Funding	52,892
Unrestricted (deficit)	(4,932,585)
Total Net Position	$ 26,953,719

See accompanying notes to the financial statements.

VILLAGE OF ELM GROVE

Statement of Activities
For the Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants & contributions	Program Revenues: Capital Grants & Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities					
General Government	$ 10,899,768	$ 190,269	$ -	$ 7,601	$ (10,701,898)
Public Safety	5,142,885	725,737	288,236	825	(4,128,087)
Health and Sanitation	3,782,105	3,433,713	-	57,140	(291,252)
Public Works	1,641,431	-	435,000	55,905	(1,150,526)
Library	600,323	9,884	50,467	-	(539,972)
Park and Recreation	640,668	215,773	-	-	(424,895)
Interest and Fiscal Charges	463,324	-	-	-	(463,324)
	$ 23,170,504	$ 4,575,376	$ 773,703	$ 121,471	$ (17,699,954)
General Revenues:					
Taxes					
Property Taxes, Levied for General Purposes					7,729,511
Property taxes, Other (TIF #2 & TIF #3)					804,956
Intergovernmental Revenues not Restricted to Specific Purpose					411,097
Investment Income					681,360
Other					361,979
Total General Revenues					9,988,903
Change in Net Position					(7,711,051)
Net Position at Beginning of the Year					34,664,770
Net Position at Year End					$ 26,953,719

See accompanying notes to the financial statements.

VILLAGE OF ELM GROVE

Governmental Funds
Balance Sheet
As of December 31, 2025

	General Fund	Special Revenue: Sewer Fund	Special Revenue: TIF #2 Fund	Special Revenue: TIF #3 Fund	Debt Service Fund	Capital Projects: Five Year Capital Fund	Nonmajor Governmental Funds	Totals
ASSETS								
Cash and Investments	$ 4,939,558	$ 1,578,288	$ 249,680	$ 9,055,130	$ 260,413	$ 2,630,744	$ 1,702,388	$ 20,416,201
Receivables								
Taxes	3,458,026	852,814	416,209	524,424	127,533	224,164	1,013,982	6,617,152
Delinquent Personal Property Tax	3,412	-	-	-	-	-	-	3,412
Accounts	80,652	129,054	-	-	-	-	161,090	370,796
Allowance for Doubtful Accounts	-	-	-	-	-	-	(57,099)	(57,099)
Lease	264,592	-	-	-	-	-	-	264,592
Due from other funds	1,283,458	-	-	-	-	-	-	1,283,458
Advance to Other Funds	129,768	1,697,343	-	-	850,000	-	-	2,677,111
Prepaids	45,633	-	-	-	-	-	-	45,633
Total Assets	$ 10,205,099	$ 4,257,499	$ 665,889	$ 9,579,554	$ 1,237,946	$ 2,854,908	$ 2,820,361	$ 31,621,256
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)								
Liabilities								
Accounts Payable	$ 261,253	$ 152,910	$ 559,787	$ 8,646,218	$ -	$ 4,786	$ 247,563	$ 9,872,517
Accrued Liabilities	328,219	-	-	-	-	-	46,010	374,229
Developer Deposits	225,442	-	-	-	-	-	-	225,442
Unearned Revenues	61,834	-	-	-	-	-	-	61,834
Due to other funds	-	-	-	-	-	-	1,283,458	1,283,458
Advance from Other Funds	-	-	2,677,111	-	-	-	-	2,677,111
Total Liabilities	876,748	152,910	3,236,898	8,646,218	-	4,786	1,577,031	14,494,591
Deferred Inflows of Resources								
Unearned Revenues	6,327,999	1,970,277	740,743	933,336	226,975	398,953	1,999,678	12,597,961
Unearned Revenues Related to Leases	264,592	-	-	-	-	-	-	264,592
Unavailable Revenues	-	-	-	-	-	-	46,552	46,552
Total Deferred Inflows of Resources	6,592,591	1,970,277	740,743	933,336	226,975	398,953	2,046,230	12,909,105
Fund Balance (Deficit)								
Nonspendable	1,462,271	1,697,343	-	-	-	-	-	3,159,614
Restricted	1,698	-	-	-	1,010,971	-	206,092	1,218,761
Committed	-	436,969	-	-	-	2,451,169	277,658	3,165,796
Assigned	244,455	-	-	-	-	-	-	244,455
Unassigned (Deficit)	1,027,336	-	(3,311,752)	-	-	-	(1,286,650)	(3,571,066)
Unearned Revenue	2,735,760	2,134,312	(3,311,752)	-	1,010,971	2,451,169	(802,900)	4,217,560
Total Liabilities, Deferred Inflows of Resources and Fund Balance (Deficit)	$ 10,205,099	$ 4,257,499	$ 665,889	$ 9,579,554	$ 1,237,946	$ 2,854,908	$ 2,820,361	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental funds are not financial resources and therefore the funds are not reported in the funds (see Note II.A)	33,901,691
The Village's proportionate share of the Wisconsin Retirement System pension plan is not an available resource; therefore it is not reported in the fund financial statements	
Deferred outflows of resources	2,714,278
Net pension liability	(459,349)
Deferred inflows of resources	(1,343,520)
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements (See Note II.A)	46,552
Some liabilities, including long-term debt, are not due and payable in the current period and therefore are not reported in the funds (See Note II.A)	(12,123,493)
Net Position of Governmental Activities	$ 26,953,719

See accompanying notes to the financial statements.

VILLAGE OF ELM GROVE

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2025

	General Fund	Special Revenue: Sewer Fund	Special Revenue: TIF #2 Fund	Special Revenue: TIF #3 Fund	Debt Service Fund	Capital Projects: Five Year Capital Fund	Nonmajor Governmental Funds	Totals
Revenues								
Taxes	$ 5,214,171	$ 325,000	$ 619,252	$ 185,704	$ 284,912	$ 396,901	$ 1,508,527	$ 8,534,467
Intergovernmental Revenues	957,284	57,140	57,982	-	-	65,431	168,434	1,306,271
Licenses and Permits	487,585	-	-	-	-	-	-	487,585
Fines, Forfeitures and Penalties	187,594	-	-	-	-	-	-	187,594
Public Charges for Services	1,052,749	2,139,466	-	-	-	18,000	706,570	3,916,785
Commercial Revenues	492,928	165,596	-	-	43,160	79,042	227,677	1,008,403
Total Revenues	8,392,311	2,687,202	677,234	185,704	328,072	559,374	2,611,208	15,441,105
Expenditures								
Current								
General Government	1,903,704	-	23,426	8,654,154	45,876	-	-	10,627,160
Public Safety	4,106,602	-	-	-	-	-	655,702	4,762,304
Health and Sanitation	780,485	2,358,901	-	-	-	-	346,106	3,485,492
Public Works	1,132,139	-	-	-	-	-	-	1,132,139
Library	-	-	-	-	-	-	576,651	576,651
Park and Recreation	369,416	-	-	-	-	-	19,206	388,622
Capital Outlay	-	7,587	927,393	-	-	555,217	2,348,973	3,839,170
Debt Service								
Principal	-	-	-	-	1,065,282	-	-	1,065,282
Interest	-	-	81,417	76,550	124,543	-	-	282,510
Total Expenditures	8,292,346	2,366,488	1,032,236	8,730,704	1,235,701	555,217	3,946,638	26,159,330
Excess (Deficiency) of Revenues Over (Under) Expenditures	99,965	320,714	(355,002)	(8,545,000)	(907,629)	4,157	(1,335,430)	(10,718,225)
OTHER FINANCING SOURCES (USES)								
Proceeds from Sale of Capital Assets	-	-	-	-	-	34,934	-	34,934
Debt Issued	-	-	-	8,545,000	-	-	-	8,545,000
Premium on Debt issued	-	-	-	-	110,581	-	-	110,581
Transfers In	-	-	-	-	919,211	-	100,000	1,019,211
Transfers Out	-	(100,000)	(530,661)	-	-	-	(388,550)	(1,019,211)
Total Other Financing Sources (Uses)	-	(100,000)	(530,661)	8,545,000	1,029,792	34,934	(288,550)	8,690,515
Net change in Fund Balance	99,965	220,714	(885,663)	-	122,163	39,091	(1,623,980)	(2,027,710)
FUND BALANCES (DEFICITS) - Beginning of Year	2,635,795	1,913,598	(2,426,089)	-	888,808	2,412,078	821,080	6,245,270
FUND BALANCES (DEFICITS) - END OF YEAR	$ 2,735,760	$ 2,134,312	$ (3,311,752)	$ -	$ 1,010,971	$ 2,451,169	$ (802,900)	$ 4,217,560

See accompanying notes to the financial statements.

VILLAGE OF ELM GROVE

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balance of Governmental Funds to Statement of Activities
For the Year Ended December 31, 2025

Net Change in Fund Balances-Total Governmental Funds	$ (2,027,710)
Amounts recorded for governmental activities in the statement of activities are different because	
Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful life and reported as depreciation expense in the statement of activities.	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide statements	3,839,170
Some items reported as capital outlay were not capitalized	(97,532)
Depreciation is reported in the government-wide statements	(1,397,451)
Net book value of assets retired	(7,057)
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	
Public Safety Emergency Medical Service Fees	(16,586)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Debt Issued	(8,545,000)
Premium on debt issued	(110,581)
Principal retired	1,065,282
Governmental funds report premiums and discounts associated with the issuance of long-term debt as other financing sources and uses but these items are amortized over the life of the debt issue on the statement of activities.	
Amortization of premiums	22,627
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	
Interest accrued	(161,913)
Net pension liability, deferred outflows related to pensions, and deferred inflows related to pensions	(162,430)
Amortization of Loss on Refunding Debt	(41,529)
Compensated Absences	(70,341)
Change in Net Position of Statement of Activities	$ (7,711,051)

VILLAGE OF ELM GROVE

Statement of Fiduciary Net Position
As of December 31, 2025

	Custodial Fund Tax Collection Fund
ASSETS	
Cash and Investments	$ 6,072,365
Taxes Receivable	7,787,705
Total Assets	13,860,070
LIABILITIES	
Due to Other Taxing Units	13,860,070
NET POSITION	
Total Net Position	$ -

See accompanying notes to the financial statements.

VILLAGE OF ELM GROVE

Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2025

	Custodial Fund Tax Collection Fund
ADDITIONS	
Collections for Other Taxing Units	$ 10,082,139
DEDUCTIONS	
Payments to Other Taxing Units	(10,082,139)
Change in Net Position	-
Net Position at Beginning of the Year	-
Net Position at End of Year	$ -

See accompanying notes to the financial statements.

VILLAGE OF ELM GROVE

INDEX TO NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2025

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NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Elm Grove, Wisconsin conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all the funds of the Village of Elm Grove (the "Village"). The reporting entity for the Village consists of the primary government and its component units. Component units are reported using one of three methods, discrete presentation, blended, or fiduciary. Generally, component units should be discretely presented in a separate column in the financial statements. A Component unit should be reported as part of the preliminary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government. The Village has not identified any organizations that meet these criteria.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

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

Fund Financial Statements

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

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

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

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

Fund Financial Statements (continued)

The Village reports the following major governmental funds:

General Fund – accounts for the Village's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

Sewer Fund – Special Revenue Fund - accounts for the Village's sanitary sewer activities. It is used to account for and report the proceeds of specific revenue source that are legally restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Tax Increment District (TIF) #2 Fund – Special Revenue Fund – used to account for and report grants and local revenues legally restricted or committed to supporting expenditures outlined in the TID project plan.

