

**SALE DATE AND TIMES:**

**March 5, 2024**

**2024A: 9:30 A.M. CST**

**2024B: 10:00 A.M. CST**

**NEW ISSUE – BOOK-ENTRY ONLY**

**– BANK QUALIFIED (2024A NOTES)**

**– TAXABLE (2024B NOTES)**

**RATING<sup>+</sup>: S&P “AA” (Stable Outlook)**

*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 2024A Notes is excludable from gross income and is not an item of tax preference for federal income tax purposes; however, interest on the 2024A 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). Interest on the 2024B Notes is included in gross income for federal tax purposes. See “TAX MATTERS” herein. The 2024A Notes shall be designated as “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See “DESIGNATION AS QUALIFIED TAX-EXEMPT OBLIGATIONS” herein. Interest on the Notes is not exempt from present State of Wisconsin income or franchise taxes.*

**VILLAGE OF HOBART**

**BROWN COUNTY, WISCONSIN**

**\$10,000,000\* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2024A**

**\$1,460,000\* TAXABLE GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2024B**

**Dated: Date of Issuance**

**Due: March 1, as set forth on the inside cover page**

The General Obligation Promissory Notes, Series 2024A (the “2024A Notes”) and Taxable General Obligation Promissory Notes, Series 2024B (the “2024B Notes” and, together with the 2024A Notes, the “Notes”), of the Village of Hobart, Brown County, Wisconsin (the “Village”), are issuable as fully registered notes under the global book-entry system operated by The Depository Trust Company, New York, New York (“DTC”). Individual purchases will be made in book-entry form only. Beneficial owners of the Notes will not receive physical delivery of note certificates. The Notes are issued in fully registered form in denominations of \$5,000 or any integral multiple thereof and will bear interest payable on March 1 and September 1 of each year, with September 1, 2024 as the first interest payment date. Zions Bancorporation, National Association, Chicago, Illinois, will act as note registrar and paying agent for the Notes. Details of payment of the Notes are described herein. Interest is calculated based on a 360-day year of twelve 30-day months.

Proceeds of the 2024A Notes will be used (i) for public purposes, including paying the cost of public infrastructure projects in the Village's Tax Incremental District No. 1 and Tax Incremental District No. 2, and (ii) to pay certain costs associated with the issuance of the 2024A Notes.

Proceeds of the 2024B Notes will be used (i) for public purposes, including paying project costs of the Village's Tax Incremental District No. 1, and (ii) to pay certain costs associated with the issuance of the 2024B Notes.

The Notes are being issued pursuant to Section 67.12(12) of the Wisconsin Statutes. The Notes will be general obligations of the Village for which its full faith and credit and taxing powers are pledged which taxes may, under current law, be levied without limitation as to rate or amount. See “THE NOTES – Security and Payment” herein.

The Notes are subject to optional redemption prior to maturity in the manner, at the times and at the redemption price described herein under “THE NOTES – Optional Redemption”.

The Notes are being offered at public sale, subject to the approval of legality by Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel. Quarles & Brady LLP is also acting as Disclosure Counsel to the Village. Delivery of the Notes will be through the facilities of DTC on or about March 26, 2024.



**AS MUNICIPAL ADVISOR**

The date of this Official Statement is March \_\_, 2024.

\*Preliminary, subject to change.

+See “RATING” herein.

**MATURITY SCHEDULES, AMOUNTS, INTEREST RATES, YIELDS AND CUSIPS****\$10,000,000\* General Obligation Promissory Notes, Series 2024A**

<u>Maturity</u> <u>(March 1)</u>	<u>Amount (\$)*</u>	<u>Rate (%)</u>	<u>Yield (%)</u>	<u>CUSIP<sup>(1)</sup></u> <u>(433835)</u>
2025	790,000			
2026	1,135,000			
2027	1,025,000			
2028	1,220,000			
2029	1,570,000			
2030	1,470,000			
2031	1,370,000			
2032	1,420,000			

**\$1,460,000\* Taxable General Obligation Promissory Notes, Series 2024B**

<u>Maturity</u> <u>(March 1)</u>	<u>Amount (\$)*</u>	<u>Rate (%)</u>	<u>Yield (%)</u>	<u>CUSIP<sup>(1)</sup></u> <u>(433835)</u>
2025	150,000			
2026	155,000			
2027	165,000			
2028	175,000			
2029	185,000			
2030	200,000			
2031	210,000			
2032	220,000			

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

(1) CUSIP data herein is provided by CUSIP Global Services (“CGS”). CGS is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. No representations are made as to the correctness of the CUSIP numbers. These CUSIP numbers are subject to change after the issuance of the Notes.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended by the Village of Hobart, Brown County, Wisconsin (the “Village”), from time to time (collectively, the “Official Statement”), may be treated as an Official Statement with respect to the Notes described herein that is deemed final by the Village as of the date hereof (or of any such supplement or amendment).

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as statements of the Village or the Underwriter (defined herein). This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person, in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. Unless otherwise indicated, the Village is the source of all tables and statistical and financial information contained in this Official Statement. The information set forth herein relating to governmental bodies other than the Village has been obtained from such governmental bodies or from other sources believed to be reliable. The information and opinions expressed herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Village since the date of this Official Statement.

PMA Securities, LLC, Milwaukee, Wisconsin, is serving as municipal advisor (the “Municipal Advisor”) to the Village in connection with the issuance of the Notes. In preparing this Official Statement, the Municipal Advisor has relied upon the Village, and other sources, having access to relevant data to provide accurate information for this Official Statement. To the best of the Municipal Advisor’s knowledge, the information contained in this Official Statement is true and accurate. However, the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information.

Any statements made in this Official Statement, including the Appendices, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimate will be realized. This Official Statement contains certain forward-looking statements and information that are based on the Village’s beliefs as well as assumptions made by and information currently available to the Village. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

The Underwriters are required to review the information in this Official Statement in accordance with, and as part of their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

This Official Statement should be considered in its entirety and no one factor considered less important than any other by reason of its position in this Official Statement. Where statutes, resolutions, reports or other documents are referred to herein, reference should be made to such statutes, resolutions, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

Upon issuance, the Notes will not be registered under the Securities Act of 1933, as amended, and will not be listed on any stock or other securities exchange and neither the Securities and Exchange Commission nor any other Federal, State, Municipal or other governmental entity, other than the Village, shall have passed upon the accuracy or adequacy of this Official Statement.

Certain persons participating in this offering may engage in transactions that maintain or otherwise affect the price of the Notes. Specifically, the Underwriter may overallocate in connection with the offering, may bid for, and purchase, the Notes in the open market. The prices and other terms respecting the offering and sale of the Notes may be changed from time to time by the Underwriter after the Notes are released for sale, and the Notes may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Notes into investment accounts.

**VILLAGE OF HOBART  
Brown County, Wisconsin  
2990 South Pine Tree Road  
Hobart, Wisconsin 54155  
(920) 869-1011**

\* \* \* \* \*

**Village Board of Trustees**

Richard R. Heidel, President  
David Dillenburg, Trustee  
Vanya Koepke, Trustee  
Tammy Zittlow, Trustee  
Melissa Tanke, Trustee

**Village Administrator**

Aaron Kramer

**Village Clerk**

Lisa Vanden Heuvel

**Village Treasurer**

Anastasia Bell

\* \* \* \* \*

**Paying Agent/Registrar**

Zions Bancorporation, National Association  
111 West Washington Street, Suite 1860  
Chicago, Illinois 60602

**Independent Auditors**

CliftonLarsonAllen LLP  
2200 Riverside Drive  
Green Bay, Wisconsin 54301

**Municipal Advisor**

PMA Securities, LLC  
770 North Jefferson Street, Suite 200  
Milwaukee, Wisconsin 53202

**Bond Counsel & Disclosure Counsel**

Quarles & Brady LLP  
411 East Wisconsin Avenue, Suite 2400  
Milwaukee, Wisconsin 53202

**2024A Notes Underwriter**

**2024B Notes Underwriter**

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- A. Forms of Legal Opinions of Bond Counsel
- B. Financial Statements and Supplementary Information for the Fiscal Year Ended December 31, 2022
- C. Forms of Continuing Disclosure Certificates
- D. Official Notices of Sales and Bid Forms

**Village of Hobart**  
**Brown County, Wisconsin**  
**\$10,000,000\* General Obligation Promissory Notes, Series 2024A**  
**\$1,460,000\* Taxable General Obligation Promissory Notes, Series 2024B**

**INTRODUCTION**

The purpose of this Official Statement is to set forth certain information concerning the Village of Hobart, Brown County, Wisconsin (the “Village”), in connection with the offering and sale of its \$10,000,000\* General Obligation Promissory Notes, Series 2024A (the “2024A Notes”) and \$1,460,000\* Taxable General Obligation Promissory Notes, Series 2024B (the “2024B Notes” and, together with the 2024A Notes, the “Notes”). This Official Statement includes the cover page, the reverse thereof and the Appendices. Certain factors that may affect an investment decision concerning the Notes are described throughout this Official Statement. Persons considering a purchase of the Notes should read this Official Statement in its entirety.

**THE NOTES**

**General Description**

The Notes will be issued in fully registered form, without coupons, in denominations of \$5,000 or any integral multiple thereof under a book-entry only system operated by The Depository Trust Company, New York, New York (“DTC”). Principal of and the interest on the Notes will be payable by Zions Bancorporation, National Association, Chicago, Illinois, as paying agent and note registrar (the “Registrar” or “Paying Agent”).

The Notes will be dated as of the date of issuance thereof and will mature as shown on the inside cover page of this Official Statement. Interest will be payable on each March 1 and September 1, beginning September 1, 2024.

The Notes are subject to optional redemption prior to maturity in the manner, at the times and at the redemption price described herein under “Optional Redemption.”

The Notes will bear interest from their dated date, or from the most recent interest payment date to which interest has been paid or provided for, computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of the Notes will be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal office of the Registrar. Interest on each Note will be paid by check or draft of the Registrar payable upon presentation in lawful money of the United States of America to the person in whose name such Note is registered at the close of business on the 15th day of the calendar month next preceding each interest payment date (the “Record Date”).

**Registration and Exchange**

The Registrar shall keep books for the registration and for the transfer of the Notes (the “Register”). The Village may treat and consider DTC or its nominee (the “Depository”) as the absolute owner of the Notes for the purpose of receiving payment of, or on account of, the principal of and interest on the Notes and for all other purposes whatsoever.

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\* Preliminary, subject to change.

The Notes are transferable only through the Register upon surrender of a Note to the Registrar by the registered owner in person or his duly authorized attorney, only in the event that the Depository does not continue to act as securities depository for the Notes. The Registrar shall not be obliged to make any transfer of the Notes during the period after the close of business on the Record Date and before the opening of business on the related interest payment date.

Upon transfer, the Registrar shall execute and deliver in the name of the transferee or transferees a new Note or Notes of a like aggregate principal amount and maturity, upon the payment of a charge sufficient to reimburse the Village for any tax, fee or other governmental charge required to be paid with respect to such registration. The Registrar shall record the name of each transferee in the Register. The Registrar shall cancel any Note surrendered for transfer. The Village shall cooperate in any such transfer, and the Registrar is authorized to execute any new Note or Notes necessary to effect any such transfer.

## **Authority and Summary of Resolutions**

### *Set Sale Resolutions*

By way of resolutions adopted on February 21, 2024 by the Village Board (the “Board”), the Village provided for the sale of the Notes.

### *The 2024A Notes Award Resolution*

By way of a resolution to be adopted by the Board on March 5, 2024 (the “2024A Notes Award Resolution”), the Village will authorize the issuance of the 2024A Notes, accept the bid (or reject all bids) of the Underwriter (defined herein) for the purchase of the 2024A Notes, provide the details and form of the 2024A Notes, and set out certain covenants with respect thereto. The 2024A Notes Award Resolution pledges the full faith, credit and resources of the Village to payments of the principal and interest on the 2024A Notes. Pursuant to the 2024A Notes Award Resolution, the amount of direct, annual, irrevocable taxes levied for collection in the years 2025 through 2032 which will be sufficient to meet the principal and interest payments on the 2024A Notes when due will be specified (or monies to pay such debt service will otherwise be appropriated). The 2024A Notes Award Resolution establishes separate and distinct from all other funds of the Village a debt service fund with respect to payment of principal and interest on the 2024A Notes.

### *The 2024B Notes Award Resolution*

By way of a resolution to be adopted by the Board on March 5, 2024 (the “2024B Notes Award Resolution” and together with the 2024A Notes Award Resolution, the “Award Resolutions”), the Village will authorize the issuance of the 2024B Notes, accept the bid (or reject all bids) of the Underwriter (defined herein) for the purchase of the 2024B Notes, provide the details and form of the 2024B Notes, and set out certain covenants with respect thereto. The 2024B Notes Award Resolution pledges the full faith, credit and resources of the Village to payments of the principal and interest on the 2024B Notes. Pursuant to the 2024B Notes Award Resolution, the amount of direct, annual, irrevocable taxes levied for collection in the years 2025 through 2032 which will be sufficient to meet the principal and interest payments on the 2024B Notes when due will be specified (or monies to pay such debt service will otherwise be appropriated). The 2024B Notes Award Resolution establishes separate and distinct from all other funds of the Village a debt service fund with respect to payment of principal and interest on the 2024B Notes.



## **Security and Payment**

The Notes will be general obligations of the Village for which its full faith and credit and taxing powers are pledged which taxes may, under current law, be levied without limitation as to rate or amount. The Village is authorized and required by law to levy on all property taxable by the Village such ad valorem taxes as may be necessary to pay the Notes and the interest thereon. The tax for the 2024A Notes will be levied under the 2024A Notes Award Resolution for collection in each of the years 2025 through 2032 (or monies to pay such debt service will otherwise be appropriated). The tax for the 2024B Notes will be levied under the 2024B Notes Award Resolution for collection in each of the years 2025 through 2032 (or monies to pay such debt service will otherwise be appropriated).

## **Optional Redemption**

The Notes due on and after March 1, 2031 are subject to redemption prior to maturity, at the option of the Village, in whole or in part, from maturities selected by the Village and within each maturity by lot, in integral multiples of \$5,000, on March 1, 2030 or on any date thereafter, at a redemption price of par plus accrued interest to the redemption date.

## **Redemption Procedures**

Unless waived by any holder of the Notes to be redeemed, notice of the call for any redemption shall be given by the Registrar on behalf of the Village by mailing the redemption notices by registered or certified mail, overnight express delivery, facsimile transmission, electronic transmission or any other manner required by DTC not less than 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Notes to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such registered owner to the Registrar.

All notices of redemption shall state (1) the redemption date, (2) the redemption price, (3) in the case of partial redemption of the Notes, the respective principal amounts of the Notes to be redeemed, (4) that on the redemption date the redemption price will become due and payable upon the Notes or portion thereof called for redemption, and interest thereon shall cease to accrue from and after said date, and (5) the place where such Notes are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office maintained for the purpose of the Registrar, and (6) such other information then required by custom, practice or industry standard.

Moneys sufficient to pay the redemption price of the Notes to be redeemed shall be deposited by the Village with the Registrar prior to any redemption date. Official notice of redemption having been given as aforesaid, the Notes or portions of Notes so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Village shall default in payment of redemption price), such Notes or portion of Notes shall cease to bear or accrue interest. Neither the failure to mail such redemption notices, nor any defect in any notice so mailed, to any particular owner of a Note, shall affect the sufficiency of such notice with respect to other registered owners. Notice having been properly given, failure of a registered owner of a Note to receive such notice shall not be deemed to invalidate, limit or delay the effect of the notice or redemption action described in the notice.

## **THE PLAN OF FINANCE**

The proceeds of the 2024A Notes will be used (i) for public purposes, including paying the cost of public infrastructure projects in the Village's Tax Incremental District No. 1 and Tax Incremental District No. 2 (the "2024A Project") and (ii) to pay costs associated with the issuance of the 2024A Notes.

The proceeds of the 2024B Notes will be used (i) for public purposes, including paying project costs of the Village's Tax Incremental District No. 1 (the "2024B Project" and together with the 2024A Project, the "Projects") and (ii) to pay costs associated with the issuance of the 2024B Notes.

The Village anticipates the Projects to be completed by the first half of 2025.

## **SOURCES AND USES**

The sources and uses of funds with respect to the Notes are estimated as follows:

### **Estimated Sources of Funds**

	<u>2024A Notes</u>	<u>2024B Notes</u>
Par Amount of the Notes.....		
Net Reoffering Premium/(Discount).....		
Total Sources.....	<u>\$ -</u>	<u>\$ -</u>

### **Estimated Uses of Funds**

	<u>2024A Notes</u>	<u>2024B Notes</u>
Deposit to Project Fund.....		
Bid Premium for Deposit to Debt Service Fund.....		
Costs of Issuance..... <sup>(1)</sup>		
Total Uses .....	<u>\$ -</u>	<u>\$ -</u>

(1) Includes Underwriter's Discount, Municipal Advisor fee, Disclosure Counsel fee, Bond Counsel fee, rating agency fee, Paying Agent fee and other costs of issuance.

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## **CONSTITUTIONAL AND STATUTORY CONSIDERATIONS AND LIMITATIONS CONCERNING THE VILLAGE'S POWER TO INCUR INDEBTEDNESS**

The Constitution and laws of the State of Wisconsin (the "State") limit the power of the Village (and other municipalities of the State) to issue obligations and to contract indebtedness. The Village may not borrow money or issue notes or bonds therefor for any purpose except those specified by statute, which include among others the purposes for which the Notes are being issued. Such constitutional and legislative limitations include the following, in summary form and as generally applicable to the Village.

### **General Obligation Bonds**

The principal amount (with interest) of every sum borrowed by the Village and secured by an issue of bonds may be payable at one time in a single payment or at several times in two or more installments; however, no installment may be made payable later than the termination of 20 years immediately following the date of said bonds. The Board is required to levy a direct, annual, irrevocable tax sufficient in amount to pay the interest on such bonds as it falls due and also to pay and discharge the principal thereof at maturity.

### **Refunding Bonds**

The Village is authorized to borrow money using refunding bonds for refunding existing debt. Refunding bonds must be payable within a period not exceeding 20 years following the initial date of the debt to be refunded. Such refunding bonds constitute a general obligation of the Village. Refunding bonds are not subject to referendum.

### **Promissory Notes**

The Village is also authorized to borrow money using promissory notes (such as the Notes) for any public purpose. Promissory notes must be payable within a period not exceeding 10 years following the date of said notes\*. Such notes constitute a general obligation of the Village. Notes issued by the Village to refinance or refund outstanding notes issued by the Village must be payable no later than 20 years following the original date of such notes, or 10 years, whichever is less.

### **Bond Anticipation Notes**

In anticipation of issuing general obligation bonds or notes, the Village is authorized to borrow money using bond anticipation notes. The bond anticipation notes are not a general obligation of the Village, and do not constitute an indebtedness of the Village, nor a charge against its general credit or taxing power. The bond anticipation notes are payable only from (a) proceeds of the bond anticipation notes set aside for payment of interest on the bond anticipation notes as they become due, and (b) proceeds to be derived from the issuance and sale of general obligation bonds or promissory notes which proceeds constitute a special trust fund to be held and expended solely for the payment of the principal of and interest on the bond anticipation notes. The maximum term of any bond anticipation notes (including any refunding) is five years.

