

FINAL OFFICIAL STATEMENT DATED AUGUST 11, 2025

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 not be "qualified tax-exempt obligations".

New Issue

**AG Insured Rating: S&P Global Ratings "AA"/Stable Outlook
Underlying Rating: Moody's Investors Service, Inc. "A2"**

VILLAGE OF YORKVILLE, WISCONSIN (Racine County)

\$10,225,000 GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2025A

PURPOSE/AUTHORITY/SECURITY: The \$10,225,000 General Obligation Promissory Notes, Series 2025A (the "Notes") are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the Village of Yorkville, Wisconsin (the "Village"), for public purposes, including paying the cost of a fire station project, a municipal building project and well No. 2 project and refunding certain general obligations of the Village as described herein. The Notes are general obligations of the Village, and all the taxable property in the Village is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

The scheduled payment of principal of and interest on the Notes when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Notes by **ASSURED GUARANTY INC.**

DATE OF NOTES: August 25, 2025

DATE OF DELIVERY: August 25, 2025

SERIAL MATURITIES: May 1 as follows:



<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Base 987375</u>	<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Base 987375</u>
2026	\$255,000	5.000%	2.700%	AA0	2036	\$500,000	5.000%	3.830%*	AL6
2027	\$345,000	5.000%	2.720%	AB8	2037	\$520,000	4.000%	4.050%	AM4
2028	\$365,000	5.000%	2.730%	AC6	2038	\$535,000	4.125%	4.150%	AN2
2029	\$380,000	5.000%	2.730%	AD4	2039	\$555,000	4.250%	4.250%	AP7
2030	\$400,000	5.000%	2.840%	AE2	2040	\$575,000	4.250%	4.350%	AQ5
2031	\$410,000	5.000%	3.030%	AF9	2041	\$595,000	4.375%	4.450%	AR3
2032	\$425,000	5.000%	3.170%	AG7	2042	\$735,000	4.500%	4.550%	AS1
2033	\$440,000	5.000%	3.320%	AH5	2043	\$735,000	4.500%	4.650%	AT9
2034	\$465,000	5.000%	3.450%	AJ1	2044	\$750,000	4.625%	4.700%	AU6
2035	\$485,000	5.000%	3.650%*	AK8	2045	\$755,000	4.750%	4.750%	AV4

*Priced to call

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

INTEREST: May 1, 2026 and semiannually thereafter.

PAYING AGENT: Bond Trust Services Corporation.

BOND COUNSEL AND

DISCLOSURE COUNSEL: Quarles & Brady LLP.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

BOOK-ENTRY-ONLY: See "Book-Entry-Only System" herein.

The Notes are offered, subject to prior sale, when, as and if accepted by the Underwriter named below and subject to an opinion as to the validity and tax exemption by Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, and certain other conditions. Quarles & Brady LLP will also act as Disclosure Counsel to the Village. It is expected that delivery of the Notes will be made on or about August 25, 2025 against payment therefor. Subject to applicable securities laws and prevailing market conditions, the Underwriter intends, but is not obligated, to effect secondary market trading in the Notes. For information with respect to the Underwriter, see "Underwriting" herein.

ASSURED GUARANTY INC. (AG) MAKES NO REPRESENTATION REGARDING THE NOTES OR THE ADVISABILITY OF INVESTING IN THE NOTES. IN ADDITION, AG HAS NOT INDEPENDENTLY VERIFIED, MAKES NO REPRESENTATION REGARDING, AND DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THIS FINAL OFFICIAL STATEMENT OR ANY INFORMATION OR DISCLOSURE CONTAINED HEREIN, OR OMITTED HEREFROM, OTHER THAN WITH RESPECT TO THE ACCURACY OF THE INFORMATION REGARDING AG, SUPPLIED BY AG AND PRESENTED IN "APPENDIX E - BOND INSURANCE AND SPECIMEN MUNICIPAL BOND INSURANCE POLICY".

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the Village to give any information or to make any representation other than those contained in the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Village. *This Final Official Statement does not constitute an offer to sell or 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 Final Official Statement is not to be construed as a contract with the Underwriter. 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. ("Ehlers") prepared this Final Official Statement relying on information of the Village and other sources for which there is reasonable basis for believing the information is accurate and complete. Quarles & Brady LLP will serve as Disclosure Counsel to the Village with respect to the Notes. Compensation of Ehlers and Associates, Inc., payable entirely by the Village, is contingent upon the delivery of the Notes.

The Underwriter has reviewed the information in this Final Official Statement in accordance with, and as a part of, the Underwriter's responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

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").

Final Official Statement: Copies of the Final Official Statement will be delivered to the Underwriter 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 Final Official Statement describes the conditions under which the Village is required to comply with the Rule.

CLOSING CERTIFICATES

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

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VILLAGE OF YORKVILLE VILLAGE BOARD

		<u>Term Expires</u>
Douglas Nelson	President	April 2027
Cory Bartlett	Trustee	April 2026
Robert Funk	Trustee	April 2027
Daniel Maurice	Trustee	April 2027
Steve Nelson	Trustee	April 2026

ADMINISTRATION

Michael McKinney, Village Administrator
Michele Stute, Village Treasurer/Finance Director
Janine Carls, Village Clerk

PROFESSIONAL SERVICES

Timothy Pruitt, Pruitt, Ekes & Geary, S.C., Village Attorney, Racine, 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 Final Official Statement contains certain information regarding the Village of Yorkville, Wisconsin (the "Village") and the issuance of its \$10,225,000 General Obligation Promissory Notes, Series 2025A (the "Notes"). Any descriptions or summaries of the Notes, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Notes included in the resolution authorizing the issuance and sale of the Notes (the "Authorizing Resolution") adopted by the Village Board on August 11, 2025.

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Waukesha, Wisconsin, (262) 785-1520, the Village's Municipal Advisor. A copy of this Final Official Statement is available at emma.msrb.org.

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 August 25, 2025. The Notes will mature on May 1 in the years and amounts set forth on the cover of this Final Official Statement. Interest will be payable on May 1 and November 1 of each year, commencing May 1, 2026, 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").

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

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

OPTIONAL REDEMPTION

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

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

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

AUTHORITY; PURPOSE

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the Village, for public purposes, including paying the cost of a fire station project, a municipal building project and well No. 2 project and refunding the Village’s State Trust Fund Loan, dated June 26, 2025 (the “2025 STFL”) as follows:

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded
2025 STFL	6/26/25	8/27/25	Par	2026	5.50%	\$156,842
				2027	5.50%	152,741
				2028	5.50%	161,065
				2029	5.50%	170,001
				2030	5.50%	<u>179,351</u>
Total 2025 STFL Being Refunded						<u>\$820,000</u>

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

SOURCES AND USES

Sources	
Par Amount of Notes	\$10,225,000
Net Reoffering Premium	\$349,043
Interest Earnings	<u>77,269</u>
Total Sources	\$10,651,312
Uses	
Total Underwriter's Discount (including Bond Insurance Premium to be paid by Underwriter)	\$188,500
Costs of Issuance	133,218
Deposit to Project Construction Fund	9,474,898
Deposit to Current Refunding Fund	827,661
Premium Deposit to Debt Service	22,472
Rounding Amount	<u>4,563</u>
Total Uses	\$10,651,312

SECURITY

For the prompt payment of the Notes with interest thereon and for the levy of taxes sufficient for this purpose, the full faith, credit and resources of the Village will be irrevocably pledged. The Village will levy a direct, annual,

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

RATINGS

S&P Global Ratings is expected to assign a municipal rating of "AA"/Stable Outlook to the Notes on the understanding that the standard municipal bond insurance policy of AG guaranteeing the payment of principal and interest due with respect to the Notes will be issued by AG upon issuance of the Notes.

The Village received an underlying rating of "A2" from Moody's Investors Service, Inc. ("Moody's"). Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from Moody's.

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

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

CONTINUING DISCLOSURE

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

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

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

In the previous five years, the Village has not been subject to any prior undertakings under the Rule, and therefore, in the previous five years, the Village has not failed to comply in all material respects with any prior undertakings under the Rule. The Village 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 Village.

LEGAL MATTERS

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

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

TAX EXEMPTION

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

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

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

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

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

ORIGINAL ISSUE DISCOUNT

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

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

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

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

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

BOND PREMIUM

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

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Bond is calculated on a daily basis from the issue date of such Premium Bond until its stated maturity date (or call date, if any) on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the

compounding dates). An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Bonds. During each taxable year, such an owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Bond.

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

NOT QUALIFIED TAX-EXEMPT OBLIGATIONS

The Notes shall not be "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

MUNICIPAL ADVISOR

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

MUNICIPAL ADVISOR AFFILIATED COMPANIES

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

UNDERWRITING

The Underwriter named on the cover page hereof (the "Underwriter") has agreed to purchase the Notes from the Village for a purchase price of \$10,385,542.96 plus accrued interest to the date of closing, if any. The Underwriter will be obligated to purchase all such Notes if any such Notes are purchased. The Underwriter may offer and sell the Notes to certain dealers (including dealers depositing the Notes into investment trusts) at prices lower than the offering prices derived from the coupons and yields for each maturity set forth on the cover page.

INDEPENDENT AUDITORS

The basic financial statements of the Village for the fiscal year ended December 31, 2024 have been audited by Lauterbach & Amen, LLP, Naperville, Illinois, 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 Final 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 Village, the ultimate payment of which rests in the Village's ability to levy and collect sufficient taxes to pay debt service. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the Village in time to pay debt service when due.

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

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

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

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

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

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

Depository Risk: Wisconsin Statutes direct the local treasurer to immediately deposit upon receipt thereof, the funds of the municipality in a public depository designated by the governing body. A public depository means a federal or state credit union, federal or state savings and loan association, state bank, savings and trust company, mutual savings bank or national bank in Wisconsin or the local government pooled investment fund operated by the State Investment

Board. It is not uncommon for a municipality to have deposits exceeding limits of federal and state insurance programs. Failure of a depository could result in loss of public funds or a delay in obtaining them. Such a loss or delay could interrupt a timely payment of municipal debt.

