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.

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 25, 2026

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

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

New Issue **Rating: S&P Global Ratings "A"/Stable**

CITY OF OCONTO, WISCONSIN
(Oconto County)

$2,950,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2026A

BID OPENING: December 1, 2026, 10:00 A.M., C.T.
CONSIDERATION: Not later than 11:59 P.M., C.T. on December 1, 2026 (PARAMETERS RESOLUTION)

PURPOSE/AUTHORITY/SECURITY: The $2,950,000* General Obligation Promissory Notes, Series 2026A (the "Notes") are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the City of Oconto, Wisconsin (the "City"), for public purposes, including financing capital projects, equipment and vehicles and refunding certain obligations of the City. The Notes are general obligations of the City, and all the taxable property in the City 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.

DATE OF NOTES: December 15, 2026

MATURITY: April 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2028	$275,000	2031	$310,000	2034	$355,000
2029	290,000	2032	325,000	2035	370,000
2030	300,000	2033	335,000	2036	390,000

***MATURITY ADJUSTMENTS:** The City 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 a maximum of $225,000 per maturity or mandatory redemption amount. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: April 1, 2027 and semiannually thereafter.

OPTIONAL REDEMPTION: The Notes are being offered without option of prior optional redemption.

MINIMUM BID: $2,920,500.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of $59,000 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Associated Trust Company, National Association.

BOND COUNSEL AND DISCLOSURE COUNSEL: Quarles & Brady LLP.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

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

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City 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 City. ***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 City and other sources for which there is reasonable basis for believing the information is accurate and complete. Quarles & Brady LLP will serve as Disclosure Counsel to the City with respect to the Notes. Compensation of Ehlers and Associates, Inc., payable entirely by the City, 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 City 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 City 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 City 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 City which indicates that the City does not expect to use the proceeds of the Notes in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

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BID FORM

CITY OF OCONTO
COMMON COUNCIL

		Term Expires
Cliff Martin	Mayor	April 2028
Dan Zoeller	Council President	April 2028
Kim Bronikowski	Council Vice President	April 2027
Ron Daul	Alderperson	April 2027
Dee Donlevy	Alderperson	April 2028
Robert LeBreck	Alderperson	April 2027
Violet Mc Fadden Hornick	Alderperson	April 2028
Riley Sowle	Alderperson	April 2027
Lori Stenstrup	Alderperson	April 2028

ADMINISTRATION

Brittney M. Burruel, City Administrator/Clerk/Treasurer
Camille Belleau, Deputy Clerk/Treasurer

PROFESSIONAL SERVICES

Frank Calvert, Calvert Law Firm, City Attorney, Oconto, Wisconsin

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

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

INTRODUCTORY STATEMENT

This Official Statement contains certain information regarding the City of Oconto, Wisconsin (the "City") and the issuance of its $2,950,000* General Obligation Promissory Notes, Series 2026A (the "Notes"). **The Common Council adopted a resolution on November 17, 2026 (the "Parameters Resolution"), which authorizes the City Administrator or the Mayor 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 December 1, 2026, neither the City Administrator nor the Mayor 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 City'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 Debt Issuance 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 December 15, 2026. The Notes will mature on April 1 in the years and amounts set forth on the cover of this Official Statement. Interest will be payable on April 1 and October 1 of each year, commencing April 1, 2027, to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). All Notes of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

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

The City has selected Associated Trust Company, National Association, Green Bay, Wisconsin, to act as paying agent (the "Paying Agent"). The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

The Notes are being offered without the option of prior optional redemption.

*Preliminary, subject to change.

AUTHORITY; PURPOSE

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the City, for public purposes, including financing capital projects, equipment and vehicles and refunding the City's General Obligation Promissory Notes, Series 2017A, dated May 23, 2017 (the "2017A Notes"), as follows:

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturity Being Refunded	Interest Rate	Principal to be Refunded	CUSIP Base 675685
Series 2017A Notes	5/23/17	1/15/27	Par	2027	3.00%	$ 1,265,000	FW6
Total Series 2017A Notes Being Refunded						$1,265,000	

A portion of the proceeds of the Notes will be used to call and prepay the maturity described above.

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Notes	$2,950,000	
Estimated Interest Earnings	23,050	
Total Sources		**$2,973,050**
Uses		
Estimated Underwriter's Discount	$29,500	
Costs of Issuance	77,900	
Deposit to Project Construction Fund	1,586,000	
Deposit to Current Refunding Fund	1,275,963	
Rounding Amount	3,687	
Total Uses		**$2,973,050**

*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 City will be irrevocably pledged. The City will levy a direct, annual, irrepealable tax on all taxable property in the City 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 City received a rating of "A"/Stable on the Notes from S&P Global Ratings ("S&P"). Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from S&P.

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 City 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 City shall agree to provide certain information to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events. The Disclosure Undertaking includes the two new material events effective February 27, 2019 under the Rule.

On the date of issue and delivery of the Notes, the City shall execute and deliver a Continuing Disclosure Certificate, under which the City 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 City are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

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

The City did not timely file notice of a rating change in May 2024. Additionally, the City did not timely file notice of the incurrence of a financial obligation incurred in December 2025. Except to the extent that the preceding is deemed to be material, the City believes it has not failed to comply in the previous five years in all material respects with its prior undertakings under the Rule. The City has reviewed its continuing disclosure responsibilities, including the two new material events, to help ensure compliance in the future. Ehlers is currently engaged as dissemination agent for the City.

LEGAL MATTERS

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

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

TAX EXEMPTION

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

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

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

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

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

ORIGINAL ISSUE DISCOUNT

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

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

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

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

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

BOND PREMIUM

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

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

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

MUNICIPAL ADVISOR

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

MUNICIPAL ADVISOR AFFILIATED COMPANIES

Bond Trust Services Corporation ("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 City, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the City under an agreement separate from Ehlers.

INDEPENDENT AUDITORS

The basic financial statements of the City for the fiscal year ended December 31, 2025 have been audited by CliftonLarsonAllen LLP, Green Bay, 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. Potential investors should read this Official Statement, including the appendices, in its entirety.

Taxes: The Notes are general obligations of the City, the ultimate payment of which rests in the City'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 City 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 City, the taxable value of property within the City, and the ability of the City to levy and collect property taxes.

Future Changes in Law: Various State and federal laws, regulations and constitutional provisions apply to the City and to the Notes. The City 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 City or the taxing authority of the City.

Ratings; Interest Rates: In the future, the City'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 City 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 City 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 City 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 City, 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 City 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 City 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 City will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

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

Assessed Value

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

CURRENT PROPERTY VALUATIONS

2026 Equalized Value	$428,988,900
2026 Equalized Value Reduced by Tax Increment Valuation	$406,541,900
2026 Assessed Value	$375,050,800

2026 EQUALIZED VALUE BY CLASSIFICATION

	2026 Equalized Value[1]	Percent of Total Equalized Value
Residential	$332,205,400	77.439%
Commercial	76,139,100	17.749%
Manufacturing	19,239,100	4.485%
Agricultural	50,900	0.012%
Undeveloped	207,400	0.048%
Ag Forest	37,000	0.009%
Forest	1,110,000	0.259%
Total	$428,988,900	100.000%

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value[1]	Percent Increase/Decrease in Equalized Value
2022	$210,517,500	$295,244,200	20.41%
2023	213,590,300	329,067,800	11.46%
2024	368,759,300[2]	368,491,900	11.98%
2025	372,917,800	379,466,700	2.98%
2026	375,050,800	428,988,900	13.05%

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

[1] Includes tax increment valuation.

[2] Property revaluation completed in this year.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2026 Equalized Value[1]	Percent of City's Total Equalized Value
Copper Cove Estates, LLC	Apartments	$4,979,968	1.16%
Opa, LLC	Apartments	4,696,529	1.09%
ALM Enterprises, LLC	Townhouses	4,226,190	0.99%
Sun Valley Residential, LLC	Assisted living facility	3,939,548	0.92%
Individual	Apartments	3,670,064	0.86%
Incommercial Net Lease Dst. 5	Commercial Retail (Tractor Supply)	2,795,499	0.65%
MKB Oconto, LLC	Grocery Store	2,766,789	0.65%
Care Properties, LLC	Assisted Living Facility	2,187,672	0.51%
Convenience Store Investments	Gas Station/Convenience Store (Kwik Trip)	2,106,575	0.49%
Oconto Property, LLC	Assisted Living Facility	1,881,357	0.44%
Total		$33,250,191	7.75%
City's Total 2026 Equalized Value[2]		$428,988,900	

Source: The City.

DEBT

DIRECT DEBT[3]

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Notes)*	$6,386,617

Revenue Debt (see schedules following)

Total revenue debt secured by waterworks and sewerage revenues	$7,710,000

*Preliminary, subject to change.

[1] Calculated by dividing the 2026 Assessed Values by the 2026 Aggregate Ratio of assessment for the City.

[2] Includes tax increment valuation.

[3] Outstanding debt is as of the dated date of the Notes and excludes the obligations to be refunded by the Notes.

DEBT PAYMENT HISTORY

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

FUTURE FINANCING

The City intends to issue general obligation debt to refund its outstanding General Obligation Promissory Notes, Series 2020A, dated February 26, 2020, in mid-2027. Aside from the preceding, the City 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	$428,988,900
Multiply by 5%	0.05
Statutory Debt Limit	$21,449,445
Less: General Obligation Debt*	(6,386,617)
Unused Debt Limit*	$15,062,828

*Preliminary, subject to change.

City of Oconto, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 12/15/2026)

	Promissory Notes Series 2020A		Promissory Note 1)		Promissory Notes Series 2026A							
Dated	02/26/2020		12/15/2025		12/15/2026							
Amount	$4,305,000		$436,580		$2,950,000*							
Maturity	10/01		03/15 & 06/15 & 09/15 & 12/15		04/01							
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Estimated Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2027	575,000	90,750	26,545	24,887	0	101,382	601,545	217,019	818,564	5,785,073	9.42%	**2027**
2028	625,000	73,500	385,073	23,273	275,000	122,196	1,285,073	218,969	1,504,041	4,500,000	29.54%	**2028**
2029	1,825,000	54,750			290,000	110,964	2,115,000	165,714	2,280,714	2,385,000	62.66%	**2029**
2030					300,000	99,045	300,000	99,045	399,045	2,085,000	67.35%	**2030**
2031					310,000	86,414	310,000	86,414	396,414	1,775,000	72.21%	**2031**
2032					325,000	72,917	325,000	72,917	397,917	1,450,000	77.30%	**2032**
2033					335,000	58,576	335,000	58,576	393,576	1,115,000	82.54%	**2033**
2034					355,000	43,325	355,000	43,325	398,325	760,000	88.10%	**2034**
2035					370,000	27,082	370,000	27,082	397,082	390,000	93.89%	**2035**
2036					390,000	9,360	390,000	9,360	399,360	0	100.00%	**2036**
	3,025,000	219,000	411,617	48,160	2,950,000	731,261	6,386,617	998,420	7,385,038			

* Preliminary, subject to change.

1) This Note provides that upon the occurrence of any one or more of the following events of default, then the unpaid balance shall, at the option of lender, without notice, mature and become immediately payable: (a) City fails to pay any amount when due under the Note or under any other instrument evidencing any indebtedness of City to Lender; (b) any representation or warranty made under the Note or information provided by City to Lender in connection with the Note is or was false or fraudulent in any material respect; (c) a material adverse change occurs in City's financial condition; (d) City fails to timely observe or perform any of the covenants or duties in the Note; (e) an event of default occurs under any agreement securing the Note; or (f) Lender deems itself insecure.

City of Oconto, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Waterworks and Sewerage Revenues
(As of 12/15/2026)

	Waterworks and Sewerage System Revenue Bonds Series 2022A							
Dated	02/24/2022							
Amount	$9,210,000							
Maturity	05/01							
Calendar Year Ending	**Principal**	**Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2027	400,000	245,050	400,000	245,050	645,050	7,310,000	5.19%	**2027**
2028	425,000	228,550	425,000	228,550	653,550	6,885,000	10.70%	**2028**
2029	450,000	211,050	450,000	211,050	661,050	6,435,000	16.54%	**2029**
2030	450,000	193,050	450,000	193,050	643,050	5,985,000	22.37%	**2030**
2031	450,000	175,050	450,000	175,050	625,050	5,535,000	28.21%	**2031**
2032	335,000	161,025	335,000	161,025	496,025	5,200,000	32.56%	**2032**
2033	490,000	148,650	490,000	148,650	638,650	4,710,000	38.91%	**2033**
2034	500,000	133,800	500,000	133,800	633,800	4,210,000	45.40%	**2034**
2035	525,000	118,425	525,000	118,425	643,425	3,685,000	52.20%	**2035**
2036	540,000	102,450	540,000	102,450	642,450	3,145,000	59.21%	**2036**
2037	550,000	86,100	550,000	86,100	636,100	2,595,000	66.34%	**2037**
2038	570,000	69,300	570,000	69,300	639,300	2,025,000	73.74%	**2038**
2039	500,000	53,250	500,000	53,250	553,250	1,525,000	80.22%	**2039**
2040	550,000	37,500	550,000	37,500	587,500	975,000	87.35%	**2040**
2041	575,000	20,625	575,000	20,625	595,625	400,000	94.81%	**2041**
2042	400,000	6,000	400,000	6,000	406,000	0	100.00%	**2042**
	7,710,000	1,989,875	7,710,000	1,989,875	9,699,875			

OVERLAPPING DEBT[1]

Taxing District	2026 Equalized Value[2]	% In City	Total G.O. Debt[3]	City's Proportionate Share
Oconto County	$8,336,145,100	5.1461%	$8,690,000	$447,196
Northeast Wisconsin Technical College District	85,098,269,091	0.5041%	83,815,000	422,511
Oconto School District	1,038,645,221	41.3027%	9,905,000	4,091,032
City's Share of Total Overlapping Debt				$4,960,740

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value $428,988,900	Debt/ Per Capita 4,576[4]
Total General Obligation Debt*	$6,386,617	1.49%	$1,395.68
City's Share of Total Overlapping Debt	4,960,740	1.16%	1,084.08
Total*	$11,347,357	2.65%	$2,479.75

*Preliminary, subject to change.