\*On January 16, 2024, the Wisconsin Senate passed 2023 Senate Bill 773 ("SB 773") which would, among other things, amend the Wisconsin Statutes to allow general obligation promissory notes issued under Section 67.12(12) of the Wisconsin Statutes to be issued for a term of up to 20 years, rather than the current limit of 10 years. SB773 was passed by the Wisconsin Assembly on January 18, 2024 and next will go to the Governor for signature.

## **Debt Limit**

The Village has the power to contract indebtedness for purposes specified by statute so long as the principal amount thereof does not exceed 5% of the equalized value of taxable property within the Village. For information with respect to the Village's percent of legal debt incurred, see "INDEBTEDNESS OF THE VILLAGE – Debt Statement" herein.

## **BOOK-ENTRY SYSTEM**

DTC will act as securities depository for the Notes. The Notes 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 Note certificate will be issued for each maturity of the Notes, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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, as amended. 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"). S&P Global Ratings ("S&P") has assigned DTC its rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission (the "Commission"). More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("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 Notes 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 Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes 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 Notes 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 Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes 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.

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 Notes may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes 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.

Redemption notices shall be sent to DTC. If less than all of the Notes 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the 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 the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Notes 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 detailed information from the Village or Registrar, 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, the Registrar, 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 the Registrar, 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.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Village or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

The Village may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the Village takes no responsibility for the accuracy thereof.

The Village will have no responsibility or obligation to any Securities Depository, any Participants in the Book-Entry System or the Beneficial Owners with respect to (i) the accuracy of any records maintained by the Securities Depository or any Participant; (ii) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption price of, or interest on, any Notes; (iii) the delivery of any notice by the Securities Depository or any Participant; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Notes; or (v) any other action taken by the Securities Depository or any Participant.

## **THE VILLAGE**

### **The Board**

The present members of the Board and the expiration of their respective terms of office are as follows:

<u>Title</u>	<u>Name</u>	<u>Current Term Expires</u>
President.....	Richard R. Heidel.....	April 2026
Trustee.....	David Dillenburg.....	April 2025
Trustee.....	Vanya Koepke.....	April 2024
Trustee.....	Tammy Zittlow.....	April 2024
Trustee.....	Melissa Tanke.....	April 2025

### **Administration**

<u>Name</u>	<u>Title</u>	<u>Year Started</u>
Aaron Kramer.....	Village Administrator.....	2017
Lisa Vanden Heuvel.....	Village Clerk.....	2023
Anastasia Bell.....	Village Treasurer.....	2023

### **Employee Relations**

The Village currently employs 27 full-time and seven part-time employees. The Village employees are not represented by any collective bargaining groups.

The Village considers its relationship with its employees to be stable.

All eligible Village personnel are covered by the Municipal Employment Relations Act ("MERA") of the Wisconsin Statutes. Pursuant to that law, employees have limited rights to organize and, after significant changes were made to the law in 2011, very limited rights to collectively bargain with municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32.

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 the 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.

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. As a practical matter, it is anticipated that strikes will be rare. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is the base wage rates, 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.

## **Pension Plan**

All eligible employees in the Village are covered under the Wisconsin Retirement System (“WRS”) established under Chapter 40 of the Wisconsin Statutes. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes (“Chapter 40”). 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. The total retirement plan contributions (not including any employee contributions) for the fiscal years ended December 31, 2020 (“Fiscal Year 2020”), December 31, 2021 (“Fiscal Year 2021”) and December 31, 2022 (“Fiscal Year 2022”) totaled \$130,988 and \$136,843 and \$152,701, 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, 2021, the total pension liability of the WRS was calculated as \$133.79 billion and the fiduciary net position of the WRS was calculated as \$141.85 billion, resulting in a net pension asset of \$8.06 billion. As of December 31, 2022, the total pension liability of the WRS was calculated as \$123.7 billion and the fiduciary net position of the WRS was calculated as \$118.4 billion, resulting in a net pension asset of \$53 billion. Accordingly, the Village will report a liability for its proportionate

share of the net pension liability of the WRS in its audited financial statements for the year ended December 31, 2023.

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 2022, the Village reported an asset of \$933,717 for its proportionate share of the net pension asset of the WRS. The net pension asset was measured as of December 31, 2021 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 0.01158432% of the aggregate WRS net pension asset as of December 31, 2021.

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 the net pension liability of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see Note 3.F in "Appendix B – Financial Statements and Supplementary Information for the Fiscal Year Ended December 31, 2022" attached hereto.

The Village also offers its employees a deferred compensation plan. The Village contributes an amount equal to the current year WRS rates to the plan. For Fiscal Year 2022, Village contributions totaled \$18,598. For more detailed information, see Note 3.G in "Appendix B – Financial Statements and Supplementary Information for the Fiscal Year Ended December 31, 2022" attached hereto.

### **Other Post-Employment Benefits**

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

For Fiscal Year 2022, the Village's portion of contributions to the LRLIF totaled \$825. For Fiscal Year 2022, the Village reported a liability of \$206,160 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2021 based on the Village's share of contributions to the LRLIF relative to the contributions of all participating employers. The Village's proportion was 0.03488100% of the aggregate LRLIF net OPEB liability as of December 31, 2021.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the net OPEB liability of the LRLIF, which may also cause ETF to change the contribution requirements for employers and employees. For more detailed information regarding the LRLIF and such actuarial assumptions, see Note 3.H in "Appendix B – Annual Financial Report for the Fiscal Year Ended December 31, 2022."



## **GENERAL INFORMATION**

### **Location**

The Village is located in northeast Wisconsin in Brown County (the “County”), approximately 120 miles north of the City of Milwaukee, adjacent to the western border of the City of Green Bay and 30 miles northeast of the City of Appleton.

### **Education**

The Village is served by Pulaski School District and the School District of West De Pere. Post-secondary education is available nearby at Northeast Wisconsin Technical College which offers 2-year programs in a variety of fields. Post-secondary education is also available at St. Norbert College and the University of Wisconsin-Green Bay which offer 4-year Bachelor Degree programs in a variety of fields.

## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

### **Population**

	<u>The Village</u>	<u>The County</u>
2010 Census.....	6,182	248,007
Estimate, 2018.....	9,261	260,616
Estimate, 2019.....	9,599	262,452
2020 Census.....	10,211	268,740
Estimate, 2021.....	10,717	267,612
Estimate, 2022.....	10,486	273,160
Estimate, 2023.....	10,808	273,233

Source: Wisconsin Department of Administration, Demographic Services Center

### **Per Return Adjusted Gross Income**

<u>Tax Year</u>	<u>The Village</u>	<u>The County</u>	<u>The State</u>
2018.....	\$ 93,187	\$ 65,652	\$ 59,423
2019.....	94,634	68,385	61,003
2020.....	99,377	69,107	61,518
2021.....	94,642	73,234	66,369
2022.....	99,798	76,100	70,548

Source: Wisconsin Department of Revenue

## Income and Housing

The following data sets forth the comparative income and home value levels for the Village, the County, the State and the United States.

	<u>The Village</u>	<u>The County</u>	<u>The State</u>	<u>United States</u>
Median Home Value.....	\$332,300	\$226,500	\$231,400	\$281,900
Median Household Income.....	107,222	74,066	72,458	75,149
Median Family Income.....	116,080	94,436	92,974	92,646
Per Capita Income.....	58,784	39,091	40,130	41,261

Source: U.S. Census Bureau, 2018-2022 American Community Survey 5-year Estimates

## Building Permits

New residential building permits for the Village are listed below:

<u>Year</u>	<u>Number of Permits</u>	<u>Construction Cost</u>
2018.....	40	\$ 25,409,112
2019.....	39	22,918,009
2020.....	40	13,671,888
2021.....	45	19,603,525
2022.....	71	41,936,470
2023 <sup>(1)</sup> .....	28	18,239,662

(1) Through December 2023, reported only.

Source: U.S. Census Bureau

## Unemployment Rate

	<u>The County</u>	<u>The State</u>
Average, 2018.....	2.7%	3.0%
Average, 2019.....	3.0	3.2
Average, 2020 <sup>(1)</sup> .....	6.1	6.4
Average, 2021.....	3.5	3.8
Average, 2022.....	2.6	2.9 <sup>(2)</sup>
December, 2022.....	2.0	2.2
December, 2023 <sup>(2)</sup> .....	2.4	2.7

(1) Amounts reflect increase in unemployment as a result of the COVID-19 pandemic.

(2) Preliminary.

Source: State of Wisconsin Department of Workforce Development

## Larger Employers

The larger employers in the Village are listed below:

Company Name	Product or Service	Approximate employees at location
Bay Valley Foods.....	Food Processing/Distribution.....	390 <sup>(1)</sup>
Bayland Buildings Inc.....	Design/Build General Contractor.....	192
EMT International.....	Manufacturing.....	130
Robert E Lee & Associates.....	Engineering Consulting.....	52
Green Bay Converting.....	Paper Converting.....	50
High View Custom Fab - HCF Inv.....	Metal Fabricator.....	45
Idealair Heating & Cooling.....	Plumbing & HVAC.....	44
The Village.....	Government.....	34
Fabrication Express.....	Metal Fabricator.....	30
Thornberry Creek Country Club.....	Restaurant.....	26 <sup>(2)</sup>

(1) Includes employees located at Green Bay distribution center.

(2) 160 total seasonal.

Source: The Village

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## Largest Taxpayers

Reasonable efforts have been made to determine and report the largest taxpayers and to include all taxable property of those taxpayers listed. Many of the taxpayers listed, however, may own multiple parcels, and it is possible that some parcels and their valuations may not be included.

Taxpayer	Type of Property or Business	2023 Equalized Valuation <sup>(1)</sup>
Oneida Tribe of Indians..... <sup>(2)</sup>	Various.....	\$ 52,138,794
Centennial Centre Development Prt.....	Apartments.....	32,050,137
PDK Investments.....	Apartments.....	19,942,983
SCR Properties LLC Et al.....	Retirement Community.....	18,474,162
Hobart Logistics LLC.....	Warehouse.....	15,622,822
Aria Place LLC.....	Apartments.....	12,513,291
Hobart Crossing 4 LLC.....	Apartments.....	10,557,416
Wyndham Lake Villas LLC.....	Apartments.....	10,536,469
Encore Apartments LLC.....	Apartments.....	10,371,884
Portofino, LLC.....	Apartments.....	9,586,661
	Total.....	<u>\$ 191,794,619</u>
2023 Equalized Value (TID In).....		\$ 1,514,933,400
Percentage of 2023 Equalized Valuation (TID In).....		12.66%

(1) Calculated by dividing the 2023 Assessed Values by the 2023 Aggregate Ratio of assessment for the Village.

(2) See "RELATIONSHIP WITH ONEIDA TRIBE" herein for a discussion of the potential future exclusion from taxation of certain parcels owned by the Oneida Tribe of Indians.

Source: The Village and the Wisconsin Department of Revenue

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## **TAX LEVIES, RATES AND COLLECTIONS**

Personal property taxes, special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31. Real property taxes may be paid in full by January 31 or in two equal installments payable by January 31 and July 31. Municipalities also have the option of adopting payment plans which allow taxpayers to pay their real property taxes and special assessments in three or more 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. Any amounts paid after July 31 are paid to the county treasurer. For municipalities which have not adopted an installment payment plan, the town, city or village treasurer settles with other taxing jurisdictions for collections through the preceding month on January 15 and February 20. For municipalities which have adopted an installment payment plan, the town, city or village treasurer settles with other taxing jurisdictions for collections through the preceding month on January 15, February 20 and the 15th day of each month following a month in which an installment payment is due. 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. The 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. Since, in practice, all delinquent real estate taxes are withheld from the county's share of taxes; the Village receives 100 percent of the real estate taxes it levies. Uncollected personal property taxes owed by an entity that has ceased operations or filed a petition for bankruptcy, or are due on personal property that has been removed from the next assessment roll are 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.

Set forth below are the taxes levied and the tax rate per \$1,000 of equalized valuation on all taxable property within the Village as well as a history of collections in the last five levy years.

Levy Year	Collection		Tax Levy	Collections within	Percent Collected within
	Year	Tax Rate		the Fiscal Year of the Levy	the Fiscal Year of the Levy
2019	2020	\$ 4.07	\$ 2,995,650	\$ 2,995,650	100%
2020	2021	3.88	3,021,500	3,021,500	100%
2021	2022	3.76	3,136,846	3,136,846	100%
2022	2023	3.63	3,289,151	3,289,151	100%
2023	2024	3.23	3,427,605	In Process of Collection	

Source: The Village

## **PROPERTY TAX RATES**

Set forth below are the tax rates per \$1,000 of equalized value for the Village properties located within Pulaski School District for the last five tax collection years.

	Collection Years				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
The Village.....	\$ 4.07	\$ 3.88	\$ 3.76	\$ 3.63	\$ 3.23
Pulaski School District.....	8.47	7.63	6.32	6.22	7.66
Northeast WI Technical College.....	0.81	0.80	0.74	0.66	0.60
The County.....	4.29	4.08	3.81	3.41	3.13
 Gross Tax Rate.....	 \$ 17.64	 \$ 16.39	 \$ 14.63	 \$ 13.93	 \$ 14.62
 Less: State Credit.....	 <u>1.20</u>	 <u>1.12</u>	 <u>1.48</u>	 <u>0.93</u>	 <u>1.10</u>
 Net Tax Rate.....	 <u>\$ 16.44</u>	 <u>\$ 15.27</u>	 <u>\$ 13.15</u>	 <u>\$ 13.00</u>	 <u>\$ 13.52</u>

Source: The Village and the Wisconsin Department of Revenue

## **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. 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 is expected to receive approximately \$326,000 in shared revenue and supplemental shared revenue from the State, an increase from the approximately \$63,000 received in 2023. In future years, the amount of supplemental shared revenue could grow if State sales tax collections grow.

## **EQUALIZED VALUATIONS**

All equalized valuations of property in the State are determined by the State of Wisconsin, Department of Revenue and Supervisor of Assessments Office. Equalized valuations are the State's estimate of full market value.

The State determines assessed valuations of all manufacturing property in the State. Assessed valuations of residential and commercial property are determined by local assessors.

Set forth in the table below are equalized valuations of property located within the Village for the last five years.

Year	Equalized Valuation (TID In)	Year-Over- Year Change	Equalized Valuation (TID Out)	Year-Over- Year Change
2019	\$ 971,510,200	8.43%	\$ 735,865,900	5.44%
2020	1,056,501,600	8.75%	777,915,600	5.71%
2021	1,137,391,600	7.66%	833,315,200	7.12%
2022	1,293,863,100	13.76%	905,826,700	8.70%
2023	1,514,933,400	17.09%	1,062,410,400	17.29%

Source: Wisconsin Department of Revenue

## **EQUALIZED VALUE BY CLASSIFICATION**

	2023 Equalized Value (TID In)	Percent of Total Equalized Value
Residential.....	\$ 1,156,144,600	76.3%
Commercial.....	291,712,500	19.3%
Manufacturing.....	44,514,300	2.9%
Personal Property.....	6,021,500	0.4%
Other.....	6,107,000	0.4%
Undeveloped.....	2,381,500	0.2%
Agricultural.....	1,602,000	0.1%
Forest.....	4,464,000	0.3%
Agricultural Forest.....	1,986,000	0.1%
Total.....	<u>\$ 1,514,933,400</u>	<u>100.0%</u>

Source: Wisconsin Department of Revenue

## **TAX INCREMENTAL DISTRICTS**

The Village has created Tax Incremental Districts (“TIDs”) under Section 66.1105 of the Wisconsin Statutes. The TID increment as shown below has been excluded from the Village’s tax base for 2023.

<u>The Village</u>	<u>Creation</u>	<u>Base Value</u>	<u>2023 Value</u>	<u>Increment</u>
TID #1	2009	\$ 20,991,900	\$ 313,358,700	\$ 292,366,800
TID #2	2011	3,285,500	163,441,700	160,156,200
Total.....				<u>\$ 452,523,000</u>

Source: Wisconsin Department of Revenue

## **LEVY LIMITS**

Section 66.0602, 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 minimum 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 of the difference 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.

## NET NEW CONSTRUCTION

The percentage change in the Village's equalized value due to new construction less improvements removed for the most recently available five years is presented in the following table.

Construction Year	Assessment Year	Collection Year	Percent Change Net
			New Construction
2018	2019	2020	4.81%
2019	2020	2021	3.57%
2020	2021	2022	2.56%
2021	2022	2023	4.09%
2022	2023	2024	4.10%

Source: Wisconsin Department of Revenue

## INDEBTEDNESS OF THE VILLAGE

### General Obligation Debt

Shown below is a summary of the outstanding general obligation debt of the Village as of the closing of the Notes.

Issue Description	Dated Date	Original	Amount	Final
		Amount of Issue	Outstanding	Maturity Date
General Obligation Water System Promissory Notes, Series 2011.....	7/27/2011	\$ 1,123,286	\$ 495,123	05/01/31
Taxable General Obligation Refunding Bonds.....	4/15/2013	6,450,000	2,970,000	03/01/29
General Obligation Refunding Bonds.....	1/28/2014	3,780,000	2,180,000	03/01/29
General Obligation Refunding Bonds.....	6/15/2015	1,090,000	635,000	03/01/29
Taxable General Obligation Refunding Bonds.....	6/15/2015	2,540,000	925,000	03/01/32
General Obligation Refunding Bonds.....	8/8/2016	1,790,000	1,095,000	03/01/32
State Trust Fund Loan.....	10/26/2016	1,500,000	1,071,079	03/15/36
General Obligation Promissory Notes, Series 2017A.....	8/1/2017	4,065,000	2,300,000	03/01/27
Taxable General Obligation Promissory Notes, Series 2018B.....	8/28/2018	1,015,000	600,000	05/01/28
General Obligation Corporate Purpose Bonds, Series 2020.....	7/14/2020	2,965,000	2,965,000	03/01/35
Taxable General Obligation Promissory Notes, Series 2020.....	7/14/2020	1,190,000	745,000	03/01/29
General Obligation Promissory Notes, Series 2021A.....	5/11/2021	4,425,000	3,355,000	03/01/31
Taxable General Obligation Promissory Notes, Series 2021B.....	5/11/2021	2,340,000	1,515,000	03/01/31
General Obligation Promissory Notes, Series 2022.....	4/27/2022	8,460,000	7,860,000	03/01/32
General Obligation Community Development Bonds, Series 2023A.....	4/11/2023	3,500,000	3,500,000	03/01/35
General Obligation Fire Station Bonds, Series 2023B.....	4/11/2023	4,900,000	4,900,000	03/01/43
The 2024A Notes*.....	3/26/2024	10,000,000	10,000,000	03/01/32
The 2024B Notes*.....	3/26/2024	1,460,000	1,460,000	03/01/32
Total as of the Closing of the Notes.....			<u>\$48,571,202</u>	
Less the Remaining 2024 Sinking Funds.....			<u>\$ (167,280)</u>	
Total Less the 2024 Sinking Funds.....			<u><u>\$48,403,922</u></u>	

\*Preliminary, subject to change.