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

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

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

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

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

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

Assessed Value

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

CURRENT PROPERTY VALUATIONS

2025 Equalized Value	\$1,038,216,800
2025 Equalized Value Reduced by Tax Increment Valuation	\$975,585,200
2024 Assessed Value	\$721,041,400

EQUALIZED VALUE BY CLASSIFICATION

	2025 Equalized Value¹	Percent of Total Equalized Value
Residential	557,473,400	53.695%
Commercial	344,725,000	33.204%
Manufacturing	84,294,200	8.119%
Agricultural	4,983,100	0.480%
Undeveloped	1,133,000	0.109%
Forest	5,109,000	0.492%
Other	40,499,100	3.901%
Total	<u>\$1,038,216,800</u>	<u>100.000%</u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value¹	Percent Increase/Decrease in Equalized Value
2021	\$703,943,900	\$725,915,900	14.04%
2022	724,740,700	829,135,100	14.22%
2023	735,226,700	921,795,000	11.18%
2024	721,041,400	952,469,400	3.33%
2025	N/A	1,038,216,800 ¹	9.00%

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

¹ Includes tax increment valuation.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2024 Equalized Value ¹	Percent of Village's Total Equalized Value
Mclane Foodservice, Inc.	Food Distributor	\$33,012,970	3.47%
NLP II Grandview V, LLC	Amazon Distribution Center	28,588,332	3.00%
Ashley Yorkville, LLC	Multi Industrial Tenant Complex	24,686,867	2.59%
NLP III Grandview III, LLC	Goodwill Thrift Store	22,990,652	2.41%
NLP III Grandview III, LLC	Multi Industrial Tenant Complex	18,720,588	1.97%
NLP Grandview I, LLC	Multi Industrial Tenant Complex	16,925,155	1.78%
Stag Yorkville, LLC	Manufacture Aesthetic/ Therapeutic Medical Products	11,549,295	1.21%
Willkomm Development, LLP	Travel Center	10,836,274	1.14%
Exeter 1101 Sylvania, LLC	Book Publishing/Warehouse	10,480,226	1.10%
RV Capital, LLC	RV Dealer	<u>8,924,977</u>	<u>0.94%</u>
Total		\$186,715,336	19.60%
Village's Total 2024 Equalized Value ²		\$952,469,400	

Source: The Village.

DEBT

DIRECT DEBT³

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Notes)	<u>\$17,413,184</u>
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DEBT PAYMENT HISTORY

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

¹ Calculated by dividing the 2024 Assessed Values by the 2024 Aggregate Ratio of assessment for the Village. 2025 taxpayer information not yet available.

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.

FUTURE FINANCING

The Village has no current plans for additional financing in the next 12 months.

DEBT LIMIT

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

Equalized Value	\$1,038,216,800
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit ¹	\$51,910,840
Less: General Obligation Debt	<u>(17,413,184)</u>
Unused Debt Limit	<u><u>\$34,497,656</u></u>

¹ The Village has adopted a Debt Management Policy, which states that the Village will strive to maintain a ratio of not more than 50 percent of the legal debt limit.

**Village of Yorkville, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 08/25/2025)**

General Obligation Sewer System		Promissory Notes Series 2022		Promissory Notes Series 2025A						
Dated	02/23/2022			08/25/2025						
Amount	\$8,328,882			\$10,225,000						
Maturity	05/01			05/01						
Calendar Year Ending	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2025	0	56,068	0	0	0	56,068	56,068	17,413,184	.00%	2025
2026	399,001	109,023	255,000	558,223	654,001	667,246	1,321,247	16,759,184	3.76%	2026
2027	405,225	102,751	345,000	455,750	750,225	558,501	1,308,726	16,008,958	8.06%	2027
2028	411,547	96,380	365,000	438,000	776,547	534,380	1,310,927	15,232,411	12.52%	2028
2029	417,967	89,909	380,000	419,375	797,967	509,284	1,307,251	14,434,444	17.11%	2029
2030	424,487	83,338	400,000	399,875	824,487	483,213	1,307,701	13,609,957	21.84%	2030
2031	431,109	76,665	410,000	379,625	841,109	456,290	1,297,399	12,768,848	26.67%	2031
2032	437,835	69,887	425,000	358,750	862,835	428,637	1,291,472	11,906,013	31.63%	2032
2033	444,665	63,003	440,000	337,125	884,665	400,128	1,284,793	11,021,348	36.71%	2033
2034	451,602	56,013	465,000	314,500	916,602	370,513	1,287,114	10,104,747	41.97%	2034
2035	458,647	48,913	485,000	290,750	943,647	339,663	1,283,309	9,161,100	47.39%	2035
2036	465,801	41,702	500,000	266,125	965,801	307,827	1,273,628	8,195,299	52.94%	2036
2037	473,068	34,379	520,000	243,225	993,068	277,604	1,270,672	7,202,231	58.64%	2037
2038	480,448	26,941	535,000	221,791	1,015,448	248,732	1,264,180	6,186,783	64.47%	2038
2039	487,943	19,388	555,000	198,963	1,042,943	218,350	1,261,293	5,143,840	70.46%	2039
2040	495,555	11,717	575,000	174,950	1,070,555	186,667	1,257,221	4,073,285	76.61%	2040
2041	503,285	3,926	595,000	149,716	1,098,285	153,641	1,251,927	2,975,000	82.92%	2041
2042			735,000	120,163	735,000	120,163	855,163	2,240,000	87.14%	2042
2043			735,000	87,088	735,000	87,088	822,088	1,505,000	91.36%	2043
2044			750,000	53,206	750,000	53,206	803,206	755,000	95.66%	2044
2045			755,000	17,931	755,000	17,931	772,931	0	100.00%	2045
	7,188,184	990,001	10,225,000	5,485,129	17,413,184	6,475,131	23,888,315			

OVERLAPPING DEBT¹

Taxing District	2025 Equalized Value²	% In Village	Total G.O. Debt³	Village's Proportionate Share
Racine County	\$28,988,438,200 ⁴	3.5815%	\$155,805,000	\$5,580,156
Union Grove Union High School District	2,504,778,032 ⁵	38.0261%	29,530,000	11,229,107
Union Grove J1 School District	714,065,918 ⁵	15.0238%	4,345,000	652,784
Yorkville J2 School District	873,823,948 ⁵	96.7231%	11,386,019	11,012,911
Gateway Technical College District	79,547,895,224 ⁵	1.3051%	71,490,000	933,016
Village's Share of Total Overlapping Debt				<u>\$29,407,974</u>

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$1,038,216,800⁴	Debt/ Per Capita 3,264⁶
Total General Obligation Debt	\$17,413,184	1.68%	\$5,334.92
Village's Share of Total Overlapping Debt	<u>29,407,974</u>	<u>2.83%</u>	<u>9,009.80</u>
Total	\$46,821,158	4.51%	\$14,344.72

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

² Includes tax increment valuation.

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

⁴ Preliminary equalized value subject to review and revision. Final amounts will be certified August 15, 2025.

⁵ 2024 equalized values. 2025 equalized values are expected to be certified in October 2025.

⁶ Estimated 2024 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Levy for Village Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2020/21	\$1,138,902	100%	\$1.84
2021/22	1,299,584	100%	1.88
2022/23	1,550,078	100%	2.01
2023/24	1,558,537	100%	1.81
2024/25	1,572,270	In Progress	1.77

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 has been repealed, starting with the property tax assessments as of January 1, 2024. Beginning in 2025, the personal property tax has been replaced with a payment from the State intended to replace the amount of property taxes imposed on personal property for the property tax assessments as of January 1, 2023.

PROPERTY TAX RATES

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

Year Levied/ Year Collected	Schools¹	County	Local	Total
2020/21	\$11.83	\$3.49	\$1.84	\$17.16
2021/22	11.07	3.45	1.88	16.39
2022/23	10.04	3.18	2.01	15.23
2023/24	9.24	3.00	1.81	14.05
2024/25	9.33	2.80	1.77	13.90

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%.

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

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

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.

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. 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.

With respect to general obligation debt service, the following provisions are made:

(a) If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally issued before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy.

(b) For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts. This adjustment is based on scheduled debt service rather than the amount actually levied for debt service (after taking into account offsetting revenues such as sales tax revenues, special assessments, utility revenues, tax increment revenues or surplus funds). Therefore, the levy limit could negatively impact political subdivisions that experience a reduction in offsetting revenues.

(c) 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.

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

REVENUE FROM THE STATE

In addition to local property taxes described above, a number of state programs exist which provide revenue to the Village. One such program is commonly known as shared revenue which, pursuant to sec. 79.036, Wis. Stats., provides funding to the Village that can be used for any public purpose. Chapter 79, Wis. Stats. includes other revenue sharing programs, which each have their own requirements. 2023 Wisconsin Act 12 ("Act 12") created a supplement to shared revenue, with payments to the Village beginning in 2024. This supplemental shared revenue may be used only for the purposes specified in section 79.037, Wis. Stats. In 2024, the Village received approximately \$125,400 in shared revenue under Chapter 79, Wis. Stats., an increase from the approximately \$40,700 received in 2023. The Village is expected to receive approximately \$128,200 in shared revenue under Chapter 79, Wis. Stats. in 2025. In future years, the amount of supplemental shared revenue could grow if State sales tax collections grow.

THE ISSUER

VILLAGE GOVERNMENT

The Village was incorporated in 2018 from the former Town of Yorkville (which was incorporated in 1846) and is governed by a Village President and four other Village Board members. The President is a voting member. All Board members are elected to staggered two-year terms. The appointed Village Administrator, Village Treasurer/Finance Director, Village Clerk are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

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

Village employees are generally required to contribute half of the actuarially determined contributions, and the Village generally may not pay the employees' required contribution. During the fiscal year ended December 31, 2022, the fiscal year ended December 31, 2023 and the fiscal year ended December 31, 2024 ("Fiscal Year 2024"), the Village's portion of contributions to WRS (not including any employee contributions) totaled \$9,686, \$18,855 and \$20,654, respectively.

Governmental Accounting Standards Board Statement No. 68 ("GASB 68") requires calculation of a net pension liability for the pension plan. The net pension liability is calculated as the difference between the pension plan's total pension liability and the pension plan's fiduciary net position. The pension plan's total pension liability is the present value of the amounts needed to pay pension benefits earned by each participant in the pension plan based on the service provided as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date. The pension plan's fiduciary net position is the market value of plan assets formally set aside in a trust and restricted to paying pension plan benefits. If the pension plan's total pension liability exceeds the pension plan's fiduciary net position, then a net pension liability results. If the pension plan's fiduciary net position exceeds the pension plan's total pension liability, then a net pension asset results.

As of December 31, 2023, the total pension liability of the WRS was calculated as \$129.2 billion and the fiduciary net position of the WRS was calculated as \$127.7 billion, resulting in a net pension liability of \$1.5 billion.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2024, the Village reported a liability of \$15,244 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2023 based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. The Village's proportion was 0.00102531% of the aggregate WRS net pension liability as of December 31, 2023.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of net pension liability of the WRS, which may also cause the ETF Board to change the contribution

requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see Note 4 in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Recognized and Certified Bargaining Units

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

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

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

The Village currently has no active collective bargaining units.

OTHER POST EMPLOYMENT BENEFITS

The Village does not provide any other post employment benefits.