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

[2] Includes tax increment valuation.

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

[4] Estimated 2026 population.

TAX LEVIES, COLLECTIONS AND RATES

TAX LEVIES AND COLLECTIONS

Tax Year	Levy for City Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per $1,000
2021/22	$2,043,014	100%	$8.64
2022/23	2,275,344	100%	7.92
2023/24	2,285,355	100%	7.23
2024/25	2,341,056	100%	6.55
2025/26	2,377,334	100%	6.72
2026/27	2,392,794	To be collected	5.89

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	$10.16	$4.55	$8.64	$23.35
2022/23	9.67	4.03	7.92	21.62
2023/24	8.36	3.47	7.23	19.06
2024/25	7.43	3.02	6.55	17.00
2025/26	7.01	2.87	6.72	16.60

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 City. One such program is commonly known as shared revenue which, pursuant to sec. 79.036, Wis. Stats., provides funding to the City 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 City beginning in 2024. This supplemental shared revenue may be used only for the purposes specified in section 79.037, Wis. Stats. In 2026, the City received approximately $2,293,000 in shared revenue under Chapter 79, Wis. Stats., an increase from the approximately $2,233,000 received in 2025. The City expects to receive approximately $2,351,000 in 2027 in shared revenue under Chapter 79, Wis. Stats. In future years, the amount of supplemental shared revenue could grow if State sales tax collections grow.

THE ISSUER

CITY GOVERNMENT

The City was incorporated in 1869 and is governed by a Mayor and an eight-member Common Council. All Council Members are elected to two-year terms. The appointed City Administrator/Clerk/Treasurer and Deputy Clerk/Treasurer are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The City employs a staff of 41 full-time, 21 part-time, and 28 seasonal employees. All eligible employees in the City 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.

City employees are generally required to contribute half of the actuarially determined contributions, and the City 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 City's portion of contributions to WRS (not including any employee contributions) totaled $308,407, $340,210 and $364,357, 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. As of December 31, 2025, the total pension liability of the WRS was calculated as $146.97 billion and the fiduciary net position of the WRS was calculated as $149.25 billion, resulting in a net pension asset of $2.29 billion. Accordingly, the City will report an asset for its proportionate share of the net pension asset in its audited financial statements for the year ending December 31, 2026.

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 City reported a liability of $386,391 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 City's share of contributions to the pension plan relative to the contributions of all participating employers. The City's proportion was 0.02351505% 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 3.H. in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Recognized and Certified Bargaining Units

All eligible City 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 City 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 City 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 City were to seek approval for a higher increase through a referendum). Ultimately, the City 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 City, 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 units represent employees of the City:

Bargaining Unit	Expiration Date of Current Contract
Local 2739 Oconto Firefighters Association	December 31, 2026
Oconto Professional Police Association	December 31, 2026

[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 Circuit 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 plaintiffs petitioned the Wisconsin Supreme Court for review, and on November 12, 2026, the Wisconsin Supreme Court granted review. No guarantee can be made regarding the outcome of the matter.

OTHER POST EMPLOYMENT BENEFITS

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

For Fiscal Year 2025, the City's portion of contributions to the LRLIF totaled $563. For Fiscal Year 2025, the City reported a liability of $117,219 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2024 based on the City's share of contributions to the LRLIF relative to the contributions of all participating employers. The City's proportion was 0.02996200% of the aggregate LRLIF net OPEB liability as of December 31, 2024.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the net OPEB liability of the LRLIF, which may also cause ETF to change the contribution requirements for employers and employees. For more detailed information, see Note 3.I. in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the City 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 City 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 City to file for relief under Chapter 9. If, in the future, the City were to file a bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the City could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the City is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the City 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 City; (b) to any particular assets of the City, or (c) to revenues otherwise designated for payment to holders of the Notes.

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

FUNDS ON HAND (as of December 31, 2025)

Fund	Total Cash and Investments
General	$1,696,341
Special Revenue	548,704
Debt Service	51,143
Enterprise Funds	3,082,590
Total Funds on Hand	$5,378,778

ENTERPRISE FUNDS

Revenues available for debt service for the City's enterprise funds have been as follows as of December 31 each year:

	2023 Audited	2024 Audited	2025 Audited
Waterworks and Sewerage			
Total Operating Revenues	$2,431,007	$2,250,180	$2,346,670
Less: Operating Expenses	(1,626,644)	(1,723,822)	(1,790,079)
Operating Income	$804,363	$526,358	$556,591
Plus: Depreciation	558,588	619,121	674,847
Interest Income	336,920	349,501	190,075
Revenues Available for Debt Service	$1,699,871	$1,494,980	$1,421,513

SUMMARY GENERAL FUND INFORMATION

The following are summaries of the revenues and expenditures and fund balances for the City's General Fund. These summaries are not purported to be the complete audited financial statements of the City, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the City. 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 & special assessments	$1,285,903	$1,150,891	$1,035,259	$1,160,373
Intergovernmental	2,141,874	2,119,749	2,472,174	2,612,707
Licenses and permits	119,404	78,987	72,134	91,162
Fines and forfeits	63,911	55,786	56,813	63,642
Public charges for services	1,066,016	585,202	676,170	868,462
Intergovernmental charges for services	81,388	116,876	112,480	131,880
Miscellaneous	97,216	127,104	199,452	287,873
Total Revenues	$4,855,712	$4,234,595	$4,624,482	$5,216,099
Expenditures				
Current:				
General government	$571,909	$496,691	$594,228	$698,644
Public safety	2,821,571	2,363,747	2,488,000	2,735,687
Public works	1,126,364	969,486	1,047,574	1,140,649
Health and human services	660	2,640	0	0
Culture and recreation	351,885	332,436	316,874	307,539
Conservation and development	36,664	39,615	50,064	75,591
Total Expenditures	$4,909,053	$4,204,615	$4,496,740	$4,958,110
Excess of revenues over (under) expenditures	($53,341)	$29,980	$127,742	$257,989
Other Financing Sources (Uses)				
Long-term debt issued	$500,000	$0	$0	$0
Sale of capital asset	0	0	0	0
Transfers in	229,154	251,963	185,571	166,571
Transfers (out)	0	0	0	(13,138)
Total Other Financing Sources (Uses)	729,154	251,963	185,571	153,433
Net changes in Fund Balances	$675,813	$281,943	$313,313	$411,422
General Fund Balance January 1	$13,850	$689,663	$971,606	$1,284,919
General Fund Balance December 31	$689,663	$971,606	$1,284,919	$1,696,341
DETAILS OF DECEMBER 31 FUND BALANCE				
Nonspendable	$36,730	$149,550	$47,090	$101,498
Assigned	105,948	99,619	96,776	162,445
Unassigned	546,985	722,437	1,141,053	1,432,398
Total	$689,663	$971,606	$1,284,919	$1,696,341

GENERAL FUND BUDGET SUMMARY

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31	
	2026 Adopted Budget	**2027 Adopted Budget[1]**
Revenues		
Taxes & special assessments	$1,083,157	$1,148,458
Integovernmental	2,583,375	2,649,861
Licenses and permits	104,270	90,875
Fines and forfeits	60,000	60,000
Public charges for services	803,532	951,202
Intergovernmental charges for services	30,050	32,410
Misc & Other Financing Sources	113,500	131,000
Total Revenues	$4,777,884	$5,063,806
Expenditures		
General government	$679,874	$700,643
Public safety	2,709,603	2,830,482
Public works	1,098,622	1,175,280
Health and human services	1,200	1,200
Culture and recreation	272,203	298,079
Conservation and development	16,382	58,122
Total Expenditures	$4,777,884	$5,063,806
Excess of revenues over (under) expenditures	$0	$0

[1] The 2027 budget was adopted on November 17, 2026.

GENERAL INFORMATION

LOCATION

The City, with a 2020 U.S. Census population of 4,609 and a current estimated population of 4,576 comprises an area of 7.14 square miles and is located 34 miles north of Green Bay, Wisconsin.

LARGER EMPLOYERS[1]

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
KCS International, Inc. (Cruisers Yachts)	Yacht manufacturer	400
Oconto County	County government and services	364
Amphenol Unlimited Services of Wisconsin, Inc	Wire harnesses manufacturer	250
Oconto Unified School District	Elementary and secondary education	156
The City	Municipal government and services	90
Graphic Management Specialty	Paper-converting & commercial printing manufacturer	80
Nercon	Conveyor systems & packaging equipment manufacturer	70
Bay At Oconto	Nursing & Convalescent Homes	55
Letourneau Plastics	Custom vacuum forming plastic components	45
Wayne's Family Restaurant	Restaurants	40

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

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

BUILDING PERMITS[1]

	2022	2023	2024	2025	2026
New Single Family Homes					
No. of building permits	5	0	6	2	3
Valuation	$1,789,000	$0	$2,029,000	$1,138,000	$944,000
New Multiple Family Buildings					
No. of building permits	4	0	5	1	4
Valuation	$3,980,000	$0	$5,000,000	$257,000	$6,130,000
New Commercial/Industrial					
No. of building permits	0	0	0	0	1
Valuation	$0	$0	$0	$0	$75,000
All Building Permits *(including additions and remodelings)*					
No. of building permits	9	0	11	3	8
Valuation	$5,769,000	$0	$7,029,000	$1,395,000	$7,149,000

Source: The City.

[1] As of November 2, 2026

U.S. CENSUS DATA

Population Trend: The City

2010 U.S. Census Population	4,513
2020 U.S. Census Population	4,609
Percent of Change 2010 - 2020	2.13%
2026 Estimated Population	4,576

Income and Age Statistics

	The City	Oconto County	State of Wisconsin	United States
2024 per capita income	$37,331	$40,358	$43,373	$44,673
2024 median household income	$61,506	$75,049	$77,485	$80,734
2024 median family income	$86,583	$94,355	$100,141	$99,999
2024 median gross rent	$785	$791	$1,087	$1,413
2024 median value owner occupied units	$148,700	$231,400	$266,500	$332,700
2024 median age	50.7 yrs.	47.5 yrs.	40.2 yrs.	38.9 yrs.

	State of Wisconsin	United States
City % of 2024 per capita income	86.07%	83.57%
City % of 2024 median family income	86.46%	86.58%

Housing Statistics

	The City		
	2020	2024	Percent of Change
All Housing Units	2,175	2,324	6.85%

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	Oconto County	Oconto County	State of Wisconsin
2022	19,444	3.1%	2.8%
2023	19,579	3.1%	2.8%
2024	19,737	3.2%	3.0%
2025[1]	19,674	3.4%	3.2%
2026, September[1]	20,333	2.8%	2.9%

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 City's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The City 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 City 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 City since the date of the financial statements, in connection with the issuance of the Notes, the City represents that there have been no material adverse change in the financial position or results of operations of the City, nor has the City 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.

CITY OF OCONTO, WISCONSIN

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025



CPAs | CONSULTANTS | WEALTH ADVISORS

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INDEPENDENT AUDITORS' REPORT

City Council
City of Oconto, Wisconsin

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

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Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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 City'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 schedules relating to pensions and other postemployment benefits be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The general fund detailed comparisons of budgeted and actual revenues, other financing sources and expenditures, the combining balance sheet and combining statement of revenues, expenditures, and changes in fund balances for the nonmajor governmental funds, and the schedules of water and sewer utilities operating revenues and expenses, (collectively, the supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Green Bay, Wisconsin
April 22, 2026

BASIC FINANCIAL STATEMENTS

CITY OF OCONTO, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	$ 3,426,173	$ 1,622,977	$ 5,049,150
Receivables:			
Taxes and Special Charges	1,739,221	-	1,739,221
Delinquent Taxes	53,433	-	53,433
Accounts, Net	186,920	537,388	724,308
Special Assessments	46,382	13,361	59,743
Leases	-	208,229	208,229
Loans	37,213	-	37,213
Internal Balances	(500,000)	500,000	-
Due from Other Governments	2,665	11,215	13,880
Prepaid Items	73,832	58,184	132,016
Restricted Assets:			
Cash and Investments	-	661,050	661,050
Capital Assets, Nondepreciable	218,300	5,804,800	6,023,100
Capital Assets, Depreciable, Net	14,990,501	16,638,528	31,629,029
Total Assets	20,274,640	26,055,732	46,330,372
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	2,099,481	176,146	2,275,627
Other Postemployment Related Amounts	33,984	3,186	37,170
Total Deferred Outflows of Resources	2,133,465	179,332	2,312,797
LIABILITIES			
Accounts Payable	37,870	573,864	611,734
Accrued and Other Current Liabilities	151,806	11,322	163,128
Due to Other Governments	3,368	-	3,368
Accrued Interest Payable	39,549	44,594	84,143
Special Deposits	15,746	-	15,746
Long-Term Obligations:			
Due Within One Year	1,050,805	406,350	1,457,155
Due in More than One Year	5,427,672	8,259,800	13,687,472
Net Pension Liability	356,178	30,213	386,391
Other Postemployment Benefits	107,173	10,046	117,219
Total Liabilities	7,190,167	9,336,189	16,526,356
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	2,872,188	-	2,872,188
Lease Related Amounts	-	208,229	208,229
Pension Related Amounts	1,051,161	89,165	1,140,326
Other Postemployment Related Amounts	108,805	10,200	119,005
Total Deferred Inflows of Resources	4,032,154	307,594	4,339,748
NET POSITION			
Net Investment in Capital Assets	9,778,205	13,262,494	23,040,699
Restricted:			
Debt Service	11,594	661,050	672,644
Tax Incremental District No. 5	117,556	-	117,556
Unrestricted	1,278,429	2,667,737	3,946,166
Total Net Position	$ 11,185,784	$ 16,591,281	$ 27,777,065

See accompanying Notes to Basic Financial Statements.