Tax Increment District (TIF) #3 Fund – Special Revenue Fund – used to account for and report grants and local revenues legally restricted or committed to supporting expenditures outlined in the TID project plan.

Debt Service Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs other than TID debt.

Five Year Capital Fund – Capital Projects Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The Village reports the following non-major governmental funds:

Special Revenue Funds – used to account for and report the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

- Library Fund
- Emergency Medical Services (EMS) Fund
- Stormwater Operations Fund
- Donation Fund
- Library Gift Fund

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

- Transportation Fund

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

Fund Financial Statements (continued)

In addition, the Village reports the following fiduciary fund type:

Custodial funds are used to account for and report assets held by the Village in a trustee capacity or as a custodian for individuals, private organizations, and/or other governmental units.

Tax Collection Fund

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

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

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Intergovernmental aids and grants are recognized as revenues in the period the Village is entitled the resources and the amounts are available. Amounts owed to the Village, which are not available, are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

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

Fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. The Village utilizes a custodial fund for tax collections for other entities.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. ASSETS/DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES/DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Deposits and Investments

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

a. Time deposits in any credit union, bank, savings bank, trust company.

b. Bonds or securities of any county, village, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.

c. Bonds or securities issued or guaranteed by the federal government.

d. The local government investment pool.

e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. ASSETS/DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES/DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (continued)

1. Deposits and Investments (continued)

f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.

g. Repurchase agreements with public depositories, with certain conditions.

The Village has adopted an investment policy. That policy follows state statutes for allowable investments. The Village's investment policy does not address custodial credit risk, credit risk, interest rate risk or concentration of credit risk. All funds throughout the year and at year end were invested in locally approved banks, the LGIP, and agencies of the US government.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2025, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note IV.A. For further information.

2. Receivables

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. ASSETS/DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES/DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (continued)

2. Receivables (continued)

Property tax calendar – 2025 tax roll:

Lien date and levy date	December 2025
Tax bills mailed	December 2025
Payment in full, or	January 31, 2026
First installment due	January 31, 2026
Second installment due to County	July 31, 2026
Tax settlement:	
First settlement	January 15, 2026
Second settlement	February 20, 2026
Final settlement	August 20, 2026
Tax deed by County – 2025	
Delinquent real estate taxes	October 2028

Sewer service charges and stormwater utility fees are billed to residential customers, at rates established by the Village Board on the Village tax roll as a special charge and, therefore, collected in advance of services provided. The amount to finance the subsequent year's operation is recorded as unearned revenue. Sewer service charges and stormwater utility fees are billed to commercial customers at rates established by the Village Board on a quarterly basis on March 31, June 30, September 30 and December 31. All delinquent commercial accounts receivable balances at the time of the property tax lien date are placed on the customer's tax bill and collected through the normal tax collection process.

Garbage/rubbish removal charges are billed to residential customers, at rates established by the Village Board on the Village tax roll as a special charge and, therefore, collected in advance of services provided. The amount to finance the subsequent year's operation is recorded as unearned revenue.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. ASSETS/DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES/DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (continued)

3. Leases

The Village is a lessor for a cellular tower site with a primary lease on the land and subleases for 3 additional tenants. The Village recognizes a lease receivable and deferred inflow of resources based on the criteria dictated in GASB Statement No 87- Leases. The Village measure the lease receivable at the present value of payments expected to be received during the lease term. During the lease term, the lease receivable is reduced by the principal portion of the lease payments received. Deferred inflows related to these leases are initially measured as the amount of the lease receivable adjusted for lease payments received. Lease revenue is recognized over the term of the lease at the current year lease rate

The Village uses an estimated incremental borrowing rate as the discount rate for these agreements as no explicit interest rate is provided. The lease term on the primary lease will terminate in 2027 and at that time will need to be renegotiated. The Village is recognizing the lease revenue which escalates on an annual basis and will monitor changes in circumstance that would require re-measurement of the lease receivable and deferred inflows of resources.

4. Prepaids

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

5. Capital Assets

Government –Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. The government defines capital assets as assets with an initial cost of more than $5,000 for general capital assets and $10,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. ASSETS/DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES/DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (continued)

5. Capital Assets (continued)

Government –Wide Statements

Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Depreciation and amortization are provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	20-50 Years
Land Improvements	10-50 Years
Machinery and Equipment	3-20 Years
Infrastructure	25-60 Years
Intangible Assets	3-8 Years

Fund Financial Statements

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

6. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. ASSETS/DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES/DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (continued)

7. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Compensated absences are accrued when incurred in the government-wide statements.

Sick Leave

Sick leave is earned at the rate of 8 hours for each month of service up to a maximum of 1,440 hours for eligible Village employees. Employees having unused accumulated sick leave at retirement, resignation or termination are compensated at varying percentages of the accumulated total, to a maximum of 240 or 480 hours based on longevity, position and current wage rates. The current amount of accumulated sick pay earned at December 31, 2025 for all Village employees that would be due upon termination totals $212,587.

Vacation

Vacation pay is earned by Village employees based upon longevity of employment and specific departmental benefit schedules. Employees having unused vacation at retirement, resignation or termination are compensated for the unused vacation pay at current wage rates. The amount of unused vacation pay earned at December 31, 2025 for all Village employees is $115,436.

Compensatory Time

Overtime may be accumulated up to sixty (60) hours which may then be taken off as compensatory time. Compensatory time earned in excess of sixty (60) hours shall be paid out as overtime for the pay period in which it is earned. Compensatory time may be taken off in consecutive hours, not to exceed forty (40) hours and is paid out at current wage rates. The amount of unused compensatory pay earned at December 31, 2025 for all Village employees is $16,322.

8. Long-Term Obligations

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations consist of notes and bonds payable, accrued compensated absences and benefit agreements payable. The Village offers limited post-retirement benefits to police employees under current contract obligation. The amount of these benefits is considered immaterial and is not recorded in the financial statements.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. ASSETS/DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES/DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (continued)

8. Long-Term Obligations (continued)

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debt, (plus any premiums), are reported as other financing sources and payments of principal and interest are reported as expenditures.

For the government-wide statements, bond premium and discounts are amortized over the life of the issue using the straight-line method. The balance at year end for premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position.

9. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and therefore will not be recognized as an inflow or resources (revenue) until that future time.

10. Equity Classifications

Government–Wide Statements

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

a. Net Investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less any unspent debt proceeds.

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

c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. ASSETS/DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES/DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (continued)

10. Equity Classifications (continued)

Fund Statements

Governmental fund equity is classified as fund balance and displayed as follows:

a. Nonspendable- Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.

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

c. Committed- Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority. Fund balance amounts are committed through a formal resolution of the Village Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village Board that originally created the commitment.

d. Assigned- Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Village Board has, by resolution, adopted a financial policy authorizing the Village Manager and the Finance Director to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.

e. Unassigned- Includes residual positive fund balance within the general fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. ASSETS/DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES/DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (continued)

10. Equity Classifications (continued)

Fund Statements (continued)

The Village has adopted a formal fund balance policy. The Village considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Village would first use committed, then assigned and lastly unassigned amounts of fund balance when expenditures are made. The fund balance policy also identifies a targeted unassigned general fund balance of 15-25% of budgeted general fund expenditures for the subsequent year and total unassigned fund balance of not more than 30%. The policy provides for steps that will be undertaken if the year end balances are not within the desired range, and identifies funds the Village will operate, and minimum review periods for the overall policy. The unassigned fund balance at December 31, 2025 is 12% of 2026 budget expenditures, slightly lower than the targeted level.

11. Pension

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

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

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

NOTE II - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET POSITION

Some assets used in governmental funds are not financial resources and, therefore are not reported in the funds.

Land and improvements	$ 8,462,507
Construction in progress	4,241,238
Capital assets being depreciated	47,642,395
Accumulated depreciation	(26,444,449)
Combined adjustments for long-term liabilities	$ 33,901,691

Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.

Unavailable ambulance billings	46,552
Combined adjustments for unearned revenues	$ 46,552

Long-term liabilities applicable to the Village's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities–both current and long-term–are reported in the statement of net position.

Bonds and notes payable	$ 11,398,743
Unamortized premium on refunding bonds	147,403
Compensated absences	344,345
Accrued interest	233,002
Combined adjustments for long-term liabilities	$ 12,123,493

NOTE III - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. EXCESS EXPENDITURES OVER APPROPRIATIONS

Fund	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
Debt Service Fund	$ 1,189,825	$ 1,235,701	$ 45,876
EMS Fund	613,777	629,729	15,952
Library Gift Fund	46,500	46,536	36
Transportation Fund	2,202,000	2,202,038	38

The Village controls expenditures at the fund level. Some individual funds experienced expenditures which exceeded appropriations. The detail of those items for major funds can be found in the Village's year-end budget to actual reports.

B. LIMITATIONS ON THE VILLAGE'S TAX LEVY

Wisconsin law limits the Village's future tax levies. Generally, the Village is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the Village's equalized value due to new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The Village is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

C. DEFICIT FUND BALANCES

The Special Revenue Fund – TIF #2 had a deficit balance of $3,311,752. This deficit balance is comprised of three parts; the initial TID project advance of $850,000 from the Debt Service Fund and the sewer fund of $1,697,343 and an advance from the General Fund of $129,768 for a limited municipal water system which was an additional project for a new commercial development. The advance from the General Fund was transferred from the Water Project Fund during 2015 as the project is now complete and future tax increments are being used to repay the advance. TID #2 will repay these advances along with interest in future years. This tax increment district was amended in 2023 to assist with funding a stormwater project which will daylight a buried section of Underwood Creek in the downtown commercial district. The amendment extended the life by three years until 2034 and projections indicate it will provide sufficient increment along with a contribution from the stormwater fund to fund this project and payback the advances. The project is planned to begin in 2026.

The Transportation Fund had a deficit balance of $1,286,650 due to paying for project costs prior to funding being received. This deficit balance is expected to be funded by a debt issuance in 2026 to cover project outlay costs.

NOTE III - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

D. BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I. B. The budgeted amounts presented include any amendments made. The Village may authorize transfers of budgeted amounts within departments. Transfers between funds and changes to the overall budget must be approved by a two-thirds board action.

A budget has been adopted for the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Project Funds. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

All annual appropriations lapse at year-end except for certain non-lapsing funds specifically designated by the board. Budgetary control is exercised at the total fund level for all funds.

NOTE IV – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The Village's cash and investments at year end were comprised of the following:

	Carrying Value	Bank Balance	Associated Risks
Cash on Hand	$ 260	$ -	N/A
Demand Deposits	7,883,672	704,363	Custodial Credit
Money Market Accounts	14,203,280	14,203,280	Custodial Credit
LGIP	4,401,354	4,401,354	Credit
Total Cash and Investments	$ 26,488,566	$ 19,308,998	

Reconciliation to financial statements	
Per statement of net position	
Cash and investments	$ 20,416,201
Per statement of fiduciary net position-	
Custodial Fund	6,072,365
Total Cash and Investments	$ 26,488,566

Deposits in each local and area bank are insured by the FDIC in the amount of $250,000 for time and savings accounts (including NOW accounts), and $250,000 for demand deposit accounts (interest bearing and non-interest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of $250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of $1,000,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing custodial credit risk.