## General Obligation Debt Service

Shown below is the maturity schedule for the long-term direct general obligation debt of the Village.

Calendar Year	Existing Debt as of December 31, 2023		The 2024A Notes		The 2024B Notes		Total Debt	Total	Cumulative	Retirement
	Principal	Interest	Principal*	Interest*	Principal*	Interest*	Service*	Principal*	Principal*	Percent*
2024	\$ 2,933,057	\$ 1,215,215	\$ -	\$ 158,358	\$ -	\$ 35,962	\$ 4,342,592	\$ 2,933,057	\$2,933,057	5.71%
2025	3,451,904	1,012,896	790,000	352,000	150,000	79,025	5,835,825	4,391,904	7,324,961	14.27%
2026	3,515,760	926,985	1,135,000	313,500	155,000	69,875	6,116,120	4,805,760	12,130,721	23.63%
2027	3,744,733	831,356	1,025,000	270,300	165,000	60,275	6,096,664	4,934,733	17,065,454	33.24%
2028	3,858,748	723,282	1,220,000	226,925	175,000	50,075	6,254,031	5,253,748	22,319,202	43.48%
2029	4,213,048	602,654	1,570,000	176,575	185,000	39,738	6,787,014	5,968,048	28,287,250	55.10%
2030	3,567,399	496,599	1,470,000	123,375	200,000	29,150	5,886,524	5,237,399	33,524,650	65.30%
2031	4,506,885	398,143	1,370,000	73,675	210,000	17,875	6,576,578	6,086,885	39,611,534	77.16%
2032	3,263,288	290,707	1,420,000	24,850	220,000	6,050	5,224,895	4,903,288	44,514,822	86.71%
2033	1,281,601	219,425	-	-	-	-	1,501,026	1,281,601	45,796,423	89.21%
2034	1,304,982	179,307	-	-	-	-	1,484,289	1,304,982	47,101,405	91.75%
2035	1,343,481	138,008	-	-	-	-	1,481,489	1,343,481	48,444,886	94.37%
2036	407,093	109,159	-	-	-	-	516,251	407,093	48,851,979	95.16%
2037	310,000	93,200	-	-	-	-	403,200	310,000	49,161,979	95.76%
2038	325,000	80,500	-	-	-	-	405,500	325,000	49,486,979	96.40%
2039	340,000	67,200	-	-	-	-	407,200	340,000	49,826,979	97.06%
2040	355,000	53,300	-	-	-	-	408,300	355,000	50,181,979	97.75%
2041	370,000	38,800	-	-	-	-	408,800	370,000	50,551,979	98.47%
2042	385,000	23,700	-	-	-	-	408,700	385,000	50,936,979	99.22%
2043	400,000	8,000	-	-	-	-	408,000	400,000	51,336,979	100.00%
	<u>\$ 39,876,979</u>	<u>\$ 7,508,436</u>	<u>\$10,000,000</u>	<u>\$ 1,719,558</u>	<u>\$1,460,000</u>	<u>\$ 388,024</u>	<u>\$60,952,998</u>	<u>\$51,336,979</u>		
Less 2024 Sinking Funds	<u>(2,933,057)</u>	<u>(1,215,215)</u>	<u>-</u>	<u>(158,358)</u>	<u>-</u>	<u>(35,962)</u>	<u>(4,342,592)</u>	<u>(2,933,057)</u>		
TOTAL	<u>\$ 36,943,921</u>	<u>\$ 6,293,222</u>	<u>\$10,000,000</u>	<u>\$ 1,561,200</u>	<u>\$1,460,000</u>	<u>\$ 352,062</u>	<u>\$ 56,610,405</u>	<u>\$ 48,403,922</u>		

\*Preliminary, subject to change.

## Revenue Debt

Shown below is a summary of the outstanding revenue debt of the Village as of the closing of the Notes.

Issue Description	Dated Date	Original Amount of Issue	Amount Outstanding	Final Maturity Date
Water System Revenue Bonds, Series 2018A.....	8/7/2018	\$ 2,715,000	\$ 2,300,000	5/1/2038
Total as of closing date.....			<u>\$ 2,300,000</u>	
Less Remaining 2024 Sinking Funds.....			<u>\$ (115,000)</u>	
Total After 2024 Sinking Funds.....			<u><u>\$ 2,185,000</u></u>	

## Revenue Debt Service

Calendar Year	Principal	Interest	Total Debt Service	Total Principal	Cumulative Principal	Retirement Percent
2024	\$ 115,000	\$ 74,894	\$ 189,894	\$ 115,000	\$ 115,000	5.00%
2025	120,000	71,075	191,075	120,000	235,000	10.22%
2026	125,000	67,094	192,094	125,000	360,000	15.65%
2027	130,000	62,950	192,950	130,000	490,000	21.30%
2028	135,000	58,644	193,644	135,000	625,000	27.17%
2029	140,000	54,175	194,175	140,000	765,000	33.26%
2030	145,000	49,544	194,544	145,000	910,000	39.57%
2031	150,000	44,713	194,713	150,000	1,060,000	46.09%
2032	155,000	39,680	194,680	155,000	1,215,000	52.83%
2033	165,000	34,400	199,400	165,000	1,380,000	60.00%
2034	170,000	28,830	198,830	170,000	1,550,000	67.39%
2035	175,000	23,008	198,008	175,000	1,725,000	75.00%
2036	185,000	16,841	201,841	185,000	1,910,000	83.04%
2037	190,000	10,325	200,325	190,000	2,100,000	91.30%
2038	200,000	3,500	203,500	200,000	2,300,000	100.00%
	<u>\$2,300,000</u>	<u>\$639,673</u>	<u>\$2,939,673</u>	<u>\$2,300,000</u>		
Less: 2024						
Sinking Funds	<u>\$ (115,000)</u>	<u>\$ (74,894)</u>	<u>\$ (189,894)</u>	<u>\$ (115,000)</u>		
 TOTAL	<u><u>\$2,185,000</u></u>	<u><u>\$564,779</u></u>	<u><u>\$2,749,779</u></u>	<u><u>\$2,185,000</u></u>		

## Other Obligations

In 2005 and 2020 the Village entered into sewer agreements (the “Sewer Agreements”) with the Green Bay Metropolitan Sewerage District, Wisconsin (“GBMSD”) regarding the construction, financing, ownership and utilization of upgrades and extensions to sewer interceptors. GBMSD constructed the sewer inceptor improvements and entered into the Sewer Agreements for the allocation of capacity and the assessment of the costs of the improvements. Shown below is a summary of the outstanding Sewer Agreement balances as of the closing of the Notes. The annual payments for the Sewer Agreements are included in the operating budget of the Village’s sewer utility.

Type	Agreement Date	Original Amount of Issue	Current Amount Outstanding	Final Maturity Date
DUCK CR INT.....	2005	\$ 2,151,581	\$ 301,786	4/1/2025
DUCK CR INT.....	2020	1,001,158	768,898	3/1/2041
Total as of closing date.....			<u>\$ 1,070,684</u>	
Less: Remaining 2024 Sinking Funds.....			<u>\$ (147,717)</u>	
Total After 2024 Sinking Funds.....			<u><u>\$ 922,967</u></u>	

## Other Obligations Payment Schedule

Calendar Year	Principal	Interest	Total Debt Service	Total Principal	Cumulative Principal	Retirement Percent
2024	\$ 183,002	\$ 34,690	\$ 217,692	\$ 183,002	\$ 183,002	16.55%
2025	190,307	27,385	217,692	190,307	373,310	33.75%
2026	37,216	19,782	56,998	37,216	410,526	37.12%
2027	38,221	18,777	56,998	38,221	448,747	40.57%
2028	39,253	17,745	56,998	39,253	488,000	44.12%
2029	40,313	16,685	56,998	40,313	528,313	47.77%
2030	41,401	15,597	56,998	41,401	569,715	51.51%
2031	42,519	14,479	56,998	42,519	612,234	55.36%
2032	43,667	13,331	56,998	43,667	655,902	59.31%
2033	44,846	12,152	56,998	44,846	700,748	63.36%
2034	46,057	10,941	56,998	46,057	746,805	67.52%
2035	47,301	9,697	56,998	47,301	794,106	71.80%
2036	48,578	8,420	56,998	48,578	842,684	76.19%
2037	49,889	7,109	56,998	49,889	892,573	80.71%
2038	51,236	5,762	56,998	51,236	943,810	85.34%
2039	52,620	4,378	56,998	52,620	996,430	90.10%
2040	54,041	2,958	56,998	54,041	1,050,470	94.98%
2041	55,500	1,498	56,998	55,500	1,105,970	100.00%
	<u>\$1,105,970</u>	<u>\$241,386</u>	<u>\$1,347,356</u>	<u>\$1,105,970</u>		
Less: 2024						
Sinking Funds	<u>\$ (183,002)</u>	<u>\$ (34,690)</u>	<u>\$ (217,692)</u>	<u>\$ (183,002)</u>		
TOTAL	<u>\$ 922,967</u>	<u>\$206,696</u>	<u>\$1,129,664</u>	<u>\$ 922,967</u>		

## Short Term Financings

The Village has no short-term debt outstanding.

## Future Financing

The Village currently does not intend to issue any additional debt in the next 12 months.

## Default Record

The Village has no record of default in the payment of the principal or interest on its debt obligations for the past five years.

## Overlapping Indebtedness

Information relating to the outstanding overlapping indebtedness of the Village is set forth in the table below:

Name	Amount of Debt Outstanding (Net of 2024 Sinking Funds)	Percent Allocable to the Village	Outstanding Debt Allocable to the Village
The County .....	\$ 42,400,000	4.46%	\$ 1,891,040
Pulaski Community School District.....	69,685,000	32.16%	22,410,696
School District of West De Pere.....	58,125,000	12.85%	7,469,063
Northeast Wisconsin Technical College.....	82,025,000 <sup>(1)</sup>	2.31%	1,894,778
GBMSD.....	152,189,449	4.91%	7,472,502
Total.....			<u>\$ 41,138,078</u>

(1) Northeast Wisconsin Technical College anticipates issuing an additional \$6,190,000 general obligation debt in 2024. That number is not included in this total.

Note: This summary may not reflect all of the Village's outstanding and underlying indebtedness. Responses from certain entities were not received at the time of printing this Official Statement. Only those taxing jurisdictions with general obligation debt outstanding are included in this section.

Source: Wisconsin Department of Revenue, information provided by each municipal entity through publicly available disclosure documents available on EMMA, the Wisconsin Department of Public Instruction and direct inquiries.

## Debt Statement

(As of the Closing of the Notes)

Existing General Obligation Debt.....	\$37,111,202
The 2024A Notes.....	\$10,000,000 *
The 2024B Notes.....	\$1,460,000 *
Total General Obligation Debt.....	\$48,571,202 *
Overlapping Debt.....	\$41,138,078
General Obligation Debt and Overlapping Debt.....	\$89,709,280 *
2023 Equalized Valuation (TID IN).....	\$1,514,933,400
Statutory Debt Limit (5.0% of Equalized Valuation)..... <sup>(1)</sup>	\$75,746,670
Statutory Debt Margin.....	\$27,175,468 *

(1) The Village has adopted a Debt Management Policy, which provides that, as a matter of policy, the amount of direct, non self-supporting general obligation debt outstanding plus general obligation anticipation debt outstanding does not exceed 90% of the Village's statutory debt limit.

\*Preliminary, subject to change.

## Debt Ratios

(As of the Closing of the Notes)

2023 Equalized Valuation (TID IN).....	\$1,514,933,400
2023 Estimated Population.....	10,808
General Obligation Debt to Equalized Valuation (TID IN).....	3.21% *
General Obligation Debt and Overlapping Debt to Equalized Valuation (TID IN)....	5.92% *
General Obligation Debt Per Capita.....	\$4,494.00 *
General Obligation Debt and Overlapping Debt Per Capita.....	\$8,300.27 *

\*Preliminary, subject to change.

## **FINANCIAL INFORMATION**

### Financial Statements

A copy of the Village's Financial Statements and Supplementary Information for the Fiscal Year Ended December 31, 2022 is included as Appendix B to this Official Statement. Potential purchasers should read Appendix B in its entirety for more complete information concerning the Village's financial position.

The Financial Statements and Supplementary Information contained in this Official Statement as Appendix B, including the independent auditor's report accompanying such financial statements, have been audited by CliftonLarsonAllen, Green Bay, Wisconsin (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, assessment, procedures or evaluation with respect to such financial statements since the date thereof or relating 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 will represent and warrant there has 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.

**General Fund Summary**  
(For Years Ending December 31)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	Unaudited <u>2023</u>	Budget <u>2024</u>
Revenues						
Taxes.....	\$ 1,643,935	\$ 1,650,306	\$1,792,161	\$2,009,949	\$2,074,677	\$ 2,031,875
Licenses and permits.....	323,509	208,011	200,265	174,925	183,968	130,255
Intergovernmental.....	977,494	1,137,614	1,083,607	1,164,504	1,372,966	1,718,441
Public charges for services.....	548,174	545,879	587,983	573,035	602,962	620,705
Fines and forfeitures.....	90,422	78,569	84,378	75,506	64,792	76,744
Miscellaneous Revenue.....	62,458	27,737	11,303	56,453	278,142	103,750
Special assessments.....	1,461	-	-	-	-	-
Total Revenues.....	<u>3,647,453</u>	<u>3,648,116</u>	<u>3,759,697</u>	<u>4,054,372</u>	<u>4,577,507</u>	<u>4,681,770</u>
Expenditures						
General government.....	737,823	752,209	718,012	752,421	716,429	878,161
Public safety.....	1,703,158	1,893,764	1,991,221	2,328,756	2,556,744	2,756,118
Public works.....	845,705	840,545	787,148	833,310	943,425	997,753
Conservation and development.....	109,089	96,141	104,596	106,872	118,335	132,151
Total Expenditures.....	<u>3,395,775</u>	<u>3,582,659</u>	<u>3,600,977</u>	<u>4,021,359</u>	<u>4,334,933</u>	<u>4,764,183</u>
Net Surplus (Deficit).....	251,678	65,457	158,720	33,013	242,574	(82,413)
Other Financing Sources (Uses).....	99,883	(45,734)	(202,927) <sup>(1)</sup>	102,674	102,674	82,413
Beginning Fund Balance.....	<u>1,308,769</u>	<u>1,660,330</u>	<u>1,680,053</u>	<u>1,635,846</u>	<u>1,771,533</u>	<u>2,116,781</u>
Ending Fund Balance.....	<u>\$ 1,660,330</u>	<u>\$ 1,680,053</u>	<u>\$ 1,635,846</u>	<u>\$ 1,771,533</u>	<u>\$ 2,116,781</u>	<u>\$ 2,116,781</u>

(1) Includes a one-time transfer of \$308,978 for the creation of the Park and Recreation non-major fund.

Source: Compiled from the Village's Financial Statements and Supplementary Information for fiscal years ended December 31, 2019-2022 and December 31, 2023 unaudited figures and December 31, 2024 budget figures provided by the Village.

## **TAX MATTERS**

### **The 2024A Notes**

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 2024A Notes under existing law substantially in the following form:

“The interest on the 2024A Notes is excludable for federal income tax purposes from the gross income of the owners of the 2024A Notes. The interest on the 2024A 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 2024A 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 2024A Notes in order for interest on the 2024A 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 2024A Notes to be included in gross income retroactively to the date of issuance of the 2024A 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 2024A Notes.”



The interest on the 2024A Notes is not exempt from present Wisconsin income or franchise taxes.

Prospective purchasers of the 2024A Notes should be aware that ownership of the 2024A 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 2024A 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 2024A 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 2024A Notes may be enacted. Prospective purchasers of the 2024A Notes should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

### **The 2024B Notes**

Interest on the 2024B Notes is included in gross income for present Federal income tax purposes. Interest on the 2024B Notes is not exempt from present Wisconsin income or franchise taxes.

### **DESIGNATION AS QUALIFIED TAX-EXEMPT OBLIGATIONS**

Subject to the Village's compliance with certain covenants, the 2024A Notes shall be designated as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

### **ORIGINAL ISSUE DISCOUNT AND BOND PREMIUM**

#### **Original Issue Discount – The 2024A Notes**

To the extent that the initial public offering price of certain of the 2024A Notes is less than the principal amount payable at maturity, such 2024A 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.

### **Original Issue Discount – The 2024B Notes**

To the extent that the initial public offering price of certain of the 2024B Notes is less than the stated principal amount payable at maturity, such 2024B Notes will be considered to be issued with original issue discount unless the amount of original issue discount is “de minimis.” The amount of original issue discount with respect to a 2024B Note will be “de minimis” if the amount of discount is less than one-fourth of 1% of the principal amount payable at maturity multiplied by the number of complete years from the issue date until the maturity date.

If the amount of discount with respect to a 2024B Note is considered “de minimis,” then the amount of original issue discount with respect to the 2024B Note will be zero. In that case, owners of those 2024B Notes will not be required to include any amount of original issue discount in income until the principal amount is repaid, at which time the owner will recognize capital gain (assuming the 2024B Note is held as a capital asset) equal to the excess of the amount received at maturity over the issue price.

If the amount of discount with respect to a 2024B Note is more than “de minimis,” then the 2024B Notes will contain original issue discount and owners of the 2024B Notes will be required to include original issue discount in income. The Internal Revenue Code of 1986, as amended (the “Code”) contains a number of very complex provisions requiring holders of debt instruments with original issue discount to include such original issue discount in income as it accrues ratably over the life of the debt instrument. In the case of a 2024B Note with original issue discount, the owner may be required to include the original issue discount in income before the owner receives the associated cash payment, regardless of the owner's regular method of accounting for tax purposes. Any such original issue discount that is included in income is treated in the same manner as interest. Any original issue discount

that is included in income by an owner with respect to a 2024B Note will increase the holder's tax basis in the 2024B Note.

The Code contains certain provisions relating to the accrual of original issue discount (including de minimis original issue discount) in the case of subsequent purchasers of obligations such as the 2024B Notes. Owners who do not purchase 2024B Notes in the initial public offering should consult their own tax advisors with respect to the tax consequences of the acquisition and ownership of 2024B Notes.

Owners who purchase 2024B Notes in the initial public offering but at a price different than the initial offering price at which a substantial amount of that maturity of the 2024B Notes was sold to the public should consult their own tax advisors with respect to the tax consequences of the acquisition and ownership of the 2024B Notes.

Owners of 2024B Notes should consult their own tax advisors with respect to the state and local tax consequences of owning the 2024B Notes.

### **Bond Premium – The 2024A Notes**

To the extent that the initial offering price of certain of the 2024A Notes is more than the principal amount payable at maturity, such 2024A 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.