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

LITIGATION

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

MUNICIPAL BANKRUPTCY

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

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

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

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

FUNDS ON HAND (as of May 31, 2025)

Fund	Total Cash and Investments
General	\$1,968,777
Debt Service	230,424
Capital Projects-Sewer Capital Replacement & Water Tower	682,559
Enterprise Funds	<u>2,488,848</u>
 Total Funds on Hand	 <u><u>\$5,370,608</u></u>

ENTERPRISE FUNDS

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

	2022 Audited	2023 Audited	2024 Audited
Water			
Total Operating Revenues	\$213,461	\$221,282	\$244,898
Less: Operating Expenses	<u>(176,004)</u>	<u>(227,893)</u>	<u>(229,287)</u>
Operating Income	\$37,457	(\$6,611)	\$15,611
Plus: Depreciation	62,922	64,285	83,556
Interest Income	<u>18,246</u>	<u>69,183</u>	<u>89,441</u>
Revenues Available for Debt Service	<u><u>\$118,625</u></u>	<u><u>\$126,857</u></u>	<u><u>\$188,608</u></u>
 Wastewater			
Total Operating Revenues	\$386,118	\$395,198	\$433,107
Less: Operating Expenses	<u>(540,312)</u>	<u>(588,262)</u>	<u>(552,540)</u>
Operating Income	(\$154,194)	(\$193,064)	(\$119,433)
Plus: Depreciation	127,456	167,448	167,735
Interest Income	<u>8,049</u>	<u>30,058</u>	<u>59,202</u>
Revenues Available for Debt Service	<u><u>(\$18,689)</u></u>	<u><u>\$4,442</u></u>	<u><u>\$107,504</u></u>
 Stormwater			
Total Operating Revenues	\$55,697	\$55,786	\$280,448
Less: Operating Expenses	<u>(2,413)</u>	<u>(1,893)</u>	<u>(140,133)</u>
Operating Income	\$53,284	\$53,893	\$140,315
Plus: Interest Income	<u>61</u>	<u>244</u>	<u>341</u>
Revenues Available for Debt Service	<u><u>\$53,345</u></u>	<u><u>\$54,137</u></u>	<u><u>\$140,656</u></u>

SUMMARY GENERAL FUND INFORMATION

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

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				2025 Adopted Budget ¹
	2021 Audited	2022 Audited	2023 Audited	2024 Audited	
Revenues					
Taxes & special assessments	\$1,204,234	\$1,332,354	\$1,583,323	\$1,628,797	\$1,330,498
Intergovernmental	436,258	456,371	295,226	342,178	405,041
Licenses and permits	171,499	159,525	154,334	194,120	163,660
Fines, Forfeitures and Penalties	183	514	183	421	500
Public charges for services	49,296	49,411	56,424	57,959	59,400
Miscellaneous	35,746	50,190	111,437	238,763	380,232
Total Revenues	<u>\$1,897,216</u>	<u>\$2,048,365</u>	<u>\$2,200,927</u>	<u>\$2,462,238</u>	<u>\$2,339,331</u>
Expenditures					
Current:					
General government	\$457,019	\$461,337	\$523,003	\$542,812	\$566,721
Public safety	320,519	437,320	550,969	613,480	600,020
Public works	1,009,532	1,076,887	949,877	863,063	713,272
Culture and recreation	12,000	20,700	24,200	22,500	26,700
Health and human services	29,952	3,740	3,260	4,063	4,000
Conservation and development	29,473	31,466	45,064	41,499	47,500
Capital outlay	11,933	16,747	5,431	8,349	381,118
Total Expenditures	<u>\$1,870,428</u>	<u>\$2,048,197</u>	<u>\$2,101,804</u>	<u>\$2,095,766</u>	<u>\$2,339,331</u>
Excess of revenues over (under) expenditures	\$26,788	\$168	\$99,123	\$366,472	\$0
Other Financing Sources (Uses)					
Long-term debt issued	\$760,000	\$0	\$0	\$0	
Transfers in	17,714	3,602,671	57,715	448,191	
Transfers (out)	(923,805)	0	(288,903)	(1,075,368)	
Total Other Financing Sources (Uses)	<u>(146,091)</u>	<u>3,602,671</u>	<u>(231,188)</u>	<u>(627,177)</u>	
Net changes in Fund Balances	(\$119,303)	\$3,602,839	(\$132,065)	(\$260,705) ²⁾	
General Fund Balance January 1	\$1,288,657	\$1,169,354	\$4,012,193	\$3,880,128	
Prior Period Adjustment	0	(760,000) ³⁾	0	0	
General Fund Balance December 31	\$1,169,354	\$4,012,193	\$3,880,128	\$3,619,423	
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	\$819,438	\$819,438	\$0	\$31,098	
Unassigned	349,916	3,192,755	3,880,128	3,588,325	
Total	<u>\$1,169,354</u>	<u>\$4,012,193</u>	<u>\$3,880,128</u>	<u>\$3,619,423</u>	

¹ The 2025 budget was adopted on November 25, 2024.

² The use of fund balance is a result of the Village's transfer of funds to pay for a share of a water utility project.

³ The Village's beginning general fund balance was restated for the fiscal year ended December 31, 2021 for a short-term debt liability improperly being recorded as long-term.

GENERAL INFORMATION

LOCATION

The Village, with a 2020 U.S. Census population of 3,246 and a current estimated population of 3,264 comprises an area of 34.4 square miles and is located approximately 25 miles southwest of Milwaukee, Wisconsin.

LARGER EMPLOYERS¹

Larger employers in and around the Village include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Poclain Hydraulics	Manufacturer and Supplier of Parts	225
Amazon	Sorting & Delivery	225
Spee-Dee Packaging Machinery, Inc	Packaging & Containers Manufacturing	51-200
Racine County	Public Government Services	100
Johnson Health Tech NA Manufacturing	Retail Sales: Sporting Goods	90
H & H Fairway Enterprises Inc	Public Golf Course & Facility	78
Fulfillment Specialists of Wisconsin	Marketing Industry	56
Culver's Sturtevant	Restaurant	55
Stericycle	Regulated Waste Services	51
Lakeside International Trucks	Heavy Duty Truck Repairs & Sales	50

Source: The Village.

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

	2021	2022	2023	2024	2025 ¹
<u>New Single Family Homes</u>					
No. of building permits	6	4	9	6	4
Valuation	\$3,747,000	\$1,899,895	\$6,602,000	\$4,810,656	\$3,876,998
<u>New Multiple Family Buildings</u>					
No. of building permits	2	0	0	0	0
Valuation	\$1,309,400	\$0	\$0	\$0	\$0
<u>New Commercial/Industrial</u>					
No. of building permits	3	0	0	3	1
Valuation	\$1,233,500	\$0	\$0	\$2,060,500	\$451,500
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	333	317	302	335	129
Valuation	\$21,809,128	\$16,949,290	\$11,963,623	\$21,628,501	\$14,154,071

Source: The Village.

¹ As of May 31, 2025.

U.S. CENSUS DATA

Population Trend: The Village

2010 U.S. Census Population	3,071 ¹
2020 U.S. Census Population	3,246
Percent of Change 2010 - 2020	5.70%
2024 Estimated Population	3,264

Income and Age Statistics

	The Village	Racine County	State of Wisconsin	United States
2023 per capita income	\$53,867	\$39,704	\$42,019	\$43,289
2023 median household income	\$109,643	\$75,331	\$75,670	\$78,538
2023 median family income	\$134,375	\$93,833	\$97,261	\$96,922
2023 median gross rent	\$1,091	\$1,017	\$1,045	\$1,348
2023 median value owner occupied units	\$360,100	\$239,400	\$247,400	\$303,400
2023 median age	50.5 yrs.	40.5 yrs.	40.1 yrs.	38.7 yrs.

	State of Wisconsin	United States
Village % of 2023 per capita income	128.20%	124.44%
Village % of 2023 median family income	138.16%	138.64%

Housing Statistics

	<u>The Village</u>		
	2020	2023	Percent of Change
All Housing Units	1,277	1,273	-0.31%

Source: 2010 and 2020 Census of Population and Housing, Wisconsin Demographic Services Center (https://doa.wi.gov/Pages/LocalGovtsGrants/Population_Estimates.aspx) and 2023 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov/cedsci>).

EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities with populations under 25,000.

Year	<u>Average Employment</u>		<u>Average Unemployment</u>	
	Racine County		Racine County	State of Wisconsin
2021	95,390		4.6%	3.8%
2022	96,486		3.4%	2.8%
2023	97,738		3.2%	2.8%
2024, ¹	98,175		3.5%	3.0%
2025, June ²	97,364		3.7%	3.2%

Source: Wisconsin Department of Workforce Development.

¹ Population of the Town of Yorkville, which was incorporated as the Village in 2018.

² Preliminary.

APPENDIX A

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the Village's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The Village has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Official Statement, nor has the Village requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the Village since the date of the financial statements, in connection with the issuance of the Notes, the Village represents that there have been no material adverse change in the financial position or results of operations of the Village, nor has the Village incurred any material liabilities, which would make such financial statements misleading.

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

VILLAGE OF YORKVILLE, WISCONSIN

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2024

925 15th Avenue
Union Grove, WI 53182
Phone: 262.878.2123
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VILLAGE OF YORKVILLE, WISCONSIN

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FINANCIAL SECTION

This section includes:

Independent Auditor's Report

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

Supplemental Schedule

INDEPENDENT AUDITOR'S REPORT

This section includes the opinion of the Village's independent auditing firm.



INDEPENDENT AUDITOR'S REPORT

July 21, 2025

The Honorable Village President
Members of the Board Trustees
Village of Yorkville, Wisconsin

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Yorkville (the Village), Wisconsin as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Management has omitted a 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.

Village of Yorkville, Wisconsin
July 21, 2025

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Yorkville, Wisconsin's basic financial statements. The other supplementary information and supplemental schedule 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 auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and supplemental schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

Government-Wide Financial Statements

Fund Financial Statements

Governmental Funds

Proprietary Funds

Fiduciary Fund

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

VILLAGE OF YORKVILLE, WISCONSIN

Statement of Net Position

December 31, 2024

See Following Page

VILLAGE OF YORKVILLE, WISCONSIN

**Statement of Net Position
December 31, 2024**

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 2,336,871	3,191,716	5,528,587
Receivables - Net of Allowances			
Property Taxes	2,090,789	—	2,090,789
Special Assessments	31,098	—	31,098
Accounts	6,347	167,816	174,163
Leases	—	73,249	73,249
Internal Balances	(926,181)	926,181	—
Inventory	—	4,986	4,986
Total Current Assets	<u>3,538,924</u>	<u>4,363,948</u>	<u>7,902,872</u>
Noncurrent Assets			
Capital Assets			
Nondepreciable	58,368	387,107	445,475
Depreciable	7,089,560	13,917,905	21,007,465
Accumulated Depreciation	(2,200,616)	(2,488,795)	(4,689,411)
Total Noncurrent Assets	<u>4,947,312</u>	<u>11,816,217</u>	<u>16,763,529</u>
Total Assets	<u>8,486,236</u>	<u>16,180,165</u>	<u>24,666,401</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - WRS	141,918	—	141,918
Total Assets and Deferred Outflows of Resources	<u>8,628,154</u>	<u>16,180,165</u>	<u>24,808,319</u>

The notes to the financial statements are an integral part of this statement.