CITY OF OCONTO, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	$ 777,352	$ 102,854	$ 12,841	$ 27,424
Public Safety	3,339,451	844,381	89,605	-
Public Works	2,607,880	404,707	434,866	89,398
Culture and Recreation	989,085	463,740	116,716	-
Conservation and Development	76,297	3,819	-	-
Interest and Fiscal Charges	153,354	-	-	-
Total Governmental Activities	7,943,419	1,819,501	654,028	116,822
BUSINESS-TYPE ACTIVITIES				
Water Utility	1,003,825	1,113,080	-	15,000
Sewer Utility	995,110	1,245,795	-	-
Total Business-Type Activities	1,998,935	2,358,875	-	15,000
Total	$ 9,942,354	$ 4,178,376	$ 654,028	$ 131,822

See accompanying Notes to Basic Financial Statements.

CITY OF OCONTO, WISCONSIN
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Functions/Programs	Net Revenue (Expense) and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES			
General Government	$ (634,233)	$ -	$ (634,233)
Public Safety	(2,405,465)	-	(2,405,465)
Public Works	(1,678,909)	-	(1,678,909)
Culture and Recreation	(408,629)	-	(408,629)
Conservation and Development	(72,478)	-	(72,478)
Interest and Fiscal Charges	(153,354)	-	(153,354)
Total Governmental Activities	(5,353,068)	-	(5,353,068)
BUSINESS-TYPE ACTIVITIES			
Water Utility	-	124,255	124,255
Sewer Utility	-	250,685	250,685
Total Business-Type Activities	-	374,940	374,940
Total	(5,353,068)	374,940	(4,978,128)
GENERAL REVENUES AND TRANSFERS			
Taxes:			
Property Taxes	2,341,056	-	2,341,056
Tax Increments	188,127	-	188,127
Other Taxes	100,664	-	100,664
Federal and State Grants and Other Contributions not Restricted to Specific Functions	2,306,594	-	2,306,594
Interest and Investment Earnings	155,115	188,908	344,023
Miscellaneous	165,230	3,719	168,949
Transfers	156,571	(156,571)	-
Total General Revenues and Transfers	5,437,488	36,056	5,473,544
CHANGE IN NET POSITION	84,420	410,996	495,416
Net Position - Beginning of Year	11,101,364	16,180,285	27,281,649
NET POSITION - END OF YEAR	$ 11,185,784	$ 16,591,281	$ 27,777,065

See accompanying Notes to Basic Financial Statements.

CITY OF OCONTO, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	Debt Service	Tax Incremental District No. 4	Other Governmental Funds	Total
ASSETS					
Cash and Investments	$ 1,772,288	$ 453,204	$ 189,150	$ 1,011,531	$ 3,426,173
Receivables:					
Taxes and Special Charges	538,978	566,571	116,533	517,139	1,739,221
Delinquent Taxes	53,433	-	-	-	53,433
Accounts, Net	186,920	-	-	-	186,920
Special Assessments	46,382	-	-	-	46,382
Loans	-	-	-	37,213	37,213
Due from Other Funds	151,648	-	-	2,195	153,843
Due from Other Governments	2,665	-	-	-	2,665
Prepaid Items	48,065	-	-	25,767	73,832
Total Assets	$ 2,800,379	$ 1,019,775	$ 305,683	$ 1,593,845	$ 5,719,682
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	$ 23,930	$ -	$ -	$ 13,940	$ 37,870
Accrued and Other Current Liabilities	144,935	-	-	6,871	151,806
Due to Other Funds	2,195	-	-	151,648	153,843
Advance from Other Funds	-	-	500,000	-	500,000
Due to Other Governments	3,368	-	-	-	3,368
Special Deposits	14,371	-	1,375	-	15,746
Total Liabilities	188,799	-	501,375	172,459	862,633
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	868,857	968,632	199,230	835,469	2,872,188
Loans Receivable	-	-	-	37,213	37,213
Special Assessments	46,382	-	-	-	46,382
Total Deferred Inflows of Resources	915,239	968,632	199,230	872,682	2,955,783
FUND BALANCES					
Nonspendable	101,498	-	-	25,767	127,265
Restricted	-	51,143	-	117,556	168,699
Committed	-	-	-	473,222	473,222
Assigned	162,445	-	-	-	162,445
Unassigned	1,432,398	-	(394,922)	(67,841)	969,635
Total Fund Balances	1,696,341	51,143	(394,922)	548,704	1,901,266
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 2,800,379	$ 1,019,775	$ 305,683	$ 1,593,845	$ 5,719,682

See accompanying Notes to Basic Financial Statements.

CITY OF OCONTO, WISCONSIN
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances as Shown on Previous Page	$ 1,901,266
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	15,208,801
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.	
Loans Receivable	37,213
Special Assessments	46,382
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.	
Deferred Outflows Related to Pensions	2,099,481
Deferred Inflows Related to Pensions	(1,051,161)
Deferred Outflows Related to Other Postemployment Benefits	33,984
Deferred Inflows Related to Other Postemployment Benefits	(108,805)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and Notes Payable	(5,545,349)
Premium on Debt	(125,745)
Lease Payable	(189,851)
Compensated Absences	(617,532)
Net Pension Liability	(356,178)
Other Postemployment Benefit	(107,173)
Accrued Interest on Long-Term Obligations	(39,549)
Net Position of Governmental Activities as Reported on the Statement of Net Position	$ 11,185,784

See accompanying Notes to Basic Financial Statements.

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

	General	Debt Service	Capital Projects	Tax Incremental District No. 4	Other Governmental Funds	Total
REVENUES						
Taxes	$ 1,118,724	$ 885,017	$ -	$ 139,093	$ 487,013	$ 2,629,847
Special Assessments	41,649	-	-	-	-	41,649
Intergovernmental	2,612,707	-	-	6,454	341,461	2,960,622
Licenses and Permits	91,162	-	-	-	-	91,162
Fines and Forfeits	63,642	-	-	-	-	63,642
Public Charges for Services	868,462	-	-	-	581,499	1,449,961
Intergovernmental Charges for Services	131,880	-	-	-	52,500	184,380
Miscellaneous	287,873	-	-	-	168,687	456,560
Total Revenues	5,216,099	885,017	-	145,547	1,631,160	7,877,823
EXPENDITURES						
Current:						
General Government	698,644	-	-	-	64,597	763,241
Public Safety	2,735,687	-	-	-	12,469	2,748,156
Public Works	1,140,649	-	-	-	431,989	1,572,638
Culture and Recreation	307,539	-	-	-	682,802	990,341
Conservation and Development	75,591	-	-	149	557	76,297
Debt Service:						
Principal	-	1,285,863	-	-	78,486	1,364,349
Interest and Fiscal Charges	-	192,242	-	-	14,340	206,582
Capital Outlay	-	-	-	-	747,382	747,382
Total Expenditures	4,958,110	1,478,105	-	149	2,032,622	8,468,986
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	257,989	(593,088)	-	145,398	(401,462)	(591,163)
OTHER FINANCING SOURCES (USES)						
Capital Lease Proceeds	-	-	-	-	222,205	222,205
Long-Term Debt Issued	-	436,580	-	-	-	436,580
Payment to Advance Refunding						
Transfers In	166,571	-	-	-	85,794	252,365
Transfers Out	(13,138)	-	-	-	(82,656)	(95,794)
Total Other Financing Sources (Uses)	153,433	436,580	-	-	225,343	815,356
NET CHANGE IN FUND BALANCES	411,422	(156,508)	-	145,398	(176,119)	224,193
Fund Balances - Beginning of Year	1,284,919	207,651	118,547	(540,320)	606,276	1,677,073
Change Within Financial Reporting Entity Major to Nonmajor Fund	-	-	(118,547)	-	118,547	-
Fund Balance - Beginning of Year, as Adjusted	1,284,919	207,651	-	(540,320)	724,823	1,677,073
FUND BALANCES - END OF YEAR	$ 1,696,341	$ 51,143	$ -	$ (394,922)	$ 548,704	$ 1,901,266

See accompanying Notes to Basic Financial Statements.

CITY OF OCONTO, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances as Shown on Previous Page	$	224,193
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Capital Assets Reported as Capital Outlay in Governmental Fund Statements		680,654
Depreciation and Amortization Expense Reported in the Statement of Activities		(1,233,726)
Net Book Value of Disposals		(6,069)
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.		(27,910)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:		
Long-Term Debt Issued		(436,580)
Capital Leases Issued		(222,205)
Principal Repaid		1,364,350
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:		
Accrued Interest on Long-Term Debt		5,364
Amortization of Debt Premium		47,863
Compensated Absences		(179,332)
Net Pension Liability		(30,005)
Deferred Outflows of Resources Related to Pensions		(817,670)
Deferred Inflows of Resources Related to Pensions		711,947
Other Postemployment Benefits		24,781
Deferred Outflows of Resources Related to Other Postemployment Benefits		(17,477)
Deferred Inflows of Resources Related to Other Postemployment Benefits		(3,758)
Change in Net Position of Governmental Activities as Reported in the Statement of Activities	$	84,420

See accompanying Notes to Basic Financial Statements.

CITY OF OCONTO, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED DECEMBER 31, 2025

	Budget			Variance Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes	$ 1,063,060	$ 1,063,060	$ 1,118,724	$ 55,664
Special Assessments	31,062	31,062	41,649	10,587
Intergovernmental	2,530,669	2,530,669	2,612,707	82,038
Licenses and Permits	94,270	94,270	91,162	(3,108)
Fines and Forfeits	70,000	70,000	63,642	(6,358)
Public Charges for Services	645,025	665,025	868,462	203,437
Intergovernmental Charges for Services	116,051	156,051	131,880	(24,171)
Miscellaneous	87,400	87,400	287,873	200,473
Total Revenues	4,637,537	4,697,537	5,216,099	518,562
EXPENDITURES				
Current:				
General Government	657,645	697,645	698,644	(999)
Public Safety	2,665,729	2,751,027	2,735,687	15,340
Public Works	1,118,344	1,148,344	1,140,649	7,695
Health and Human Services	1,200	1,200	-	1,200
Culture and Recreation	365,766	337,877	307,539	30,338
Conservation and Development	13,853	27,194	75,591	(48,397)
Total Expenditures	4,822,537	4,963,287	4,958,110	5,177
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(185,000)	(265,750)	257,989	523,739
OTHER FINANCING SOURCES (USES)				
Transfers In	185,000	185,000	166,571	(18,429)
Transfers Out	-	-	(13,138)	(13,138)
Total Other Financing Sources (Uses)	185,000	185,000	153,433	(31,567)
NET CHANGE IN FUND BALANCE	-	(80,750)	411,422	492,172
Fund Balance - Beginning of Year	1,284,919	1,284,919	1,284,919	-
FUND BALANCE - END OF YEAR	$ 1,284,919	$ 1,204,169	$ 1,696,341	$ 492,172

See accompanying Notes to Basic Financial Statements.

CITY OF OCONTO, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2025

	Water and Sewer Utility
ASSETS	
Current Assets:	
Cash and Investments	$ 1,622,977
Receivables:	
Customer Accounts	537,388
Special Assessments	13,361
Lease Receivable	78,905
Due from Other Governments	11,215
Prepaid Items	58,184
Total Current Assets	2,322,030
Noncurrent Assets:	
Restricted Assets:	
Cash and Investments	661,050
Other Assets:	
Advance to Other Funds	500,000
Lease Receivable	129,324
Total Other Assets	629,324
Capital Assets:	
Nondepreciable	5,804,800
Depreciable	16,638,528
Total Capital Assets	22,443,328
Total Assets	26,055,732
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related Amounts	176,146
Other Postemployment Related Amounts	3,186
Total Deferred Outflows of Resources	179,332

See accompanying Notes to Basic Financial Statements.