PMA Financial Network, Inc. is the administrator for the Wisconsin Investment Series Cooperative (WISC). The investment manager for WISC is PMA Financial Network, Inc. The WISC is not registered with the Securities and Exchange Commission, but invests its funds in accordance with applicable Wisconsin statutes. The WISC has the characteristics of a mutual fund and accordingly, reports the value of its underlying assets at fair value. At December 31, 2025, the Village's share of the WISC's assets was substantially equal to the amount reported above.

NOTE IV – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS (continued)

1. *Custodial Credit Risk*

Deposits - Custodial credit risk is the risk that in the event of a financial institution failure, the Village's deposits may not be returned to the Village.

As of December 31, 2025 $10,657,644 of the Village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and collateralized	$ 10,054,177
Uninsured and uncollateralized	603,467
Total	$ 10,657,644

2. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will fulfill its obligation. The Village had investments in the external Wisconsin Local Government Investment Pool which is not rated.

See Note I.D.1. for further information on deposit and investment policies.

NOTE IV – DETAILED NOTES ON ALL FUNDS

B. RECEIVABLES

Receivables as of year-end for the Village's funds, including an allowance for uncollectible accounts, are detailed on the governmental fund balance sheet and the statement of net position. At this time all are expected to be collected within one year, except for delinquent personal property taxes.

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

	Unearned	Unavailable
Property taxes and user fees receivable for subsequent year	$ 12,597,961	$ -
Subsequent period prepayments	61,834	-
Revenue from Lease Obligations	264,592	-
Other receivables not currently available	-	46,552
Total Unearned / Unavailable Revenue for Governmental Funds	$ 12,924,387	$ 46,552
Unearned revenues included in liablities	$ 61,834	
Unearned revenues included in deferred inflows	12,862,553	
Total Unearned Revenues in Governmental Funds	$ 12,924,387	

NOTE IV – DETAILED NOTES ON ALL FUNDS

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets not being Depreciated:				
Land and Improvements	$ 8,462,507	$ -	$ -	$ 8,462,507
Construction in Progress	1,793,622	2,692,348	(244,732)	4,241,238
Total Capital Assets not being Depreciated	10,256,129	2,692,348	(244,732)	12,703,745
Other Capital Assets				
Intangible Assets	$ 256,295	$ -	$ -	$ 256,295
Land Improvements	1,385,046	11,100	-	1,396,146
Buildings and Improvements	7,601,023	-	-	7,601,023
Machinery and Equipment	8,262,768	305,214	(294,161)	8,273,821
Infrastructure	29,137,402	977,708	-	30,115,110
Total Capital Assets being Depreciated	46,642,534	1,294,022	(294,161)	47,642,395
Total Capital Assets	$ 56,898,663	$ 3,986,370	$ (538,893)	$ 60,346,140
Less Accumulated Depreciation				
Intangible Assets	$ (180,544)	$ (23,140)	$ -	$ (203,684)
Land Improvements	(465,947)	(72,360)	-	(538,307)
Buildings and Improvements	(4,451,004)	(157,700)	-	(4,608,704)
Machinery and Equipment	(5,240,128)	(464,025)	287,104	(5,417,049)
Infrastructure	(14,996,479)	(680,226)	-	(15,676,705)
Total Accumulated Depreciation	(25,334,102)	(1,397,451)	287,104	(26,444,449)
Net Capital Assets	$ 31,564,561	$ 2,588,919	$ (251,789)	$ 33,901,691

Depreciation Expense was charged to functions as follows:

General Government	$ 238,428
Public Safety	215,572
Health and Sanitation	226,367
Highway and Transportaiton	493,174
Library	8,687
Park and Recreation	215,224
Total Depreciation Expense	$ 1,397,451

NOTE IV – DETAILED NOTES ON ALL FUNDS

D. TRANSFERS , ADVANCES, AND INTERFUND RECEIVABLES/PAYABLES

For the statement of net position, interfund balances which are owed within the governmental activities are netted and eliminated. The principal reason for interfund amounts relate to a time lag between the dates the transactions are recorded and the dates payments are made between funds.

Transfers

The following is a schedule of interfund transfers during the year ended December 31, 2025:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
Debt Service Fund	Stormwater Operations Fund	388,550	Debt service
Debt Service Fund	TIF #2 Fund	530,661	Debt service
Stormwater Operations Fund	Sewer Fund	100,000	Infrastructure
Total-Fund Financial Statements		1,019,211	
Less: Fund Elimination		(1,019,211)	
Total - Government-Wide Financial Statements		$ -	

The transfers above were authorized in the 2025 budget.

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Advances

The Village advanced funds to the TID #2 Special Revenue Fund for a repayment of debt obligations associated with the TID stormwater management project in 2006. These funds were advanced from the debt service and sewer fund and are being repaid with future increments and interest at the Village's average rate earned on funds invested in the LGIP annually. For 2025, interest of $76,882 at a rate of 4.285% was charged.

NOTE IV – DETAILED NOTES ON ALL FUNDS

D. TRANSFERS , ADVANCES, AND INTERFUND RECEIVABLES/PAYABLES (continued)

***Advances** (continued)*

Funds were also advanced from the General Fund for the building of a limited municipal water system for a new commercial development within the TID. The TID #2 Special Revenue Fund will repay this advance from increments generated from the new commercial development, an assisted living facility. Interest of 3% will be paid on the outstanding advance. During 2025, interest of $4,535 was charged.

As of December 31, 2025 funds advanced were:

TIF #2 Special Revenue Fund		
From Debt Service for stormwater	$	850,000
From Sewer for stormwater		1,697,343
From General Fund for water		129,768
Total- Fund Financial Statements		2,677,111
Less: Fund Eliminations		(2,677,111)
Total Advances- Government-Wide Statement of Net Position	$	-

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
General Fund	Transportation fund	$ 1,283,458
Total-Fund Financial Statements		1,283,458
Less: Fund Elimination		(1,283,458)
Total - Government-Wide Financial Statements		$ -

The principal purpose of these interfunds is to cover deficit cash. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

NOTE IV – DETAILED NOTES ON ALL FUNDS

E. *LONG-TERM OBLIGATIONS*

Long-term obligation activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds/Notes Payable					
General Obligation Debt	$ 2,760,000	$ 8,545,000	$ (990,000)	$ 10,315,000	$ 105,000
General obligation notes from direct placement or direct borrowings	1,159,025	-	(75,282)	1,083,743	37,657
Unamortized premium	59,449	110,581	(22,627)	147,403	-
Total bonds/notes payable	3,978,474	8,655,581	(1,087,909)	11,546,146	142,657
Other Liabilities					
Compensated Absences	274,004	400,236	(329,895)	344,345	202,258
Net pension liability	407,851	51,498	-	459,349	-
Total Governmental Activities - Long-Term Liabilites	$ 4,660,329	$ 9,107,315	$ (1,417,804)	$ 12,349,840	$ 344,915

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the Village. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated in the Debt Service Fund.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed 5% of the equalized value of taxable property within the Village's jurisdiction. The debt limit as of December 31, 2025, was $95,987,860. Total general obligation debt outstanding at year end was $11,398,743.

Type	Date of Issue	Interest Rate	Principal Due	Interest Payable	Original Indebtedness	Balance 12/31/2025
General Obligation						
Capital Project Bonds	2019	2%-3%	3/1/20-39	3/1 & 9/1	2,355,000	$ 1,770,000
State Trust Fund Loan - Direct	2023	5.25%	3/15/24-43	3/15	1,000,000	919,868
State Trust Fund Loan - Direct	2023	5.25%	3/15/24-43	3/15	178,150	163,875
Taxable Series 2025B GO Notes	2025	4.7-5.1%	3/1/27-40	3/1 & 9/1	8,545,000	8,545,000
						$ 11,398,743

NOTE IV – DETAILED NOTES ON ALL FUNDS

E. LONG-TERM OBLIGATIONS (continued)

Debt service requirements to maturity on general obligation notes are as follows:

	General Obligation Notes			General Obligation Notes from Direct Borrowings and Direct Placements		
Year	Principal	Interest	Total	Principal	Interest	Total
2026	$ 105,000	$ 483,428	$ 588,428	$ 37,657	$ 56,896	$ 94,553
2027	265,000	455,294	720,294	39,634	54,919	94,553
2028	610,000	435,669	1,045,669	41,571	52,984	94,555
2029	670,000	405,969	1,075,969	43,898	50,656	94,554
2030	725,000	374,044	1,099,044	46,202	48,351	94,553
2031-2035	4,440,000	1,307,497	5,747,497	269,906	202,863	472,769
2036-2040	3,500,000	268,024	3,768,024	348,582	124,188	472,770
2041-2043	-	-	-	256,293	27,370	283,663
	$ 10,315,000	$ 3,729,925	$ 14,044,925	$ 1,083,743	$ 618,227	$ 1,701,970

Other Debt Information

The Village's outstanding notes from borrowings and/or direct placements related to governmental activities of $1,083,743 contain a provision that in an event of default, outstanding amounts become immediately due and payable.

F. LEASE DISCLOSURES

The Village has a lease agreement with a company that has a cell tower on the Village grounds. The company then leases space on the tower to multiple cellular phone companies and the Village receives an identified percentage of each lease. There are five providers on the tower. The primary lease term ends on June 22, 2027. The revenue on the leases is recorded in the general fund and supports general operations. During 2025 the Village recognized lease revenue of $161,507 and interest of $13,382.

Lease Receivable Description	Date of Inception	Maturity	Interest Rate	Receivable Balance
Sprint- Wall Street Cell Tower	6/22/1997	6/22/2027	3%	$ 73,064
Verizon-Wall Street Cell Tower	5/1/1999	6/22/2027	3%	73,340
AT&T-Wall Street Cell Tower	10/15/1997	6/22/2027	3%	58,600
US Cellular Wall Street Cell Tower	10/1/2000	6/22/2027	3%	49,166
Dish Network WallStreet Cell Tower	6/1/2023	6/22/2027	3%	10,422
				$ 264,592

NOTE IV – DETAILED NOTES ON ALL FUNDS

G. NET POSITION/FUND BALANCE

Net Position reported on the Government-Wide Statement of Net Position at December 31, 2025 includes the following:

Net investment in capital assets	
Land	$ 8,462,507
Construction in progress	4,241,238
Other capital assets, net of accumulated depreciation	21,197,946
Less: related long-term debt outstanding	(11,398,743)
Add: Noncapital related debt	8,545,000
Less: unamortized premium	(147,403)
Total net investment in capital assets	30,900,545
Restricted for debt service	777,969
Restricted for donor specified purpose	115,778
Restricted for library	39,120
Restricted for State Act 102 funding	52,892
Unrestricted (deficit)	(4,932,585)
Total Governmental Activities Net Position	$ 26,953,719

NOTE IV – DETAILED NOTES ON ALL FUNDS

G. NET POSITION/FUND BALANCE (continued)

Governmental fund balances reported on the fund financial statements as of December 31, 2025 include the following:

Nonspendable		
General Fund		
Prepaid Items	$	45,633
Unpaid Prior Year Personal Property Taxes		3,412
Due from Transportation Fund		1,283,458
Advance to TIF #2 and Transportation Fund		129,768
Sewer Fund		
Advance to TIF #2	$	1,697,343
	$	3,159,614
Restricted		
General Fund		
Federal Asset Forfeiture	$	1,698
Debt Service Fund		
Debt service		1,010,971
Special Revenue Funds		
Library		39,120
EMS-Donor Specified		41,139
EMS-State ACT 102 funding		52,892
Library Gift-Donor Specified		72,941
	$	1,218,761
Committed		
Capital Projects Fund		
Capital Projects	$	2,451,169
Sewer Fund		
Sewer Operations and Infrasturcure		436,969
Special Revenue Funds		
Stormwater		113,728
Donations		139,860
Emergency Medical Service		24,070
	$	3,165,796
Assigned		
General Fund		
Donor Specific Purpose	$	30,368
Funds for Fire Department Events		14,087
2026 Budget Appropriation		200,000
	$	244,455
Unassigned (Deficit)		
General Fund	$	1,027,336
TIF # 2 (Deficit)		(3,311,752)
Transportation Fund (Deficit)		(1,286,650)
	$	(3,571,066)

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

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, expected to work at least 1,200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

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

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM (continued)

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2015	2.9%	2.0%
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0
2023	1.6	(21.0)
2024	3.6	15.0

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category 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 $418,009 in contributions from the Village.