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 343,922	153,192	497,114
Accrued Payroll	13,823	2,508	16,331
Accrued Interest Payable	—	19,711	19,711
Deposits Payable	59,621	—	59,621
Other Payables	—	41,410	41,410
Due to Other Governments	100,000	—	100,000
Current Portion of Long-Term Liabilities	—	392,872	392,872
Total Current Liabilities	<u>517,366</u>	<u>609,693</u>	<u>1,127,059</u>
Noncurrent Liabilities			
Net Pension Liability - WRS	15,244	—	15,244
Notes Payable	—	7,188,186	7,188,186
Total Noncurrent Liabilities	<u>15,244</u>	<u>7,188,186</u>	<u>7,203,430</u>
Total Liabilities	<u>532,610</u>	<u>7,797,879</u>	<u>8,330,489</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	2,510,491	—	2,510,491
Special Assessments	31,098	—	31,098
Leases	—	33,676	33,676
Deferred Items - WRS	81,920	—	81,920
Total Deferred Inflows of Resources	<u>2,623,509</u>	<u>33,676</u>	<u>2,657,185</u>
Total Liabilities and Deferred Inflows of Resources	<u>3,156,119</u>	<u>7,831,555</u>	<u>10,987,674</u>
NET POSITION			
Net Investment in Capital Assets	4,947,312	4,235,159	9,182,471
Restricted			
Equipment	—	670,309	670,309
Unrestricted	<u>524,723</u>	<u>3,443,142</u>	<u>3,967,865</u>
Total Net Position	<u>5,472,035</u>	<u>8,348,610</u>	<u>13,820,645</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF YORKVILLE, WISCONSIN

Statement of Activities

For the Fiscal Year Ended December 31, 2024

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 546,998	34,689	6,597	—
Public Safety	613,480	421	—	—
Public Works	847,767	217,390	133,846	—
Health and Human Services	4,063	—	—	—
Culture, Recreation, and Education	22,500	—	—	—
Conservation and Development	59,324	—	—	—
Total Governmental Activities	2,094,132	252,500	140,443	—
Business-Type Activities				
Water Utility	229,287	244,898	294	—
Wastewater Utility	671,748	433,107	794	—
Stormwater Utility	140,133	280,448	—	—
Total Business-Type Activities	1,041,168	958,453	1,088	—
Total Primary Government	3,135,300	1,210,953	141,531	—

General Revenues

Taxes

Property Tax

Mobile Home Fees

Other Taxes

Intergovernmental - Unrestricted

State Shared Revenue

Investment Income

Miscellaneous

Transfers - Internal Activity

Change in Net Position

Net Position - Beginning

Restatement - Error Correction

Net Position - Beginning as Restated

Net Position - Ending

The notes to the financial statements are an integral part of this statement.

Net (Expenses)/Revenues		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
(505,712)	—	(505,712)
(613,059)	—	(613,059)
(496,531)	—	(496,531)
(4,063)	—	(4,063)
(22,500)	—	(22,500)
(59,324)	—	(59,324)
(1,701,189)	—	(1,701,189)
—	15,905	15,905
—	(237,847)	(237,847)
—	140,315	140,315
—	(81,627)	(81,627)
(1,701,189)	(81,627)	(1,782,816)
2,450,785	—	2,450,785
63,009	—	63,009
5,777	—	5,777
201,735	—	201,735
118,696	148,984	267,680
120,067	12,516	132,583
(1,044,725)	1,044,725	—
1,915,344	1,206,225	3,121,569
214,155	1,124,598	1,338,753
5,257,880	7,172,878	12,430,758
—	51,134	51,134
5,257,880	7,224,012	12,481,892
5,472,035	8,348,610	13,820,645

The notes to the financial statements are an integral part of this statement.

VILLAGE OF YORKVILLE, WISCONSIN

Balance Sheet - Governmental Funds

December 31, 2024

	General	Capital Projects Tax Increment District No. 1	Totals
ASSETS			
Cash and Investments	\$ 2,078,294	258,577	2,336,871
Receivables - Net of Allowances	—	—	
Property Taxes	1,417,154	673,635	2,090,789
Special Assessments	31,098	—	31,098
Accounts	6,347	—	6,347
Due from Other Funds	3,408	—	3,408
Advances to Other Funds	2,486,749	337	2,487,086
Total Assets	<u>6,023,050</u>	<u>932,549</u>	<u>6,955,599</u>
LIABILITIES			
Accounts Payable	343,922	—	343,922
Accrued Payroll	13,823	—	13,823
Deposits Payable	59,621	—	59,621
Due to Other Governments	—	100,000	100,000
Due to Other Funds	376,547	62,467	439,014
Advances from Other Funds	337	2,977,324	2,977,661
Total Liabilities	<u>794,250</u>	<u>3,139,791</u>	<u>3,934,041</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	1,578,279	932,212	2,510,491
Special Assessments	31,098	—	31,098
Total Deferred Inflows of Resources	<u>1,609,377</u>	<u>932,212</u>	<u>2,541,589</u>
Total Liabilities and Deferred Inflows of Resources	<u>2,403,627</u>	<u>4,072,003</u>	<u>6,475,630</u>
FUND BALANCES			
Nonspendable	31,098	—	31,098
Unassigned	3,588,325	(3,139,454)	448,871
Total Fund Balances	<u>3,619,423</u>	<u>(3,139,454)</u>	<u>479,969</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>6,023,050</u>	<u>932,549</u>	<u>6,955,599</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF YORKVILLE, WISCONSIN

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

December 31, 2024

Total Governmental Fund Balances	\$ 479,969
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.	4,947,312
Deferred outflows (inflows) of resources related to the pensions not reported in the funds. Deferred Items - WRS	59,998
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Net Pension Liability - WRS	<u>(15,244)</u>
Net Position of Governmental Activities	<u><u>5,472,035</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF YORKVILLE, WISCONSIN

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2024

	General	Capital Projects Tax Increment District No. 1	Totals
Revenues			
Taxes	\$ 1,628,797	890,774	2,519,571
Intergovernmental	342,178	—	342,178
Licenses and Permits	194,120	—	194,120
Public Charges for Services	57,959	—	57,959
Fines, Forfeits, and Penalties	421	—	421
Investment Income	118,696	—	118,696
Miscellaneous	120,067	—	120,067
Total Revenues	<u>2,462,238</u>	<u>890,774</u>	<u>3,353,012</u>
Expenditures			
General Government	542,812	3,445	546,257
Public Safety	613,480	—	613,480
Public Works	863,063	3,822	866,885
Health and Human Services	4,063	—	4,063
Culture, Recreation, and Education	22,500	—	22,500
Conservation and Development	41,499	17,825	59,324
Capital Outlay	8,349	37,376	45,725
Total Expenditures	<u>2,095,766</u>	<u>62,468</u>	<u>2,158,234</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>366,472</u>	<u>828,306</u>	<u>1,194,778</u>
Other Financing Sources (Uses)			
Transfers In	448,191	389,711	837,902
Transfers Out	(1,075,368)	(807,259)	(1,882,627)
	<u>(627,177)</u>	<u>(417,548)</u>	<u>(1,044,725)</u>
Net Change in Fund Balances	(260,705)	410,758	150,053
Fund Balances - Beginning	<u>3,880,128</u>	<u>(3,550,212)</u>	<u>329,916</u>
Fund Balances - Ending	<u>3,619,423</u>	<u>(3,139,454)</u>	<u>479,969</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF YORKVILLE, WISCONSIN

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the
Governmental Funds to the Statement of Activities - Governmental Activities
For the Fiscal Year Ended December 31, 2024**

Net Change in Fund Balances - Total Governmental Funds	\$ 150,053
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 Outlays	290,515
Depreciation Expense	(236,716)
The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - WRS	(15,401)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.	
Change in Net Pension Liability - WRS	<u>25,704</u>
Changes in Net Position of Governmental Activities	<u>214,155</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF YORKVILLE, WISCONSIN

Statement of Net Position - Proprietary Funds
December 31, 2024

	Water Utility	Wastewater Utility	Stormwater Utility	Totals
ASSETS				
Current Assets				
Cash and Investments	\$ 1,896,460	1,208,424	86,832	3,191,716
Receivables - Net of Allowances				
Accounts	32,365	135,451	—	167,816
Leases	73,249	—	—	73,249
Due from Other Funds	155,158	—	280,448	435,606
Advances to Other Funds	—	2,977,324	—	2,977,324
Inventory	4,986	—	—	4,986
Total Current Assets	<u>2,162,218</u>	<u>4,321,199</u>	<u>367,280</u>	<u>6,850,697</u>
Noncurrent Assets				
Capital Assets				
Nondepreciable	199,488	187,619	—	387,107
Depreciable	3,160,831	10,757,074	—	13,917,905
Accumulated Depreciation	(1,180,828)	(1,307,967)	—	(2,488,795)
Total Noncurrent Assets	<u>2,179,491</u>	<u>9,636,726</u>	<u>—</u>	<u>11,816,217</u>
Total Assets	<u>4,341,709</u>	<u>13,957,925</u>	<u>367,280</u>	<u>18,666,914</u>

The notes to the financial statements are an integral part of this statement.

	Water Utility	Wastewater Utility	Stormwater Utility	Totals
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 95,672	12,585	44,935	153,192
Accrued Payroll	86	2,422	—	2,508
Accrued Interest Payable	—	19,711	—	19,711
Other Payables	2,243	39,167	—	41,410
Advances from Other Funds	—	2,486,749	—	2,486,749
Current Portion of Long-Term Debt	—	392,872	—	392,872
Total Current Liabilities	98,001	2,953,506	44,935	3,096,442
Long-Term Liabilities				
Notes Payable	—	7,188,186	—	7,188,186
Total Liabilities	98,001	10,141,692	44,935	10,284,628
DEFERRED INFLOWS OF RESOURCES				
Leases	33,676	—	—	33,676
Total Liabilities and Deferred Inflows of Resources	131,677	10,141,692	44,935	10,318,304
NET POSITION				
Net Investment in Capital Assets	2,179,491	2,055,668	—	4,235,159
Restricted - Equipment	347,528	322,781	—	670,309
Unrestricted	1,683,013	1,437,784	322,345	3,443,142
Total Net Position	4,210,032	3,816,233	322,345	8,348,610

The notes to the financial statements are an integral part of this statement.