CITY OF OCONTO, WISCONSIN
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUND
DECEMBER 31, 2025

	Water and Sewer Utility
LIABILITIES	
Current Liabilities:	
Accounts Payable	$ 573,864
Accrued and Other Current Liabilities	11,322
Accrued Interest Payable	44,594
Current Portion of Long-Term Obligations	406,350
Total Current Liabilities	1,036,130
Long-Term Obligations, Less Current Portion:	
Revenue Bonds	7,710,000
Debt Premium	530,752
Compensated Absences	19,048
Net Pension Liability	30,213
Other Postemployment Benefits	10,046
Total Long-Term Liabilities	8,300,059
Total Liabilities	9,336,189
DEFERRED INFLOWS OF RESOURCES	
Leases Related Amounts	208,229
Pension Related Amounts	89,165
Other Postemployment Related Amounts	10,200
Total Deferred Inflows of Resources	307,594
NET POSITION	
Net Investment in Capital Assets	13,262,494
Restricted:	
Debt Service	661,050
Unrestricted	2,667,737
Total Net Position	$ 16,591,281

See accompanying Notes to Basic Financial Statements.

CITY OF OCONTO, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2025

	Water and Sewer Utility
OPERATING REVENUES	
Charges for Services	$ 2,244,636
Other	102,034
Total Operating Revenues	2,346,670
OPERATING EXPENSES	
Operation and Maintenance	1,114,051
Depreciation	674,847
Taxes	1,181
Total Operating Expenses	1,790,079
OPERATING INCOME	556,591
NONOPERATING REVENUES (EXPENSES)	
Interest Income	190,075
Interest and Fiscal Charges	(274,064)
Amortization of Debt Premium	65,208
Other Nonoperating Revenues	14,757
Total Nonoperating Revenues (Expenses)	(4,024)
INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	552,567
Capital Contributions	15,000
Transfers Out	(156,571)
CHANGE IN NET POSITION	410,996
Net Position - Beginning of Year	16,180,285
NET POSITION - END OF YEAR	$ 16,591,281

See accompanying Notes to Basic Financial Statements.

CITY OF OCONTO, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2025

	Water and Sewer Utility
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	$ 2,326,190
Cash Paid for Employee Wages and Benefits	(526,741)
Cash Paid to Suppliers	(568,391)
Net Cash Provided by Operating Activities	1,231,058
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Miscellaneous Revenue	14,757
Transfer to City for Property Tax Equivalent	(156,571)
Net Cash Used by Noncapital Financing Activities	(141,814)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of Capital Assets	(5,104,188)
Principal Paid on Long-Term Debt	(375,000)
Interest Paid on Long-Term Debt	(276,550)
Special Assessment Collections	5,364
Net Cash Used by Capital and Related Financing Activities	(5,750,374)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	190,075
CHANGE IN CASH AND CASH EQUIVALENTS	(4,471,055)
Cash and Cash Equivalents - Beginning of Year	6,755,082
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 2,284,027

See accompanying Notes to Basic Financial Statements.

CITY OF OCONTO, WISCONSIN
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2025

	Water and Sewer Utility
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	$ 556,591
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	674,847
Change in Liability (Asset) and Deferred Outflows and Inflows of Resources:	
Change in WRS Asset/Liability	1,322
Change in WRS Deferred Outflow	82,727
Change in WRS Deferred Inflow	(67,007)
Change in OPEB Liability	(2,723)
Change in OPEB Deferred Outflow	1,793
Change in OPEB Deferred Inflow	34
Change in Operating Assets and Liabilities:	
Accounts Receivables	(23,447)
Due from Other Governments	2,967
Inventories and Prepaid Items	(2,053)
Accounts Payable	1,311
Accrued and Other Liabilities	2,114
Compensated Absences	2,582
Net Cash Provided by Operating Activities	$ 1,231,058
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION	
Cash and Cash Equivalents in Current Assets	$ 1,622,977
Cash and Cash Equivalents in Restricted Assets	661,050
Total Cash and Cash Equivalents	$ 2,284,027
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Contributions	$ 15,000
Capital Related Items in Accounts Payable at year end	$ 317,636

See accompanying Notes to Basic Financial Statements.

CITY OF OCONTO, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2025

	Private Purpose Trust	Custodial Fund	Totals
ASSETS			
Cash and Investments	$ 119,805	$ 1,450,931	$ 1,570,736
Receivables:			
Taxes	-	2,044,607	2,044,607
Total Assets	119,805	3,495,538	3,615,343
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	-	3,495,538	3,495,538
NET POSITION			
Restricted	$ 119,805	$ -	$ 119,805

See accompanying Notes to Basic Financial Statements.

CITY OF OCONTO, WISCONSIN
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2025

	Private Purpose Trust	Custodial Fund	Totals
ADDITIONS			
Donations	$ 978	$ -	$ 978
Taxes and Special Charges Collected	-	3,763,516	3,763,516
Total Additions	978	3,763,516	3,764,494
DEDUCTIONS			
Library Expenses	69,653	-	69,653
Payments to Other Taxing Districts	-	3,763,516	3,763,516
Total Deductions	69,653	3,763,516	3,833,169
CHANGE IN NET POSITION	(68,675)	-	(68,675)
Net Position - Beginning of Year	188,480	-	188,480
NET POSITION - END OF YEAR	$ 119,805	$ -	$ 119,805

See accompanying Notes to Basic Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City is a municipal corporation governed by an elected seven-member council. In accordance with U.S. GAAP, the basic financial statements are required to include the City (the primary government) and any separate component units that have a significant operational or financial relationship with the City. The City has not identified any component units that are required to be included in the basic financial statements in accordance with standards established in GASB Statement No. 61, as amended.

B. Related Organization

The City's officials are also responsible for appointing the members of the Oconto Housing Authority, but the City's accountability for this organization does not extend beyond making the appointments. Therefore, this organization is not included in the City's reporting entity.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include an enterprise fund. The City has no internal service funds. Major individual governmental funds and major individual enterprise fund are reported as separate columns in the fund financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-Wide and Fund Financial Statements (Continued)

The City reports the following major governmental funds:

General Fund

This is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Tax Incremental District No. 4

This fund accounts for the acquisition or construction of major capital facilities and other project plan expenditures related to Tax Incremental District No. 4.

Debt Service Fund

This fund accounts for the City's general debt expenditures.

The City reports the following major enterprise fund:

Water and Sewer Utility Fund

This fund accounts for the operation of the City's water and sewer utility.

Additionally, the City reports the following fiduciary funds:

Private Purpose Trust Fund

The City uses a private purpose trust fund to account for resources legally held in trust. All resources of the fund, including earnings on invested resources, are to be used to support the City library.

Custodial Fund

This fund accounts for property taxes and specials collected on behalf of other governments.

D. Measurement Focus and Basis of Accounting

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues such as licenses and permits, fines and forfeits and miscellaneous revenues are recognized when received in cash or when measurable and available.

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

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance

1. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

2. Property Taxes and Special Charges Receivable

Property taxes and special charges consist of taxes on real estate and personal property and user charges assessed against City properties. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes and special charges are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in two equal installments on or before January 31 and July 31. Real estate taxes not paid by January 31 are purchased by the County as part of the February tax settlement. Delinquent personal property taxes remain the collection responsibility of the City. Special charges not paid by January 31 are held in trust by the County and remitted to the City, including interest, when collected by the County.

In addition to its levy, the City also levies and collects taxes for the Oconto Unified School District, Oconto County, and Northeast Wisconsin Technical College. Collections and remittances of taxes for other entities are accounted for in the custodial fund.

3. Accounts Receivable

Accounts receivable have been shown net of allowance for uncollectible accounts of $108,618.

4. Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. Installments placed on the 2025 tax roll are recognized as revenue in 2026.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

5. Loans Receivable

The City has received federal and state grant funds for economic development and housing rehabilitation loan programs and has passed the funds to various businesses and individuals in the form of loans. The City records a loan receivable and expenditure when the loan has been made and the funds disbursed. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements. In the governmental funds, the City records a deferred inflow of resources for the net amount of the receivable. As the loans are repaid, revenue is recognized.

6. Interfund Receivables, Payables, and Advances

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” and “due to other funds” in the fund financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

7. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are expensed in the periods benefitted.

Prepaid items of governmental funds in the fund financial statements are classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

8. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of $3,000 or higher and an estimated useful life in excess of a year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

8. Capital Assets (Continued)

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Governmental Activities	Business-Type Activities
Buildings and Improvements	30 - 40 Years	25 - 50 Years
Machinery and Equipment	5 - 25 Years	3 - 10 Years
Infrastructure	5 - 40 Years	25 - 100 Years
Right to Use Lease Assets - Machinery and Equipment	4 - 5 Years	

9. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with employee handbook policies and/or bargaining unit agreements. The liability for compensated absences reported in the government-wide and proprietary fund statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

10. Deferred Outflows/Inflows of Resources

Deferred outflows of resources are a consumption of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net assets by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

Governmental funds may report deferred inflows of resources for unavailable revenues. The City reports deferred inflows for the subsequent year tax levy, and amounts related to pension amounts. The deferred inflows related to pension are only in the government-wide financial statements and in the proprietary fund for water and wastewater utilities. The City also reports unavailable revenues for special assessments and loan receivables. These inflows are recognized as revenues in the government-wide financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

11. Long-Term Obligations

In the government-wide financial statements and proprietary fund in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

12. Pensions

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

13. Other Postemployment Benefits Other Than Pensions (OPEB)

Local Retiree Life Insurance Fund

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

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

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

14. Fund Equity

Governmental Fund Financial Statements

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable Fund Balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- **Restricted Fund Balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- **Committed Fund Balance.** Amounts that are constrained for specific purposes by action of the City Council. These constraints can only be removed or changed by the City Council using the same action that was used to create them.
- **Assigned Fund Balance.** Amounts that are constrained for specific purposes by action of City management. The City Council has authorized the City Administrator to assign fund balance.
- **Unassigned Fund Balance.** Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

14. Fund Equity (Continued)

Governmental Fund Financial Statements (Continued)

The City has not adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. When a policy does not specify the spend-down policy, GASB Statement No. 54 indicates that restricted funds would be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

Government-Wide and Proprietary Fund Statements

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

- **Net Investment in Capital Assets.** Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.

- **Restricted Net Position.** Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

- **Unrestricted Net Position.** Net position that is neither classified as restricted nor as net investment in capital assets.

F. Use of Estimates

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

NOTE 2 STEWARDSHIP AND COMPLIANCE

A. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. During November, City management submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by City Council action.

2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general, special revenue, and debt service funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget. Management control over other special revenue funds is achieved by maintenance of separate cash and investment accounts. Management control over the TID No. 4, TID No. 5, and capital project funds is achieved through District's project plans and capital improvement plans approved by the City Council.

3. During the year, formal budgetary integration is employed as a management control device for the governmental funds adopting a budget.

4. Expenditures may not exceed appropriations at the function level for the City. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the City Council.

The City did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2025.

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

B. Excess of Expenditures Over Budget Appropriations

The following expenditure accounts of the general fund had actual expenditures in excess of budget appropriations for the year ended December 31, 2025, as follows:

Fund	Excess Expenditures
General:	
General Government:	
City Council and Mayor	$ 2,370
Municipal Court	547
Technology	5,121
Municipal Building	4,329
Employee Retirements	9
Public Safety:	
Police Department	54,017
Disaster Control	62,380
Public Works:	
Street Maintenance	7,009
Weed Control	39
Garbage and Refuse	7,633
Conservation and Development:	
Tourism	54,429

C. Deficit Fund Equity

The following funds had deficit fund balance as of December 31, 2025:

Funds	Deficit Fund Balance
Tax Incremental District No. 4	$ 394,922
Recycling	38,514
Fleet	29,327

The City anticipates funding the above deficits from future revenues of the funds.

D. Property Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns, and counties. For the 2025 and 2026 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the City's January 1 equalized value as a result of net new construction. The actual limit for the City for the 2025 budget was 1.224%. The actual limit for the City for the 2026 budget was 1.132%. Debt service for debt authorized after July 1, 2005, is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005, and in certain other situations.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The City maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed on the financial statements as "Cash and Investments".

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

> Time deposits; repurchase agreements; securities issued by federal, state, and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the City's cash and investments totaled $7,280,936 on December 31, 2025, as summarized below:

Petty Cash and Cash on Hand	$	4,884
Deposits with Financial Institutions		6,422,401
Investments:		
Wisconsin Local Government Investment Pool		853,651
Total	$	7,280,936
Reconciliation to the Basic Financial Statements:		
Government-Wide Statement of Net Position:		
Cash and Investments	$	5,049,150
Restricted Cash and Investments		661,050
Fiduciary Fund Statement of Net Position:		
Cash and Investments		
Private Purpose Trust Fund		119,805
Custodial Fund		1,450,931
Total	$	7,280,936

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The City currently has no investments that are subject to fair value measurement.

Deposits and investments of the City are subject to various risks. Presented below is a discussion of the City's deposits and investments and the related risks.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The City does not have an additional custodial credit policy.

Deposits with financial institutions within the state of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of $250,000 for the combined amount of all time and savings deposits and $250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the state of Wisconsin are insured by the FDIC in the amount of $250,000 for the combined amount of all deposit accounts per official custodian per depository institution.