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM (continued)

Contribution rates for the plan year reported as of December 31, 2025 are:

Employee Category	Employee	Employer
General (Executives & Elected Officials)	6.90%	6.90%
Protective with Social Security	6.90%	14.30%
Protective without Social Security	6.90%	19.10%

Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2025, the Village reported a liability of $459,349 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability 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 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 .02795518%, which was an increase of .00052379% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the Village recognized pension revenue of $580,244

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,426,532	$ (1,340,493)
Changes in assumptions	136,298	-
Net differences between project and actual earnings on pension plan	698,007	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	(3,027)
Employer contributions subsequent to the measurement date	453,441	-
Total	$ 2,714,278	$ (1,343,520)

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM (continued)

$453,441 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 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 as follows:

Year Ended December 31,	Amortization of deferred inflows and outflows
2026	$ 275,630
2027	951,517
2028	(236,277)
2029	(73,553)

Actuarial assumptions. The total pension liability in the 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	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	3.0%
Seniority/Merit	0.1% - 5.7%
Mortality	2020 WRS Experience Mortality Table
Post-retirement adjustments*	1.7%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate. Includes the impact of known Market Recognition Account deferred gains/losses on the liability for dividend payments.*

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM (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. Based on this experience study, actuarial assumptions used to measure the Total Pension 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[1]
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 %[2]
Public Equity	38%	7.0%	4.3%
Public Fixed Income	27	6.1	3.4
Private Equity/Debt	20	9.5	6.7
Inflation Sensitive	19	4.8	2.1
Real Estate	8	6.5	3.8
Leverage[3]	(12)	3.7	1.1
Total Core Fund	100%	7.5%	4.8%
Variable Fund Asset			
U.S. Equities	70%	6.5%	3.8%
International Equities	30	7.4	4.7
Total Variable Fund	100%	6.9%	4.2%

[1]Asset allocations are managed within established ranges; target percentages may differ from actual monthly allocations.

[2]New England Pension Consultants Long Term U.S. CPI (Inflation) Forecast: 2.6%.

[3]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%.

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM (continued)

Single discount rate
A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. This discount rate is based on the expected rate of return on pension plan investments of 6.8% 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 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 investment 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 6.8%, as well as what the Village's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
Village's proportionate share of the net pension liability (asset)	$4,309,301	$459,349	($2,275,930)

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

At December 31, 2025, the Village reported a payable to the pension plan of $74,379 which represents contractually required contributions outstanding as of the end of the year.

NOTE V – OTHER INFORMATION

B. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The Village uses a high deductible plan for health insurance. The Village purchases commercial insurance for all other risks. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

Self-Insurance

The Village uses a high deductible plan for its health insurance and funds the deductibles, co-insurance and a portion of co-pays through a health reimbursement account. This method allows the Village to self-fund the first dollars of health care for each insured on an annual basis. For 2025, the liability was limited to $7,900 for employees with single coverage and $15,800 for family coverage. The health reimbursement account is structured that the Village only reimburses for cost incurred and the Village maintains the plan not the individual. The costs are budgeted and expensed annually. Claims must be submitted within 120 days of year end. For 2025, the Village had a potential liability of $602,450 and incurred claims of approximately $71,215. For 2024, the Village had a potential liability of $619,000 and incurred claims of $98,650. The Village changed plan designs in 2017 receiving a substantial premium reduction but assuming more initial costs through the HRA. Historically the industry average has been less than 25% usage of total liability. The Village has used this type of plan since 2004 providing annual premium savings and overall health cost savings.

C. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time the Village is party to various pending claims and legal proceedings. These legal actions and claims are defended by the Village's various insurance carriers, since claims brought against the Village are covered by insurance policies. In the opinion of Village management, any legal actions and claims or other proceedings known to exist at December 31, 2025 are not likely to have a material adverse impact on the Village's financial position.

NOTE V – OTHER INFORMATION

D. MUNICIPAL REVENUE OBLIGATION

In 2014, through its tax incremental financing district, the Village issued a promissory note to a developer for certain costs identified in the building of an assisted living facility on a former commercial property site. The note is issued as a PayGo obligation to be paid solely from tax increments collected from this developed parcel and only after repayment of Village funds for infrastructure improvements made in conjunction with this development.

The first payment of this obligation was made during 2016 and payments are scheduled through the year 2025. The total obligation was $617,975 plus interest of 5.335%. The remaining balance of $19,997 was paid in 2025.

In 2022, tax incremental financing district #3 was created. Part of this district's project plan consists of a $9,800,000 municipal revenue obligation (MRO). This obligation is only payable if tax increment is generated and available after village obligations. As of December 31, 2025 there was $179,557 of excess tax increment to be paid on this MRO. Based on occupancy permits issued in 2025, $8,466,000 was also owed as of December 31, 2025.

E. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

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

- *Statement No. 103, Financial Reporting Model Improvements*
- *Statement No. 104, Disclosure of Certain Capital Assets*
- *Statement No. 105, Subsequent Events*

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

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF ELM GROVE

General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual (Non-GAAP)
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Property Taxes	$ 5,214,171	$ 5,214,171	$ 5,214,171	$ -
Intergovernmental	933,057	933,057	955,586	22,529
Licenses and Permits	308,700	479,450	487,585	8,135
Fines, Forfeitures and Penalties	155,000	187,750	187,594	(156)
Public Charges for Service	1,011,312	1,011,312	1,040,765	29,453
Commercial Revenues	432,650	457,900	471,934	14,034
Total Revenues	8,054,890	8,283,640	8,357,635	73,995
EXPENDITURES				
Current				
General Government	1,657,930	1,756,760	1,766,891	(10,131)
Municipal Court	122,060	122,060	119,031	3,029
Police	3,039,133	3,039,133	2,923,817	115,316
Dispatch	599,003	599,003	607,848	(8,845)
Fire	385,370	385,370	368,772	16,598
Inspections	171,675	202,400	206,894	(4,494)
Health and Sanitation	778,125	778,125	780,485	(2,360)
Highway and Transportation	895,075	951,200	982,702	(31,502)
Forestry	173,166	173,166	149,437	23,729
Park and Recreation	323,620	347,120	369,416	(22,296)
Contingency	114,000	-	-	-
Total Expenditures	8,259,157	8,354,337	8,275,293	79,044
Excess (Deficiency) of Revenues Over (Under) Expenditures	(204,267)	(70,697)	82,342	153,039
Other Financing Sources				
Transfers In	4,267	4,267	-	(4,267)
Net Change in Fund Balance on Budgetary Basis	$ (200,000)	$ (66,430)	82,342	$ 148,772
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING				
Revenues Credited to Designated Accounts				
Intergovernmental Revenue			1,698	
Donations			11,984	
Commercial Revenue			20,994	
			34,676	
Expenditures Charged to Designated Accounts				
General Government			17,782	
Public Safety			(729)	
			17,053	
Net Change in Fund Balance - GAAP			99,965	
FUND BALANCE - Beginning of Year			2,635,795	
FUND BALANCE- END OF YEAR			$ 2,735,760	

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

VILLAGE OF ELM GROVE

Special Revenue Fund - Sewer Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Taxes	$ 325,000	$ 325,000	$ 325,000	$ -
Intergovernmental Revenues	-	57,150	57,140	(10)
Public Charges for Services - User Fees	1,920,500	2,139,500	2,139,466	(34)
Commercial Revenues				
Investment Income	-	165,500	165,483	(17)
Miscellaneous Income	-	-	113	113
Total Revenues	2,245,500	2,687,150	2,687,202	52
EXPENDITURES				
Current - Health and Sanitation				
Metropolitan Sewer and Capital Cost Recovery Charges	1,969,873	1,999,500	1,999,292	208
Inspection and Engineering	15,000	15,000	7,418	7,582
Legal, Audit, and Insurance	28,450	28,450	25,068	3,382
Administrative	65,000	65,000	72,942	(7,942)
Miscellaneous	2,300	2,300	2,327	(27)
Infrastructure Repair and Maintenance	150,000	252,000	251,854	146
Capital Outlay	150,000	8,000	7,587	413
Total Expenditures	2,380,623	2,370,250	2,366,488	3,762
Excess (Deficiency) of Revenues Over (Under) Expenditures	(135,123)	316,900	320,714	3,814
OTHER FINANCING USES				
Transfer Out - Stormwater	(100,000)	(100,000)	(100,000)	-
Net Change in Fund Balance	$ (235,123)	$ 216,900	220,714	$ 3,814
FUND BALANCE - Beginning of Year			1,913,598	
FUND BALANCE - END OF YEAR			$ 2,134,312	

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

VILLAGE OF ELM GROVE

Special Revenue Fund - Tax Increment District #2
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Property Taxes - TID Increment	$ 587,880	$ 620,000	$ 619,252	$ (748)
Intergovernmental Revenues	357,982	357,982	57,982	(300,000)
Total Revenues	945,862	977,982	677,234	(300,748)
EXPENDITURES				
Current - General Government				
Administrative	1,500	1,500	2,363	(863)
Developer Incentive	21,075	21,075	21,063	12
Interest on Advances	105,000	81,500	81,417	83
Capital Outlay	8,500,000	930,000	927,393	2,607
Total Expenditures	8,627,575	1,034,075	1,032,236	1,839
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,681,713)	(56,093)	(355,002)	(298,909)
OTHER FINANCING USES				
Debt Issued	8,200,000	-	-	-
Transfer Out - General Fund	(4,267)	(4,267)	-	4,267
Transfer Out - Debt Service Fund	(516,363)	(516,363)	(530,661)	(14,298)
Total Other Financing Uses	7,679,370	(520,630)	(530,661)	(10,031)
Net Change in Fund Balance	$ (2,343)	$ (576,723)	$ (885,663)	$ (308,940)
FUND BALANCE (DEFICIT) - Beginning of Year			(2,426,089)	
FUND BALANCE (DEFICIT) - END OF YEAR			$ (3,311,752)	