VILLAGE OF YORKVILLE, WISCONSIN

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended December 31, 2024

	Water Utility	Wastewater Utility	Stormwater Utility	Totals
Operating Revenues				
Charges for Services	\$ 222,706	432,360	—	655,066
Other	22,192	747	280,448	303,387
Total Operating Revenues	244,898	433,107	280,448	958,453
Operating Expenses				
Operation and Maintenance	145,731	384,805	140,133	670,669
Depreciation	83,556	167,735	—	251,291
Total Operating Expenses	229,287	552,540	140,133	921,960
Operating Income (Loss)	15,611	(119,433)	140,315	36,493
Nonoperating Revenues (Expenses)				
Investment Income	89,441	59,202	341	148,984
Grants	294	794	—	1,088
Other Income	12,516	—	—	12,516
Interest Expense	—	(119,208)	—	(119,208)
	102,251	(59,212)	341	43,380
Income (Loss) Before Transfers	117,862	(178,645)	140,656	79,873
Transfers In	376,782	1,075,368	—	1,452,150
Transfers Out	(237,006)	(170,419)	—	(407,425)
	139,776	904,949	—	1,044,725
Change in Net Position	257,638	726,304	140,656	1,124,598
Net Position - Beginning	3,901,260	3,089,929	181,689	7,172,878
Restatement - Error Correction	51,134	—	—	51,134
Net Position - Beginning as Restated	3,952,394	3,089,929	181,689	7,224,012
Net Position - Ending	4,210,032	3,816,233	322,345	8,348,610

The notes to the financial statements are an integral part of this statement.

VILLAGE OF YORKVILLE, WISCONSIN

**Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended December 31, 2024**

	Water Utility	Wastewater Utility	Stormwater Utility	Totals
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 211,310	718,293	55,786	985,389
Payments to Employees	(57,514)	(111,716)	—	(169,230)
Payments to Suppliers	70,521	(250,773)	(95,198)	(275,450)
	<u>224,317</u>	<u>355,804</u>	<u>(39,412)</u>	<u>540,709</u>
Cash Flows from Noncapital Financing Activities				
Transfers In	376,782	1,075,368	—	1,452,150
Transfers Out	(237,006)	(170,419)	—	(407,425)
	<u>139,776</u>	<u>904,949</u>	<u>—</u>	<u>1,044,725</u>
Cash Flows from Capital and Related Financing Activities				
Purchase of Capital Assets	(169,658)	(172,549)	—	(342,207)
Retirement of Debt	—	(386,837)	—	(386,837)
Interest Expense	—	(119,208)	—	(119,208)
	<u>(169,658)</u>	<u>(678,594)</u>	<u>—</u>	<u>(848,252)</u>
Cash Flows from Investing Activities				
Investment Income	89,441	59,202	341	148,984
	<u>283,876</u>	<u>641,361</u>	<u>(39,071)</u>	<u>886,166</u>
Net Change in Cash and Cash Equivalents				
Cash and Cash Equivalents - Beginning	1,612,584	567,063	125,903	2,305,550
Cash and Cash Equivalents - Ending	<u>1,896,460</u>	<u>1,208,424</u>	<u>86,832</u>	<u>3,191,716</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	15,611	(119,433)	140,315	36,493
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in)				
Operating Activities				
Depreciation	83,556	167,735	—	251,291
Share of Meter Depreciation	1,184	(1,184)	—	—
Other Income (Expense)	12,810	794	—	13,604
(Increase) Decrease in Current Assets	(47,582)	285,576	(224,662)	13,332
Increase (Decrease) in Current Liabilities	158,738	22,316	44,935	225,989
Net Cash Provided by Operating Activities	<u>224,317</u>	<u>355,804</u>	<u>(39,412)</u>	<u>540,709</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF YORKVILLE, WISCONSIN

Statement of Fiduciary Net Position

December 31, 2024

	<u>Custodial Tax Collection</u>
ASSETS	
Cash and Cash Equivalents	\$ 2,982,947
Receivables	
Taxes	<u>7,771,087</u>
Total Assets	<u>10,754,034</u>
LIABILITIES	
Due to Other Governments	<u>10,754,034</u>
NET POSITION	
Net Position Restricted for Individuals, Organizations, and Other Governments	<u><u>—</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF YORKVILLE, WISCONSIN

Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2024

	<u>Custodial Tax Collection</u>
Additions	
Collection of Property Tax	\$ 6,747,870
Deductions	
Distributions to Other Governments	<u>6,747,870</u>
Change in Fiduciary Net Position	—
Net Position Restricted for Individuals, Organizations, and Other Governments	
Beginning	<u>—</u>
Ending	<u><u>—</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF YORKVILLE, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The government-wide financial statements have been prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

REPORTING ENTITY

The Village of Yorkville, Wisconsin (the Village), is a municipal corporation governed by an elected president and four-member Board of Trustees. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government. Management has determined that there are no fiduciary component units that are required to be included in the financial statements of the Village and there are no discretely component units to include in the reporting entity.

BASIS OF PRESENTATION

Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Village's general government, public safety, public works, health and human services, culture, recreation, and education, and conservation and development services are classified as governmental activities. The Village's water utility, wastewater utility, and stormwater utility services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The Village's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, public safety, public works, etc.) The functions are supported by general government revenues (property taxes, mobile home fees, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (general government, public safety, public works, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property tax, room taxes, intergovernmental revenues, investment income, etc.).

VILLAGE OF YORKVILLE, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Statements - Continued

The Village does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village may electively add funds, as major funds, which either have debt outstanding or a specific or community focus. The nonmajor funds are combined in a single column in the fund financial statements. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Village:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds) is used to account for the Village's capital projects.

VILLAGE OF YORKVILLE, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Village:

Enterprise Funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains three major enterprise funds. The Water Utility Fund is used to account for the operations of the water distribution system. The Wastewater Utility Fund is used to account for the operations of the sewage treatment plant, sewage pumping stations, and collection systems. The Stormwater Utility Fund is used to account for the operations of the stormwater system.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support Village programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

Custodial Funds are used to account for assets held by the Village in a purely custodial capacity. The Tax Collection Fund is used to account for the taxes and deposits collected by the Village, acting in the capacity of a custodian, for distribution to other governmental units or designated beneficiaries.

The Village's fiduciary fund is presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the Village, these funds are not incorporated into the government-wide statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

VILLAGE OF YORKVILLE, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Measurement Focus - Continued

All proprietary and custodial funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and custodial funds equity is classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, mobile home fees, licenses, permits, investment income, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary and custodial funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

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 Village’s enterprise funds are charges to customers for sales and services. The Village also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

VILLAGE OF YORKVILLE, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION/ FUND BALANCE

Cash and Investments

For the purpose of the Statement of Net Position, cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the proprietary funds' Statement of Cash Flows, cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the Village's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Internal service fund services provided and used are not eliminated in the process of consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes and accounts. Business-type activities report utility charges and leases as their major receivables.

Inventory

Inventory are valued at cost, which approximates market, using the first-in/first-out (FIFO) method.

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents a consumption/acquisition of net assets that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

VILLAGE OF YORKVILLE, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

**ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION/
FUND BALANCE - Continued**

Capital Assets

Capital assets purchased or acquired with an original cost of \$2,500, depending on asset class, or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets are the same as those used for the general capital assets. PSC guidelines are followed for depreciation related to the Water Utility.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings and Improvements	5 - 20 Years
Machinery and Equipment	3 - 15 Years
Infrastructure	15 - 30 Years
Source of Supply	34 Years
Pumping Plant	23 - 30 Years
Water Treatment Plant	17 Years
Transmission and Distribution Plant	18 - 77 Years
General Plant	4 - 17 Years
Plant and Lift Station	67 Years
Treatment Equipment	40 - 67 Years
Other Equipment	20 - 67 Years

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

VILLAGE OF YORKVILLE, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION/ FUND BALANCE - Continued

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types 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 type Statement of Net Position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method.

Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types 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.

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

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

Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

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

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

VILLAGE OF YORKVILLE, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The Village follows these procedures in establishing the budgetary data:

- During October, Village management submits to the Village Board 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 Village Board action.
- Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund. Budget is defined as the originally approved budget plus or minus approved amendments. 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.
- During the year, formal budgetary integration is employed as a management control device for the general fund.
- Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the Village. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the Village Board.

DEFICIT FUND BALANCE

The following fund had deficit fund balance as of the date of this report:

Fund	Deficit
Tax Increment District No. 1	\$ 3,139,454

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the Village's funds.

Permitted Deposits and Investments - Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Local Government Investment Pool.

The Local Government Investment Pool (LGIP) is an investment pool managed by the Wisconsin Department of Administration, which allows governments within the State to pool their funds for investment purposes. LGIP is not registered with the SEC as an investment company. Investments in LGIP are valued at the share price, which is the price for which the investment could be sold.

VILLAGE OF YORKVILLE, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Deposits. At year-end, the carrying amount of the Village’s deposits for governmental and business-type activities totaled \$305,571 and the bank balances totaled \$335,854. Additionally, the Village has \$5,223,016 invested in LGIP which has an average maturity of less than one year.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment investment portfolio will remain sufficiently liquid to enable the Village to meet all operating requirements which might be reasonably anticipated.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in instruments authorized under State Statute, the Village does not have an investment policy which further limits credit risk. At year-end, the Village’s investments in LGIP were rated AAAM by Standard and Poor's.

Custodial Credit Risk - Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Village’s deposits may not be returned to it. Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000. Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. At year-end, \$85,854 of the bank balance of deposits was not covered by collateral, federal depository or equivalent insurance.

Custodial Credit Risk - Investments. For an investment, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village does not have an investment policy which specifically addresses custodial credit risk for investments. The Village’s investment in the LGIP is not subject to custodial credit risk.

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the Village’s investment in a single issuer. The Village does not have an investment policy which specifically addressed concentration of credit risk. At year-end, the Village does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

INTERFUND BALANCES

Interfund balances result from the time lag between when transactions are recorded in the accounting system and payments between funds are made. The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
General	Tax Increment District No. 1	\$ 3,408
Water Utility	General	96,099
Water Utility	Tax Increment District No. 1	59,059
Stormwater Utility	General	<u>280,448</u>
		<u><u>439,014</u></u>

VILLAGE OF YORKVILLE, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

INTERFUND ADVANCES

Interfund advances represent long-term loans between funds and are intended to be repaid over time. The composition of interfund advances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
General	Wastewater Utility	\$ 2,486,749
Tax Increment District No. 1	General	337
Wastewater Utility	Tax Increment District No. 1	<u>2,977,324</u>
		<u><u>5,464,410</u></u>

INTERFUND TRANSFERS

Interfund transfers for the fiscal year consisted of the following:

Transfer In	Transfer Out	Amount
General	Tax Increment District No. 1	\$ 430,477 (1)
General	Water Utility	16,873 (1)
General	Wastewater Utility	841 (1)
Tax Increment District No. 1	Water Utility	220,133 (1)
Tax Increment District No. 1	Wastewater Utility	169,578 (1)
Water Utility	Tax Increment District No. 1	376,782 (1)
Wastewater Utility	General	<u>1,075,368 (2)</u>
		<u><u>2,290,052</u></u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations

PROPERTY TAXES

Property taxes for 2023 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about January 31, and July 31. The County collects such taxes and remits them periodically.