Also, the state of Wisconsin has a State Guarantee Fund which provides a maximum of $1,000,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of December 31, 2025, $1,027,579 of the City's deposits with financial institutions were in excess of federal and state depository insurance limits. $-0- was collateralized with securities held by the pledging financial institution or its trust department or agent by not in the City's name.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Investment in Wisconsin Local Government Investment Pool

The City has investments in the Wisconsin local government investment pool of $853,651 at year-end. 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 City's share of the LGIP's assets was substantially equal to the carrying value.

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. The City does not have an additional credit risk policy. The City's investment in the Wisconsin local government investment pool is not rated.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The investments held by the Wisconsin local government investment pool mature in 12 months or less.

B. Restricted Assets

Restricted assets on December 31, 2025, totaled $661,050 and consisted of cash and investments held for the following purposes:

Fund	Amount	Purpose
Enterprise Fund:		
Revenue Bond Requirements	$ 661,050	Debt reserve and principal and interest special redemption

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Leases Receivable

A summary of the City's lease terms, and interest rates is as follows:

Business-Type Activities:
Water tower leases. Yearly installments ranging from $21,074 to $25,338
plus interest at rates ranging from 3% to 4%, due dates ranging from 2024 - 2028.

The lease provides for increases in future minimum annual rental payments.

For the year ended December 31, 2025, the City received $21,074 in lease revenue and $2,230 in interest on the leases receivable.

The future minimum lease payments to be received under lease agreements are as follows:

	Business-Type Activities		
Year Ending December 31,	Principal	Interest	Total
2026	$ 78,905	$ 4,918	$ 83,823
2027	84,985	1,871	86,856
2028	28,748	640	29,388
2029	3,600	408	4,008
2030	3,794	298	4,092
2031 - 2035	8,197	239	8,436
Total Minimum Lease Payments	$ 208,229	$ 8,374	$ 216,603

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Nondepreciable:				
Land	$ 218,300	$ -	$ -	$ 218,300
Capital Assets, Depreciable:				
Buildings and Improvements	7,688,859	90,111	-	7,778,970
Machinery and Equipment	6,250,174	212,614	92,626	6,370,162
Infrastructure	17,999,399	155,724	-	18,155,123
Right-of-Use Assets	-	222,205	-	222,205
Subtotals	31,938,432	680,654	92,626	32,526,460
Less: Accumulated Depreciation for:				
Buildings and Improvements	4,798,915	200,272	-	4,999,187
Machinery and Equipment	4,901,848	383,426	86,557	5,198,717
Infrastructure	6,688,027	611,338	-	7,299,365
Right-of-Use Assets	-	38,690	-	38,690
Subtotals	16,388,790	1,233,726	86,557	17,535,959
Total Capital Assets, Depreciable, Net	15,549,642	(553,072)	6,069	14,990,501
Governmental Activities Capital Assets, Net	$ 15,767,942	$ (553,072)	$ 6,069	15,208,801
Less: Capital Related Debt				5,304,851
Less: Debt Premium				125,745
Net Investment in Capital Assets				$ 9,778,205

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Nondepreciable:				
Land	$ 45,855	$ -	$ -	$ 45,855
Construction in Progress	478,314	5,280,631	-	5,758,945
Total Capital Assets, Not Being Depreciated	524,169	5,280,631	-	5,804,800
Capital Assets, Depreciable:				
Buildings and Improvements	1,786,982	-	-	1,786,982
Machinery and Equipment	7,150,905	91,175	54,850	7,187,230
Infrastructure	19,120,277	65,018	45,725	19,139,570
Subtotals	28,058,164	156,193	100,575	28,113,782
Less: Accumulated Depreciation	10,900,982	674,847	100,575	11,475,254
Total Capital Assets, Depreciable, Net	17,157,182	(518,654)	-	16,638,528
Business-Type Activities Capital Assets, Net	$ 17,681,351	$ 4,761,977	$ -	22,443,328
Less: Capital Related Debt				8,110,000
Less: Debt Premium				530,752
Less: Capital Related Accounts Payable				540,082
Net Investment in Capital Assets				$ 13,262,494

Depreciation expense was charged to functions of the City as follows:

Governmental Activities:	
General Government	$ 72,833
Public Safety	208,618
Public Works	739,654
Culture and Recreation	173,931
Total Depreciation Expense - Governmental Activities	$ 1,195,036
Business-Type Activities:	
Water Utility	$ 360,651
Sewer Utility	314,196
Total Depreciation Expense - Business-Type Activities	$ 674,847

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Interfund Receivable, Payables, and Transfers

Interfund receivables and payables between individual funds of the City, as reported in the fund financial statements, as of December 31, 2025, are detailed below:

	Receivables	Payables
Operating Accounts Between Funds:		
General Fund	$ 151,648	$ 2,195
Capital Projects	-	85,000
Holtwood Campground	2,195	-
Recycling	-	37,321
Fleet	-	29,327
Total	153,843	153,843
Long-Term Cash Advances to Finance Operating Cash Deficits:		
Governmental Funds:		
Tax Incremental District No. 4	-	500,000
Proprietary Fund:		
Water and Sewer Utility	500,000	-
Subtotal	500,000	500,000
Totals	$ 653,843	$ 653,843

Interfund transfers for the year ended December 31, 2025, were as follows:

Funds	Transfer In	Transfer Out
General	$ 167,065	$ 13,138
Capital Projects	85,794	-
Holtwood Campground	-	10,000
Revolving Loan	-	72,656
Water and Sewer Utility	-	157,065
Total	$ 252,859	$ 252,859

Interfund transfers were made for the following purposes:

Tax Equivalent Payment Made by Water Utility to General Fund	$ 157,065
Closeout Revolving Fund Loan to Capital Projects	72,656
Transfer from General Fund to Capital Projects	13,138
Charge Campground for Tree Prune and Removal	10,000
Total	$ 252,859

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2025:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Notes	$ 5,940,000	$ -	$ 825,000	$ 5,115,000	$ 825,000
Notes from Direct Borrowings	454,633	436,580	460,864	430,349	24,962
Total General Obligation Debt	6,394,633	436,580	1,285,864	5,545,349	849,962
Debt Premium	173,608	-	47,863	125,745	-
Lease Liability - Right-of-Use	46,132	222,205	78,486	189,851	46,460
Compensated Absences	438,200	179,332	-	617,532	154,383
Governmental Activities Long-Term Obligations	$ 7,052,573	$ 838,117	$ 1,412,213	$ 6,478,477	$ 1,050,805
Business-Type Activities:					
Revenue Bonds	$ 8,485,000	$ -	$ 375,000	$ 8,110,000	$ 400,000
Debt Premium	595,960	-	65,208	530,752	-
Compensated Absences	22,816	2,582	-	25,398	6,350
Business-Type Activities Long-Term Obligations	$ 9,103,776	$ 2,582	$ 440,208	$ 8,666,150	$ 406,350

Total interest paid during the year on long-term debt totaled $468,791. The change in compensated absences is shown as net.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/25
General Obligation Notes	05/23/17	04/01/27	3.00%	$ 2,840,000	$ 1,790,000
General Obligation Notes	02/26/20	10/01/29	2.00 - 3.00%	4,305,000	3,325,000
General Obligation Notes	12/15/25	12/15/28	6.11%	436,580	430,349
Total Outstanding General Obligation Debt					$ 5,545,349

The City's outstanding notes from direct borrowings of $430,349 are subject to a statutory provision that in the event of late or nonpayment, a 5% delinquency charge of the unpaid amount may be collected.

Annual principal and interest maturities of the outstanding general obligation debt of $5,545,349 on December 31, 2025, are detailed below:

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations (Continued)

General Obligation Debt (Continued)

Year Ended	Bonded Debt		Notes from Direct Borrowing		Totals	
December 31,	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 825,000	$ 145,575	$ 24,962	$ 26,470	$ 849,962	$ 172,045
2027	1,840,000	109,725	26,545	24,887	1,866,545	134,612
2028	625,000	73,500	378,842	23,273	1,003,842	96,773
2029	1,825,000	54,750	-	-	1,825,000	54,750
Total	$ 5,115,000	$ 383,550	$ 430,349	$ 74,630	$ 5,545,349	$ 458,180

For governmental activities, the other long-term liabilities are generally funded by the general fund.

Legal Margin for New Debt

The City's legal margin for creation of additional general obligation debt on December 31, 2025, was $13,427,986 as follows:

Equalized Valuation of the City	$ 379,466,700
Statutory Limitation Percentage	(x) 5%
General Obligation Debt Limitation, Per Section 67.03 of the Wisconsin Statutes	18,973,335
Total Outstanding General Obligation Debt Applicable to Debt Limitation	5,545,349
Legal Margin for New Debt	$ 13,427,986

Revenue Bonds

Revenue bonds outstanding on December 31, 2025, totaled $8,110,000 and were comprised of the following issue:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/25
Waterworks and Sewerage System	02/24/22	05/01/42	3.0 - 5.0%	$ 9,550,000	$ 8,110,000

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations (Continued)

Revenue Bonds (Continued)

Annual principal and interest maturities of the outstanding revenue bonds of $8,110,000 on December 31, 2025, are detailed below:

	Business-Type Activities		
Year Ended December 31,	Principal	Interest	Total
2026	$ 400,000	$ 261,050	$ 661,050
2027	400,000	245,050	645,050
2028	425,000	228,550	653,550
2029	450,000	211,050	661,050
2030	450,000	193,050	643,050
2031 - 2035	2,300,000	736,950	3,036,950
2036 - 2040	2,710,000	348,600	3,058,600
2041 - 2042	975,000	26,625	1,001,625
Total	$ 8,110,000	$ 2,250,925	$ 10,360,925

Utility Revenues Pledged

The City has pledged future water and sewer customer revenues, net of specified operating expenses, to repay the water and sewer system revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used with the systems. The bonds are payable solely from water and sewer customer net revenues and are payable through 2042. The total principal and interest remaining to be paid on the bonds is $10,360,925 Principal and interest paid for the current year, and total customer net revenues were $651,550 and $1,441,654, respectively.

G. Leases Payable

The City leases vehicles for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2030.

Total principal and interest costs for such leases were $45,278 for the year ended December 31, 2025. The future minimum lease payments for these agreements are as follows:

	Governmental Activities		
Year Ending	Principal	Interest	Total
2026	$ 46,460	$ 13,911	$ 60,371
2027	50,561	9,809	60,370
2028	55,025	5,346	60,371
2029	31,496	1,378	32,874
2030	6,309	67	6,376
Subtotal	$ 189,851	$ 30,511	$ 220,362

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Pension Plan

1. Plan Description

The WRS is a cost-sharing, multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government, and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report, which can be found at https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements. Additionally, EFT issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

Vesting

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

Benefits Provided

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

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Pension Plan (Continued)

1. Plan Description (Continued)

Benefits Provided (Continued)

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

The WRS also provides death and disability benefits for employees.

2. Postretirement 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	-	(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

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Pension Plan (Continued)

3. Contributions

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

During the year ending December 31, 2025, the WRS recognized $364,357 in contributions from the City.

Contribution rates for the reporting period are:

Employee Category	Employee	Employer
General (Including Teachers, Executives, and Elected Officials)	6.95 %	6.95 %
Protective with Social Security	6.95	14.95
Protective without Social Security	6.95	18.95

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

At December 31, 2025, the City reported a liability of $386,391 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 City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2024, the City's proportion was 0.02351505%, which was a decrease of 0.00036604% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the City recognized pension expense of $517,254.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Pension Plan (Continued)

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

At December 31, 2025, the City 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	$ 1,199,955	$ 1,127,582
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	587,142	-
Changes in Assumptions	114,650	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	9,523	12,744
Employer Contributions Subsequent to the Measurement Date	364,357	-
Total	$ 2,275,627	$ 1,140,326

$364,357 reported as deferred outflows related to pension resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31,	Expense
2026	$ 227,045
2027	800,883
2028	(195,924)
2029	(61,060)
Total	$ 770,944

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Pension Plan (Continued)

5. 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 (Asset):	December 31, 2024
Experience Study:	January 18, 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:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.7%
Mortality	2020 WRS Experience Mortality Table
Postretirement Adjustments*	1.7%

* *No postretirement 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 postretirement discount rate. Includes the impact of known Market Recognition Account deferred gains/losses on the liability for dividend payments.*

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from the 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.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Pension Plan (Continued)

5. Actuarial Assumptions (Continued)

Long-Term Expected Return on Plan Assets

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

	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class:			
Public Equity	38.0 %	7.0 %	4.3 %
Public Fixed Income	27.0	6.1	3.4
Inflation Sensitive	20.0	9.5	6.7
Private Equity/Debt	19.0	4.8	2.1
Real Estate	8.0	6.5	3.8
Leverage	(12.0)	3.7	1.1
Total Core Fund	100.0 %	7.5 %	4.8 %
Variable Fund Asset Class:			
U.S. Equities	70.0 %	6.5 %	3.8 %
International Equities	30.0	7.4	4.7
Total Variable Fund	100.0 %	6.9 %	4.2 %

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

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

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 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Pension Plan (Continued)

5. Actuarial Assumptions (Continued)

Single Discount Rate

A single discount rate of 6.80% was used to measure the total pension liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 4.08% (Source: "20-Bond GO Index" is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality as of December 31, 2024. In describing this index, the Bond Buyer notes that the bonds' average quality is roughly equivalent to Moody's investors Service's Aa2 rating and Standard and Poor's Corp.'s AA.). Because of the unique structure of WRS, the 6.80% expected rate of return implies that a dividend of approximately 1.70% will always be paid after reflecting known changes in the Market Recognition Account. 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 long-term expected 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 City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, as well as what the City'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%) or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
City's Proportionate Share of the Net Pension Liability (Asset)	$ 3,624,854	$ 386,391	$ (1,914,444)

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Pension Plan (Continued)

6. Payable to the Pension Plan

At December 31, 2025, the City reported a payable of $46,209 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2025.