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

VILLAGE OF ELM GROVE

Special Revenue Fund - Tax Increment District #3
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Property Taxes - TID Increment	$ 176,006	$ 176,006	$ 185,704	$ 9,698
Total Revenues	176,006	176,006	185,704	9,698
EXPENDITURES				
Current - General Government				
Administrative	7,500	7,500	7,936	(436)
Village Municipal Water Extension	53,500	700	661	39
Developer PayGO	-	180,000	179,557	443
Developer Incentive	8,466,000	8,466,000	8,466,000	-
Debt Service				
Interest	-	76,550	76,550	-
Total Expenditures	8,527,000	8,730,750	8,730,704	46
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,350,994)	(8,554,744)	(8,545,000)	9,744
OTHER FINANCING SOURCES				
Debt Issued	8,466,000	8,466,000	8,545,000	79,000
Net Change in Fund Balance	$ 115,006	$ (88,744)	$ -	$ 88,744
FUND BALANCE - Beginning of Year			-	
FUND BALANCE - END OF YEAR			$ -	

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

VILLAGE OF ELM GROVE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2025

WRS Fiscal Year End	Proportion of Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2014	0.02600506%	$ (638,755)	$ 2,926,697	21.83%	102.74%
12/31/2015	0.02564330%	$ 416,699	$ 3,034,482	13.73%	98.20%
12/31/2016	0.02568735%	$ 211,725	$ 3,195,495	6.63%	99.12%
12/31/2017	0.02628226%	$ (780,351)	$ 3,172,314	24.60%	102.93%
12/31/2018	0.02681855%	$ 954,119	$ 3,236,257	29.48%	101.00%
12/31/2019	0.02705426%	$ (872,352)	$ 3,364,713	25.93%	102.96%
12/31/2020	0.02715060%	$ (1,695,049)	$ 3,419,776	49.57%	105.26%
12/31/2021	0.02716573%	$ (2,189,607)	$ 3,449,523	63.48%	106.02%
12/31/2022	0.02730466%	$ 1,446,520	$ 3,489,580	41.45%	95.72%
12/31/2023	0.02743139%	$ 407,851	$ 3,701,779	11.02%	98.85%
12/31/2024	0.02795518%	$ 459,349	$ 3,975,888	11.55%	98.79%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2025

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
12/31/2016	$ 255,257	$ 255,257	$ -	$ 3,195,495	7.99%
12/31/2017	$ 278,623	$ 278,623	$ -	$ 3,172,314	8.78%
12/31/2018	$ 285,004	$ 285,004	$ -	$ 3,236,257	8.81%
12/31/2019	$ 293,080	$ 293,080	$ -	$ 3,364,714	8.71%
12/31/2020	$ 310,083	$ 310,083	$ -	$ 3,419,776	9.07%
12/31/2021	$ 317,570	$ 317,570	$ -	$ 3,449,523	9.21%
12/31/2022	$ 330,758	$ 330,758	$ -	$ 3,489,580	9.48%
12/31/2023	$ 368,020	$ 368,020	$ -	$ 3,701,780	9.94%
12/31/2024	$ 417,813	$ 417,813	$ -	$ 3,975,888	10.51%
12/31/2025	$ 453,441	$ 453,441	$ -	$ 4,196,237	10.81%

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

NOTE I – WISCONSIN RETIREMENT SYSTEM

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

Changes in benefit terms.
There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

Changes in 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.

See independent auditors' report

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

VILLAGE OF ELM GROVE

Nonmajor Governmental Funds
Combining Balance Sheet
As of December 31, 2025

	Special Revenue Funds					Capital Project Fund	
	Library Fund	EMS Fund	Stormwater Operations Fund	Donation Fund	Library Gift Fund	Transportation Fund	Total
ASSETS							
Cash and Temporary Investments	$ 265,390	$ 306,212	$ 343,548	$ 140,978	$ 74,588	$ 571,672	$ 1,702,388
Receivables							
Taxes	262,539	221,943	220,466	-	-	309,034	1,013,982
Accounts	-	125,322	35,768	-	-	-	161,090
Allowance for Doubtful Accounts	-	(57,099)	-	-	-	-	(57,099)
TOTAL ASSETS	$ 527,929	$ 596,378	$ 599,782	$ 140,978	$ 74,588	$ 880,706	$ 2,820,361
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)							
Liabilities							
Accounts Payable	$ 9,559	$ 2,715	$ 8,986	$ 1,118	$ 1,647	$ 223,538	$ 247,563
Accrued Liabilities	12,000	34,010	-	-	-	-	46,010
Due to other funds	-	-	-	-	-	1,283,458	1,283,458
Total Liabilities	21,559	36,725	8,986	1,118	1,647	1,506,996	1,577,031
Deferred Inflows of Resources							
Unearned revenues	467,250	395,000	477,068	-	-	660,360	1,999,678
Unavailable revenues	-	46,552	-	-	-	-	46,552
Total Deferred Inflows of Resources	467,250	441,552	477,068	-	-	660,360	2,046,230
Fund Balances (Deficits)							
Restricted	39,120	94,031	-	-	72,941	-	206,092
Committed	-	24,070	113,728	139,860	-	-	277,658
Unassigned (deficit)	-	-	-	-	-	(1,286,650)	(1,286,650)
Total Fund Balances (Deficits)	39,120	118,101	113,728	139,860	72,941	(1,286,650)	(802,900)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICITS)	$ 527,929	$ 596,378	$ 599,782	$ 140,978	$ 74,588	$ 880,706	$ 2,820,361

VILLAGE OF ELM GROVE

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2025

	Special Revenue Funds					Capital Project Fund	
	Library Fund	EMS Fund	Stormwater Operations Fund	Donation Fund	Library Gift Fund	Transportation Fund	Total
REVENUES							
Taxes	$ 445,000	$ 343,027	$ 170,500	$ -	$ -	$ 550,000	$ 1,508,527
Intergovernmental Revenues	49,082	62,063	-	-	1,384	55,905	168,434
Public Charges for Services	9,884	210,695	485,991	-	-	-	706,570
Commercial Revenues	13,122	20,235	16,806	58,296	64,545	54,673	227,677
Total Revenues	517,088	636,020	673,297	58,296	65,929	660,578	2,611,208
EXPENDITURES							
Current							
General Government	-	-	-	-	-	-	-
Public Safety	-	629,729	-	25,973	-	-	655,702
Health and Sanitation	-	-	346,106	-	-	-	346,106
Park and Recreation	-	-	-	19,206	-	-	19,206
Library	530,115	-	-	-	46,536	-	576,651
Capital Outlay	-	-	146,935	-	-	2,202,038	2,348,973
Total Expenditures	530,115	629,729	493,041	45,179	46,536	2,202,038	3,946,638
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,027)	6,291	180,256	13,117	19,393	(1,541,460)	(1,335,430)
OTHER FINANCING SOURCES (USES)							
Transfer In	-	-	100,000	-	-	-	100,000
Transfer Out	-	-	(388,550)	-	-	-	(388,550)
Total Other Financing Sources (Uses)	-	-	(288,550)	-	-	-	(288,550)
Net Change in Fund Balance	(13,027)	6,291	(108,294)	13,117	19,393	(1,541,460)	(1,623,980)
FUND BALANCES - Beginning of Year	52,147	111,810	222,022	126,743	53,548	254,810	821,080
FUND BALANCES (DEFICITS) - END OF YEAR	$ 39,120	$ 118,101	$ 113,728	$ 139,860	$ 72,941	$ (1,286,650)	$ (802,900)

VILLAGE OF ELM GROVE

General Fund - Revenues and Transfers (Non-GAAP)
Budgetary Comparison Schedule
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
TAXES				
Property taxes	$ 5,214,171	$ 5,214,171	$ 5,214,171	$ -
	5,214,171	5,214,171	5,214,171	-
INTERGOVERNMENTAL REVENUES				
State Shared Revenues	263,301	263,301	263,301	-
Expenditure Restraint	22,890	22,890	22,890	-
Fire Insurance Dues	58,708	58,708	65,568	6,860
State and Federal Aids				
Transportation Aids	375,000	375,000	375,000	-
Exempt Computer Aid	10,000	10,000	10,000	-
Personal Property Tax Aid	31,909	31,909	31,909	-
Video Service Aid	20,410	20,410	20,410	-
Public Safety Grants	7,750	7,750	7,731	(19)
Miscellaneous State Aid	-	-	7,601	7,601
Other Government Entities-Elmbrook School SRO	143,089	143,089	151,176	8,087
	933,057	933,057	955,586	22,529
LICENSES AND PERMITS				
Licenses	17,950	17,950	28,068	10,118
Cable TV Franchise Fees	35,000	35,000	33,332	(1,668)
Permits	255,750	426,500	426,185	(315)
	308,700	479,450	487,585	8,135
FINES, FORFEITURES AND PENALTIES				
Court Fines	155,000	187,750	187,594	(156)
	155,000	187,750	187,594	(156)
PUBLIC CHARGES FOR SERVICES				
General Government	5,000	5,000	16,885	11,885
Protection of Persons and Property	19,360	19,360	17,849	(1,511)
Public Works				
Solid Waste User Charge	761,402	761,402	778,364	16,962
Miscellaneous Public Works	12,400	12,400	11,893	(507)
	798,162	798,162	824,991	26,829

VILLAGE OF ELM GROVE

General Fund - Revenues and Transfers (Non-GAAP)
Budgetary Comparison Schedule
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Recreation Activities				
Swim Team	$ 14,500	$ 14,500	$ 15,348	$ 848
Swimming Lessons	18,000	18,000	17,595	(405)
Swimming Fees	55,000	55,000	47,136	(7,864)
Pool Rental	8,500	8,500	5,400	(3,100)
Tennis Team	3,500	3,500	558	(2,942)
Tennis Lessons	7,500	7,500	2,715	(4,785)
Tennis Fees	7,000	7,000	18,127	11,127
Summer Recreation and Children's Activities	31,500	31,500	33,537	2,037
Baseball	15,000	15,000	14,765	(235)
Aerobic/Exercise	10,500	10,500	11,406	906
Concession Sales	2,000	2,000	3,230	1,230
Picnic Reservations	12,000	12,000	15,534	3,534
Beer Garden	12,500	12,500	15,800	3,300
Adult Programs	8,000	8,000	4,900	(3,100)
Shared Programs	1,000	1,000	1,058	58
4th of July	6,500	6,500	7,997	1,497
Miscellaneous Recreation	150	150	668	518
Recreation Activities Subtotal	213,150	213,150	215,774	2,624
Public Charges for Services	1,011,312	1,011,312	1,040,765	29,453
COMMERCIAL REVENUES				
Investment Income	258,250	283,500	283,367	(133)
Cell Tower Lease Revenue	170,000	170,000	174,889	4,889
Miscellaneous Revenue	4,400	4,400	13,678	9,278
	432,650	457,900	471,934	14,034
OTHER FINANCING SOURCES				
Transfer In - TID Fund	4,267	4,267	-	(4,267)
TOTAL REVENUES AND OTHER FINANCING SOURCES ON BUDGETARY BASIS	$ 8,059,157	$ 8,287,907	8,357,635	$ 69,728
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES				
Revenues Credited to Designated Accounts				
Intergovernmental Revenue			1,698	
Donations			11,984	
Commercial Revenue			20,994	
TOTAL REVENUES AND OTHER FINANCING SOURCES			$ 8,392,311	