VILLAGE OF YORKVILLE, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the fiscal year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 20,992	37,376	—	58,368
Construction in Progress	279,638	—	279,638	—
	<u>300,630</u>	<u>37,376</u>	<u>279,638</u>	<u>58,368</u>
Depreciable Capital Assets				
Buildings and Improvements	9,516	—	—	9,516
Machinery and Equipment	40,608	—	—	40,608
Infrastructure	6,506,659	532,777	—	7,039,436
	<u>6,556,783</u>	<u>532,777</u>	<u>—</u>	<u>7,089,560</u>
Less Accumulated Depreciation				
Buildings and Improvements	9,516	—	—	9,516
Machinery and Equipment	31,670	3,220	—	34,890
Infrastructure	1,922,714	233,496	—	2,156,210
	<u>1,963,900</u>	<u>236,716</u>	<u>—</u>	<u>2,200,616</u>
Total Net Depreciable Capital Assets	<u>4,592,883</u>	<u>296,061</u>	<u>—</u>	<u>4,888,944</u>
Total Net Capital Assets	<u>4,893,513</u>	<u>333,437</u>	<u>279,638</u>	<u>4,947,312</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 2,695
Public Works	<u>234,021</u>
	<u>236,716</u>

VILLAGE OF YORKVILLE, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS - Continued

Business-Type Activities

Business-type capital asset activity for the fiscal year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 40,619	56,063	—	96,682
Construction in Progress	119,592	170,833	—	290,425
	<u>160,211</u>	<u>226,896</u>	<u>—</u>	<u>387,107</u>
Depreciable Capital Assets				
Source of Supply	53,329	—	—	53,329
Pumping Plant	379,676	—	—	379,676
Water Treatment Plant	3,060	—	—	3,060
Transmission and Distribution Plant	2,492,116	91,912	548	2,583,480
General Plant	141,286	—	—	141,286
Plant and Lift Station	6,521,072	23,399	5,850	6,538,621
Treatment Equipment	4,162,778	—	—	4,162,778
Other Equipment	55,675	—	—	55,675
	<u>13,808,992</u>	<u>115,311</u>	<u>6,398</u>	<u>13,917,905</u>
Less Accumulated Depreciation				
Source of Supply	19,053	1,547	—	20,600
Pumping Plant	135,647	12,031	—	147,678
Water Treatment Plant	1,109	92	—	1,201
Transmission and Distribution Plant	890,349	57,865	548	947,666
General Plant	50,478	13,205	—	63,683
Plant and Lift Station	696,623	97,296	5,850	788,069
Treatment Equipment	444,695	62,306	—	507,001
Other Equipment	5,948	6,949	—	12,897
	<u>2,243,902</u>	<u>251,291</u>	<u>6,398</u>	<u>2,488,795</u>
Total Net Depreciable Capital Assets	<u>11,565,090</u>	<u>(135,980)</u>	<u>—</u>	<u>11,429,110</u>
Total Net Capital Assets	<u>11,725,301</u>	<u>90,916</u>	<u>—</u>	<u>11,816,217</u>

VILLAGE OF YORKVILLE, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS - Continued

Business-Type Activities - Continued

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

	Depreciation	Share of Meter Depreciation	Depreciation Expense
Water Utility	\$ 84,740	(1,184)	83,556
Wastewater Utility	166,551	1,184	167,735
	<u>251,291</u>	—	<u>251,291</u>

LEASES RECEIVABLE

The Village is a lessor on the following lease at year end:

Leases	Start Date	End Date	Payments	Interest Rate
Cellular 1	July 31, 1998	July 31, 2027	\$13,000 - \$26,148 annually	3.50%

During the fiscal year, the Village has recognized \$22,787 of lease revenue. There were no variable or other payments not previously included in the measurement of the lease receivable recognized in the current year. The future principal and interest lease payments as of the year-end were as follows:

Fiscal Year	Business-Type Activities	
	Principal	Interest
2025	\$ 23,584	9,353
2026	24,410	9,079
2027	25,255	8,705
	<u>73,249</u>	<u>27,137</u>

VILLAGE OF YORKVILLE, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS

LONG-TERM DEBT

Notes Payable

The Village enters into notes payable to provide funds for acquisition of capital assets. Notes payable have been issued for business-type activities. Notes payable are direct obligations and pledge the full faith and credit of the Village. Notes payable currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$8,328,883 General Obligation Promissory Notes of 2023, due in annual installments of \$379,837 to \$503,286 plus interest at 1.56% through maturity on May 1, 2041.	\$ 7,967,895	—	386,837	7,581,058

Long-Term Liabilities Activity

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Net Pension Liability - WRS	\$ 40,948	—	25,704	15,244	—
Business-Type Activities					
Notes Payable	\$ 7,967,895	—	386,837	7,581,058	392,872

For governmental activities, payments on the net pension liability are being expended by the General Fund.

For business type activities, payments on the notes payable are being made by the Wastewater Utility Fund.

VILLAGE OF YORKVILLE, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Business-Type Activities	
	Notes Payable	
	Principal	Interest
2025	\$ 392,872	115,200
2026	399,001	109,023
2027	405,225	102,751
2028	411,547	96,380
2029	417,967	89,909
2030	424,487	83,338
2031	431,109	76,665
2032	437,835	69,887
2033	444,665	63,003
2034	451,602	56,013
2035	458,647	48,913
2036	465,801	41,702
2037	473,068	34,379
2038	480,448	26,941
2039	487,943	19,388
2040	495,555	11,717
2041	503,286	3,926
Totals	<u>7,581,058</u>	<u>1,049,135</u>

VILLAGE OF YORKVILLE, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Legal Debt Margin

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

Equalized Value - 2023	<u>\$ 952,469,400</u>
Bonded Debt Limit - 5.00% of Equalized Value	47,623,470
Amount of Debt Applicable to Limit	<u>7,581,058</u>
Legal Debt Margin	<u>40,042,412</u>

FUND BALANCE CLASSIFICATIONS

In the governmental fund financial statements, the Village considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Village first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Trustees itself or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Village's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

VILLAGE OF YORKVILLE, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Capital Projects <u>Tax Increment</u> District No. 1	Totals
Fund Balances			
Nonspendable			
Inventory	\$ 31,098	—	31,098
Unassigned	3,588,325	(3,139,454)	448,871
Total Fund Balances	<u>3,619,423</u>	<u>(3,139,454)</u>	<u>479,969</u>

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of December 31, 2024:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 4,947,312
Less Capital Related Debt:	<u>—</u>
Investment in Capital Assets	<u>4,947,312</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	11,816,217
Less Capital Related Debt:	
Notes Payable	<u>(7,581,058)</u>
Net Investment in Capital Assets	<u>4,235,159</u>

VILLAGE OF YORKVILLE, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

REPORTING UNITS AFFECTED BY RESTATEMENTS OF BEGINNING BALANCES

Error Correction. The Village identified an error in the prior year’s financial statements related to the reporting of leases receivable under GASB Statement No. 87, *Leases*. Beginning net position for the Water Utility Fund and business-type activities were restated to reflect the correction of this error.

	Business-Type Activities	Water Utility
Beginning Net Position as Previously Reported	\$ 7,172,878	3,901,260
Error Correction Leases Payable	<u>51,134</u>	<u>51,134</u>
Beginning Net Position as Restated	<u><u>7,224,012</u></u>	<u><u>3,952,394</u></u>

NOTE 4 - OTHER INFORMATION

RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village’s employees. The Village has purchased insurance from private insurance companies. Risks covered included certain types of liabilities and bonds. Premiums have been displayed as expenditures/expenses in appropriate funds. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

CONTINGENT LIABILITIES

Litigation

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

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

VILLAGE OF YORKVILLE, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN

Wisconsin Retirement System (WRS)

Plan Descriptions

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

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

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

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

Benefits Provided. Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

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.

VILLAGE OF YORKVILLE, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Wisconsin Retirement System (WRS) - Continued

Plan Descriptions - Continued

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2014	4.7%	25.0%
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%)

VILLAGE OF YORKVILLE, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Wisconsin Retirement System (WRS) - Continued

Plan Descriptions - Continued

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

During the reporting period, the WRS recognized \$20,654 in contributions from the employer.

Contributions rates as of December 31, 2024 are:

Employee Category	Employee	Employer
General (including teachers, executive, and elected official)	6.90%	6.90%
Protective with Social Security	6.90%	14.30%
Protective without Social Security	6.90%	19.10%

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

At December 31, 2024, the Village reported a net pension liability of \$15,244 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension liability was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, the Village's proportion was 0.00102531%, which was an increase of 0.00025237% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the Village recognized pension expense of \$10,351.

VILLAGE OF YORKVILLE, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Wisconsin Retirement System (WRS) - Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued

For the year ended December 31, 2024, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ 61,465	(81,410)	(19,945)
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	53,124	—	53,124
Changes of Assumptions	6,644	—	6,644
Changes in Proportion and Differences Between Employer			
Contributions and Proportionate Share of Contributions	31	(510)	(479)
Total Pension Expense to be Recognized			
in Future Periods	121,264	(81,920)	39,344
Pension Contributions Made Subsequent			
to the Measurement Date	20,654	—	20,654
Total Deferred Amounts Related to Pensions	<u>141,918</u>	<u>(81,920)</u>	<u>59,998</u>

\$20,654 reported as deferred outflows of resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2025	\$ 7,981
2026	8,365
2027	33,232
2028	(10,234)
2029	—
Thereafter	—
Total	<u>39,344</u>

VILLAGE OF YORKVILLE, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Wisconsin Retirement System (WRS) - Continued

Actuarial Assumptions

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

Actuarial Valuation Date	December 31, 2022
Measurement Date of Net Pension Liability (Asset)	December 31, 2023
Experience Study	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Long-Term Expected Rate of Return	6.80%
Discount Rate	6.80%
Salary Increases	
Wage Inflation	3.00%
Seniority/Merit	0.10% - 5.60%
Mortality	2020 WRS Experience Mortality Table
Post-Retirement Adjustments*	1.70%

*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total pension liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the December 31, 2022 actuarial valuation.