### **Bond Premium – The 2024B Notes**

To the extent that the initial offering price of certain of the 2024B Notes ("Premium Bonds") is more than the principal amount payable at maturity, the Premium Bonds will be considered to have "bond premium" equal to the difference between the issue price and the stated redemption price at maturity.

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. Owners of Premium Bonds, the interest on which is subject to tax, may make an election to amortize the bond premium and to offset the taxable interest income with the amortizable bond premium for the year. Any amortizable bond premium that

reduces the amount of interest income also reduces the owner's adjusted tax basis in the 2024B Note by a corresponding amount. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (for example, upon a sale, exchange, redemption, or payment at maturity) of such Premium Bond. If the election is made, it is effective for all 2024B Notes acquired during that year and all future years unless the taxpayer receives permission from the IRS to revoke the election. Owners of Premium Bonds should consult with their tax advisors regarding the calculation and treatment of bond premium for federal income tax purposes, as well as the manner of making the election.

Owners of the Premium Bonds who do not purchase such Premium Bonds in the initial offering at the issue price should consult with their tax advisors regarding the tax consequences of owning the Premium Bonds.

Owners of Premium Bonds should consult with their tax advisors regarding the state and local tax consequences of owning such Premium Bonds.

### **LITIGATION**

There is no controversy or litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Notes or in any way contesting or affecting the validity of the Notes or any proceedings of the Village taken with respect to the issuance or sale thereof.

### **RATING**

S&P has assigned its municipal note rating of "AA" (Stable Outlook) to the Notes. This rating reflects only the view of S&P and any explanation of the significance of such rating may only be obtained from S&P. Certain information concerning the Notes and the Village not included in this Official Statement was furnished to S&P by the Village. There is no assurance that the rating will be maintained for any given period of time or that it may not be changed by S&P, if, in its judgment, circumstances so warrant. Any downward change in or withdrawal of the rating may have an adverse effect on the market price of the Notes. Except as may be required by the Undertaking described below under the heading "CONTINUING DISCLOSURE," neither the Village nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Notes any proposed change in or withdrawal of such rating or to oppose any such revision or withdrawal.

### **MUNICIPAL BANKRUPTCY**

Municipalities (including school districts) 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.

### **CONTINUING DISCLOSURE**

In order to assist the Underwriter in complying with SEC Rule 15c2-12 promulgated by the Commission, pursuant to the 1934 Act (the “Rule”), the Village shall covenant pursuant to the Award Resolutions adopted by the Board to enter into an undertaking (the “Undertaking”) for the benefit of holders including beneficial holders of the Notes to provide certain financial information and operating data relating to the Village annually to the Municipal Securities Rulemaking Board (the “MSRB”), and to provide notices of the occurrence of certain events enumerated in the Rule electronically or in the manner otherwise prescribed by the MSRB to the MSRB. The details and terms of the Undertaking, as well as the information to be contained in the annual report or the notices of reportable events, are set forth in the Continuing Disclosure Certificates to be executed and delivered by the Village at the time the Notes are delivered. Such Certificates will be in substantially the forms attached hereto as Appendix C.

The Village failed to provide notice of a financial obligation incurred in September 2020 in a timely manner, but has since provided such notice. Except to the extent the preceding is deemed to be material, the Village has not failed to comply in the previous five years in all material respects with any previous undertaking under the Rule. The Undertaking includes two new reportable events effective February 27, 2019 under the Rule. The Village has reviewed its continuing disclosure responsibilities, including the two new reportable events, in order to help ensure compliance in the future. The Village has retained PMA Securities, LLC, Milwaukee, Wisconsin, to act as the Village’s Dissemination Agent for its continuing disclosure filings. A failure by the Village to comply with the Undertaking will not constitute an event of default on the Notes (although holders will have the right to obtain specific performance of the obligations under the Undertaking). Nevertheless, such a 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. Consequently, such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

The Village will file its continuing disclosure information using the MSRB's Electronic Municipal Market Access ("EMMA") system. Investors will be able to access continuing disclosure information filed with MSRB at [www.emma.msrb.org](http://www.emma.msrb.org).

## **RELATIONSHIP WITH ONEIDA TRIBE**

### **Introduction**

All of the property within the Village of Hobart is within the historic boundaries of the reservation established for the Oneida Indians by treaty in 1838. The majority of this land was allotted to Tribal members under the federal allotment process during the late 1800s and early 1900s and later sold to third parties. The Oneida Tribe of Indians of Wisconsin ("OTI") has declared its intention to reacquire all of the land that was originally part of its reservation. The Mission Statement of the OTI Division of Land Management describes its intention with respect to this land as follows:

"In coordination with the goals and objectives of the "Seven Generations," it is the intent of the Division of Land Management to reestablish tribal jurisdiction of the lands within the 1838 Oneida Indian Reservation boundaries of Wisconsin and to preserve, maintain and distribute such lands according to the needs of our General Tribal Council."

The OTI and the Village have competing interests regarding development within the Village.

### **Property In and Out of Trust**

There are 161 parcels in the Village that are held in trust with the United States government and not subject to property taxation. The majority of these parcels consist of land held in trust for the OTI; however, there is also land held in trust for members of the OTI.

There are 322 parcels in the Village that are owned directly (in "fee") by the OTI, and are subject to property taxation. The preliminary 2024 assessed value of the 322 parcels in fee is \$40,449,300, which makes the OTI the largest single taxpayer in the Village. Individual tribal members also own land in fee, but are excluded from the mentioned 322 parcels.

The OTI has been seeking to have these parcels placed in trust, which would mean that those parcels would not be subject to property taxation nor, purportedly, local jurisdiction. The Village intends to contest every parcel applied for trust status. The OTI presently has numerous applications pending before the Bureau of Indian Affairs ("BIA") to place land in trust, representing 148 parcels and approximately 2,926 acres of land valued at approximately \$9,643,400 at the time of application, most of which have been pending since 2008. On January 19, 2017, the BIA issued a Notice of Decision accepting 21 parcels consisting of 499.02 acres in trust for the OTI. On February 21, 2017, the Village filed a Notice of Appeal to the Interior Board of Indian Appeals ("IBIA") challenging the decision. On September 21, 2023, the IBIA affirmed the decision of the BIA accepting the 499.02 acres into trust. On November 11, 2023, the Village filed an appeal of the IBIA's decision in the Eastern District of Wisconsin Federal Court. The answer to the complaint was filed on February 15, 2024 and the tribe filed a motion to intervene on the same date.

Additionally, on October 15, 2019, the Village received a Notice of Decision ("NOD") to place .22 acres of land into trust for an individual tribal member. The Village appealed that NOD, and the final brief was filed on April 9, 2020. On September 24, 2021, the IBIA dismissed the appeal as moot and vacated the previous decisions, leaving the property in fee simple.

On September 30, 2019, the Village received another NOD, to place 11.18 acres of land into trust for the Tribe. The Village filed its opening brief on May 26, 2020. In response to the Village's Brief, on November 9, 2020, the Regional Director of the BIA filed a Motion requesting that the September 30, 2019 decision to accept the land into trust be vacated and remanded. On November 12, 2020, the IBIA issued an Order vacating and remanding that decision.

On September 16, 2021, the Village received notice that the OTI was submitting additional comments on a fee to trust application that was originally submitted on June 6, 2018 for 0.447 acres. The Village reasserted its objection to the application on October 6, 2021. No decision has been made by the IBIA relative to this application.

On June 8, 2022, the Village received notice that the OTI was submitting additional comments on a fee trust application that was originally submitted on April 1, 2019 for 1.375 acres. The Village reasserted its objection to the application on July 7, 2022. No decision has been made by the IBIA relative to this updated application.

On June 10, 2022, the Village received notice that the OTI was submitting additional comments on a fee trust application that was originally submitted on June 17, 2019 for 1.946 acres. The Village reasserted its objection to the application on July 7, 2022. No decision has been made by the IBIA relative to this updated application.

The grounds for the appeals include an argument that the OTI is not eligible to have land placed into trust pursuant to the Indian Reorganization Act ("IRA") 25 USC § 5108, because it was not a tribe under federal jurisdiction in 1934 as required by the United States' Supreme Court's decision interpreting the IRA, in *Carcieri v. Salazar*, 555 U.S. 379 (2009). The OTI's reservation was allotted prior to 1934 pursuant to the Indian General Allotment Act, Ch. 19, 24 Stat. 383 after which the OTI had little, if any, contact with the federal government and, therefore, was arguably not under federal jurisdiction at the requisite time. Additional grounds for the appeal are that the IBIA did not follow the regulations implementing the IRA, found at 25 CFR § 151, in a proper or complete manner. Arguments relating to the constitutionality of the federal government's action to remove land from state and local jurisdiction, by placing it in trust, have also been raised. Additionally, the Village has claimed the process is biased because the OTI, along with those other tribes in the Midwest region, contribute funds to the Bureau of Indian Affairs to process their applications.

## **Fee to Trust Procedure**

The statutory authority for the OTI to apply to have its land placed into trust is found at 25 U.S.C. § 5108, commonly referred to as the IRA. The procedure to put land in trust pursuant to the IRA is governed by the Code of Federal Regulations, specifically 25 CFR § 151. The requesting tribe submits an application to the BIA describing, among other things, the properties in question, the current use of those properties, the need for additional land, and the purposes for which the land will be used. Property may only be placed in trust at the discretion of the BIA. The application must also describe the impact the proposed trust acquisition will have on the state and its political subdivisions, as well as describe or include copies of any steps taken to mitigate negative effects, such as service agreements between the tribe and any affected state-based governments.

After receipt of the application by the BIA, a notice of the application is sent to the state and local governments having regulatory jurisdiction over the land to be acquired. The state and local governments have 30 days in which to submit written objections to the proposal. Objections are reviewed and the tribe is given an opportunity to respond. The BIA also undergoes an environmental-compliance investigation of the property at question and receives a preliminary title commitment. All of this information is

reviewed before the BIA issues its Notice of Decision. Adverse decisions can be appealed to the IBIA. An IBIA decision can be appealed to federal district court.

## **Village Objections**

The consistent position of elected officials of the Village has been to object to all efforts of the OTI to place any further land into federal trust, and to appeal every Notice of Decision rendered by the BIA to the IBIA. The Village also intends to appeal any adverse decision of the IBIA to the United States district court. This occurred on November 11, 2023 when the Village appealed the IBIA decision to federal court. This position has preserved in the current property tax base, some 2,924 acres submitted for federal “trust.” Thus far, no parcels have been removed from the Village’s property tax base since January 2008, but the Village cannot predict the success of any continuing or future efforts by the OTI to remove parcels from the Village’s property tax base.

If the OTI were ultimately to prevail in the fee-to-trust procedure, it is likely that the OTI will submit virtually all of its parcels for trust status. The OTI could acquire additional parcels of land within the Village and attempt to have those parcels placed in trust by the BIA. Because trust land is exempt from property taxes, this could represent a significant erosion of the Village’s tax base and would force other taxpayers to pay an increasingly large share of the cost of local government.

## **Effect on Jurisdiction**

Arguably, pursuant to 25 CFR § 1.4 and case law interpreting the IRA, once land is placed in trust, none of the laws, ordinances, codes, resolutions, rules or other regulations of any state or political subdivision apply. The loss of local jurisdiction can be an impediment to the orderly development and use of property within the Village. The potential loss of jurisdiction is another reason why the Village is opposing all current fee-to-trust applications.

## **Current Litigation**

As referenced previously, the Village has filed administrative appeals with the IBIA relative to the BIA’s 2017 decisions, as well as its two 2019 decisions, to accept certain parcels of land in trust for the OTI. In 2021, one appeal was dismissed as moot and the prior decision accepting the land into trust was vacated, resulting in the land remaining in fee. The Village’s appeal of the IBIA’s September 21, 2023 decision relating to the 499.02 acres is the only matter currently pending in federal court. The parties are waiting for the decisions from the IBIA for the other appeals.

## **Abandoned Railroad Trail**

An abandoned railroad runs through a portion of the Village. When the railroad company abandoned its use of the railroad the Tribe took the position that was held in trust by the United States for the Tribe’s sole use and benefit. The Village, after engaging in extensive research including multiple Freedom of Information Act Requests to the BIA determined there was no evidence that the abandoned railroad parcel was in fact held in trust. Additionally, there are nontribal members who believe the segment of the abandoned railroad that bisects their property belongs to them in fee as the adjacent landowner. The Village has therefore continued its taxation and jurisdiction over those parcels. There have been discussions between the Tribe, the Village and Brown County, Wisconsin to convert the abandoned railroad strip of land into a public trail open to tribal and nontribal members alike regardless of the true ownership of any given segment of the abandoned railroad. The Village does not believe an agreement will be reached in the foreseeable future.



## **CERTAIN LEGAL MATTERS**

Certain legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinions of Quarles & Brady LLP, Milwaukee, Wisconsin (“Quarles & Brady”), Bond Counsel to the Village. In its capacity as Bond Counsel, Quarles & Brady has supplied the information herein under the heading “TAX MATTERS” and has provided the forms of Bond Counsel opinions included herein as Appendix A.

Quarles & Brady 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 has assisted the Village with certain disclosure matters, Quarles & Brady has not undertaken to independently verify the accuracy, completeness or sufficiency of this 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 this Official Statement. Further, Quarles & Brady makes no representation as to the suitability of the Notes for any investor.

## **UNDERWRITING**

The 2024A Notes were offered for sale by the Village at a public, competitive sale on March 5, 2024. The best bid submitted at the sale was submitted by \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ (the “2024A Notes Underwriter”). The Village awarded the contract for sale of the 2024A Notes to the 2024A Notes Underwriter at a price of \$\_\_\_\_\_. The 2024A Notes Underwriter has represented to the Village that the 2024A Notes have been subsequently reoffered to the public at the approximate initial offering yields as set forth on the inside cover hereto. The 2024A Notes Underwriter may offer and sell the 2024A Notes to certain dealers and others at yields different than the offering yields stated on the inside cover hereto. The offering yields may be changed from time to time by the 2024A Notes Underwriter. The aggregate underwriting fee for the 2024A Notes equals \$\_\_\_\_\_.

The 2024B Notes were offered for sale by the Village at a public, competitive sale on March 5, 2024. The best bid submitted at the sale was submitted by \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ (the “2024B Notes Underwriter” and, together with the 2024A Notes Underwriter, the “Underwriters”). The Village awarded the contract for sale of the 2024B Notes to the 2024B Notes Underwriter at a price of \$\_\_\_\_\_. The 2024B Underwriter has represented to the Village that the 2024B Notes have been subsequently reoffered to the public at the approximate initial offering yields as set forth on the inside cover hereto. The 2024B Notes Underwriter may offer and sell the 2024B Notes to certain dealers and others at yields different than the offering yields stated on the inside cover hereto. The offering yields may be changed from time to time by the 2023B Notes Underwriter. The aggregate underwriting fee for the 2024B Notes equals \$\_\_\_\_\_.

## **MUNICIPAL ADVISOR**

PMA Securities, LLC of Milwaukee, Wisconsin, has been retained as municipal advisor (the “Municipal Advisor” or “PMA”) in connection with the issuance of the Notes. In preparing this Official Statement, the Municipal Advisor has relied upon the Village, and other sources, having access to relevant data to provide accurate information for this Official Statement. To the best of the Municipal Advisor’s knowledge, the information contained in this Official Statement is true and accurate. However, the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information.

PMA is a broker-dealer and municipal advisor registered with the Commission and the MSRB and is a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In these roles, PMA generally provides fixed income brokerage services and public finance services to municipal entity clients, including municipal advisory services and advice with respect to the investment of proceeds of municipal securities. PMA is affiliated with PMA Financial Network, LLC, a financial services provider, and PMA Asset Management, LLC, an investment adviser registered with the Commission. These entities operate under common ownership with PMA and are collectively referred to in this disclosure as the “Affiliates.” Each of these Affiliates also provides services to municipal entity clients and PMA and Affiliates market the services of the other Affiliates. Unless otherwise stated, separate fees are charged for each of these products and services and referrals to its Affiliates result in an increase in revenue to the overall Affiliated companies.

The Municipal Advisor’s duties, responsibilities, and fees in connection with this issuance arise solely from the services for which it is engaged to perform as municipal advisor on the Notes and also from the investment of Note proceeds. PMA’s compensation for serving as municipal advisor on the Notes is conditional on the successful closing of the Notes. PMA receives additional fees for the services used by the Village, if any, described in the paragraph above. The fees for these services arise from separate agreements with the Village and with institutions of which the Village may be a member.

### **THE OFFICIAL STATEMENT**

This Official Statement includes the cover page, reverse thereof and the Appendices hereto.

All references to material not purporting to be quoted in full are only summaries of certain provisions thereof and do not purport to summarize or describe all the provisions thereof. Reference is hereby made to such instruments, documents and other materials for the complete provision thereof, copies of which will be furnished upon request to the Village.

### **Accuracy and Completeness of the Official Statement**

The Village has approved this Official Statement for distribution to the Underwriters of the Notes.

The Village’s officials will provide at the time of delivery of the Notes, a certificate confirming that, to the best of their knowledge and belief, the Preliminary Official Statement and Official Statement, with respect to the Notes, at the time of the sale and delivery of the Notes, was true and correct in all material respects and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated, where necessary to make the statements, in light of the circumstances under which they were made, not misleading.

/s/ \_\_\_\_\_  
Village Administrator  
Village of Hobart  
Brown County, Wisconsin

March \_\_, 2024

**Forms of Legal Opinions of Bond Counsel**

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

March 26, 2024

Re: Village of Hobart, Wisconsin ("Issuer")  
\$10,000,000 General Obligation Promissory Notes, Series 2024A,  
dated March 26, 2024 ("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 March 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2025	\$ 790,000	___%
2026	1,135,000	___
2027	1,025,000	___
2028	1,220,000	___
2029	1,570,000	___
2030	1,470,000	___
2031	1,370,000	___
2032	1,420,000	___

Interest is payable semi-annually on March 1 and September 1 of each year commencing on September 1, 2024.

The Notes maturing on March 1, 2031 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on March 1, 2030 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

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

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

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

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

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

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

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

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

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

QUARLES & BRADY LLP

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

March 26, 2024

Re: Village of Hobart, Wisconsin ("Issuer")  
\$1,460,000 Taxable General Obligation Promissory Notes, Series 2024B,  
dated March 26, 2024 ("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 March 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2025	\$150,000	____%
2026	155,000	____
2027	165,000	____
2028	175,000	____
2029	185,000	____
2030	200,000	____
2031	210,000	____
2032	220,000	____

Interest is payable semi-annually on March 1 and September 1 of each year commencing on September 1, 2024.

The Notes maturing on March 1, 2031 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on March 1, 2030 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

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

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

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

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

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

3. The interest on the Notes is included for federal income tax purposes in the gross income of the owners of 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

### **Financial Statements and Supplementary Information for the Fiscal Year Ended December 31, 2022**

The Financial Statements and Supplementary Information for the Fiscal Year Ended December 31, 2022 of the Village contained in this Official Statement as Appendix B, including the independent auditor's report accompanying such financial statements, have been audited by CliftonLarsonAllen, Green Bay, Wisconsin (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, assessment, procedures or evaluation with respect to such financial statements since the date thereof or relating 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 will represent and warrant there has 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. For specific questions or inquiries relating to the financial information of the Village since the date of the audited financial statements, please contact Aaron Kramer, Village Administrator of the Village.