VILLAGE OF ELM GROVE

General Fund - Expenditures and Transfers (Non-GAAP)
Budgetary Comparison Schedule
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
CURRENT				
General Government				
Salaries and Wages	$ 572,500	$ 615,000	$ 615,218	$ (218)
Fringe Benefits	223,670	211,000	211,010	(10)
Legal	60,000	117,500	117,425	75
Attorney's Retainer	12,500	12,500	14,871	(2,371)
Election	16,000	16,000	10,066	5,934
Office Supplies	4,000	4,000	3,890	110
Printing, Publishing, and Postage	14,500	14,500	14,224	276
Utilities	97,000	97,000	92,753	4,247
Contracted Services				
Tax Roll Preparation	12,000	12,000	10,931	1,069
Weights and Measures	800	800	788	12
Audit and Accounting	20,600	20,600	22,393	(1,793)
Payroll Service	7,400	7,400	9,153	(1,753)
Assessor Services	6,500	6,500	13,283	(6,783)
Elmbrook Humane Society	8,925	8,925	8,925	-
Wildlife Management	1,500	1,500	42	1,458
Computer Maintenance	133,150	133,150	137,521	(4,371)
Office Equipment Maintenance	9,000	9,000	9,780	(780)
Building Cleaning	27,500	27,500	25,344	2,156
Internet Expense	74,000	74,000	71,285	2,715
Zoning Administrative	3,500	3,500	7,124	(3,624)
GIS Expense	18,000	18,000	23,136	(5,136)
Insurance	269,165	269,165	250,172	18,993
Training, Dues, Memberships	15,100	15,100	16,414	(1,314)
License Expense	3,000	3,000	1,582	1,418
Community Relations	2,620	2,620	2,474	146
Building Maintenance	40,000	40,000	59,457	(19,457)
Palpable Assessment	-	11,500	11,500	-
Miscellaneous	5,000	5,000	6,130	(1,130)
	1,657,930	1,756,760	1,766,891	(10,131)
Municipal Court				
Salaries and Wages	65,960	65,960	65,815	145
Fringe Benefits	9,100	9,100	8,881	219
Office Supplies and Operating Expenses	3,000	3,000	3,844	(844)
Miscellaneous	1,000	1,000	1,052	(52)
Judicial Education	2,000	2,000	1,030	970
Legal	41,000	41,000	38,409	2,591
	122,060	122,060	119,031	3,029
	1,779,990	1,878,820	1,885,922	(7,102)

VILLAGE OF ELM GROVE

General Fund - Expenditures and Transfers (Non-GAAP)
Budgetary Comparison Schedule
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
CURRENT (continued)				
Public Safety				
Police Department				
Salaries and Wages	$ 2,021,500	$ 2,021,500	$ 1,964,310	$ 57,190
Fringe Benefits	893,633	893,633	831,879	61,754
Uniform/Mileage	9,000	9,000	8,795	205
Equipment Maintenance	72,000	72,000	74,767	(2,767)
Memberships and Training	21,500	21,500	21,306	194
Police Investigation, Joint Teams, Prevention	15,000	15,000	13,781	1,219
Office Equipment, Supplies and Miscellaneous	6,500	6,500	8,979	(2,479)
	3,039,133	3,039,133	2,923,817	115,316
Dispatch Department				
Salaries and Wages	371,000	371,000	391,428	(20,428)
Fringe Benefits	136,103	136,103	139,227	(3,124)
Communications Maintenance	86,000	86,000	71,743	14,257
Memberships and Training	3,000	3,000	1,648	1,352
Sundry	2,900	2,900	3,802	(902)
	599,003	599,003	607,848	(8,845)
Fire Department				
Wages and Paid on Call	275,473	275,473	254,882	20,591
Fringe Benefits	37,547	37,547	31,531	6,016
Special Response Team	2,600	2,600	2,470	130
Fire Drill Payments	10,200	10,200	10,200	-
Equipment and Operating	41,200	41,200	56,190	(14,990)
Communications Maintenance	8,600	8,600	7,806	794
Memberships, Training, Prevention	9,750	9,750	5,693	4,057
	385,370	385,370	368,772	16,598
Inspection				
Building	126,525	147,500	148,337	(837)
Electrical	26,250	36,000	36,227	(227)
Plumbing	15,750	15,750	17,570	(1,820)
Special	3,150	3,150	4,760	(1,610)
	171,675	202,400	206,894	(4,494)
Total Public Safety	4,195,181	4,225,906	4,107,331	118,575

VILLAGE OF ELM GROVE

General Fund - Expenditures and Transfers (Non-GAAP)
Budgetary Comparison Schedule
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
CURRENT (continued)				
Health and Sanitation				
Salaries and Wages	$ 59,500	$ 59,500	$ 67,940	$ (8,440)
Fringe Benefits	21,125	21,125	18,163	2,962
Waste Collection	401,000	401,000	386,869	14,131
Recycling Collection	256,500	256,500	251,244	5,256
Brush Disposal	40,000	40,000	56,269	(16,269)
	778,125	778,125	780,485	(2,360)
Public Works				
Highway and Transportation				
Salaries and Wages	456,000	471,500	471,515	(15)
Fringe Benefits	149,875	190,500	190,668	(168)
Utilities	21,200	21,200	27,276	(6,076)
Pavement Maintenance	35,000	35,000	34,477	523
Snow and Ice Control	54,000	54,000	56,514	(2,514)
Building and Ground Maintenance	6,000	6,000	20,930	(14,930)
Traffic Control	40,500	40,500	51,725	(11,225)
Equipment Maintenance	114,000	114,000	122,212	(8,212)
Sundry	10,500	10,500	6,393	4,107
Engineering	8,000	8,000	992	7,008
	895,075	951,200	982,702	(31,502)
Forestry				
Salaries and Wages	80,500	80,500	78,774	1,726
Fringe Benefits	37,166	37,166	27,867	9,299
Forestry Tree Care	39,000	39,000	33,851	5,149
Diseased Tree Treatment	2,000	2,000	1,916	84
Landscaping	12,500	12,500	4,651	7,849
Miscellaneous	2,000	2,000	2,378	(378)
	173,166	173,166	149,437	23,729
Total Public Works	1,068,241	1,124,366	1,132,139	(7,773)

VILLAGE OF ELM GROVE

General Fund - Expenditures and Transfers (Non-GAAP)
Budgetary Comparison Schedule
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
CURRENT (continued)				
Park and Recreation				
Salaries and Wages	$ 170,000	$ 193,500	$ 193,277	$ 223
Fringe Benefits	26,270	26,270	28,775	(2,505)
Instructor Fees	18,000	18,000	18,126	(126)
Operating Expenses and Utilities	25,350	25,350	25,609	(259)
Pool Expenses	19,000	19,000	22,920	(3,920)
Printing and Miscellaneous	7,500	7,500	7,700	(200)
Baseball Program	10,500	10,500	11,698	(1,198)
Swimming Program	2,500	2,500	2,226	274
Tennis Program	2,500	2,500	2,172	328
Concessions	1,000	1,000	779	221
4th of July	20,000	20,000	21,282	(1,282)
Software, Fees and Training	15,000	15,000	29,672	(14,672)
Recreation Program Expense	6,000	6,000	5,180	820
	323,620	347,120	369,416	(22,296)
Contingency	114,000	-	-	-
TOTAL CURRENT	8,259,157	8,354,337	8,275,293	79,044
TOTAL EXPENDITURES ON BUDGETARY BASIS	$ 8,259,157	$ 8,354,337	8,275,293	$ 79,044
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES				
Expenditures Charged to Designated Accounts				
General Government			17,782	
Public Safety			(729)	
TOTAL EXPENDITURES			$ 8,292,346	

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for, and the payments of, the Village's general obligation long-term debt principal and interest.

VILLAGE OF ELM GROVE

Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Property taxes	$ 284,912	$ 284,912	$ 284,912	$ -
Commercial Revenue				
Investment income	34,250	45,000	43,160	(1,840)
Total Revenue	319,162	329,912	328,072	(1,840)
EXPENDITURES				
Debt service				
Principal	1,065,282	1,065,282	1,065,282	-
Interest	124,543	124,543	124,543	-
Miscellaneous Bond Fees	-	-	45,876	(45,876)
Total Expenditures	1,189,825	1,189,825	1,235,701	(45,876)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(870,663)	(859,913)	(907,629)	(47,716)
OTHER FINANCING SOURCES				
Transfer In - Stormwater fund	388,550	388,550	388,550	-
Transfer In - TID # 2	516,363	516,363	530,661	14,298
Premium on debt issued	-	65,000	110,581	45,581
Total Other Financing Sources	904,913	969,913	1,029,792	59,879
Net Change in Fund Balance	$ 34,250	$ 110,000	122,163	$ 12,163
FUND BALANCE - Beginning of Year			888,808	
FUND BALANCE - END OF YEAR			$ 1,010,971	

CAPITAL PROJECT FUND

The Capital Project Fund is used to account for and report financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of major capital facilities, equipment, or projects.

VILLAGE OF ELM GROVE

Capital Projects Fund - Five Year Capital
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Taxes	$ 396,901	$ 396,901	$ 396,901	$ -
Intergovernmental Revenue	65,000	65,000	65,431	431
Public Charges for Services	18,000	18,000	18,000	-
Commercial Revenues				
Miscellaneous Revenue	-	-	2,500	2,500
Investment Income	70,000	70,000	76,542	6,542
Total Revenues	549,901	549,901	559,374	9,473
EXPENDITURES				
Capital Outlay				
Equipment	644,370	644,370	479,635	164,735
Building and land Improvements	5,000	5,000	52,739	(47,739)
Other	4,500	4,500	22,843	(18,343)
Total Expenditures	653,870	653,870	555,217	98,653
Excess (Deficiency) of Revenues Over (Under) Expenditures	(103,969)	(103,969)	4,157	108,126
OTHER FINANCING SOURCES				
Proceeds from Sale of Capital Assets	35,000	35,000	34,934	(66)
Debt Issued	285,000	-	-	-
Total Other Financing Sources	320,000	35,000	34,934	(66)
Net Change in Fund Balance	$ 216,031	$ (68,969)	39,091	$ 108,060
FUND BALANCE - Beginning of Year			2,412,078	
FUND BALANCE - END OF YEAR			$ 2,451,169	

NONMAJOR FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Library Fund
This fund is used to account for the activities of the Village's public library.

EMS Fund (Emergency Medical Services)
This fund is used to account for the activities of the Village's emergency medical service.

Stormwater Operations Fund
This fund is used to account for the activities of the Village's stormwater operations.

Donation Fund
This fund is used to record donations received for specific future projects.

Library Gift Fund
This fund accounts for donations received for the Village's library and the expenditure of those funds.