I. Other Postemployment Benefits

1. Plan Description

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

2. OPEB Plan Fiduciary Net Position

ETF issues a standalone Annual Comprehensive Financial Report, which can be found at https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements. Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can also be found using the link above.

3. Benefits Provided

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

4. Contributions

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

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Other Postemployment Benefits (Continued)

4. Contributions (Continued)

Contribution rates as of December 31, 2025 are:

Coverage Type	Employer Contribution
50% Postretirement Coverage	40% of Member Contribution
25% Postretirement Coverage	20% of Member Contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per $1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2024 are listed below:

Life Insurance
Member Contribution Rates*
Year Ended December 31, 2024

Attained Age	Basic	Supplemental
Under 30	$0.05	$0.05
30 - 34	0.06	0.06
35 - 39	0.07	0.07
40 - 44	0.08	0.08
45 - 49	0.12	0.12
50 - 54	0.22	0.22
55 - 59	0.39	0.39
60 - 64	0.49	0.49
65 - 69	0.57	0.57

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

During the year ended December 31, 2025, the LRLIF recognized $563 in contributions from the employer.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Other Postemployment Benefits (Continued)

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

At December 31, 2025, the City reported a liability of $117,219 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2024 rolled forward to December 31, 2024. No material changes in assumptions or benefits terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2024, the City's proportion was 0.02996200%, which was a decrease of 0.00149500% from its proportion measured as of December 31, 2024.

For the year ended December 31, 2025, the City recognized OPEB revenue of $3,811.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ -	$ 12,194
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	1,610	-
Changes in Assumptions	28,761	65,746
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	6,799	41,065
Total	$ 37,170	$ 119,005

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	Expense
2026	$ (13,592)
2027	(19,637)
2028	(19,678)
2029	(16,470)
2030	(7,472)
Thereafter	(4,986)
Total	$ (81,835)

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Other Postemployment Benefits (Continued)

5. OPEB Liabilities, OPEB Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions

The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date:	January 1, 2024
Measurement Date of Net OPEB Liability (Asset):	December 31, 2024
Experience Study:	January 18, 2021 - December 31, 2023 Published November 19, 2024
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield*:	4.08%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	4.09%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.1% - 5.7%
Mortality:	2020 WRS Experience Mortality Table

*Based on the Bond Buyers GO 20-Bond Municipal Index

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

Long-Term Expected Return on Plan Assets

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Other Postemployment Benefits (Continued)

5. OPEB Liabilities, OPEB Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Long-Term Expected Return on Plan Assets (Continued)

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interim Credit	40%	2.41%
U.S. Mortgages	Bloomberg U.S. MBS	60%	2.71%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

Single Discount Rate

A single discount rate of 4.09% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.32% for the prior year. The change in the discount rate was primarily caused by the increase in the municipal bond rate from 3.26% as of December 31, 2023 to 4.08% as of December 31, 2024. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2037.

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Other Postemployment Benefits (Continued)

5. OPEB Liabilities, OPEB Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of the City's Proportionate Share of Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the District's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 4.09%, as well as what the District's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.09%) or 1-percentage-point higher (5.09%) than the current rate:

	1% Decrease to Discount Rate (3.09%)	Current Discount Rate (4.09%)	1% Increase to Discount Rate (5.09%)
City's Proportionate Share of the Net OPEB Liability (Asset)	$ 156,680	$ 117,219	$ 86,811

6. Payable to the OPEB Plan

The City reported a payable of $-0- for the outstanding amount of contribution to the plan required for the year ended December 31, 2025.

J. Fund Equity

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31, 2025, nonspendable fund balance was as follows:

General Fund:	
Nonspendable:	
Prepaid Items	$ 48,065
Delinquent Special Assessments	53,433
Total General Fund Nonspendable Fund Balance	101,498
Special Revenue Funds:	
Nonspendable:	
Prepaid Items:	
Airport	25,767
Total Nonspendable Fund Balance	$ 127,265

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

J. Fund Equity (Continued)

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2025, restricted fund balance was as follows:

Debt Service Fund:		
Restricted for:		
Retirement of Long-Term Debt	$	51,143
Capital Projects Funds:		
Restricted for:		
Tax Incremental District No. 5		117,556
Total Restricted Fund Balance	$	168,699

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by City Council action. At December 31, 2025, governmental fund balance was committed as follows:

Special Revenue Funds:		
Committed for:		
Airport	$	179,880
Docks/Breakwater		148,807
Holtwood Campground		38,581
K-9 Police		685
Library		105,269
Total Committed Fund Balance	$	473,222

Assigned Fund Balance

Portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2025, fund balance was assigned as follows:

General Fund:		
Assigned for Crime Prevention	$	13,258
Assigned for Ambulance		149,187
Total Assigned Fund Balance	$	162,445

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

J. Fund Equity (Continued)

Minimum General Fund Balance Policy

The City Council has adopted a minimum fund balance policy of 8% - 15% of annual budgeted expenditures for the general fund. The minimum fund balance amount is calculated as follows:

Budgeted 2025 General Fund Expenditures	$	4,822,537
Minimum Fund Balance %		(x) 8% - 15%
Minimum Fund Balance Amount		$ 385,803 - 723,381

The City's unassigned general fund balance of $1,432,398 is above the minimum fund balance range.

NOTE 4 OTHER INFORMATION

A. Tax Incremental Financing Districts

The City has established separate capital projects funds for Tax Incremental District (TID) No. 3, No. 4, and No. 5 which were created by the City in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the Districts were created, the property tax base within each District was "frozen" and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the City to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date. The City's Districts are still eligible to incur project costs.

Since creation of the above Districts, the City has provided various financing sources to the TID. The foregoing amounts are not recorded as liabilities in the TID capital project fund but can be recovered by the City from any future excess tax increment revenues. Tax Incremental District No. 3 was closed with the Wisconsin Department of Revenue in a previous year and is therefore closed for Recoverable costs.

As of December 31, 2025, the City can recover $394,922 from future excess tax increment revenues of the following:

	Recoverable (Recovered) Costs	
TID No. 4	$	394,922
TID No. 5		(117,556)

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Tax Incremental Financing Districts (Continued)

The intent of the City is to recover the above amounts from future TID surplus funds, if any, prior to termination of the respective Districts. Unless terminated by the City prior thereto, each TID has a statutory termination year as follows:

	Termination Year
TID No. 4	2029
TID No. 5	2044

B. Risk Management

The City is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The City completes an annual review of its insurance coverage to ensure adequate coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

C. Contingencies

From time to time, the City is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and the City Attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

D. Construction Commitments

The City has active construction projects as of December 31, 2025. The projects include upgrading the wastewater plant facilities. At year-end, the City's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Wastewater Treatment Plant - Headworks Modifications	$ 5,062,944	$ 654,983

NOTE 4 OTHER INFORMATION (CONTINUED)

E. Accounting Changes

The Capital Projects fund previously met the criteria to be reports as a major governmental fund. However effective December 31, 2025, this fund now meets the criteria to be report as a nonmajor fund and is reported as such for the fiscal year ended December 31, 2025. The effect of this change to or within the financial reporting entity is shown in column C of the table below:

	January 1, 2025 as Previously Reported	Change to or Within the Financial Reporting Entity (C)	January 1, 2025 as Adjusted
Governmental Funds:			
Major Funds:			
General Fund	$ 1,284,919	$ -	$ 1,284,919
Debt Service	207,651	-	207,651
Capital Projects:			
Capital Projects	118,547	(118,547)	-
Tax Incremental District #4	(540,320)	-	(540,320)
Nonmajor Funds	606,276	118,547	724,823
Total Governmental Funds	$ 1,677,073	$ -	$ 1,677,073

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF OCONTO, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
WISCONSIN RETIREMENT SYSTEM
LAST 10 FISCAL YEARS

Plan Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll (Plan Year)	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 (Asset)
12/31/15	0.01951392%	$ 317,097	$ 2,090,571	15.17 %	98.20 %
12/31/16	0.01989446%	163,978	2,185,657	7.50	99.12
12/31/17	0.02113673%	(627,574)	2,414,851	(25.99)	102.93
12/31/18	0.02157803%	767,678	2,296,813	33.42	96.45
12/31/19	0.02199396%	(709,185)	2,416,313	(29.35)	102.96
12/31/20	0.02296010%	(1,433,429)	2,645,160	(54.19)	105.26
12/31/21	0.02404583%	(1,938,138)	2,698,314	(71.83)	106.02
12/31/22	0.02473130%	1,310,191	2,738,728	47.84	95.72
12/31/23	0.02388109%	355,065	2,688,721	13.21	98.85
12/31/24	0.02351505%	386,391	2,891,318	13.36	98.79

SCHEDULE OF CONTRIBUTIONS
WISCONSIN RETIREMENT SYSTEM
LAST 10 FISCAL YEARS

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll (Fiscal Year)	Contributions as a Percentage of Covered Payroll
12/31/16	$ 195,885	$ 195,885	$ -	$ 2,185,657	8.96 %
12/31/17	234,726	234,726	-	2,414,851	9.72
12/31/18	213,286	213,286	-	2,296,813	9.29
12/31/19	226,298	226,298	-	2,416,313	9.37
12/31/20	290,105	290,105	-	2,645,160	10.97
12/31/21	284,316	284,316	-	2,698,314	10.54
12/31/22	284,725	284,725	-	2,738,728	10.40
12/31/23	308,407	308,407	-	2,688,721	11.47
12/31/24	340,210	340,210	-	2,891,318	11.77
12/31/25	364,357	364,357	-	3,030,826	12.02

See accompanying Notes to Required Supplementary Information.

CITY OF OCONTO, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
LOCAL RETIREE LIFE INSURANCE FUND
LAST 10 FISCAL YEARS

Plan Year Ending	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered-Employee Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
12/31/17	0.04686800%	$ 144,391	$ 2,414,851	5.98 %	44.81 %
12/31/18	0.04644700%	119,849	2,296,813	5.22	48.69
12/31/19	0.04808600%	204,760	2,309,000	8.87	37.50
12/31/20	0.03873100%	213,048	2,381,000	8.95	31.36
12/31/21	0.03415100%	201,845	2,558,000	7.89	29.57
12/31/22	0.03645400%	138,883	2,503,000	5.55	38.81
12/31/23	0.03145700%	144,723	2,285,000	6.33	33.90
12/31/24	0.02996200%	117,219	2,363,000	4.96	37.20

SCHEDULE OF CONTRIBUTIONS
LOCAL RETIREE LIFE INSURANCE FUND
LAST 10 FISCAL YEARS

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
12/31/18	$ 892	$ 892	$ -	$ 2,296,813	0.04 %
12/31/19	953	953	-	2,309,000	0.04
12/31/20	782	782	-	2,381,000	0.03
12/31/21	689	689	-	2,558,000	0.03
12/31/22	742	742	-	2,503,000	0.03
12/31/23	681	681	-	2,688,721	0.03
12/31/24	577	577	-	2,776,288	0.02
12/31/25	563	563	-	3,030,826	0.02

See accompanying Notes to Required Supplementary Information.

NOTE 1 WISCONSIN RETIREMENT SYSTEM

Changes of Benefit Terms:

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

Changes of Assumptions:

Based on a three-year experience study conducted in 2024 covering January 1, 2021 through December 31, 2023, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year ended December 31, 2024, including the following:

- Raising the seniority/merit inflation rate from 0.1%-5.6% to 0.1%-5.7%

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the EFT Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end 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 postretirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning form the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

NOTE 2 OTHER POSTEMPLOYMENT BENEFITS

The City is required to present the last 10 fiscal years of data; however accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

Changes of Benefit Terms:

There were no changes of benefit terms for any participating employer in LRLIF.