**VILLAGE OF HOBART, WISCONSIN**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2022**



CPAs | CONSULTANTS | WEALTH ADVISORS

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## INDEPENDENT AUDITORS' REPORT

Village Board  
Village of Hobart, Wisconsin

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Hobart, Wisconsin, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Village of Hobart, Wisconsin'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 Hobart, Wisconsin, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter***

As discussed in Note 1.F to the financial statements, effective January 1, 2022, the Village of Hobart, Wisconsin adopted new accounting guidance for leases. The guidance requires lessors to recognize a lease receivable and a corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinions are not modified with respect to this matter.

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Village of Hobart, Wisconsin's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Village of Hobart, Wisconsin'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 management's discussion and analysis and the schedules relating to pensions and other postemployment benefits 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Hobart, Wisconsin's basic financial statements. The detailed comparisons of general fund budgeted and actual revenues and expenditures, the combining nonmajor fund statements and the budget to actual schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the detailed comparisons of general fund budgeted and actual revenues and expenditures, the combining nonmajor fund statements and the budget to actual schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2023, on our consideration of the Village of Hobart, Wisconsin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Hobart, Wisconsin's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village of Hobart, Wisconsin's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Green Bay, Wisconsin  
March 30, 2023

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**



## **Management's Discussion and Analysis December 31, 2022**

General accepted accounting principles (GAAP) requires management of the Village of Hobart, Wisconsin to provide the readers of the Village's basic financial statements a narrative introduction, overview, and analysis of the financial activities of the Village for the fiscal year ended December 31, 2022, in the form of a Management's Discussion and Analysis (MD&A). Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the Village of Hobart has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the Village of Hobart's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Village of Hobart's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Village of Hobart's financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Village of Hobart for the fiscal year ended December 31, 2022, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that the Village of Hobart's financial statements for the fiscal year ended December 31, 2022, present fairly, in all material respects, the respective financial position of the government in conformity with GAAP. The independent auditor's report is presented on pages 1-3 of this report.

### **Profile of the Government**

The Village of Hobart is in northeast Wisconsin in Brown County, adjacent to the Austin Straubel International Airport approximately 120 miles northwest of the City of Milwaukee, bordering the western border of the City of Green Bay, and 30 miles northeast of the City of Appleton. The Village encompasses approximately 33 square miles. The Town of Hobart was incorporated as the Village of Hobart on May 13, 2002. With a 2022 Wisconsin Department of Administration population estimate of 10,486. This is a 2.69% increase over the 2020 population census of 10,211, and a 69.62% increase since the 2010 Federal Census report of 6,182. The 2022 growth was the result of a total of 112 new housing units added within the Village during 2021. The population and square mile statistics combine to produce a population density of 318 persons per square mile. This indicates ample land for future growth and orderly development. The Village of Hobart is empowered to levy a property tax on both real and personal property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing board.

The Village of Hobart operates under the board-administrator form of government. Policy making, and legislative authority are vested in a governing Village Board consisting of a Village President, elected for a three-year term, and four Trustees, elected at-large for two-year, staggered terms. The Village Board is elected on a non-partisan basis and is responsible, among other things, for passing ordinances, adopting the budget, appointing certain department directors, and member appointments to various boards, committees, and commissions. A Village Administrator is responsible for carrying out the policies and ordinances of the Village Board, for overseeing the



day-to-day operations of the government, economic development, monitoring and lobbying on state and federal legislation affecting the Village, and annually compiling an executive budget recommendation, among other responsibilities.

The Village provides a full range of municipal services contemplated by statute or character, including public safety, streets, sanitation, parks/recreation/culture, public improvements, building safety and code compliance, neighborhood services, planning and zoning, water, sewer and storm water systems, and general administrative services. Public safety is provided with two fire stations and 28 volunteer firefighters, and a police department with 15.85 FTEs, which includes the Police Chief, Police Captain, and Police/Administrative Clerk. The Public Works Division, in consultation with a contracted engineering firm, is responsible for the engineering, designing and inspection of Village construction projects, maintenance of public roadways within the Village, and a variety of other public works services throughout the year. The Village also provides for refuse and garbage disposal for its residents through an outside contract for services. Total full time equivalent (FTE) municipal employment numbers 26.85. The Pulaski Community School District and West De Pere School District serve the Village and provides a comprehensive program for students in kindergarten through the twelfth grade. Higher education is provided by the University of Wisconsin-Green Bay and Northeast Wisconsin Technical College, both located in Green Bay, and St. Norbert College, located in De Pere, Wisconsin.

The annual operating budget serves as the foundation for the Village of Hobart's financial planning and control. The operating budget includes proposed expenditures and the means of financing them and is legally enacted by Village Board action no later than December 1 each calendar year. The budget as enacted includes total expenditures at the organization level. An organization can be a department, division, fund, or other activity. Expenditures cannot legally exceed appropriations at this level. The general fund, debt service fund, tax incremental districts, and capital projects fund have legally adopted budgets and associated levies. For these funds, the budget-to-actual comparison is presented as part of the supplemental information section of this report.

The Village Board and staff work at length to achieve its budget priorities, and to move the Village further toward its started mission, which is as follows:

***The Village of Hobart officials and employees will lead the community in the delivery of the finest municipal services in the most cost-responsible manner to ensure a high quality of life and safe neighborhoods while maintaining flexibility to respond to the needs of citizens in our ever-changing community. Actions taken in pursuit of our mission will be in accordance with democratic principles and the Constitution of the United States of America.***

### **Overview of the Basic Financial Statements**

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

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Village include general government, public safety, public works, conservation and development, and interest on debt. The business-type activities of the Village include water, sewer, and storm water utilities.

The government-wide financial statements can be found on pages 19 – 21 of this report.

The Village changed accounting policies related to pension accounting by adopting Statement of Governmental Accounting Standards Board (GASB) No. 68, Accounting and Financial Reporting for Pensions and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. The new standards recognize pension costs as employment services are provided, rather than when the pensions are funded. The statement of net position reflects the Village's proportionate share of the Wisconsin Retirement System pension plan and is deferred and amortized over the expected remaining service lives of the pension plan participants. For purposes of measuring the net pension asset, deferred outflow/inflows of resources related to pension, 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.

The Village has adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement revised and established new financial reporting requirements for governments that provide their employees with postemployment benefits.

Required supplementary information found on pages 78 – 81 of this report recognizes GASB No. 68, No. 71, and No. 75 schedules.

In June 2017, GASB Statement No. 87 Leases was issued. The standard required the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It established a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Village adopted the requirements of the guidance effective January 1, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption. As a result of the implementation of this standard, the Village recorded a lease receivable and deferred inflow of resources of \$117,355 in the business-type activities and the water fund.

More detailed information on the Village's lease activity may be found in Note 3(B) on page 51 of the notes to the financial statements.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The Village maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, capital projects fund, tax increment district #1 fund, and tax increment district #2 fund which are all considered to be major funds. Non-major funds consist of a K-9 special revenue fund which accounts for all financial activity relating to the K-9 public safety program, an ARPA fund that accounts for revenue and expenditures received under the American Rescue Plan Act (ARPA) of 2021, and a Park and Recreation Fund which accounts for any revenues and expenditures relating to park development, park maintenance and recreational programming. In 2022, the Village Board approved by resolution the creation of 2 additional non-major special revenue funds, a Police Donation Fund and a Fire Donation Fund, each fund reports the donations for police or fire special sources that are restricted or committed to expenditures for a specific purpose.

The Village adopts an annual appropriated budget for its governmental funds. As part of the basic governmental fund financial statements, budgetary comparison statements have been provided for the general fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 22 - 28 of this report.

Supplementary information found on pages 83 - 85 of this report provides budget comparison statements for all major governmental funds.

***Proprietary funds.*** The Village maintains a single type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Village uses enterprise funds to account for its water, sewer, and storm water utilities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, and storm water utilities funds, all of which are considered to be major funds of the Village.

The basic proprietary fund financial statements can be found on pages 29 – 32 of this report.

***Fiduciary funds.*** The Village adopted GASB Statement No. 84, Fiduciary Activities, and established a single type of fiduciary fund. The *tax collection custodial fund* is used to account for property taxes and specials collected on behalf of other governments. These amounts were recorded in the general fund in prior years.

The basic fiduciary fund financial statements can be found on pages 33- 34 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the basic financial statements can be found on pages 35 - 76 of this report.

**Other information.** Supplemental schedules can be found on pages 83 - 91.

## **Factors Affecting Financial Condition.**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Village of Hobart operates. The basic financial statements focus on Hobart's financial position (existing resources and claims to those resources). Users of financial statements also desire information useful in assessing whether Hobart's financial position is likely to improve or deteriorate in the future (a government's economic condition). This letter provides relevant information for Hobart relating to each of the following:

**Long-term Financial Planning.** The Village of Hobart has developed a Five-Year Capital Improvement Plan (CIP). The plan contains capital and infrastructure costs of \$5,000 or more based on the Village's capitalization policy. The CIP details annual funding sources, expenditures, and narrative descriptions for the capital improvements. The CIP is updated on an annual basis and is used as a planning document during the annual budget process.

**Strategic Plan.** The Village of Hobart adopted its first ever Strategic Plan in 2014. This very inclusive process had Village stakeholders and decision-makers uprooting our core values to build upon, as well as our priority areas for improvement. The current Plan prioritized certain spending and projects initiatives for the years 2018-2020. 2022 initiatives were: completion of the WIS 29/CTH VV interchange construction and updating the 10-year capital road plan. In 2023, the Village plans to construct a new fire station, replacing the current facility on South Pine Tree Road, which has served the Village since the 1960s. Future building projects in the decade include a police station (financed jointly with the Town of Lawrence), as well as the possible construction of a new public works facility. The Village will also begin the process of updating its Comprehensive Plan in the next 2-3 years.

**Relevant Financial Policies.** The Village of Hobart has adopted a comprehensive set of financial policies as guidelines for the annual budget process. The adopted policies consist of the following: General Fund Balance; Debt Management; Cash Management; Credit Card; Sewer Utility Fund Balance-Retained Earnings; and Green Bay Metropolitan Sewerage District Local Annual Rate Adjustment.

In 2022, the Village adopted a new policy by resolution authorizing to Write Off Old Uncollectible Accounts Receivable. The Village collects accounts receivable using a process that includes internal billing and collection efforts, the use of a collection agency; and tax intercept. Once accounts reach a certain age without successful collection, it is best to remove them from the accounting system. The process of writing off old accounts does not forgive the debt but only removes them from the accounting system. Removing the accounts from the accounting system allows the Village to maintain a cleaner, more efficient, system.

**Economic Information/Outlook.** The Village of Hobart continues to see tremendous record-breaking growth with an estimated 2022 population of 10,486 and a 2022 equalized valuation of \$1,293,863,100 which is a 14% increase over the 2021 equalized valuation of \$1,137,391,600. This follows a 8% increase from the 2020 equalized valuation of \$1,056,501,600 to the 2021 equalized valuation. 2020 was first time the Village has had a tax base exceeding \$1 billion in equalized value. Between 2022 and 2021, the Village's largest actual dollar increase in full value for real and personal property was in residential and commercial properties.

The Village of Hobart has continued a pattern of strong economic growth in 2022. The area's economic prosperity has translated into increased wages for the community and more spendable income to support new business development and growth. In 2022, the Village's top employer is Bay Valley Foods, a Food Processing/Distribution company with 390 employees. Bayland Buildings-BayCo Properties, a real estate and commercial construction company with 192 employees, is the Village's second largest employer. EMT International, a web-processing designer and manufacturing company, has 130 employees. The engineering consultant firm Robert E. Lee & Associates has a workforce of 52. Green Bay Paper Converting has 50 employees. Metal fabricator High View Custom Fab – FCF Inv. employs 45, and Idealair Heating & Cooling has a workforce of 44.

For the past several years, the Village of Hobart has ranked near the top for new housing starts among all cities, villages, and towns in the state of Wisconsin. In 2022, Hobart experienced 63 new single-family housing starts with a total residential permit valuation equaling \$26,816,470, and 8 multi-family housing units with a total residential permit valuation equaling \$14,580,000.

The Village has established two tax increment districts (TIDs); TID 1 in 2009 and TID 2 in 2011. The focused economic development of the Village within these two TIDs has resulted in \$388,036,400 in equalized incremental value. TID 1 had \$253,512,800 in equalized incremental value upon updated assessments as of January 1, 2022, and TID 2 had \$134,523,600 equalized incremental value.

Recent development in Tax Increment District (TID) 1 consisted of the purchase of nearly seventy (70) acres of undeveloped land from a private landowner and an agreement with Bayland Buildings, a local development and construction company, to develop the land over the next decade. The parcels made up the majority of the remaining undeveloped property in the TID. Work on installing the infrastructure for the Business District was started in 2022, with full completion expected in 2023. The TID also saw construction begin on a new facility for Forever.com, a cloud-based IT company. The development of the Wyld Berry Condominiums, the first of its kind in the TID, continued. The TID also contributed to the development of the Blackberry Ridge, a 30-lot single family home subdivision, which has seen nearly all of the residential lots either sold or being developed.

In 2019, the Federal government awarded a \$19.8 million grant to Brown County for the construction of an interchange to be located at the intersection of County Highway VV and State Highway 29. This project, which has an estimated cost of \$30 million, will improve access to the TID from Highway 29. Construction was completed in 2022. The Village is contributing \$3.2 million to the project, in addition to local road and utility improvements.

In TID 2, a new subdivision, Volante, will be opened in 2023. The subdivision will consist of 46 single family homes and 256 apartment units. Work started in 2021 on eight apartment buildings which will add an estimated \$10 million to the TID's tax base. The TID also contributed to the development of the Southwinds Estate subdivision, which will consist of 45 single-family residential lots, four 14-unit apartment buildings and two 10-unit apartment buildings, estimated to bring an additional \$21.4 million to the tax base. The majority of the lots have been sold and/or developed.

The Village adopted GASB Statement No. 77, Tax Abatement Disclosures. As part of the project plans for each of the Village's tax increment districts, the Village entered into agreements with developers for the creation of tax base within the districts. The agreements require the Village to make annual repayments of property taxes collected within the district to the developers, based upon the terms of the agreements. As tax abatements, those developer payments and the related property tax revenues are not reported as revenues or expenditures in the financial statements. For the year ended December 31, 2022, the Village abated property taxes totaling \$1,824,185 under this program. Note 4(B) on page 76 of this report, discloses the required GASB 77 financial information.

Despite the Village's economic development, strategy utilizing tax increment financing, housing starts elsewhere in the Village also remains strong. Moderately priced subdivisions including Southwind Estates and Blackberry Estates are rapidly approaching their respective build-outs while the new 5<sup>th</sup> Addition to Hemlock Creek Blackberry Subdivision come aboard in 2021 and both the North Autumn Joy and South Autumn Joy subdivisions came aboard in 2022.

The non-seasonal adjusted unemployment rate for the Village of Hobart in December 2022 was 2.0 percent. The state's non-seasonal adjusted December unemployment rate was 2.3 percent, with a U.S. non-seasonal unemployment rate of 3.9 percent.

The Village continues to update the Village's homepage and website, ([www.hobart-wi.org](http://www.hobart-wi.org)), including the compilation and coordination of website information for all Village departments and services. The Village also has a separate economic development website ([www.buildinhobart.com](http://www.buildinhobart.com)) aimed at business attraction and recruitment efforts. The website is a very aesthetically pleasing and user-friendly tool to market developable property.

## Financial Highlights

- The assets and deferred outflows of resources of the Village exceeded its liabilities and deferred inflows of resources as of December 31, 2022, by \$20,100,140 (*net position*). Of this amount, (\$14,091,956) (unrestricted net position) is negative because the Village has issued debt for noncapital items relating to development projects in Tax Increment Districts;
- The Village's change in net position increased by \$2,083,808 due primarily to Utility Capital Assets financed by Tax Increment Districts;
- As of December 31, 2022, the Village's governmental funds reported combined ending fund balances of \$7,554,806, an increase of \$1,044,514 in comparison with the prior year. The increase resulted from Capital Projects and Tax Increment District 1 available fund balance usage for financing 2022 capital projects and development. Approximately 0.11%, \$8,074 is nonspendable for K-9 program inventories and prepaid items. Approximately 0.14%, \$10,442 is restricted for GIS. Approximately 2.20%, \$165,768 is restricted for tax levy supported debt relief. Approximately 39.34%, \$2,972,148 is restricted for capital projects in tax incremental districts. Approximately 4.98%, \$376,517 is restricted for parks and recreation. Approximately 0.64%, \$48,451 is restricted for police and fire donations. Approximately 17.21%, \$1,300,000 is assigned for a fire station construction. Approximately 27.45%, \$2,074,016 is assigned for development and capital improvements. Approximately 1.83%, \$138,299 is assigned for the K-9 program. Approximately 6.10%, \$461,091 is unassigned and *available for spending* at the Village's discretion;
- As of December 31, 2022, the general fund balance of \$1,771,533 was approximately 44.05% of total general fund expenditures;
- On April 27, 2022, \$8,460,000 general obligation promissory notes were issued to finance the cost of interchange and road projects and other public-infrastructure projects in the Village's Tax Incremental District No. 1, and to refund the Village's General Obligation Refunding Bonds, Series 2012, dated July 10, 2012, for debt service savings. The notes have interest rates ranging from 2.75% to 3.00% in 2023 thru 2032. In 2022, \$6,062,031 was paid on outstanding principal and refunded debt.
- The Village's 2022 long-term debt credit rating issued by Standard and Poor's was AA with a stable outlook.
- On March 31, 2015, the Green Bay/Brown County Professional Football Stadium District Board completed the certifications necessary to end the football stadium district sales tax on September 30, 2015. Wisconsin Statutes 2015 Act 114 provided a mechanism for football stadium district sales taxes collected or imposed between April 1, 2015, and September 30, 2015, to be paid back to Brown County and municipalities within the County. Act 114 specifies this payment must be used only for the purpose of tax relief, tax levy supported debt relief, or economic development. On February 4, 2016, the Village Board passed a resolution which specified the use of Act 114 funds for tax levy supported debt relief. To date, the Village of Hobart's portion of the sales taxes collected or imposed was \$445,178. In 2015 \$406,658 was received, \$13,277 was received in 2016, \$12,923 was received in 2017, \$8,258 was received in 2018, \$3,122 was received in 2019, \$743 was received in 2020, \$90 was received in 2021, and \$107 was received in 2022.

## Government-wide Financial Analysis

**Net position.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. In the case of the Village, assets exceeded liabilities and deferred outflows/inflows of resources by \$20,100,140 at the close of 2022.

The chart below details the Village of Hobart's Net Position.