VILLAGE OF ELM GROVE

Special Revenue Fund - Library Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Taxes	$ 445,000	$ 445,000	$ 445,000	$ -
Intergovernmental Revenues	49,000	49,000	49,082	82
Public Charges for Services	9,000	9,000	9,884	884
Commercial Revenues				
Investment Income	12,000	12,000	13,122	1,122
Total Revenues	515,000	515,000	517,088	2,088
EXPENDITURES				
Current - library				
Salaries and Wages	366,272	366,272	361,126	5,146
Fringe Benefits	69,345	69,345	66,505	2,840
New Material and Book Service	66,433	66,433	62,226	4,207
Supplies and Equipment Maintenance	38,500	38,500	36,287	2,213
Miscellaneous	3,450	3,450	3,971	(521)
Total Expenditures	544,000	544,000	530,115	13,885
Net Change in Fund Balance	$ (29,000)	$ (29,000)	(13,027)	$ 15,973
FUND BALANCE - Beginning of Year			52,147	
FUND BALANCE - END OF YEAR			$ 39,120	

VILLAGE OF ELM GROVE

Special Revenue Fund - Emergency Medical Service (EMS) Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual (Non-GAAP)
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Taxes	$ 343,027	$ 343,027	$ 343,027	$ -
Public Charges for Services	160,000	215,000	210,695	(4,305)
Commercial Revenues				
Investment Income	18,500	18,500	20,235	1,735
Total Revenues	521,527	576,527	573,957	(2,570)
EXPENDITURES				
Current - Public Safety				
Ambulance				
Wages and Paid on Call	492,500	508,000	507,984	16
Fringe Benefits	52,077	52,077	52,000	77
EMT Training	4,000	4,000	2,353	1,647
Uniforms	1,000	1,000	1,000	-
Medical Supplies	16,000	16,000	11,865	4,135
Ambulance Maintenance	5,000	5,000	1,596	3,404
Ambulance Communications	1,750	1,750	1,421	329
Ambulance Billing Fees	10,500	17,250	17,167	83
Miscellaneous	8,700	8,700	6,488	2,212
Total Expenditures	591,527	613,777	601,874	11,903
Excess (Deficiency) of Revenues Over (Under) Expenditures	(70,000)	(37,250)	(27,917)	9,333
OTHER FINANCING SOURCES				
Transfer in- ARPA Fund	10,000	-	-	-
Net Change in Fund Balance (Budgetary Basis)	$ (60,000)	$ (37,250)	(27,917)	$ 9,333
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES				
Revenues Credited to Designated Accounts				
Intergovernmental Revenue			62,063	
			62,063	
Expenditures Charged to Designated Accounts				
Public Safety			27,855	
			27,855	
Net Change in Fund Balance			6,291	
FUND BALANCE - Beginning of Year			111,810	
FUND BALANCE - END OF YEAR			$ 118,101	

VILLAGE OF ELM GROVE

Special Revenue Fund - Stormwater Operations Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Taxes	$ 170,500	$ 170,500	$ 170,500	$ -
Public Charges for Services	481,165	481,165	485,991	4,826
Commercial Revenues				
Investment Income	15,000	15,000	16,806	1,806
Total Revenues	666,665	666,665	673,297	6,632
EXPENDITURES				
Current - Health and Sanitation				
Infrastructure Repair and Maintenance	102,000	145,000	144,502	498
Administrative	200,000	190,000	188,952	1,048
Inspection, Engineering, Audit	13,750	13,750	12,652	1,098
Capital Outlay	8,000	147,000	146,935	65
Total Expenditures	323,750	495,750	493,041	2,709
Excess of Revenues Over Expenditures	342,915	170,915	180,256	9,341
OTHER FINANCING SOURCES (USES)				
Transfer In - Sewer Fund	100,000	100,000	100,000	-
Transfer Out- Debt Service	(388,550)	(388,550)	(388,550)	-
Total Other Financing Sources (Uses)	(288,550)	(288,550)	(288,550)	-
Net Change in Fund Balance	$ 54,365	$ (117,635)	(108,294)	$ 9,341
FUND BALANCE - Beginning of Year			222,022	
FUND BALANCE - END OF YEAR			$ 113,728	

VILLAGE OF ELM GROVE

Special Revenue Fund - Donation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Commercial Revenues				
Donations	$ -	$ 52,250	$ 52,280	$ 30
Investment Income	-	6,000	6,016	16
Total Revenues	-	58,250	58,296	46
EXPENDITURES				
Current				
Public Safety	-	26,000	25,973	27
Parks and Recreation	-	19,250	19,206	44
Total Expenditures	-	45,250	45,179	71
Net Change in Fund Balance	$ -	$ 13,000	13,117	$ 117
FUND BALANCE - Beginning of Year			126,743	
FUND BALANCE - END OF YEAR			$ 139,860	

VILLAGE OF ELM GROVE

Special Revenue Fund - Library Gift Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Intergovernment Revenue				
Grant Funds	$ -	$ 1,500	$ 1,384	$ (116)
Commercial Revenues				
Donations	-	62,500	62,185	(315)
Investment Income	-	2,500	2,360	(140)
Total Revenues	-	66,500	65,929	(571)
EXPENDITURES				
Current				
Library Materials	-	46,500	46,536	(36)
Total Expenditures	-	46,500	46,536	(36)
Net Change in Fund Balance	$ -	$ 20,000	19,393	$ (607)
FUND BALANCE - Beginning of Year			53,548	
FUND BALANCE - END OF YEAR			$ 72,941	

VILLAGE OF ELM GROVE

Special Revenue Fund - Transportation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Taxes	$ 550,000	$ 550,000	$ 550,000	$ -
Intergovernmental Revenues	55,000	55,000	55,905	905
Commercial Revenues				
Investment income	50,000	50,000	54,673	4,673
Total Revenues	655,000	655,000	660,578	5,578
EXPENDITURES				
Capital Outlay	1,505,000	2,202,000	2,202,038	(38)
Total Expenditures	1,505,000	2,202,000	2,202,038	(38)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(850,000)	(1,547,000)	(1,541,460)	5,540
OTHER FINANCING SOURCES				
Debt Issued	900,000	-	-	-
Total Other Financing Sources	900,000	-	-	-
Net Change in Fund Balance	$ 50,000	$ (1,547,000)	(1,541,460)	$ 5,540
FUND BALANCE - Beginning of Year			254,810	
FUND BALANCE (DEFICIT)- END OF YEAR			$ (1,286,650)	

APPENDIX B

FORM OF LEGAL OPINION

(See following pages)

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

Village of Elm Grove
Waukesha County, Wisconsin

We hereby certify that we have examined certified copy of the proceedings (the *"Proceedings"*) of the Village Board of the Village of Elm Grove, Waukesha County, Wisconsin (the *"Village"*), passed preliminary to the issue by the Village of its fully registered General Obligation Promissory Notes, Series 2026A (the *"Notes"*) to the amount of $_____, dated the date hereof, due serially on March 1 of the years and in the amounts and bearing interest as follows:

YEAR (MARCH 1)	AMOUNT	INTEREST RATE

the Notes maturing on and after March 1, 20__, being subject to prepayment prior to maturity at the option of the Village, as a whole or in part in any order of their maturity as determined by the Village, on March 1, 20__, or on any date thereafter at a prepayment price of par plus accrued interest to the prepayment date, as provided in the Proceedings, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Wisconsin now in force.

We further certify that we have examined the form of note prescribed for said issue and find the same in due form of law, and in our opinion, said issue, to the amount named, is valid and legally binding upon the Village, payable from taxes to be levied on all taxable property in the Village, without limitation as to rate or amount, except that the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the Village's compliance with certain covenants, under present law, interest on the Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended. Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Failure to comply with certain of such Village covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement or any other information furnished to any person in connection with any offer or sale of the Notes.

In rendering this opinion, we have relied upon certifications of the Village with respect to certain material facts solely within the knowledge of the Village. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion, and is not a guarantee of result. 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.

APPENDIX C

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.

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

CONTINUING DISCLOSURE UNDERTAKING
FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER SECTION (b)(5) OF RULE 15c2-12

This CONTINUING DISCLOSURE UNDERTAKING (the *"Agreement"*) is executed and delivered by the Village of Elm Grove, Waukesha County, Wisconsin (the *"Issuer"*) in connection with the issuance of $_____ aggregate principal amount of General Obligation Promissory Notes, Series 2026A (the *"Notes"*). The Notes are being issued pursuant to a resolution duly adopted by the Village Board of the Issuer on the 22nd day of September, 2026 (as supplemented by a notification of sale, the *"Resolution"*).

In consideration of the issuance of the Notes by the Issuer and the purchase of such Notes by the beneficial owners thereof, the Issuer covenants and agrees, as follows:

1. PURPOSE OF THIS AGREEMENT. This Agreement is executed and delivered by the Issuer as of the date set forth below, for the benefit of the beneficial owners of the Notes and in order to assist the Participating Underwriters (as hereinafter defined) in complying with the requirements of the Rule (as hereinafter defined). The Issuer represents that it will be the only obligated person with respect to the Notes at the time the Notes are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after the issuance of the Notes.

2. DEFINITIONS. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

Annual Financial Information means the financial information and operating data described in *Exhibit I* attached to and made a part of this Agreement.

Annual Financial Information Disclosure means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4 of this Agreement.

Audited Financial Statements means the audited financial statements of the Issuer prepared pursuant to the standards and as described in *Exhibit I* attached to and made a part of this Agreement.

Commission means the Securities and Exchange Commission.

Dissemination Agent means any agent designated as such in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation, and the successors and assigns of any such agent.

EMMA means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

Exchange Act means the Securities Exchange Act of 1934, as amended.

Financial Obligation of the Issuer 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), *provided,* that such term does not include municipal securities as to which an Official Statement has been provided to the MSRB consistent with the Rule.

MSRB means the Municipal Securities Rulemaking Board.

Official Statement means the final Official Statement, dated October __, 2026, and relating to the Notes.

Participating Underwriter means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Notes.

Reportable Event means the occurrence of any of the events set forth in *Exhibit II* attached and made a part of this Agreement.

Reportable Events Disclosure means dissemination of a notice of a Reportable Event as set forth in Section 5 of this Agreement.

Rule means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

State means the State of Wisconsin.

Undertaking means the obligations of the Issuer pursuant to Sections 4 and 5 of this Agreement.

3. CUSIP NUMBER/FINAL OFFICIAL STATEMENT. The CUSIP Numbers of the Notes are set forth in Exhibit III. All filings required under this Agreement will be filed on EMMA under these CUSIP Numbers. If the Notes are refunded after the date hereof, the Issuer will also make all filings required under this Agreement under any new CUSIP Numbers assigned to the Notes as a result of such refunding, to the extent the Issuer remains legally liable for the payment of such Notes; provided, however, that the Issuer will not be required to make such filings under new CUSIP Numbers unless the Issuer has been notified in writing by the Participating Underwriter or the Issuer's financial advisor that new CUSIP Numbers have been assigned to the Notes. The Issuer will not make any filings pursuant to this Agreement under new CUSIP Numbers assigned to any of the Notes after the date hereof for any reason other than a refunding, as described in the previous sentence, including, but not limited to, new CUSIP Numbers assigned to the Notes as a result of a holder of the Notes obtaining a bond insurance policy or other credit enhancement with respect to some or all of the outstanding Notes in the secondary market.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the Issuer hereby covenants that it will disseminate its Annual Financial Information

and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I* attached hereto and made a part hereof) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information in such manner and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Issuer will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the Issuer hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. References to "material" in *Exhibit II* refer to materiality as it is interpreted under the Exchange Act. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Notes or defeasance of any Notes need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Noteholders pursuant to the Resolution.