Changes of Assumptions:

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

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

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

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

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect update trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

SUPPLEMENTARY INFORMATION

CITY OF OCONTO, WISCONSIN
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES AND OTHER FINANCING SOURCES – GENERAL FUND
YEAR ENDED DECEMBER 31, 2025

	Budget			Variance Final Budget - Positive (Negative)
	Original	Final	Actual	
TAXES				
General Property	$ 1,018,060	$ 1,018,060	$ 1,018,060	$ -
Mobile Home Taxes	9,000	9,000	8,656	(344)
Payment in Lieu of Tax	36,000	36,000	92,008	56,008
Total Taxes	1,063,060	1,063,060	1,118,724	55,664
SPECIAL ASSESSMENTS				
Curb and Gutter	22,403	22,403	30,145	7,742
Sidewalks	-	-	7,750	7,750
Storm Sewers	-	-	146	146
Garbage Pickup	2,000	2,000	207	(1,793)
Miscellaneous	6,659	6,659	3,401	(3,258)
Total Special Assessments	31,062	31,062	41,649	10,587
INTERGOVERNMENTAL				
State:				
State Shared Taxes	2,281,499	2,281,499	2,281,649	150
Exempt Computer Aid	12,001	12,001	12,002	1
Fire Insurance	14,196	14,196	16,646	2,450
Law Enforcement	-	-	2,665	2,665
General Transportation Aids	209,108	209,108	208,926	(182)
Conservation and Development	6,500	6,500	6,500	-
Other State Grants	7,365	7,365	84,319	76,954
Total Intergovernmental	2,530,669	2,530,669	2,612,707	82,038
LICENSES AND PERMITS				
Licenses:				
Liquor and Malt Beverages	16,495	16,495	14,351	(2,144)
Other Business and Occupational Licenses	2,800	2,800	3,957	1,157
Dog and Cat	300	300	169	(131)
Mobile Home Licenses	75	75	75	-
Cable Television Fees	42,000	42,000	33,586	(8,414)
Permits:				
Building, Plumbing, and Electrical	31,100	31,100	37,084	5,984
Zoning	1,500	1,500	1,940	440
Total Licenses and Permits	94,270	94,270	91,162	(3,108)
FINES AND FORFEITS				
Court Fines and Penalties	68,000	68,000	61,617	(6,383)
Parking Violations	2,000	2,000	2,025	25
Total Fines and Forfeits	70,000	70,000	63,642	(6,358)

CITY OF OCONTO, WISCONSIN
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES AND OTHER FINANCING SOURCES – GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Budget			Variance Final Budget - Positive
	Original	Final	Actual	(Negative)
PUBLIC CHARGES FOR SERVICES				
General Government	$ 11,500	$ 11,500	$ 10,839	$ (661)
Law Enforcement Fees	150	150	48	(102)
Ambulance Fees	450,000	470,000	663,761	193,761
Fire Department Fees	-	-	50	50
Public Works Fees	7,750	7,750	8,473	723
Weed and Nuisance Control	18,000	18,000	21,125	3,125
Garbage Collection	149,000	149,000	155,380	6,380
Park and Recreation Fees	8,625	8,625	8,786	161
Total Public Charges for Services	645,025	665,025	868,462	203,437
INTERGOVERNMENTAL CHARGES FOR SERVICES				
Township Ambulance and Fire Contracts	111,051	111,051	110,275	(776)
Township Rural Calls	5,000	5,000	6,605	1,605
Building Inspection	-	40,000	15,000	(25,000)
Total Intergovernmental Charges for Services	116,051	156,051	131,880	(24,171)
MISCELLANEOUS				
Interest on Investments	60,000	60,000	144,620	84,620
Interest on Special Assessments	7,000	7,000	8,995	1,995
Rental Income	5,800	5,800	10,075	4,275
Insurance Dividends, Recoveries, and Refunds	8,500	8,500	9,799	1,299
Donations	6,100	6,100	4,467	(1,633)
Sale of Property	-	-	109,134	109,134
Other	-	-	783	783
Total Miscellaneous	87,400	87,400	287,873	200,473
Total Revenues	4,637,537	4,697,537	5,216,099	518,562
OTHER FINANCING SOURCES				
Transfers In	185,000	185,000	166,571	(18,429)
Total Revenues and Other Financing Sources	$ 4,822,537	$ 4,882,537	$ 5,382,670	$ 500,133

CITY OF OCONTO, WISCONSIN
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES
GENERAL FUND
DECEMBER 31, 2025

	Budget			Variance Final Budget - Positive
	Original	Final	Actual	(Negative)
GENERAL GOVERNMENT				
City Council and Mayor	$ 53,207	$ 53,207	$ 55,577	$ (2,370)
Municipal Court	91,359	91,359	91,906	(547)
City Attorney	37,259	37,259	37,197	62
Clerk - Treasurer	136,946	136,946	135,192	1,754
Elections	12,210	12,210	7,889	4,321
Technology	67,500	67,500	72,621	(5,121)
Accounting and Auditing	30,000	30,000	25,259	4,741
Assessor and Inspection	131,254	171,254	170,879	375
Board of Review	500	500	400	100
Municipal Building	72,000	72,000	76,329	(4,329)
Property and Liability Insurance	25,410	25,410	25,386	24
Employee Retirements	-	-	9	(9)
Total General Government	657,645	697,645	698,644	(999)
PUBLIC SAFETY				
Police Department	1,201,605	1,201,605	1,255,622	(54,017)
Fire Department	1,370,642	1,435,940	1,310,674	125,266
Ambulance	75,000	95,000	92,353	2,647
Crossing Guards	18,482	18,482	14,658	3,824
Disaster Control	-	-	62,380	(62,380)
Total Public Safety	2,665,729	2,751,027	2,735,687	15,340
PUBLIC WORKS				
Supervision	664,914	664,914	658,291	6,623
Buildings	38,750	38,750	28,627	10,123
Machinery	120,000	150,000	157,009	(7,009)
Street Maintenance	5,600	5,600	5,307	293
Traffic Control	9,550	9,550	9,539	11
Snow and Ice Control	45,130	45,130	44,829	301
Sidewalk and Storm Sewer	10,000	10,000	7,364	2,636
Weed Control	-	-	39	(39)
Street Lighting	93,400	93,400	91,011	2,389
Garbage and Refuse	131,000	131,000	138,633	(7,633)
Total Public Works	1,118,344	1,148,344	1,140,649	7,695
HEALTH AND HUMAN SERVICES				
Animal Control	1,200	1,200	-	1,200
CULTURE AND RECREATION				
Historical Society	500	500	500	-
Parks	356,097	328,208	299,477	28,731
Recreation Programs and Events	9,169	9,169	7,562	1,607
Total Culture and Recreation	365,766	337,877	307,539	30,338
CONSERVATION AND DEVELOPMENT				
Forestry	4,600	10,441	4,409	6,032
Tourism	9,253	16,753	71,182	(54,429)
Total Conservation and Development	13,853	27,194	75,591	(48,397)
Total Expenditures	4,822,537	4,963,287	4,958,110	5,177
OTHER FINANCING USES				
Transfers Out	-	-	13,138	13,138
Total Expenditures and Other Financing Uses	$ 4,822,537	$ 4,963,287	$ 4,971,248	$ 18,315

CITY OF OCONTO, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	Special Revenue					
	Airport	Docks/ Breakwater	Recycling	Community Revolving Loan	Library	Holtwood Campground
ASSETS						
Cash and Investments	$ 211,458	$ 149,937	$ -	$ -	$ 194,240	$ 39,797
Receivables:						
Taxes and Special Charges	30,708	-	68,560	-	119,037	-
Loans	-	-	-	37,213	-	-
Due from Other Funds	-	-	-	-	-	2,195
Prepaid Items	25,767	-	-	-	-	-
Total Assets	$ 267,933	$ 149,937	$ 68,560	$ 37,213	$ 313,277	$ 41,992
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	$ 8,743	$ 1,031	$ 413	$ -	$ 490	$ 2,469
Accrued and Other Current Liabilities	1,043	99	780	-	4,007	942
Due to Other Funds	-	-	37,321	-	-	-
Total Liabilities	9,786	1,130	38,514	-	4,497	3,411
DEFERRED INFLOWS OF RESOURCES						
Property Taxes Levied for Subsequent Year	52,500	-	68,560	-	203,511	-
Loans Receivable	-	-	-	37,213	-	-
Total Deferred Inflows of Resources	52,500	-	68,560	37,213	203,511	-
FUND BALANCES						
Nonspendable	25,767	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	179,880	148,807	-	-	105,269	38,581
Unassigned	-	-	(38,514)	-	-	-
Total Fund Balances	205,647	148,807	(38,514)	-	105,269	38,581
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 267,933	$ 149,937	$ 68,560	$ 37,213	$ 313,277	$ 41,992

CITY OF OCONTO, WISCONSIN
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	Special Revenue	Capital Projects			
	K-9 Police	Capital Projects	Fleet	Tax Incremental District No. 5	Totals
ASSETS					
Cash and Investments	$ 685	$ 165,230	$ 38,378	$ 211,806	$ 1,011,531
Receivables:					
Taxes and Special Charges	-	111,938	54,082	132,814	517,139
Loans	-	-	-	-	37,213
Due from Other Funds	-	-	-	-	2,195
Prepaid Items	-	-	-	-	25,767
Total Assets	$ 685	$ 277,168	$ 92,460	$ 344,620	$ 1,593,845
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	$ -	$ 794	$ -	$ -	$ 13,940
Accrued and Other Current Liabilities	-	-	-	-	6,871
Due to Other Funds	-	85,000	29,327	-	151,648
Total Liabilities	-	85,794	29,327	-	172,459
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	-	191,374	92,460	227,064	835,469
Loans Receivable	-	-	-	-	37,213
Total Deferred Inflows of Resources	-	191,374	92,460	227,064	872,682
FUND BALANCES					
Nonspendable	-	-	-	-	25,767
Restricted	-	-	-	117,556	117,556
Committed	685	-	-	-	473,222
Unassigned	-	-	(29,327)	-	(67,841)
Total Fund Balances	685	-	(29,327)	117,556	548,704
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 685	$ 277,168	$ 92,460	$ 344,620	$ 1,593,845

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

	Special Revenue					
	Airport	Docks/ Breakwater	Recycling	Community Revolving Loan	Library	Holtwood Campground
REVENUES						
Taxes	$ 52,500	$ -	$ -	$ -	$ 194,086	$ -
Intergovernmental	-	-	14,559	-	110,216	-
Public Charges for Services	134,491	121,229	67,960	-	3,302	254,517
Intergovernmental Charges for Services	52,500	-	-	-	-	-
Miscellaneous	6,233	-	12,226	12,900	76,106	-
Total Revenues	245,724	121,229	94,745	12,900	383,710	254,517
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	251,498	93,923	86,568	-	-	-
Culture and Recreation	-	-	-	-	368,388	314,414
Conservation and Development	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	251,498	93,923	86,568	-	368,388	314,414
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(5,774)	27,306	8,177	12,900	15,322	(59,897)
OTHER FINANCING SOURCES (USES)						
Capital Lease Proceeds	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	(72,656)	-	(10,000)
Total Other Financing Sources (Uses)	-	-	-	(72,656)	-	(10,000)
NET CHANGE IN FUND BALANCES	(5,774)	27,306	8,177	(59,756)	15,322	(69,897)
Fund Balances - Beginning of Year	211,421	121,501	(46,691)	59,756	89,947	108,478
Change Within Financial Reporting Entity Major to Nonmajor Fund	-	-	-	-	-	-
Fund Balance - Beginning of Year, as Adjusted	211,421	121,501	(46,691)	59,756	89,947	108,478
FUND BALANCES - END OF YEAR	$ 205,647	$ 148,807	$ (38,514)	$ -	$ 105,269	$ 38,581

CITY OF OCONTO, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	Special Revenue	Capital Projects			
	K-9 Police	Capital Projects	Fleet	Tax Incremental District No. 5	Totals
REVENUES					
Taxes	$ -	$ 130,412	$ 60,981	$ 49,034	$ 487,013
Intergovernmental	-	211,381	-	5,305	341,461
Public Charges for Services	-	-	-	-	581,499
Intergovernmental Charges for Services	-	-	-	-	52,500
Miscellaneous	15,064	15,958	30,200	-	168,687
Total Revenues	15,064	357,751	91,181	54,339	1,631,160
EXPENDITURES					
Current:					
General Government	-	-	64,597	-	64,597
Public Safety	12,469	-	-	-	12,469
Public Works	-	-	-	-	431,989
Culture and Recreation	-	-	-	-	682,802
Conservation and Development	-	-	-	557	557
Debt Service:					
Principal	-	46,132	32,354	-	78,486
Interest and Fiscal Charges	-	1,416	12,924	-	14,340
Capital Outlay	-	514,544	232,838	-	747,382
Total Expenditures	12,469	562,092	342,713	557	2,032,622
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,595	(204,341)	(251,532)	53,782	(401,462)
OTHER FINANCING SOURCES (USES)					
Capital Lease Proceeds	-	-	222,205	-	222,205
Transfers In	-	85,794	-	-	85,794
Transfers Out	-	-	-	-	(82,656)
Total Other Financing Sources (Uses)	-	85,794	222,205	-	225,343
NET CHANGE IN FUND BALANCES	2,595	(118,547)	(29,327)	53,782	(176,119)
Fund Balances - Beginning of Year	(1,910)	-	-	63,774	606,276
Change Within Financial Reporting Entity Major to Nonmajor Fund	-	118,547	-	-	118,547
Fund Balance - Beginning of Year, as Adjusted	(1,910)	118,547	-	63,774	724,823
FUND BALANCES - END OF YEAR	$ 685	$ -	$ (29,327)	$ 117,556	$ 548,704