Village of Hobart's Net Position (in thousands of dollars)						
	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
<b>Assets</b>						
Current and other assets	\$ 21,000	\$ 19,187	\$ 2,404	\$ 2,237	\$ 23,404	\$ 21,424
Leases Receivable	-	-	117	-	117	-
Assets held for resale	871	1,088	-	-	871	1,088
Net pension asset	833	611	101	90	934	701
Capital assets	21,138	19,141	29,379	27,908	50,517	47,049
Total Assets	43,842	40,027	32,001	30,235	75,843	70,262
<b>Deferred Outflows of Resources</b>						
Related to pension	1,646	1,024	193	150	1,839	1,174
Related to other postemployment	68	72	11	12	79	84
Total Deferred Outflows of Resources	1,714	1,096	204	162	1,918	1,258
<b>Liabilities</b>						
Long-term liabilities outstanding	38,980	35,641	4,236	5,044	43,216	40,685
Other postemployment benefits	179	156	28	27	207	183
Other liabilities	1,628	1,974	319	248	1,947	2,222
Total Liabilities	40,787	37,771	4,583	5,319	45,370	43,090
<b>Deferred Inflows of Resources</b>						
Property taxes	9,941	8,839	-	-	9,941	8,839
Related to Pension	1,963	1,340	237	198	2,200	1,538
Related to other postemployment	29	31	4	5	33	36
Leases	-	-	117	-	117	-
Total Deferred Inflows of Resources	11,933	10,210	358	203	12,291	10,413
<b>Net Position</b>						
Net investment in capital assets	2,470	3,018	24,968	22,864	27,438	25,882
Restricted	6,654	3,604	100	90	6,754	3,694
Unrestricted	(16,287)	(13,481)	2,195	1,921	(14,092)	(11,560)
Total Net Position	\$ (7,163)	\$ (6,859)	\$ 27,263	\$ 24,875	\$ 20,100	\$ 18,016

The Village reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, etc.), less any related debt used to acquire those assets that are still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although, the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. On December 31, 2022, the governmental activities unrestricted net position is negative because the Village has issued debt for noncapital items relating to development projects in Tax Increment Districts.

**Change in net position.** The Village's governmental activities net position at the end of the year amounted to (\$7,163,144). The change in net position during 2022 was a decrease of \$304,435 because the Village has issued debt for noncapital items relating to development projects in Tax Increment Districts. Total general revenues and transfers of \$4,533,046 less \$4,837,481 governmental activities resulted in the net position decrease.

Net position of the water utility enterprise fund at the end of the year amounted to \$12,253,420. The change in net position during 2022 was an increase of \$637,804. Operating income of \$74,358, nonoperating revenue of \$5,675, and capital contributions of \$633,972, were more than nonoperating expenses of \$13,527 and transfers out of

\$62,674 resulting in the net position increase. The 2022 operating income of \$74,358 resulted from operating revenues of \$1,120,811 exceeding operating expenditures of \$1,046,453 and the operating income was consistent with the prior year.

Net position of the sewer utility enterprise fund at the end of the year amounted to \$8,638,982. The change in net position during 2022 was an increase of \$1,123,174. Operating income of \$459,770, nonoperating revenue of \$2,002, and capital contributions of \$775,232 were more than nonoperating expenses of \$73,830 and transfers out of \$40,000 resulting in the net position increase. The 2022 operating income of \$459,770 resulted from operating revenues of \$1,758,123 exceeding operating expenditures of \$1,298,353 and the operating income was consistent with the prior year.

Net position of the storm water utility enterprise fund at the end of the year amounted to \$6,370,882. The change in net position during 2022 was an increase of \$627,265. Operating income of \$98,325, nonoperating revenues of \$6,060 and capital contributions of \$524,008, were more than nonoperating expenses of \$1,128 resulting in the net position increase. The 2022 operating income of \$98,325 resulted from operating revenues of \$488,315 exceeding operating expenditures of \$389,990 and the operating income was consistent with the prior year.

Key elements of the Village's change in net position are shown in the following chart.

<b>Village of Hobart's Change in Net Position</b>						
<b>(In thousands of dollars)</b>						
	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues						
Charges for services	\$ 1,414	\$ 1,354	\$ 3,367	\$ 3,298	\$ 4,781	\$ 4,652
Operating grants and contributions	915	721	-	106	915	827
Capital grants and contributions	430	254	-	-	430	254
General Revenues						
Property taxes	6,023	6,005	-	-	6,023	6,005
Other taxes	52	57	-	-	52	57
Grants and contributions not restricted to specific programs	97	99	-	-	97	99
Other	192	215	13	1	205	216
Total Revenues	9,123	8,705	3,380	3,405	12,503	12,110
Expenses						
General government	824	828	-	-	824	828
Public safety	2,623	2,175	-	-	2,623	2,175
Public works	1,266	1,576	-	-	1,266	1,576
Health and human services	-	3	-	-	-	3
Culture and recreation	35	16	-	-	35	16
Conservation and development	1,438	3,989	-	-	1,438	3,989
Interest on long-term debt	1,410	1,210	-	-	1,410	1,210
Water utility	-	-	1,060	1,150	1,060	1,150
Sewer utility	-	-	1,372	1,352	1,372	1,352
Storm Water utility	-	-	391	466	391	466
Total Expenses	7,596	9,797	2,823	2,968	10,419	12,765
Change in Net Position Before Transfers	1,527	(1,092)	557	437	2,084	(655)
Transfers	(1,831)	(1,075)	1,831	1,075	-	-
Change in Net Position	(304)	(2,167)	2,388	1,512	2,084	(655)
Net Position - January 1	(6,859)	(4,692)	24,875	23,363	18,016	18,671
Net Position - December 31	\$ (7,163)	\$ (6,859)	\$ 27,263	\$ 24,875	\$ 20,100	\$ 18,016



Net Position – January 1 Restatement: During the fiscal year ended December 31, 2021, the Village recorded a prior period adjustment in the governmental activities to record developer loans receivable of \$1,872,568 resulting in the January 1 net position previously reported to a restated amount of \$4,691,686.

### **Financial Analysis of the Village's Funds**

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the Village's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Village's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of the Village's net resources available for spending at the end of the fiscal year.

As of December 31, 2022, the Village's governmental funds reported combined ending fund balances of \$7,554,806, an increase of \$1,044,514 in comparison with the prior year. The increase resulted from Capital Projects and Tax Increment District 1 available fund balance usage for financing 2022 capital projects and development. Approximately 6.10% (\$461,091) of combined ending fund balances constitutes *unassigned fund balance*, which is available for spending at the Village's discretion. The remainder of fund balance is not available for new spending because it has already been committed for the following: nonspendable for the K-9 program inventories and prepaid items (\$8,074), restricted for GIS (\$10,442), restricted for tax levy supported debt relief (\$165,768), restricted for tax incremental districts capital projects (\$2,972,148), restricted for police and fire donations (\$48,451), restricted for parks and recreation (\$376,517), assigned for a fire station construction (\$1,300,000), assigned for development and capital improvements (\$2,074,016), and assigned for the K-9 program (\$138,299).

The general fund is the main operating fund of the Village. The fund balance of the general fund on December 31, 2022, was \$1,771,533 a \$135,687 increase from the December 31, 2021, general fund balance. The \$135,687 increase in fund balance resulted from 2022 revenues of \$4,054,372 and transfer in of \$102,674 exceeding 2022 expenditures of \$4,021,359. As discussed in the previous paragraph, the general fund balance is comprised of \$461,091 for unassigned fund balance, \$10,442 restricted for GIS, and \$1,300,000 assigned for the construction of a fire station. As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. The general fund balance represents 44.05% of total general fund expenditures.

The debt service fund has a total fund balance of \$165,768 which represents proceeds available for tax levy supported debt relief.

The capital projects fund has a total fund balance of \$926,260 which represents unspent revenues and transfers in being carried over for financing future capital projects.

Tax increment finance (TIF) district #1 fund balance \$3,212,747 and TIF district #2 fund balance \$907,157 represents unspent revenues related towards future development in the Village's two TIF districts. District #1 was created in 2009 and District #2 was created in 2011.

The K-9 program fund has a total fund balance of \$146,373 which represents unspent donations for future program needs.

The Parks and Recreation fund has a total fund balance of 376,517 which represents unspent revenues and transfers for park development, park maintenance and recreational programming.

The Police Department Donations fund balance of \$12,333 and Fire Department Donations fund balance of \$36,118 represents donations for future department programs and projects.

**Proprietary funds.** The Village's proprietary funds provide the same type of information found in the Village's

government-wide financial statements, but in more detail.

Other factors concerning the finances of these funds have already been addressed in the discussion of the Village's business-type activities.

**Fiduciary funds.** The Village adopted GASB Statement No. 84, Fiduciary Activities, and established a single type of fiduciary fund. The *tax collection custodial fund* is used to account for property taxes and specials collected on behalf of other governments.

### General Fund Budget Highlights.

The Village Board adopted two amendments to the 2022 original adopted General Fund Budget of \$4,111,345. On July 19, 2022, the budget was amended to \$4,114,233 and on October 18, 2022, the budget was amended to \$4,127,784. The amendments were made to cover increased inflationary expenditure increases throughout with specific emphasis on higher fuel costs.

The December 31, 2022, General Fund had a positive fund balance change of \$135,687. Actual year-end revenues of \$4,054,372 and transfers in of \$102,674 was reduced by actual year-end expenditures of \$4,021,359 resulting in the positive fund balance change. Detailed revenue and expenditure budget comparison statements are found on pages 83 -85 of this report.

### Capital Asset and Debt Administration

**Capital assets.** The Village's investment in capital assets for its governmental and business-type activities as of December 31, 2022, amounts to \$50,517,100 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, machinery and equipment, infrastructure, and construction in progress. The total increase in the Village's investment in capital assets for the current year was \$3,467,932.

Village of Hobart's Capital Assets						
	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Land	\$ 4,737,926	\$ 4,737,926	\$ 623,363	\$ 623,363	\$ 5,361,289	\$ 5,361,289
Land improvements	1,046,600	1,020,010	-	-	1,046,600	1,020,010
Buildings and improvements	1,127,224	1,127,224	34,265,347	32,732,854	35,392,571	33,860,078
Machinery and equipment	3,359,978	3,305,267	6,313,648	5,538,416	9,673,626	8,843,683
Infrastructure	16,156,990	14,425,999	-	-	16,156,990	14,425,999
Construction in progress	1,002,215	13,481	20,000	-	1,022,215	13,481
Less accumulated depreciation	(6,292,808)	(5,488,605)	(11,843,383)	(10,986,767)	(18,136,191)	(16,475,372)
Total	\$ 21,138,125	\$ 19,141,302	\$ 29,378,975	\$ 27,907,866	\$ 50,517,100	\$ 47,049,168

During 2022, land improvements increased \$26,590 for governmental activities, buildings and improvements capital assets increased \$1,532,493 for business-type activities, machinery and equipment assets increased \$54,711 for governmental activities and \$775,232 for business-type activities, infrastructure increased \$1,730,991 for governmental activities, and construction in progress increased \$988,734 for governmental activities and \$20,000 for business-type activities.

In 2022, Capital Asset increases are in relation to the completion of utility street and construction projects for single, multi-family, and condominium housing projects, and public green spaces within TID 1 and 2; and the finalization of the Highway 29 interchange development. Machinery and equipment increases were for a Public Safety Storage Box Install for each Squad Vehicle, and annual water meter replacements.

An increase of \$1,660,819 was recognized in accumulated depreciation for the Village's capital assets. The Village's estimate of the depreciable life of capital assets is based upon analysis of the expected useful life of the capital assets. The Village evaluated key factors and assumptions used to develop the depreciable life of the assets and determined they are reasonable in relation to the financial statements.

More detailed information on the Village's capital asset activity may be found in Note 3(C) on pages 52 - 53 of the notes to the financial statements.

**Long-term debt.** At the end of the current fiscal year, the Village had total debt outstanding of \$42,603,073. Of this amount, \$34,101,516 comprises debt backed by the full faith and credit of the government, \$2,410,000 in revenue bonds for a new water tower, \$4,809,602 for a tax increment district land contract, and \$1,281,955 for interceptor costs being paid to the Green Bay Metropolitan Sewerage District-NEW Water (Green Bay MSD).

<b>Village of Hobart's Outstanding Debt</b>						
General Obligation Debt / Revenue Bonds / and Notes Payable						
	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
General obligation debt						
Bonds	\$ 12,695,000	\$ 15,250,000	\$ 125,000	\$ 1,145,000	\$ 12,820,000	\$ 16,395,000
Notes	17,300,000	10,805,000	2,220,000	1,635,000	19,520,000	12,440,000
Direct Borrowings	1,210,346	1,276,519	551,170	606,011	1,761,516	1,882,530
Total general obligation debt	31,205,346	27,331,519	2,896,170	3,386,011	34,101,516	30,717,530
Revenue Bonds	2,410,000	2,515,000	-	-	2,410,000	2,515,000
Land Contract	4,809,602	5,384,327	-	-	4,809,602	5,384,327
Notes payable -						
Green Bay MSD	-	-	1,281,955	1,588,247	1,281,955	1,588,247
Total	\$ 38,424,948	\$ 35,230,846	\$ 4,178,125	\$ 4,974,258	\$ 42,603,073	\$ 40,205,104

During 2022 the Village's total debt increased by \$2,397,969. On April 27, 2022, \$8,460,000 general obligation promissory notes were issued to finance the cost of interchange and road projects and other public-infrastructure projects in the Village's Tax Incremental District No. 1, and to refund the Village's General Obligation Refunding Bonds, Series 2012, dated July 10, 2012, for debt service savings. The notes have interest rates ranging from 2.75% to 3.00% in 2023 thru 2032. The Village had the following 2022 principal debt retirement: \$2,555,000 in governmental activity general obligation bonds debt, \$1,020,000 in business-type activity general obligation bonds debt, \$1,070,000 in governmental activity general obligation notes debt, \$310,000 in business-type activity general obligation notes debt, \$66,173 in governmental activity general obligation direct borrowings debt, \$54,841 in business-type activity general obligation direct borrowings debt, \$105,000 in governmental activity revenue bonds debt, \$574,725 in tax increment district land contract, and \$306,292 in notes payable – Green Bay MSD.

State statutes limit the amount of general obligation debt the Village may issue to 5% of its total equalized valuation. The current debt limitation for the Village is \$64,693,155, which is significantly more than the Village's \$34,101,516 total outstanding general obligation debt applicable to the limit. The total outstanding general obligation debt applicable to the debt limit is 52.71% which meets the percentage requirement of the Debt Management Policy adopted by the Village Board.

The Village's 2022 long-term debt credit rating issued by Standard and Poor's was AA with a stable outlook. Factors cited for the rating were: very strong economy; strong management; strong budgetary performance; very strong budget flexibility; very strong liquidity; weak debt and contingent liability profile; pension and other postemployment benefits, and adequate institutional framework.

More detailed information on the Village's long-term debt activity may be found in Note 3(E) on pages 55 - 60 of the notes to the financial statements.

## **Economic Factors and Next Year's Budgets and Rates**

The following economic factors currently affect the Village of Hobart and were considered in developing the 2023 fiscal year budget.

- The unemployment rate for the Village of Hobart is currently 2.0 percent;
- Taxable assessed value for the Village increased by 3.35 percent;
- The projected 2023 mill rate for Village taxpayers was \$3.86 compared to \$3.63 in 2022;
- Addition of one full-time and one seasonal employee for the Public Works Department;
- Five percent increase for employee wages;
- Elimination of Village provided subscription to the Press-Times;
- A General Fund contingency balance of \$141,579, an increase of \$12,301 over the 2022 contingency fund;
- Total expenditures of \$4,829,805.06, an increase of 17.0 percent over the 2022 budget, mainly due to the consolidation of all salaries in the General Fund;

The Village is experiencing a tremendous growth in tax base, but much of the growth is contained within the two Tax Increment Districts. This provides relatively little general tax base support to mitigate tax rate increases to accommodate the array of budgetary challenges outlined above. The Village is also experiencing population growth that, by percentage, is among the fastest rates of population growth in the state. State Department of Administration projections show Hobart to be one of the fastest growing city, village, or town's over the next 20 years.

### **Acknowledgements/Contacting the Village's Financial Management**

The preparation of this report could not have been accomplished without the efficient and dedicated services of all Village Departments. Management would like to express our appreciation to Village team members who assisted and contributed to the preparation of this report. We would also like to thank the Village Board for their unfailing support for maintaining the highest standards of professionalism in the management of the Village of Hobart's finances.

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Village Administrator, 2990 S. Pine Tree Road, Hobart, Wisconsin 54155.