6. CONSEQUENCES OF FAILURE OF THE ISSUER TO PROVIDE INFORMATION. The Issuer shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due under this Agreement.

In the event of a failure of the Issuer to comply with any provision of this Agreement, the beneficial owner of any Note may seek mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed to be a default under the Resolution, and the sole remedy under this Agreement in the event of any failure of the Issuer to comply with this Agreement shall be an action to compel performance.

7. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement to the contrary, the Issuer, by resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a "no-action" letter issued by the Commission, change in law, or change in the identity, nature or status of the Issuer or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as 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 the beneficial owners of the Notes, as determined by parties unaffiliated with the Issuer (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the Issuer shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. TERMINATION OF UNDERTAKING. The Undertaking of the Issuer shall be terminated hereunder if the Issuer shall no longer have any legal liability for any obligation on or relating to repayment of the Notes under the Resolution.

9. FUTURE CHANGES TO THE RULE. As set forth in Section 1 of this Agreement, the Issuer has executed and delivered this Agreement solely and only to assist the Participating Underwriters in complying with the requirements of the Rule. Therefore, notwithstanding anything in this Agreement to the contrary, in the event the Commission, the MSRB or other regulatory authority shall approve or require changes to the requirements of the Rule, the Issuer shall be permitted, but shall not be required, to unilaterally modify the covenants in this Agreement, without complying with the requirements of Section 7 of this Agreement, in order to comply with, or conform to, such changes. In the event of any such modification of this Agreement, the Issuer shall file a copy of this Agreement, as revised, on EMMA in a timely manner.

10. DISSEMINATION AGENT. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

11. ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of the occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information from any document or notice of the occurrence of a Reportable Event in addition to

that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of the occurrence of a Reportable Event. If the Issuer is changed, the Issuer shall disseminate such information to EMMA.

12. BENEFICIARIES. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, if any, and the beneficial owners of the Notes, and shall create no rights in any other person or entity.

13. RECORDKEEPING. The Issuer shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including without limitation the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

14. ASSIGNMENT. The Issuer shall not transfer its obligations under the Resolution, unless the transferee agrees to assume all obligations of the Issuer under this Agreement or to execute an Undertaking under the Rule.

15. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

VILLAGE OF ELM GROVE, WAUKESHA COUNTY,
WISCONSIN

By _____
Treasurer

Date: _____, 2026

EXHIBIT I
ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

"Annual Financial Information" means financial information and operating data of the type contained in the Final Official Statement under the following captions: "VALUATIONS—Current Property Valuations", "DEBT—Direct Debt", "DEBT—Debt Limit", "TAX LEVIES, RATE AND COLLECTIONS—Tax Levies and Collections."

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA, the Final Official Statement need not be available from the Commission. The Issuer shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be provided to EMMA by December 31 of each year, commencing with the filing due December 31, 2027. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, the Audited Financial Statements will be submitted to EMMA within thirty (30) days after availability to the Issuer.

Audited Financial Statements will be prepared in accordance with generally accepted accounting principles pursuant to which such financial statements will be prepared.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the Issuer will disseminate a notice of such change as required by Section 4.

EXHIBIT II
EVENTS WITH RESPECT TO THE NOTES FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

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-exempt status of the securities
7. Modifications to the rights of security holders, if material
8. Bond 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, 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 security holders, if material
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties

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* This 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.

EXHIBIT III

MATURITY DATE (MARCH 1)	CUSIP NUMBERS (_____)

APPENDIX E

NOTICE OF SALE

$16,090,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2026A
VILLAGE OF ELM GROVE, WISCONSIN

Bids for the purchase of $16,090,000* General Obligation Promissory Notes, Series 2026A (the "Notes") of the Village of Elm Grove, 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 October 22, 2026, at which time they will be opened, read and tabulated. **The Village Board adopted a resolution on September 29, 2026 as supplemented by a notification of sale (the "Parameters Resolution"), which authorizes the Finance Director or the Village Manager (each an "Authorized Officer") to accept a bid for the Notes if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on October 22, 2026, neither the Finance Director nor the Village Manager will have the authority to accept a bid for the Notes, and all bids for the Notes will be rejected.**

AUTHORITY; PURPOSE; SECURITY

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the Village, for public purposes, including completing certain capital projects in and for the Village, purchasing certain equipment for the Village and refunding the Village's $1,000,000 State Trust Fund Loan, dated August 16, 2023, and the Village's $178,150 State Trust Fund Loan, dated August 16, 2023. 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 November 12, 2026, will be issued as fully registered Notes in the denomination of $5,000 each, or any integral multiple thereof, and will mature on March 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2027	$700,000	2034	$1,080,000	2041	$960,000
2028	865,000	2035	1,130,000	2042	490,000
2029	905,000	2036	770,000	2043	520,000
2030	935,000	2037	800,000	2044	465,000
2031	965,000	2038	835,000	2045	405,000
2032	1,000,000	2039	880,000	2046	430,000
2033	1,040,000	2040	915,000		

*Preliminary, subject to change.

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, up to an increase of $515,000 per maturity or a decrease of not more than $430,000 per maturity. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

TERM BOND OPTION

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

INTEREST PAYMENT DATES AND RATES

Interest will be payable on March 1 and September 1 of each year, commencing March 1, 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 month next preceding any interest payment date. 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 PREPAYMENT

The Notes maturing on or after March 1, 2036 are subject to prepayment prior to maturity at the option of the Village from any available funds, as a whole or in part in such order as the Village shall determine (less than all of the Notes of a single maturity to be selected by the Registrar, as hereinafter provided) on March 1, 2035 or any date thereafter, at a price of par plus accrued interest.

The Village will, at least 45 days prior to any optional prepayment date (unless a shorter time period shall be satisfactory to the Registrar), notify the Registrar of such prepayment date and of the principal amount and maturity or maturities of Notes to be redeemed. For purposes of any prepayment of less than all of the outstanding Notes of a single maturity, the particular Notes or portions of Notes to be redeemed shall be selected by lot by the Registrar from the Notes of such maturity by such method of lottery as the Registrar shall deem fair and appropriate (except when the Notes are held in a book-entry system, in which case the selection of Notes to be redeemed will be made in accordance with procedures established by DTC or any other book-entry depository); *provided* that such lottery shall provide for the selection for prepayment of Notes or portions thereof in principal amounts of $5,000 and integral multiples thereof.

Unless waived by any holder of Notes to be redeemed, notice of the call for any prepayment will be given by the Registrar on behalf of the City by mailing the prepayment notice by first-class mail at least 30 days and not more than 60 days prior to the date fixed for prepayment to each registered owner of the Notes to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such registered owner to the Registrar.

Unless moneys sufficient to pay the prepayment price of the Notes to be redeemed at the option of the City are received by the Registrar prior to the giving of such notice of prepayment, such notice may, at the option of the City, state that said prepayment will be conditional upon the receipt of such moneys by the Registrar on or prior to the date fixed for prepayment. If such moneys are not received, such notice will be of no force and effect, the City will not redeem such Notes, and the Registrar will give notice, in the same manner in which the notice of prepayment has been given, that such moneys were not so received and that such Notes will not be redeemed. Otherwise, prior to any prepayment date, the City will deposit with the Registrar an amount of money sufficient to pay the prepayment price of all the Notes or portions of Notes which are to be redeemed on that date.

Subject to the provisions for a conditional prepayment described above, notice of prepayment having been given as described above and in the Parameters Resolution, and notwithstanding failure to receive such notice, the Notes or portions of Notes so to be redeemed will, on the prepayment date, become due and payable at the prepayment price therein specified, and from and after such date (unless the City shall default in the payment of the prepayment price) such Notes or portions of Notes shall cease to bear interest. Upon surrender of such Notes for prepayment in accordance with said notice, such Notes will be paid by the Registrar at the prepayment price.

DELIVERY

On or about November 12, 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, a tax exemption certification, and certificates verifying that no litigation in any manner questioning the validity of the Notes is then pending or, to the best knowledge of officers of the Village, threatened. Payment for the Notes must be received by the Village at its designated depository on the date of closing in immediately available funds.

LEGAL OPINION

An opinion as to the validity of the Notes and the exemption from federal income taxation of the interest thereon will be furnished by Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel to the Village ("Bond Counsel"), and will be available at the time of delivery of the Notes. The proposed form of opinion of Bond Counsel is attached as Appendix B hereto.

STATEMENT REGARDING COUNSEL PARTICIPATION

Certain legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Bond Counsel who has been retained by, and acts as, Bond Counsel to the City. Bond Counsel has not assumed responsibility for the Official Statement or participated in its preparation (except with respect to the section entitled "TAX EXEMPTION" in the Official Statement and the "FORM OF LEGAL OPINION" found in Appendix B of the Official Statement). Bond Counsel has not been retained or consulted on disclosure matters, and has not undertaken to review or verify the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Notes, and assumes no responsibility for the statements or information contained in or incorporated by reference in the Official Statement, except that in its capacity as Bond Counsel, Chapman and Cutler LLP has, at the request of the City, reviewed the section entitled "TAX EXEMPTION" in the Official Statement and has provided the "FORM OF LEGAL OPINION" found in Appendix B of the Official Statement. This review was undertaken solely at the request and for the benefit of the City and did not include any obligation to establish or confirm factual matters set forth herein.

By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the Village in the Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder represents that

the signatory to the bid is duly authorized to, and does consent to and waive for and on behalf of such bidder any conflict of interest of Bond Counsel arising from any adverse position to the Village in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

SUBMISSION OF BIDS

Bids must not be for less than $15,888,875, nor more than $17,538,100, plus accrued interest on the principal sum of $16,090,000 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 $321,800 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. **The Notes will not be awarded if the TIC (taking the purchaser's compensation into account) exceeds 5.00% or if the other conditions set forth in the Parameters Resolution are not satisfied.**

BOND INSURANCE

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

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

CUSIP NUMBERS

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

NON-QUALIFIED TAX-EXEMPT OBLIGATIONS

The Village will NOT designate the Notes as "qualified tax-exempt obligations" pursuant to Section 265 of the Code.

CONTINUING DISCLOSURE

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

NEW ISSUE PRICING

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Notes pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate 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 (5^{th}) 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 (5^{th}) 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

Crystal Turner, Village Clerk/Deputy Treasurer
Village of Elm Grove, Wisconsin

BID FORM

Village of Elm Grove, Wisconsin (the "Village") **October 22, 2026**

RE: $16,090,000* General Obligation Promissory Notes, Series 2026A (the "Notes")
DATED: November 12, 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 $15,888,875, nor more than $17,538,100) plus accrued interest to date of delivery for fully registered Notes bearing interest rates and maturing in the stated years as follows:

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

The Village reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of $5,000 each, up to an increase of $515,000 per maturity or a decrease of not more than $430,000 per maturity. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

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

A good faith deposit ("Deposit") in the amount of $321,800 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 November 12, 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 November 12, 2026 of the above bid is $_____and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted on behalf of the Village of Elm Grove, Wisconsin, on October 22, 2026.

By: _____

Title: _____