CITY OF OCONTO, WISCONSIN
SCHEDULE OF WATER UTILITY OPERATING REVENUES AND EXPENSES
YEAR ENDED DECEMBER 31, 2025

OPERATING REVENUES		
Charges for Services:		
Residential	$	422,958
Multi-Family		29,065
Commercial		69,738
Industrial		11,388
Public Authority		29,569
Private Fire Protection		22,555
Public Fire Protection		419,830
Total Charges for Services		1,005,103
Other Revenues:		
Forfeited Discounts		6,886
Rental Income from Property		73,338
Other Water Revenues		15,548
Total Other Revenues		95,772
Total Operating Revenues		1,100,875
OPERATING EXPENSES		
Operation and Maintenance:		
Source of Supply/Treatment:		
Operation Supplies and Expenses		43,716
Transmission and Distribution:		
Maintenance of Distribution Reservoirs and Standpipes		55,790
Maintenance of Mains		90,719
Maintenance of Services		52,949
Maintenance of Meters		7,787
Maintenance of Hydrants		7,453
Total Transmission and Distribution		214,698
Customer Accounts:		
Meter Reading Labor		12,100
Accounting and Collecting Labor		54,087
Supplies and Expenses		28,158
Total Customer Accounts		94,345
Administrative and General:		
Salaries and Wages		50,554
Office Supplies and Expenses		1,666
Property Insurance		12,713
Employees Pensions and Benefits		6,989
Transportation		8,456
Total Administrative and General		80,378
Total Operation and Maintenance		433,137
Depreciation		360,651
Total Operating Expenses		794,969
OPERATING INCOME	$	305,906

CITY OF OCONTO, WISCONSIN
SCHEDULE OF SEWER UTILITY OPERATING REVENUES AND EXPENSES
YEAR ENDED DECEMBER 31, 2025

OPERATING REVENUES		
Charges for Services:		
Residential	$	799,026
Multi-Family		72,570
Commercial		131,892
Industrial		21,938
Public Authority		36,355
Sludge and Septic Processing		113,773
Sanitary Districts Processing		63,979
Total Charges for Services		1,239,533
Other Revenues		
Forfeited Discounts		6,262
Total Operating Revenues		1,245,795
OPERATING EXPENSES		
Operation and Maintenance:		
Source of Supply/Treatment:		
Operation Labor		118,119
Operation Supplies and Expenses		284,496
Total Source of Supply/Treatment		402,615
Transmission and Distribution:		
Maintenance of Sewer Collection		97,139
Customer Accounts:		
Accounting and Collecting Labor		53,716
Supplies and Expenses		32,056
Total Customer Accounts		85,772
Administrative and General:		
Administrative and General Salaries		52,187
Supplies and Expenses		1,001
Employee Benefits and Insurance		9,157
Miscellaneous General		13,964
Transportation		19,079
Total Administrative and General		95,388
Total Operation and Maintenance		680,914
Depreciation		314,196
Total Operating Expenses		995,110
OPERATING INCOME	$	250,685

ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR BASIC FINANCIAL STATEMENTS

CliftonLarsonAllen LLP
CLAconnect.com

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

City Council
City of Oconto, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Oconto, Wisconsin, Wisconsin (the City), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 22, 2026.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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

We consider the deficiencies described in the accompanying schedule of findings and responses as items 2025-002 and 2025-003 to be material weaknesses.

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A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2025-001 and 2025-004 to be significant deficiencies.

Report on Compliance and Other Matters

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

City of Oconto, Wisconsin's Response to Findings

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

Purpose of This Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Green Bay, Wisconsin
April 22, 2026

CITY OF OCONTO, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2025

Section I – Internal Control Over Financial Reporting

2025-001

Preparation of Annual Financial Report
Repeat of Finding 2024-001

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

Condition

Management and the Council of the City share the ultimate responsibility for the City's internal control system. While it is acceptable to outsource various accounting functions, the responsibility for internal control cannot be outsourced.

The City engages CliftonLarsonAllen LLP (CLA) to assist in preparing its financial statements and accompanying disclosures. However, as independent auditors, CLA cannot be considered part of the City's internal control system. As part of its internal control over the preparation of its financial statements, including disclosures, the City has implemented a comprehensive review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such review procedures should be performed by an individual possessing a thorough understanding of accounting principles generally accepted in the United States of America and knowledge of the City's activities and operations.

The City's personnel have not monitored recent accounting developments to the extent necessary to enable them to prepare the City's financial statements and related disclosures, to provide a high level of assurance that potential omissions or other errors that are material would be identified and corrected on a timely basis.

Criteria

The preparation and review of the annual financial report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes.

Cause

City management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.

Effect

Without our involvement, the City may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.

Recommendation

We recommend the City continue reviewing the annual financial report. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the City is necessary to obtain a complete and adequate understanding of the City's annual financial report.

Section I – Internal Control Over Financial Reporting (Continued)

2025-001 (Continued)

Preparation of Annual Financial Report
Repeat of Finding 2024-001

Management Response

Management believes the cost for additional staff time and training to prepare year-end closing entries and reports outweigh the benefits to be received. Management has reviewed and approved the annual financial report prior to issuance.

2025-002

Adjustment to the City's Financial Records
Repeat of Finding 2024-002
Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition

As part of our audit, we proposed adjusting journal entries that were material to the City's financial statements.

Criteria

Material adjusting journal entries proposed by the auditors are considered to be an internal control deficiency.

Cause

City staff maintains financial records which accurately report revenues and expenditures throughout the year. At year-end, entries to close the City's utilities, along with preparing GASB 34 conversion entries, are prepared by CLA from information provided by the City.

Effect

Year-end financial records prepared by the City may contain material misstatements without those closing and conversion entries.

Recommendation

We recommend the City designate an individual to obtain additional training in order to prepare the adjusting and closing entries. We are available to assist the individual in obtaining the understanding to prepare these entries.

Management Response

City management reviews the adjusting journal entries and approves these entries along with the annual financial report.

Section I – Internal Control Over Financial Reporting (Continued)

2025-003

Capital Asset Additions
Repeat of Finding 2024-003
Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition

City staff should provide the current year asset additions and disposals, the method and rate of depreciation and the salvage value of the assets. From this information, we assist the City in recording the capital asset additions and disposals and calculate the annual depreciation expense. During our 2025 audit, we identified several material capital asset additions that were not reported to us by the City staff.

Criteria

A material adjustment to the underlying accounting records is considered to be an internal control deficiency.

Cause

The City does not have a system in place to identify capital asset transactions throughout the year.

Effect

The City could have capital assets transactions which are not reflected in the detailed capital asset records and the annual financial report.

Recommendation

We recommend the City develop a system to identify capital asset additions and disposals throughout the year. A best practice would be to identify new additions at the time the related invoice is paid and maintain a copy of the invoice for the auditors.

Management Response

The City will work to create a spreadsheet to track the acquisition and disposals of assets throughout the year. A copy of each invoice will be retained for the auditors.

Section I – Internal Control Over Financial Reporting (Continued)

2025-004

Segregation of Duties
Repeat of Finding 2024-004
Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

Condition

The City has a combined clerk/treasurer/administrator position that completes the majority of financial and recordkeeping duties of the general City's operations. Accordingly, this does not allow for a proper segregation of duties for internal control purposes.

Criteria

Segregation of duties is an internal control intended to prevent or decrease the occurrence of errors or intentional fraud. Segregation of duties ensures that no single employee has control over all phases of a transaction.

Cause

The segregation of duties is due not properly segregating duties to the employees of the City's operations. In addition, the City has not completed a risk assessment and review of internal controls to identify additional mitigating and compensating controls which could be implemented to reduce the risk of errors or intentional fraud.

Effect

Errors or intentional fraud could occur and not be detected timely by other employees in the normal course of their responsibilities as a result of the lack of segregation of duties.

Recommendation

We recommend the City perform a risk assessment of its operations and current procedures to identify and implement mitigating controls to reduce the risk of errors and intentional fraud. The City should review its processes to ensure that there is adequate segregation of duties in regard to initiating, authorizing, and approving transactions and journal entries. As part of this risk assessment, the City should review its processes to identify tasks that could be reassigned to other City personnel.

Management Response

Management will review their processes and implement measures to segregate financial duties and enhance review procedures.

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APPENDIX B

FORM OF LEGAL OPINION

(See following pages)

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

December 15, 2026

Re: City of Oconto, Wisconsin ("Issuer")
$2,950,000 General Obligation Promissory Notes, Series 2026A,
dated December 15, 2026 ("Notes")

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

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

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

Year	Principal Amount	Interest Rate
2028	$275,000	___%
2029	290,000	___
2030	300,000	___
2031	310,000	___
2032	325,000	___
2033	335,000	___
2034	355,000	___
2035	370,000	___
2036	390,000	___

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

The Notes are not subject to optional redemption.

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

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

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

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

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

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

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

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

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

QUARLES & BRADY LLP

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 City 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 City 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 City, 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 City 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 City 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 City 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 City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Oconto, Oconto County, Wisconsin (the "Issuer") in connection with the issuance of $2,950,000 General Obligation Promissory Notes, Series 2026A, dated December 15, 2026 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on November 17, 2026, as supplemented by an Approving Certificate, dated _____, 2026 (collectively, the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

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

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

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

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

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

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

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

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

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

"Issuer" means the City of Oconto, Oconto County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the City Clerk of the Issuer who can be contacted at 1210 Main Street, Oconto, Wisconsin 54153, phone (920) 834-7711, fax (920) 834-7713.

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

"SEC" means the Securities and Exchange Commission.

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

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

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

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

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

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

Section 5. Reporting of Listed Events.

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

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;

7. Modification to rights of holders of the Securities, if material;

8. Securities calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution or sale of property securing repayment of the Securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;

13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 15th day of December, 2026.

_____
Cliff Martin
Mayor

(SEAL)

_____
Brittney M. Burruel
City Clerk

NOTICE OF SALE

$2,950,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2026A
CITY OF OCONTO, WISCONSIN

Bids for the purchase of $2,950,000* General Obligation Promissory Notes, Series 2026A (the "Notes") of the City of Oconto, Wisconsin (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, municipal advisors to the City, 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 December 1, 2026, at which time they will be opened, read and tabulated. **The Common Council adopted a resolution on November 17, 2026 (the "Parameters Resolution"), which authorizes the City Administrator or the Mayor 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 December 1, 2026, neither the City Administrator nor the Mayor 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 City, for public purposes, including financing capital projects, equipment and vehicles and refunding certain obligations of the City. The Notes are general obligations of the City, and all the taxable property in the City 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 December 15, 2026, will be issued as fully registered Notes in the denomination of $5,000 each, or any integral multiple thereof, and will mature on April 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2028	$275,000	2031	$310,000	2034	$355,000
2029	290,000	2032	325,000	2035	370,000
2030	300,000	2033	335,000	2036	390,000

ADJUSTMENT OPTION

The City 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 a maximum of $225,000 per maturity or mandatory redemption amount. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

TERM BOND OPTION

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

INTEREST PAYMENT DATES AND RATES

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

BOOK-ENTRY-ONLY FORMAT

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

PAYING AGENT

The City has selected Associated Trust Company, National Association, Green Bay, Wisconsin, to act as paying agent (the "Paying Agent"). The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

The Notes are being offered without the option of prior optional redemption.

DELIVERY

On or about December 15, 2026, the Notes will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Notes is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Notes must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL MATTERS

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

Quarles & Brady LLP has also been retained by the City to serve as Disclosure Counsel to the City with respect to the Notes. Although, as Disclosure Counsel to the City, Quarles & Brady LLP has assisted the City with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Notes and assumes no responsibility

whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in the Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Notes for any investor.

SUBMISSION OF BIDS

Bids must not be for less than $2,920,500 plus accrued interest on the principal sum of $2,950,000 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 City nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit ("Deposit") in the amount of $59,000 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City 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 City 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 City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

The City 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 City 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 City'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 City 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 5.50% 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 City requested and received a rating on the Notes from a rating agency, the City will pay that rating fee. Any rating agency fees not requested by the City 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 City will assume no obligation for the assignment or printing of CUSIP numbers on the Notes or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

CONTINUING DISCLOSURE

In order to assist the Underwriter (Syndicate Manager) in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the City 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 City in establishing the issue price of the Notes and shall execute and deliver to the City 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 City under this Notice of Sale to establish the issue price of the Notes may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

(b) The City 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 City 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 City 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 City 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 City 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 City 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 City 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 City 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 City 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 City, 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 City 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 City 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 City (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 City 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 Debt Issuance 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 Common Council

Brittney M. Burruel, City Administrator/Clerk/Treasurer
City of Oconto, Wisconsin

BID FORM

City of Oconto, Wisconsin (the "City") **December 1, 2026**

RE: $2,950,000* General Obligation Promissory Notes, Series 2026A (the "Notes")
DATED: December 15, 2026

For all or none of the above Notes, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you $_____ (not less than $2,920,500) plus accrued interest to date of delivery for fully registered Notes bearing interest rates and maturing in the stated years as follows:

_____	% due	2028	_____	% due	2031	_____	% due	2034
_____	% due	2029	_____	% due	2032	_____	% due	2035
_____	% due	2030	_____	% due	2033	_____	% due	2036

The City 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 a maximum of $225,000 per maturity or mandatory redemption amount. 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 $59,000 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City 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 City 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 City 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 December 15, 2026.

This bid is subject to the City'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 City 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 December 15, 2026 of the above bid is $_____and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted on behalf of the City of Oconto, Wisconsin, on December 1, 2026.

By: _____

Title: _____