## **BASIC FINANCIAL STATEMENTS**

**VILLAGE OF HOBART, WISCONSIN**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2022**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 10,913,803	\$ 1,671,142	\$ 12,584,945
Receivables:			
Taxes and Special Charges	6,333,533	-	6,333,533
Delinquent Taxes	13,857	-	13,857
Accounts	73,619	609,755	683,374
Special Assessments	-	122,909	122,909
Loans	3,656,395	-	3,656,395
Leases	-	117,355	117,355
Inventories and Prepaid Items	8,074	-	8,074
Assets Held for Resale	871,440	-	871,440
Net Pension Asset	833,274	100,443	933,717
Capital Assets, Nondepreciable	5,740,141	643,363	6,383,504
Capital Assets, Depreciable	15,397,984	28,735,612	44,133,596
Total Assets	43,842,120	32,000,579	75,842,699
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Related Amounts	1,646,569	193,199	1,839,768
Other Postemployment Related Amounts	67,832	10,426	78,258
Total Deferred Outflows of Resources	1,714,401	203,625	1,918,026
<b>LIABILITIES</b>			
Accounts Payable	722,785	260,877	983,662
Accrued and Other Current Liabilities	91,755	3,021	94,776
Accrued Interest Payable	195,155	54,790	249,945
Special Deposits	9,270	-	9,270
Unearned Revenues	609,537	-	609,537
Long-Term Obligations:			
Due within One Year	2,813,961	677,032	3,490,993
Due in More than One Year	36,165,953	3,559,352	39,725,305
Net Other Postemployment Benefits	178,693	27,467	206,160
Total Liabilities	40,787,109	4,582,539	45,369,648
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes Levied for Subsequent Year	9,940,876	-	9,940,876
Pension Related Amounts	1,963,059	236,627	2,199,686
Other Postemployment Related Amounts	28,621	4,399	33,020
Leases	-	117,355	117,355
Total Deferred Inflows of Resources	11,932,556	358,381	12,290,937
<b>NET POSITION</b>			
Net Investment in Capital Assets	2,469,585	24,968,220	27,437,805
Restricted:			
Park Development	376,517	-	376,517
Fire Department	36,118	-	36,118
Police Department	12,333	-	12,333
GIS	10,442	-	10,442
TID #1 Project Plan Development	4,216,786	-	4,216,786
TID #2 Project Plan Development	1,168,378	-	1,168,378
Pension Benefits	833,274	100,443	933,717
Unrestricted	(16,286,577)	2,194,621	(14,091,956)
Total Net Position	\$ (7,163,144)	\$ 27,263,284	\$ 20,100,140

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF HOBART, WISCONSIN  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES</b>				
General Government	\$ 824,393	\$ 144,762	\$ -	\$ -
Public Safety	2,622,666	737,560	151,309	71,511
Public Works	1,265,946	482,825	422,742	351,000
Culture and Recreation	35,115	10,005	214,495	-
Conservation and Development	1,438,676	39,175	125,851	7,858
Interest and Fiscal Charges	1,409,778	-	-	-
Total Governmental Activities	7,596,574	1,414,327	914,397	430,369
<b>BUSINESS-TYPE ACTIVITIES</b>				
Water Utility	1,059,980	1,120,811	-	-
Sewer Utility	1,372,183	1,758,123	-	-
Storm Water Utility	391,118	488,315	-	-
Total Business-Type Activities	2,823,281	3,367,249	-	-
Total	\$ 10,419,855	\$ 4,781,576	\$ 914,397	\$ 430,369

**GENERAL REVENUES**

Taxes:

Property Taxes, Levied for General Purposes

Property Taxes, Levied for Debt Service

Property Taxes, Levied for Capital Projects

Excess Stadium District Sales Tax

Other Taxes

Federal and State Grants and Other Contributions

not Restricted to Specific Functions

Interest and Investment Earnings

Miscellaneous

**TRANSFERS**

Total General Revenues and Transfers

**CHANGE IN NET POSITION**

Net Position - January 1

**NET POSITION - END OF YEAR**

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF HOBART, WISCONSIN  
STATEMENT OF ACTIVITIES (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (679,631)	\$ -	\$ (679,631)
(1,662,286)	-	(1,662,286)
(9,379)	-	(9,379)
189,385	-	189,385
(1,265,792)	-	(1,265,792)
(1,409,778)	-	(1,409,778)
(4,837,481)	-	(4,837,481)
-	60,831	60,831
-	385,940	385,940
-	97,197	97,197
-	543,968	543,968
(4,837,481)	543,968	(4,293,513)
1,997,537	-	1,997,537
614,014	-	614,014
3,411,483	-	3,411,483
107	-	107
51,500	-	51,500
96,559	-	96,559
116,417	13,737	130,154
75,967	-	75,967
(1,830,538)	1,830,538	-
4,533,046	1,844,275	6,377,321
(304,435)	2,388,243	2,083,808
(6,858,709)	24,875,041	18,016,332
<u>\$ (7,163,144)</u>	<u>\$ 27,263,284</u>	<u>\$ 20,100,140</u>

See accompanying Notes to Basic Financial Statements.



**VILLAGE OF HOBART, WISCONSIN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

	General	Debt Service	Capital Projects	Tax Incremental District #1
<b>ASSETS</b>				
Cash and Investments	\$ 2,632,616	\$ 423,618	\$ 1,200,440	\$ 3,406,869
Receivables:				
Taxes and Special Charges	2,332,836	361,520	348,992	2,060,784
Delinquent Taxes	13,857	-	-	-
Accounts	63,752	-	9,867	-
Loans	-	-	-	3,656,395
Inventories and Prepaid Items	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 5,043,061</u>	<u>\$ 785,138</u>	<u>\$ 1,559,299</u>	<u>\$ 9,124,048</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$ 70,064	\$ -	\$ 35,131	\$ 324,219
Accrued and Other Current Liabilities	91,617	-	-	69
Special Deposits	9,270	-	-	-
Unearned Revenues	-	-	-	-
Total Liabilities	<u>170,951</u>	<u>-</u>	<u>35,131</u>	<u>324,288</u>
Deferred Inflows of Resources:				
Property Taxes Levied for Subsequent Year	3,086,720	619,370	597,908	3,530,618
Loans Receivable	-	-	-	2,056,395
Delinquent Taxes and Assessments	<u>13,857</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>3,100,577</u>	<u>619,370</u>	<u>597,908</u>	<u>5,587,013</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	10,442	165,768	-	2,064,991
Assigned	1,300,000	-	926,260	1,147,756
Unassigned	<u>461,091</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>1,771,533</u>	<u>165,768</u>	<u>926,260</u>	<u>3,212,747</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,043,061</u>	<u>\$ 785,138</u>	<u>\$ 1,559,299</u>	<u>\$ 9,124,048</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF HOBART, WISCONSIN  
BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
DECEMBER 31, 2022**

	Tax Incremental District #2	Other Governmental Funds	Total
<b>ASSETS</b>			
Cash and Investments	\$ 2,047,527	\$ 1,202,733	\$ 10,913,803
Receivables:			
Taxes and Special Charges	1,229,401	-	6,333,533
Delinquent Taxes	-	-	13,857
Accounts	-	-	73,619
Loans	-	-	3,656,395
Inventories and Prepaid Items	-	8,074	8,074
	<u>-</u>	<u>8,074</u>	<u>8,074</u>
Total Assets	<u>\$ 3,276,928</u>	<u>\$ 1,210,807</u>	<u>\$ 20,999,281</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities:			
Accounts Payable	\$ 263,442	\$ 29,929	\$ 722,785
Accrued and Other Current Liabilities	69	-	91,755
Special Deposits	-	-	9,270
Unearned Revenues	-	609,537	609,537
Total Liabilities	<u>263,511</u>	<u>639,466</u>	<u>1,433,347</u>
Deferred Inflows of Resources:			
Property Taxes Levied for Subsequent Year	2,106,260	-	9,940,876
Loans Receivable	-	-	2,056,395
Delinquent Taxes and Assessments	-	-	13,857
Total Deferred Inflows of Resources	<u>2,106,260</u>	<u>-</u>	<u>12,011,128</u>
Fund Balances:			
Nonspendable	-	8,074	8,074
Restricted	907,157	424,968	3,573,326
Assigned	-	138,299	3,512,315
Unassigned	-	-	461,091
Total Fund Balances	<u>907,157</u>	<u>571,341</u>	<u>7,554,806</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,276,928</u>	<u>\$ 1,210,807</u>	<u>\$ 20,999,281</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF HOBART, WISCONSIN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

**RECONCILIATION TO THE STATEMENT OF NET POSITION**

Total Fund Balances as Shown on Previous Page \$ 7,554,806

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

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. 21,138,125

Assets held for resale in governmental activities is not a current financial resource and therefore are not reported in the funds. 871,440

Long-term assets are not current financial resources; therefore, are not reported in the funds:  
    Net Pension Asset 833,274

Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.  
    Delinquent Taxes and Special Assessments 13,857  
    Loan Receivable 2,056,395

Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.  
    Deferred Outflows Related to Pensions 1,646,569  
    Deferred Inflows Related to Pensions (1,963,059)  
    Deferred Outflows Related to Other Postemployment Benefits 67,832  
    Deferred Inflows Related to Other Postemployment Benefits (28,621)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.  
    Bonds and Notes Payable (38,424,948)  
    Premium on Debt (554,966)  
    Net Other Postemployment Benefit Liability (178,693)  
    Accrued Interest on Long-Term Obligations (195,155)

Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 19) \$ (7,163,144)

**VILLAGE OF HOBART, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

	General	Debt Service	Capital Projects	Tax Incremental District #1
<b>REVENUES</b>				
Taxes	\$ 2,009,949	\$ 614,014	\$ 523,659	\$ 1,904,219
Excess Stadium District Sales Tax	-	107	-	-
Special Assessments and Charges	-	-	351,000	-
Intergovernmental	1,164,504	-	-	1,435
Licenses and Permits	174,925	-	-	-
Fines and Forfeits	75,506	-	-	-
Public Charges for Services	573,035	-	-	-
Intergovernmental Charges for Services	-	-	52,505	-
Miscellaneous	56,453	-	-	195,158
Total Revenues	4,054,372	614,121	927,164	2,100,812
<b>EXPENDITURES</b>				
Current:				
General Government	752,421	-	-	76,787
Public Safety	2,328,756	-	-	-
Public Works	833,310	-	-	-
Health and Human Services	-	-	-	-
Culture and Recreation	-	-	-	-
Conservation and Development	106,872	-	-	35,000
Debt Service:				
Principal	-	470,000	-	1,878,818
Interest and Fiscal Charges	-	144,014	-	612,582
Capital Outlay	-	-	499,313	5,304,398
Total Expenditures	4,021,359	614,014	499,313	7,907,585
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	33,013	107	427,851	(5,806,773)
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-Term Debt Issued	-	-	-	6,130,000
Premium on Debt Issued	-	-	-	237,714
Refunding Debt Issued	-	-	-	1,435,000
Debt Service - Principal Refunded	-	-	-	(1,455,000)
Transfers In	102,674	-	-	-
Total Other Financing Sources (Uses)	102,674	-	-	6,347,714
<b>NET CHANGE IN FUND BALANCES</b>	135,687	107	427,851	540,941
Fund Balances - Beginning of Year	1,635,846	165,661	498,409	2,671,806
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 1,771,533</u>	<u>\$ 165,768</u>	<u>\$ 926,260</u>	<u>\$ 3,212,747</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF HOBART, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

	Tax Incremental District #2	Other Governmental Funds	Total
<b>REVENUES</b>			
Taxes	\$ 983,605	\$ -	\$ 6,035,446
Excess Stadium District Sales Tax	-	-	107
Special Assessments and Charges	-	-	351,000
Intergovernmental	327	214,495	1,380,761
Licenses and Permits	-	49,180	224,105
Fines and Forfeits	-	-	75,506
Public Charges for Services	-	-	573,035
Intergovernmental Charges for Services	-	-	52,505
Miscellaneous	63,770	165,348	480,729
Total Revenues	<u>1,047,702</u>	<u>429,023</u>	<u>9,173,194</u>
<b>EXPENDITURES</b>			
Current:			
General Government	53,276	71,323	953,807
Public Safety	-	156,509	2,485,265
Public Works	-	-	833,310
Health and Human Services	-	-	-
Culture and Recreation	-	719	719
Conservation and Development	100,000	-	241,872
Debt Service:			
Principal	567,080	-	2,915,898
Interest and Fiscal Charges	182,657	-	939,253
Capital Outlay	367,970	37,263	6,208,944
Total Expenditures	<u>1,270,983</u>	<u>265,814</u>	<u>14,579,068</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(223,281)	163,209	(5,405,874)
<b>OTHER FINANCING SOURCES (USES)</b>			
Long-Term Debt Issued	-	-	6,130,000
Premium on Debt Issued	-	-	237,714
Payment to Current Refunding	-	-	1,435,000
Payment to Current Bondholder	-	-	(1,455,000)
Transfers In	-	-	102,674
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>6,450,388</u>
<b>NET CHANGE IN FUND BALANCES</b>	(223,281)	163,209	1,044,514
Fund Balances - Beginning of Year	<u>1,130,438</u>	<u>408,132</u>	<u>6,510,292</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 907,157</u>	<u>\$ 571,341</u>	<u>\$ 7,554,806</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF HOBART, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

**RECONCILIATION TO THE STATEMENT OF ACTIVITIES**

Net Change in Fund Balances as Shown on Previous Page \$ 1,044,514

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 the statement of activities the cost of those assets is allocated over their estimated useful lives and reported estimated useful lives and reported as depreciation expense.

Capital Assets Reported as Expenditures in Governmental Fund Statements	2,801,026
Depreciation Expense Reported in the Statement of Activities	(804,203)
Net Book Value of Disposals	-

Developers expense related to sale of land held for resale	(216,080)
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Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.

Delinquent Taxes and Special Assessments	(636)
Loans Receivable	(66,173)

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Long-Term Debt Issued	(6,130,000)
Premium on Debt Issued	(237,714)
Principal Repaid	2,915,898
Refunding Debt Issued	(1,435,000)
Debt Service - Principal Refunded	1,455,000

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

Accrued Interest on Long-Term Debt	77,318
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Amortization of Premiums	93,055
Net Pension Asset	222,645
Deferred Outflows of Resources Related to Pensions	623,055
Deferred Inflows of Resources Related to Pensions	(623,168)
Net Other Postemployment Benefits Liability	(22,505)
Deferred Outflows of Resources Related to Other Postemployment Benefits	(4,305)
Deferred Inflows of Resources Related to Other Postemployment Benefits	2,838

Change in Net Position of Governmental Activities as Reported in the Statement of Activities (see pages 20 - 21)	\$ (304,435)
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See accompanying Notes to Basic Financial Statements.

**VILLAGE OF HOBART, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL – GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2022**

	Budget			Variance Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 2,000,748	\$ 2,001,307	\$ 2,009,949	\$ 8,642
Intergovernmental	1,153,997	1,151,738	1,164,504	12,766
Licenses and Permits	146,350	151,854	174,925	23,071
Fines and Forfeits	90,000	82,530	75,506	(7,024)
Public Charges for Services	598,100	601,234	573,035	(28,199)
Miscellaneous	13,377	30,348	56,453	26,105
Total Revenues	4,002,572	4,019,011	4,054,372	35,361
<b>EXPENDITURES</b>				
Current:				
General Government	853,529	891,142	752,421	138,721
Public Safety	2,309,574	2,302,281	2,328,756	(26,475)
Public Works	833,265	822,734	833,310	(10,576)
Conservation and Development	114,977	111,627	106,872	4,755
Total Expenditures	4,111,345	4,127,784	4,021,359	106,425
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(108,773)	(108,773)	33,013	141,786
<b>OTHER FINANCING SOURCES</b>				
Transfers In	108,773	108,773	102,674	(6,099)
<b>NET CHANGE IN FUND BALANCE</b>	-	-	135,687	135,687
Fund Balance - Beginning of Year	1,635,846	1,635,846	1,635,846	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,635,846</u>	<u>\$ 1,635,846</u>	<u>\$ 1,771,533</u>	<u>\$ 135,687</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF HOBART, WISCONSIN  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2022**

	Water Utility	Sewer Utility	Storm Water Utility	Total
<b>ASSETS</b>				
Current Assets:				
Cash and Investments	\$ 818,494	\$ 341,305	\$ 511,343	\$ 1,671,142
Receivables:				
Customer Accounts	203,579	405,955	221	609,755
Special Assessments	-	-	4,693	4,693
Leases	28,998	-	-	28,998
Total Current Assets	1,051,071	747,260	516,257	2,314,588
Other Assets:				
Special Assessments	118,216	-	-	118,216
Leases	88,357	-	-	88,357
Net Pension Asset	36,822	33,400	30,221	100,443
Total Other Assets	243,395	33,400	30,221	307,016
Capital Assets:				
Nondepreciable	114,692	508,671	20,000	643,363
Depreciable	12,795,857	9,794,242	6,145,513	28,735,612
Total Capital Assets	12,910,549	10,302,913	6,165,513	29,378,975
Total Assets	14,205,015	11,083,573	6,711,991	32,000,579
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Related Amounts	70,481	64,249	58,469	193,199
Other Postemployment Related Amounts	3,797	3,537	3,092	10,426
Total Deferred Outflows of Resources	74,278	67,786	61,561	203,625
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	63,558	1,520	195,799	260,877
Accrued and Other Current Liabilities	986	1,269	766	3,021
Current Portion of Long-Term Debt	336,047	340,985	-	677,032
Accrued Interest	9,394	44,937	459	54,790
Total Current Liabilities	409,985	388,711	197,024	995,720
Long-Term Obligations, Less Current Portion:				
General Obligation Debt	1,400,182	1,058,507	125,000	2,583,689
Notes Payable	-	975,663	-	975,663
Net Other Postemployment Benefits	10,003	9,318	8,146	27,467
Total Long-Term Liabilities	1,410,185	2,043,488	133,146	3,586,819
Total Liabilities	1,820,170	2,432,199	330,170	4,582,539
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension Related Amounts	86,746	78,686	71,195	236,627
Other Postemployment Related Amounts	1,602	1,492	1,305	4,399
Leases	117,355	-	-	117,355
Total Deferred Inflows of Resources	205,703	80,178	72,500	358,381
<b>NET POSITION</b>				
Net Investment in Capital Assets	11,174,320	7,927,758	5,866,142	24,968,220
Restricted				
Pension Benefits	36,822	33,400	30,221	100,443
Unrestricted	1,042,278	677,824	474,519	2,194,621
Total Net Position	<u>\$ 12,253,420</u>	<u>\$ 8,638,982</u>	<u>\$ 6,370,882</u>	<u>\$ 27,263,284</u>

See accompanying Notes to Basic Financial Statements.