VILLAGE OF YORKVILLE, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Wisconsin Retirement System (WRS) - 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 geometric real rates of return for each major asset class are summarized in the following table:

Core Fund Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return	Long-Term Expected Real Rate of Return
Public Equity	40.0%	7.3%	4.5%
Public Fixed Income	27.0%	5.8%	3.0%
Inflation Sensitive	19.0%	4.4%	1.7%
Real Estate	8.0%	5.8%	3.0%
Private Equities/Debt	18.0%	9.6%	6.7%
Leverage	(12.0%)	3.7%	1.0%
Total Core Fund	100.0%	7.4%	4.6%
<hr/>			
Variable Fund Asset Class			
U.S. Equities	70.0%	6.8%	4.0%
International Equities	30.0%	7.6%	4.8%
Total Variable Fund	100.0%	7.7%	4.5%

Single Discount Rate

A single discount rate of 6.8% 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 6.8% and a municipal bond rate of 3.77% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2023. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

VILLAGE OF YORKVILLE, WISCONSIN

Notes to the Financial Statements

December 31, 2024

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Wisconsin Retirement System (WRS) - Continued

Sensitivity of the Village's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Village's proportionate share of the net pension liability calculated using the discount rate, as well as what the Village's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.80%)	Current Rate (6.80%)	1% Increase (7.80%)
Village's Proportionate Share of the Net Pension Liability/(Asset)	\$ 147,344	15,244	(77,191)

Pension Plan Fiduciary Net Position

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

SUBSEQUENT EVENT

On April 25, 2025 the Village opened a line of credit in the amount of \$1,320,000 for interim financing on capital projects. The Village intends to turn any remaining balance on the line of credit as of the due date, May 28, 2026, into long-term financing. The Village has not yet utilized this line of credit.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule Employer Contributions
Wisconsin Retirement System Fund
- Schedule of Proportionate Share of the Net Pension Liability/(Asset)
Wisconsin Retirement System Fund
- Notes to the Required Supplementary Information
Wisconsin Retirement System Fund
- Budgetary Comparison Schedule
General Fund

Notes to the Required Supplementary Information

Budgetary Information - Budgets are adopted on a basis consistent with generally accepted accounting principles.

VILLAGE OF YORKVILLE, WISCONSIN

**Wisconsin Retirement System
Schedule of Employer Contributions
December 31, 2024**

Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2016	\$ 6,591	\$ 6,591	\$ —	\$ 99,872	6.60%
2017	7,035	7,035	—	103,469	6.80%
2018	7,157	7,157	—	106,822	6.70%
2019	7,318	7,318	—	111,736	6.55%
2020	8,097	8,097	—	119,959	6.75%
2021	9,037	9,037	—	133,884	6.75%
2022	9,686	9,686	—	149,016	6.50%
2023	18,855	18,855	—	277,287	6.80%
2024	20,654	20,654	—	299,340	6.90%

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF YORKVILLE, WISCONSIN

Wisconsin Retirement System Fund

Schedule of Proportionate Share of the Net Pension Liability/(Asset)

December 31, 2024

Fiscal Year	Proportion of the Net Pension Liability/(Asset)	Proportionate Share of the Net Pension Liability/(Asset)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2017	0.00090950%	\$ 7,496	\$ 99,872	7.51%	99.12%
2018	0.00069344%	(20,589)	103,469	(19.90%)	102.93%
2019	0.00069422%	24,698	106,822	23.12%	96.45%
2020	0.00069650%	(22,458)	111,736	(20.10%)	102.96%
2021	0.00070415%	(43,961)	119,959	(36.65%)	105.26%
2022	0.00073205%	(59,004)	133,884	(44.07%)	106.02%
2023	0.00077294%	40,948	149,015	27.48%	95.72%
2024	0.00102531%	15,244	277,286	5.50%	98.85%

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

The amounts presented were determined as of the prior fiscal-year end.

VILLAGE OF YORKVILLE, WISCONSIN

Wisconsin Retirement System

Notes to the Required Supplementary Information

December 31, 2024

Changes in Benefit Terms: There were no changes of benefit terms for any participating employer in WRS.

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

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

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

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

VILLAGE OF YORKVILLE, WISCONSIN

Wisconsin Retirement System

Notes to the Required Supplementary Information - Continued

December 31, 2024

Valuation Date	December 31, 2021
Actuarial Cost Method	Frozen Entry Age
Amortization Method	Level Percent of Payroll-Closed Amortization Period
Amortization Period	30 Years closed from date of participation in WRS
Asset Valuation Method	Five Year Smoothed Market (Closed)
Actuarial Assumptions	
Net Investment Rate of Return	5.40%
Weighted Based on Assumed Rate for:	
Pre-Retirement	6.80%
Post-Retirement	5.00%
Salary Increases	
Wage Inflation	3.00%
Seniority/Merit	0.10% - 5.60%
Post Retirement Benefit Adjustments*	1.70%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2018-2020.
Mortality	2020 WRS Experience Tables. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010.

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

VILLAGE OF YORKVILLE, WISCONSIN

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 1,637,787	1,637,787	1,628,797
Intergovernmental	335,933	335,933	342,178
Licenses and Permits	152,910	152,910	194,120
Public Charges for Services	76,403	76,403	57,959
Fines and Forfeitures	500	500	421
Investment Income	100,000	100,000	118,696
Miscellaneous	118,864	118,864	120,067
Total Revenues	<u>2,422,397</u>	<u>2,422,397</u>	<u>2,462,238</u>
Expenditures			
General Government	541,909	542,909	542,812
Public Safety	596,377	614,377	613,480
Public Works	1,053,396	1,029,396	863,063
Health and Human Services	5,000	5,000	4,063
Culture and Recreation	26,700	26,700	22,500
Conservation and Development	47,500	45,300	41,499
Capital Outlay	8,541	8,541	8,349
Total Expenditures	<u>2,279,423</u>	<u>2,272,223</u>	<u>2,095,766</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>142,974</u>	<u>150,174</u>	<u>366,472</u>
Other Financing Sources (Uses)			
Transfers In	218,749	218,749	448,191
Transfers Out	(483,462)	(507,462)	(1,075,368)
	<u>(264,713)</u>	<u>(288,713)</u>	<u>(627,177)</u>
Net Change in Fund Balance	<u>(121,739)</u>	<u>(138,539)</u>	<u>(260,705)</u>
Fund Balance - Beginning			<u>3,880,128</u>
Fund Balance - Ending			<u><u>3,619,423</u></u>

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedule - Major Governmental Fund
- Combining Statements - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Enterprise Funds

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major Fund.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital assets (other than those financed by business-type/proprietary funds).

Tax Increment Financing District No. 1

The Tax Increment Financing District No. 1 is used to account for the Village's capital projects.

ENTERPRISE FUNDS

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

Water Utility Fund

The Water Utility Fund is used to account for the operations of the water distribution system.

Wastewater Utility Fund

The Wastewater Utility Fund is used to account for the operations of the sewage treatment plant, sewage pumping stations, and collection systems.

Stormwater Utility Fund

The Stormwater Utility Fund is used to account for the operations of the stormwater system.

CUSTODIAL FUND

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

Tax Collection Fund

The Tax Collection Fund is used to account for the taxes and deposits collected by the Village, acting in the capacity of a custodian, for distribution to other governmental units or designated beneficiaries.

VILLAGE OF YORKVILLE, WISCONSIN

General Fund

Schedule of Revenues - Budget and Actual

For the Fiscal Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
Taxes			
Property Tax	\$ 1,558,537	1,558,537	1,560,011
Mobile Home Fees	71,000	71,000	63,009
Sales and Use Tax	8,250	8,250	5,315
Payments in Lieu of Taxes	—	—	67
Interest and Penalties on Taxes	—	—	395
	<u>1,637,787</u>	<u>1,637,787</u>	<u>1,628,797</u>
Intergovernmental			
State Shared Taxes	161,811	161,811	164,305
State Grants	140,412	140,412	140,443
Other State Payments	33,710	33,710	37,430
	<u>335,933</u>	<u>335,933</u>	<u>342,178</u>
Licenses and Permits	<u>152,910</u>	<u>152,910</u>	<u>194,120</u>
Public Charges for Services	<u>76,403</u>	<u>76,403</u>	<u>57,959</u>
Fines, Forfeits, and Penalties	<u>500</u>	<u>500</u>	<u>421</u>
Investment Income	<u>100,000</u>	<u>100,000</u>	<u>118,696</u>
Miscellaneous	<u>118,864</u>	<u>118,864</u>	<u>120,067</u>
Total Revenues	<u><u>2,422,397</u></u>	<u><u>2,422,397</u></u>	<u><u>2,462,238</u></u>

VILLAGE OF YORKVILLE, WISCONSIN

General Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
General Government			
Legislative	\$ 62,084	62,084	63,180
Judicial	3,000	3,000	2,251
Legal	70,000	70,000	59,155
General Administration	227,844	228,844	241,990
Financial Administration	124,116	124,116	123,484
General Buildings and Plant	28,873	28,873	29,604
Other General Government	25,992	25,992	23,148
	<u>541,909</u>	<u>542,909</u>	<u>542,812</u>
Public Safety			
Law Enforcement	15,750	16,950	16,961
Fire Protection	488,827	488,827	488,784
Inspection	91,800	108,600	107,735
	<u>596,377</u>	<u>614,377</u>	<u>613,480</u>
Public Works			
Highway and Street Maintenance and Construction	744,311	744,311	580,054
Road Related Facilities	14,500	14,500	12,586
Other Transportation	123,183	123,183	125,863
Sanitation	171,402	147,402	144,560
	<u>1,053,396</u>	<u>1,029,396</u>	<u>863,063</u>
Health and Human Services			
Public Health Services	5,000	5,000	4,063
Culture and Recreation			
Recreation Programs and Events	26,700	26,700	22,500
Conservation and Development			
Planning	47,500	45,300	41,499
Capital Outlay	8,541	8,541	8,349
Total Expenditures	<u>2,279,423</u>	<u>2,272,223</u>	<u>2,095,766</u>

VILLAGE OF YORKVILLE, WISCONSIN

Tax Increment District No. 1 - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Taxes	\$ 890,774	890,774	890,774
Expenditures			
General Government	122,979	122,979	3,445
Public Works	—	—	3,822
Conservation and Development	—	—	17,825
Capital Outlay	488,810	488,810	37,376
Total Expenditures	611,789	611,789	62,468
Excess (Deficiency) of Revenues Over (Under) Expenditures	278,985	278,985	828,306
Other Financing Sources (Uses)			
Transfers In	—	—	389,711
Transfers Out	(278,985)	(278,985)	(807,259)
	(278,985)	(278,985)	(417,548)
Net Change in Fund Balance	—	—	410,758
Fund Balance - Beginning			(3,550,212)
Fund Balance - Ending			(3,139,454)

VILLAGE OF YORKVILLE, WISCONSIN

Water Utility - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
Operating Revenues			
Charges for Services			
Metered Sales	\$ 90,000	90,000	103,662
Unmetered Sales	500	500	202
Public Fire Protection	93,200	93,200	96,099
Irrigation Sales	24,000	24,000	22,743
Other			
Penalties	100	100	509
Miscellaneous	250	250	21,683
Total Operating Revenues	<u>208,050</u>	<u>208,050</u>	<u>244,898</u>
Operating Expenses			
Operations and Maintenance			
Personnel Services	62,472	62,472	57,514
Contractual Services	1,859,690	1,859,690	73,840
Commodities	15,182	15,182	13,765
Other	100	100	612
Depreciation	—	—	83,556
Total Operating Expenses	<u>1,937,444</u>	<u>1,937,444</u>	<u>229,287</u>
Operating Income (Loss)	<u>(1,729,394)</u>	<u>(1,729,394)</u>	<u>15,611</u>
Nonoperating Revenues			
Investment Income	30,000	30,000	89,441
Grants	603,198	603,198	294
Other Income	27,083	27,083	12,516
	<u>660,281</u>	<u>660,281</u>	<u>102,251</u>
Income (Loss) Before Transfers	<u>(1,069,113)</u>	<u>(1,069,113)</u>	<u>117,862</u>
Transfers In	386,827	386,827	376,782
Transfers Out	<u>(17,714)</u>	<u>(17,714)</u>	<u>(237,006)</u>
	<u>369,113</u>	<u>369,113</u>	<u>139,776</u>
Change in Net Position	<u>(700,000)</u>	<u>(700,000)</u>	<u>257,638</u>
Net Position - Beginning			3,901,260
Restatement - Error Correction			<u>51,134</u>
Net Position - Beginning as Restated			<u>3,952,394</u>
Net Position - Ending			<u><u>4,210,032</u></u>

VILLAGE OF YORKVILLE, WISCONSIN

Wastewater Utility - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
Operating Revenues			
Charges for Services			
Commercial User Fees	\$ 366,566	366,566	378,005
Residential User Fees	53,118	53,118	54,355
Other			
Penalties	750	750	609
Miscellaneous	—	—	138
Total Operating Revenues	<u>420,434</u>	<u>420,434</u>	<u>433,107</u>
Operating Expenses			
Operations and Maintenance			
Personnel Services	115,628	115,628	111,716
Contractual Services	842,090	842,090	257,000
Commodities	16,000	16,000	14,566
Other	3,000	3,000	1,523
Depreciation	—	—	167,735
Total Operating Expenses	<u>976,718</u>	<u>976,718</u>	<u>552,540</u>
Operating (Loss)	<u>(556,284)</u>	<u>(556,284)</u>	<u>(119,433)</u>
Nonoperating Revenues (Expenses)			
Investment Income	25,000	25,000	59,202
Grants	—	—	794
Interest Expense	—	—	(119,208)
	<u>25,000</u>	<u>25,000</u>	<u>(59,212)</u>
(Loss) Before Before Transfers	<u>(531,284)</u>	<u>(531,284)</u>	<u>(178,645)</u>
Transfers In	252,913	252,913	1,075,368
Transfers Out	—	—	(170,419)
	<u>252,913</u>	<u>252,913</u>	<u>904,949</u>
Change in Net Position	<u>(278,371)</u>	<u>(278,371)</u>	726,304
Net Position - Beginning			<u>3,089,929</u>
Net Position - Ending			<u>3,816,233</u>

VILLAGE OF YORKVILLE, WISCONSIN

Stormwater Utility - Nonmajor Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
Operating Revenues			
Other			
Special Charges	\$ 56,000	56,000	280,448
Operating Expenses			
Operations and Maintenance			
Contractual Services	291,050	289,550	139,504
Other	800	800	629
Total Operating Expenses	291,850	290,350	140,133
Operating Income (Loss)	(235,850)	(234,350)	140,315
Nonoperating Revenues			
Investment Income	300	300	341
Change in Net Position	(235,550)	(234,050)	140,656
Net Position - Beginning			181,689
Net Position - Ending			322,345

SUPPLEMENTAL SCHEDULE

VILLAGE OF YORKVILLE, WISCONSIN

**Long-Term Debt Requirements
General Obligation Promissory Notes of 2023
December 31, 2024**

Date of Issue	February 23, 2023
Date of Maturity	May 1, 2041
Authorized Issue	\$8,328,883
Interest Rate	1.56%
Interest Dates	May 1 and November 1
Principal Maturity Date	May 1
Payable at	State of Wisconsin Environmental Improvement Fund

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 392,872	115,200	508,072
2026	399,001	109,023	508,024
2027	405,225	102,751	507,976
2028	411,547	96,380	507,927
2029	417,967	89,909	507,876
2030	424,487	83,338	507,825
2031	431,109	76,665	507,774
2032	437,835	69,887	507,722
2033	444,665	63,003	507,668
2034	451,602	56,013	507,615
2035	458,647	48,913	507,560
2036	465,801	41,702	507,503
2037	473,068	34,379	507,447
2038	480,448	26,941	507,389
2039	487,943	19,388	507,331
2040	495,555	11,717	507,272
2041	503,286	3,926	507,212
	<u>7,581,058</u>	<u>1,049,135</u>	<u>8,630,193</u>

FORM OF LEGAL OPINION

(See following pages)

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

August 25, 2025

Re: Village of Yorkville, Wisconsin ("Issuer")
\$10,225,000 General Obligation Promissory Notes, Series 2025A,
dated August 25, 2025 ("Notes")

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

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

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

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2026	\$255,000	5.00 %
2027	345,000	5.00
2028	365,000	5.00
2029	380,000	5.00
2030	400,000	5.00
2031	410,000	5.00
2032	425,000	5.00
2033	440,000	5.00
2034	465,000	5.00
2035	485,000	5.00
2036	500,000	5.00
2037	520,000	4.00
2038	535,000	4.125
2039	555,000	4.25
2040	575,000	4.25
2041	595,000	4.375
2042	735,000	4.50
2043	735,000	4.50
2044	750,000	4.625
2045	755,000	4.75

Interest is payable semi-annually on May 1 and November 1 of each year commencing on May 1, 2026.

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

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

BOOK-ENTRY-ONLY SYSTEM

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

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

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Village of Yorkville, Racine County, Wisconsin (the "Issuer") in connection with the issuance of \$10,225,000 General Obligation Promissory Notes, Series 2025A, dated August 25, 2025 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on August 11, 2025 (the "Resolution") and delivered to Robert W. Baird & Co. Incorporated (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 August 11, 2025 delivered in connection with the Securities, which is available from the MSRB.

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

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

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

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

"Issuer Contact" means the Village Administrator of the Issuer who can be contacted at 925 15th Avenue, Union Grove, Wisconsin 53182, phone (262) 878-2123.

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

"SEC" means the Securities and Exchange Commission.

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

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

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

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

1. DEBT - DIRECT DEBT
2. DEBT - DEBT LIMIT
3. VALUATIONS - CURRENT PROPERTY VALUATIONS
4. TAX LEVIES AND COLLECTIONS - 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 25th day of August, 2025.

(SEAL)

Douglas Nelson
President

Janine Carls
Village Clerk

**BOND INSURANCE AND SPECIMEN MUNICIPAL BOND
INSURANCE POLICY**

Bond Insurance Policy

Concurrently with the issuance of the Notes, Assured Guaranty Inc. (“AG”) will issue its Municipal Bond Insurance Policy (the “Policy”) for the Notes. The Policy guarantees the scheduled payment of principal of and interest on the Notes when due as set forth in the form of the Policy included herein this appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, Maryland, California, Connecticut or Florida insurance law.

Assured Guaranty Inc.

AG is a Maryland domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. (“AGL” and together with its subsidiaries, “Assured Guaranty”), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol “AGO.” AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates. Only AG is obligated to pay claims under the insurance policies AG has issued, and not AGL or any of its shareholders or other affiliates.

AG’s financial strength is rated “AA” (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”), “AA+” (stable outlook) by Kroll Bond Rating Agency, Inc. (“KBRA”) and “A1” (stable outlook) by Moody’s Investors Service, Inc. (“Moody’s”). Each rating of AG should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AG in its sole discretion. In addition, the rating agencies may at any time change AG’s long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AG. AG only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AG on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Merger of Assured Guaranty Municipal Corp. Into Assured Guaranty Inc.

On August 1, 2024, Assured Guaranty Municipal Corp., a New York domiciled financial guaranty insurance company and an affiliate of AG (“AGM”), merged with and into AG, with AG as the surviving company (such transaction, the “Merger”). Upon the Merger, all liabilities of AGM, including insurance policies issued or assumed by AGM, became obligations of AG.

Current Financial Strength Ratings

On August 4, 2025, KBRA announced that it had affirmed AG’s insurance financial strength rating of “AA+” (stable outlook).

On June 30, 2025, S&P announced that it had affirmed AG’s financial strength rating of “AA” (stable outlook).

On July 10, 2024, Moody’s, following Assured Guaranty’s announcement of the Merger, announced that it had affirmed AG’s insurance financial strength rating of “A1” (stable outlook).

AG can give no assurance as to any further ratings action that S&P, Moody's and/or KBRA may take. For more information regarding AG's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

Capitalization of AG

At June 30, 2025:

- The policyholders' surplus of AG was approximately \$3,514 million.
- The contingency reserve of AG was approximately \$1,453 million.
- The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately \$2,437 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AG and (ii) the net unearned premium reserves and net deferred ceding commissions of AG's wholly owned subsidiary Assured Guaranty UK Limited ("AGUK"), and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus, contingency reserve, and net unearned premium reserves and net deferred ceding commission income of AG were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AG are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (filed by AGL with the SEC on February 28, 2025);
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2025 (filed by AGL with the SEC on May 9, 2025); and
- (iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2025 (filed by AGL with the SEC on August 8, 2025).

All information relating to AG included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Notes shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Inc.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AG included herein under the caption "APPENDIX E - BOND INSURANCE AND SPECIMEN MUNICIPAL BOND INSURANCE POLICY – Assured Guaranty Inc." or included in a document incorporated by reference herein (collectively, the "AG Information") shall be modified or superseded to the extent that any subsequently included AG Information (either directly or through incorporation by reference) modifies or supersedes such previously included AG Information. Any

AG Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AG makes no representation regarding the Notes or the advisability of investing in the Notes. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading "APPENDIX E - BOND INSURANCE AND SPECIMEN MUNICIPAL BOND INSURANCE POLICY".



MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No.: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY INC. ("AG"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AG, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AG shall have received Notice of Nonpayment, AG will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AG, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AG. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AG is incomplete, it shall be deemed not to have been received by AG for purposes of the preceding sentence and AG shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AG shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AG hereunder. Payment by AG to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AG under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AG shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AG which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AG may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AG pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AG and shall not be deemed received until received by both and (b) all payments required to be made by AG under this Policy may be made directly by AG or by the Insurer's Fiscal Agent on behalf of AG. The Insurer's Fiscal Agent is the agent of AG only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AG to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AG agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AG to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AG, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY INC.

By _____
Authorized Officer

1633 Broadway, New York, N.Y. 10019

(212) 974-0100

Form 500 (8/24)