**VILLAGE OF HOBART, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

	Water Utility	Sewer Utility	Storm Water Utility	Total
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 1,071,113	\$ 1,721,019	\$ 488,315	\$ 3,280,447
Other	49,698	37,104	-	86,802
Total Operating Revenues	<u>1,120,811</u>	<u>1,758,123</u>	<u>488,315</u>	<u>3,367,249</u>
<b>OPERATING EXPENSES</b>				
Operation and Maintenance	683,800	971,524	207,511	1,862,835
Depreciation	361,736	318,110	178,067	857,913
Taxes	917	8,719	4,412	14,048
Total Operating Expenses	<u>1,046,453</u>	<u>1,298,353</u>	<u>389,990</u>	<u>2,734,796</u>
<b>OPERATING INCOME</b>	74,358	459,770	98,325	632,453
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest Income	5,675	2,002	6,060	13,737
Interest and Fiscal Charges	<u>(13,527)</u>	<u>(73,830)</u>	<u>(1,128)</u>	<u>(88,485)</u>
Total Nonoperating Revenues (Expenses)	<u>(7,852)</u>	<u>(71,828)</u>	<u>4,932</u>	<u>(74,748)</u>
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	66,506	387,942	103,257	557,705
Capital Contributions	633,972	775,232	524,008	1,933,212
Transfers Out	<u>(62,674)</u>	<u>(40,000)</u>	<u>-</u>	<u>(102,674)</u>
<b>CHANGE IN NET POSITION</b>	637,804	1,123,174	627,265	2,388,243
Net Position - Beginning of Year	<u>11,615,616</u>	<u>7,515,808</u>	<u>5,743,617</u>	<u>24,875,041</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 12,253,420</u></u>	<u><u>\$ 8,638,982</u></u>	<u><u>\$ 6,370,882</u></u>	<u><u>\$ 27,263,284</u></u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF HOBART, WISCONSIN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2022**

	Water Utility	Sewer Utility	Storm Water Utility	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Customers	\$ 1,114,550	\$ 1,733,071	\$ 487,416	\$ 3,335,037
Cash Paid for Employee Wages and Benefits	(108,334)	(104,352)	(114,792)	(327,478)
Cash Paid to Suppliers	(589,820)	(967,931)	64,233	(1,493,518)
Net Cash Provided by Operating Activities	416,396	660,788	436,857	1,514,041
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer Out	(62,674)	(40,000)	-	(102,674)
Net Cash Used by Noncapital Financing Activities	(62,674)	(40,000)	-	(102,674)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of Capital Assets	(47,733)	-	(348,077)	(395,810)
Proceeds of Long-Term Debt	-	895,000	-	895,000
Issuance Costs	-	(14,042)	-	(14,042)
Principal Paid on Long-Term Debt	(345,700)	(1,356,858)	-	(1,702,558)
Interest Paid on Long-Term Debt	(21,167)	(50,477)	(1,375)	(73,019)
Net Cash Used by Capital and Related Financing Activities	(414,600)	(526,377)	(349,452)	(1,290,429)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Received	5,675	2,002	6,060	13,737
<b>NET INCREASE (DECREASE) IN CASH AND INVESTMENTS</b>	(55,203)	96,413	93,465	134,675
Cash and Investments - Beginning of Year	873,697	244,892	417,878	1,536,467
<b>CASH AND INVESTMENTS - END OF YEAR</b>	<u>\$ 818,494</u>	<u>\$ 341,305</u>	<u>\$ 511,343</u>	<u>\$ 1,671,142</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF HOBART, WISCONSIN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

	Water Utility	Sewer Utility	Storm Water Utility	Total
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating Income	\$ 74,358	\$ 459,770	\$ 98,325	\$ 632,453
Adjustments to Reconcile Operating Income to Net Cash Provided by				
Operating Activities:				
Depreciation	361,736	318,110	178,067	857,913
Depreciation Charged to Sewer Utility	16,563	(16,563)	-	-
Change in Liability (Asset) and Deferred Outflows and Inflows of Resources:				
Net Pension Asset	(2,396)	(3,509)	(4,340)	(10,245)
Deferred Outflows -Pension Related	(13,728)	(14,620)	(15,026)	(43,374)
Deferred Inflows - Pension Related	11,206	13,096	14,404	38,706
Deferred Outflows - OPEB Related	771	766	615	2,152
Net OPEB Liability	113	1	119	233
Deferred Inflows - OPEB Related	(390)	(384)	(312)	(1,086)
Change in Operating Assets and Liabilities:				
Accounts Receivables	(6,261)	(25,052)	(899)	(32,212)
Accounts Payable	(25,657)	(71,369)	165,708	68,682
Accrued and Other Current Liabilities	81	542	196	819
Net Cash Provided by Operating Activities	<u>\$ 416,396</u>	<u>\$ 660,788</u>	<u>\$ 436,857</u>	<u>\$ 1,514,041</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital Assets Contributed by Village	\$ 633,972	\$ 775,232	\$ 524,008	\$ 1,933,212

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF HOBART, WISCONSIN  
STATEMENT OF NET POSITION  
FIDUCIARY FUND  
DECEMBER 31, 2022**

	<u>Tax Collection Custodial Fund</u>
<b>ASSETS</b>	
Cash and Investments	\$ 4,075,832
Property Taxes Receivable	<u>5,731,693</u>
Total Assets	9,807,525
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes Levied for Subsequent Period	<u>9,807,525</u>
 <b>NET POSITION</b>	
Restricted for Other Governments	<u><u>\$ -</u></u>

*See accompanying Notes to Basic Financial Statements.*

**VILLAGE OF HOBART, WISCONSIN  
STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUND  
YEAR ENDED DECEMBER 31, 2022**

	<u>Tax Collection Custodial Fund</u>
<b>ADDITIONS</b>	
Property Tax Collections	\$ 9,777,206
<b>DEDUCTIONS</b>	
Payments to Taxing Jurisdictions	<u>9,777,206</u>
<b>CHANGE IN NET POSITION</b>	-
Net Position - Beginning of Year	<u>-</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ -</u></u>

*See accompanying Notes to Basic Financial Statements.*

**VILLAGE OF HOBART, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The Village is a municipal corporation governed by an elected five-member board. In accordance with GAAP, the basic financial statements are required to include the Village and any separate component units that have a significant operational or financial relationship with the Village. The Village has not identified any component units that are required to be included in the basic financial statements in accordance with standards.

**B. Government-Wide and Fund Financial Statements**

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

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

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

**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide and Fund Financial Statements (Continued)**

The Village reports the following major governmental funds:

**General Fund**

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

**Debt Service Fund**

This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of government funds.

**Capital Projects Fund**

This fund accounts for all other major capital expenditures of the Village, other than those accounted for in the Tax Incremental District Capital Projects Funds and the enterprise funds.

**Tax Incremental District #1 Capital Projects Fund**

This fund is accounts for the resources accumulated and payments made for the development of the Centennial Centre project.

**Tax Incremental District #2 Capital Projects Fund**

This fund accounts for the resources accumulated and payments made for the development of Tax Incremental District #2.

The Village reports the following major enterprise funds:

**Water Utility Fund**

This fund accounts for the operations of the Village's water utility.

**Sewer Utility Fund**

This fund accounts for the operations of the Village's sewer utility.

**Storm Water Utility Fund**

This fund accounts for the operations of the Village's storm water utility.

The Village also reports the following fiduciary fund:

**Custodial Fund**

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

**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus and Basis of Accounting**

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

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

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

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

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 proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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



**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**1. Cash and Investments**

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

**2. Property Taxes and Special Charges Receivable**

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

The Village bills its own property taxes and also levies taxes for the Pulaski School District, West De Pere School District, Brown County, and Northeast Wisconsin Technical College. Brown County has assumed tax collection responsibilities for the Village.

**3. Accounts Receivable**

Accounts receivable are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements.

**4. Loans Receivable**

The Village has invested resources to promote development and has passed the funds to various developers in the form of loans. The Village records a loan receivable and an expenditure when the loan has been made and the funds are disbursed. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements. In the governmental funds, the Village records a deferred inflow of resources for the net amount of the receivable. As the loans are repaid, revenue is recognized. The total loans receivable which are not expected to be collected within one year is \$2,056,395.

**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**5. Special Assessments**

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments is recognized when levied. (Installments placed on the 2021 tax roll are recognized as revenue in 2022.) Special assessments are subject to collection procedures.

**6. Interfund Receivables and Payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements.

The amount reported on the statement of net position for internal balances represents the residual balance outstanding between the governmental and business-type activities.

**7. Inventories**

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure/expense at the time individual inventory items are consumed rather than when purchased.

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

**8. Prepaid Items**

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

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

**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**9. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual costs of \$5,000 or higher and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The Village has not reported infrastructure assets acquired or constructed prior to 2004.

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

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

Assets	Governmental Activities	Business-Type Activities
	Years	
Buildings	40	25 - 50
Improvements Other than Buildings	20	25 - 100
Machinery and Equipment	4 - 20	3 - 10
Infrastructure	30	-

**10. Assets Held for Resale**

Land held for resale consists of land and improvements and is valued at cost of acquisition, demolition, and site improvements. Properties include land intended for resale. Land held for resale is recorded at lower of cost or market value.

**11. Deferred Outflows/Inflows of Resources**

Deferred outflows of resources are a consumption of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net assets by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable. The Village recognizes deferred outflows related to pension and OPEB and deferred inflows related to property taxes levied for the subsequent year, leases, pension and OPEB related amounts.

Governmental funds report deferred inflows of resources for property taxes levied for the subsequent year and unavailable revenues. The Village reports unavailable revenues for loans and delinquent taxes and assessments. These inflows are recognized as revenues in the government-wide financial statements.

**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**12. Long-Term Obligations**

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

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

**13. Leases**

The Village is a lessor for various pieces of equipment and space usage.

The Village determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statement of net position and fund financial statements.

Lease receivables represent the Village's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**13. Leases (Continued)**

Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guarantee payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

The Village recognizes payments received for short-term leases with a lease term of 12 months or less, including options to extend, as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statements of net position and fund financial statements.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Village has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

The Village accounts for contracts containing both lease and nonlease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and nonlease components, and it is impractical to estimate the price of such components, the Village treats the components as a single lease unit.

**14. Pensions**

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense (revenue), information about the fiduciary net position of the 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.

**15. Other Postemployment Benefits Other Than Pensions (OPEB)**

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, OPEB expense (revenue), and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**16. Fund Equity**

***Governmental Fund Financial Statements***

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

*Nonspendable fund balance* – Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.

*Restricted fund balance* – Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.

*Committed fund balance* – Amounts that are constrained for specific purposes by action of the Village board through the adoption of an ordinance or resolution. These constraints can only be removed or changed by the Village board using the same action that was used to create them.

*Assigned fund balance* – Amounts that are constrained for specific purposes by action of Village board as described in the Village's Fund Balance Policy. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.

*Unassigned fund balance* – Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The Village has adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. Where applicable, the policy requires restricted funds to be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**15. Fund Equity (Continued)**

***Government-Wide and Proprietary Fund Statements***

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

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

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

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

**E. Use of Estimates**

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

**F. Adoption of New Accounting Standards**

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, Leases. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The Village adopted the requirements of the guidance effective January 1, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption. As a result of the implementation of this standard, the Village recorded a lease receivable and deferred inflow of resources of \$117,355 in the business-type activities and the water fund.

**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 2 STEWARDSHIP AND COMPLIANCE**

**A. Budgets and Budgetary Accounting**

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

1. 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.
2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all general, debt service, and capital projects funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
3. During the year, formal budgetary integration is employed as a management control device for the general, debt service funds, and capital projects funds adopting a budget.
4. 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.
5. Encumbrance accounting is not used by the Village to record commitments related to unperformed contracts for goods or services.

The Village did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2022.



**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)**

**B. Excess of Expenditures Over Budget Appropriations**

The following expenditure accounts had actual expenditures in excess of budget appropriations for the year ended December 31, 2022 as follows:

Fund	Excess Expenditures
General Fund:	
Public Safety	\$ 26,475
Public Works	10,576
Tax Incremental District # 1	
General Government	23,690
Debt Service	
Principal	513,670
Interest	188,763
Capital Outlay	5,304,398
Tax Incremental District # 2	
General Government	10,794
Debt Service	
Principal	26,055
Capital Outlay	367,970

**C. Property Tax Levy Limit**

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns, and counties. For the 2022 and 2023 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the Village's January 1 equalized value as a result of net new construction. The actual limit for the Village for the 2023 budget was 4.09%. The actual limit for the Village for the 2022 budget was 2.56%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin Statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash and Investments**

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

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

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

The carrying amount of the Village's cash and investments totaled \$16,660,777 on December 31, 2022 as summarized below:

Deposits with Financial Institutions	\$ 13,012,517
Investments:	
Wisconsin Local Government Investment Pool	1,997,941
Wisconsin Investment Series Cooperative (WISC)	1,503,762
U.S. Treasury Notes	146,557
Total	<u>\$ 16,660,777</u>

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:	
Cash and Investments	\$ 12,584,945
Fiduciary Fund Statement of Net Position	
Cash and Investments	4,075,832
Total	<u>\$ 16,660,777</u>

**Fair Value Measurements**

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 observable inputs; Level 3 inputs are significant unobservable inputs.

The Village has the following fair value measurements as of December 31, 2022.

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments:			
U.S. Treasury Notes	<u>\$ -</u>	<u>\$ 146,557</u>	<u>\$ -</u>

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

**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

**Custodial Credit Risk**

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

Deposits with financial institutions within the state of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the state of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Also, the state of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of December 31, 2022, \$8,120,068 of the Village's deposits with financial institutions were in excess of federal and state depository insurance limits. \$277,685 was collateralized with securities held by the pledging financial institution or its trust department or agent but not in the Village's name. \$7,842,383 is uncollateralized.

**Credit Risk**

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

**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

**Credit Risk (Continued)**

Presented below is the actual rating as of the year-end for each investment type:

Investment Type	Amount	Exempt from Disclosure	AAA	Not Rated
U.S. Treasury Notes	\$ 146,557	\$ 146,557	\$ -	\$ -
Wisconsin Local Government Investment Pool	1,997,941	-	-	1,997,941
WISC:				
Cash Management Series	1,399,696	-	1,399,696	-
Investment Series	104,066	-	104,066	-
Totals	<u>\$ 3,648,260</u>	<u>\$ 146,557</u>	<u>\$ 1,503,762</u>	<u>\$ 1,997,941</u>

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. As of June 30, 2022, the Wisconsin local government investment pool had a weighted average maturity of 23 days.

Information about the sensitivity of the fair values of the Village's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Village's investments by maturity:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Wisconsin Local Government Investment Pool	\$ 1,997,941	\$ 1,997,941	\$ -	\$ -	\$ -
WISC:					
Cash Management Series	1,399,696	1,399,696	-	-	-
Investment Series	104,066	104,066	-	-	-
U.S. Treasury Notes	146,557	146,557	-	-	-
Totals	<u>\$ 3,648,260</u>	<u>\$ 3,648,260</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

The Village has investments in the Wisconsin local government investment pool of \$1,997,941 at year-end. The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of the Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2022, the fair value of the Village's share of the LGIP's assets was substantially equal to the carrying value.

The Village has investments in the Wisconsin Investment Series Cooperative (WISC) of \$1,503,762 at year-end consisting of \$1,399,696 invested in the Cash Management Series, \$104,066 invested in the Investment Series, and \$146,557 invested in U.S. Treasury Notes. The Cash Management Series has no minimum investment period, allows check writing privileges, and the average dollar weighted maturity is ninety (90) days or less. The Investment Series requires a 14-day minimum investment period and one business day withdrawal notice, and the average dollar weighted maturity is one hundred twenty (120) days or less. The Investment Series and Cash Management Series have received a credit rating of AAA by a nationally recognized statistical rating organization.

WISC is organized by and operated exclusively for Wisconsin public schools, technical colleges, and municipal entities. WISC is not registered with the Securities and Exchange Commission, but operates under Wisconsin International Cooperative Statute, Wisconsin Statute, Section 66.01. WISC is governed by the Wisconsin Investment Series Cooperative Commission in accordance with the terms of the Intergovernmental Cooperation Agreement. WISC invests Village funds in accordance with Wisconsin law. WISC investments are valued at amortized cost, which approximates market value.

State statutes authorize the Village to invest in obligations of the U.S. Treasury and U.S. Agencies, mutual funds with portfolios of securities issued or guaranteed by the United States Government, or agreements to repurchase these same obligations, negotiable and non-negotiable certificates of deposit, municipal bonds, commercial paper, corporate bonds, and local government external investment pools.

**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Leases Receivable**

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

Water

Tower rental. Monthly installment for 5 years ranging from \$2,537 to \$3,115 including interest at 2%, with due date ending in 2026

Certain leases provide for increases in future minimum annual rental payments.

For the year ended December 31, 2022, the Village received \$26,966 in lease revenue and \$2,644 in interest on the leases receivable.

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

<u>Year Ending December 31,</u>	<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 28,998	\$ 2,086	\$ 31,084
2024	31,190	1,486	32,676
2025	33,555	841	34,396
2026	23,612	178	23,790
Total	<u>\$ 117,355</u>	<u>\$ 4,591</u>	<u>\$ 121,946</u>

**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets, Nondepreciable:				
Land	\$ 4,737,926	\$ -	\$ -	\$ 4,737,926
Construction in Progress	13,481	1,002,215	13,481	1,002,215
Total Capital Assets, Nondepreciable	4,751,407	1,002,215	13,481	5,740,141
Capital Assets, Depreciated and Amortized:				
Land Improvements	1,020,010	26,590	-	1,046,600
Buildings and Improvements	1,127,224	-	-	1,127,224
Machinery and Equipment	3,305,267	54,711	-	3,359,978
Infrastructure	14,425,999	1,730,991	-	16,156,990
Subtotals	19,878,500	1,812,292	-	21,690,792
Less Accumulated Depreciation for:				
Land Improvements	146,248	51,505	-	197,753
Buildings and Improvements	823,346	25,932	-	849,278
Machinery and Equipment	1,671,039	244,942	-	1,915,981
Infrastructure	2,847,972	481,824	-	3,329,796
Subtotals	5,488,605	804,203	-	6,292,808
Total Capital Assets, Depreciable, Net	14,389,895	1,008,089	-	15,397,984
Governmental Activities Capital Assets, Net	<u>\$ 19,141,302</u>	<u>\$ 2,010,304</u>	<u>\$ 13,481</u>	21,138,125
Less: Capital Related Debt				17,921,700
Less: Debt Premium				353,326
Less: Accounts Payable				<u>393,514</u>
Net Investment in Capital Assets				<u>\$ 2,469,585</u>

**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets (Continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities:</b>				
Capital Assets, Nondepreciable:				
Land	\$ 114,692	\$ -	\$ -	\$ 114,692
Assets Held for Future Use	508,671	-	-	508,671
Construction in Progress	-	20,000	-	20,000
Total Capital Assets, Nondepreciable	623,363	20,000	-	643,363
Capital Assets, Depreciated:				
Buildings and Improvements	32,732,854	1,533,790	1,297	34,265,347
Machinery and Equipment	5,538,416	775,232	-	6,313,648
Subtotals	38,271,270	2,309,022	1,297	40,578,995
Less Accumulated Depreciation for:				
Buildings and Improvements	8,355,816	586,518	1,297	8,941,037
Machinery and Equipment	2,630,951	271,395	-	2,902,346
Subtotals	10,986,767	857,913	1,297	11,843,383
Total Capital Assets, Depreciated, Net	27,284,503	1,451,109	-	28,735,612
Business-Type Activities Capital Assets, Net	<u>\$ 27,907,866</u>	<u>\$ 1,471,109</u>	<u>\$ -</u>	29,378,975
Less: Capital Related Debt				4,178,125
Less: Debt Premium				58,259
Less: Accounts Payable				<u>174,371</u>
Net Investment in Capital Assets				<u>\$ 24,968,220</u>

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

<b>Governmental Activities:</b>	
General Government	\$ 20,966
Public Safety	175,362
Public Works	370,572
Culture and Recreation	3,241
Conservation and Development	<u>234,062</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 804,203</u>



**VILLAGE OF HOBART, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets (Continued)**

Business-Type Activities:	
Water Utility	\$ 361,736
Sewer Utility	318,110
Storm Water Management	<u>178,067</u>
Total Depreciation Expense -	
Business-Type Activities	<u><u>\$ 857,913</u></u>

**D. Interfund Transfers**

Interfund transfers for the year ended December 31, 2022 were as follows:

Funds	Transfer In	Transfer Out
General	\$ 102,674	\$ -
Water Utility	-	62,674
Sewer Utility	-	40,000
Total	<u><u>\$ 102,674</u></u>	<u><u>\$ 102,674</u></u>

Interfund transfers were made for the following purposes:

Tax Equivalent Payment Made by Water	
Utility to General Fund	\$ 62,674
Reimbursement of 2017 Sanitary Sewer Transfer	<u>40,000</u>
Total	<u><u>\$ 102,674</u></u>

Transfers in the government-wide financial statements are comprised of:

Tax Equivalent Payment Made by Water	
Utility to General Fund	\$ (62,674)
Reimbursement of 2017 Sanitary Sewer Transfer	(40,000)
Utility Capital Assets Financed by Tax	
Incremental Districts	<u>1,933,212</u>
Total Governmental Activities	<u><u>\$ 1,830,538</u></u>

**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations**

The following is a summary of changes in long-term obligations of the Village for the year ended December 31, 2022:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
General Obligation Debt:					
Bonds	\$ 15,250,000	\$ -	\$ 2,555,000	\$ 12,695,000	\$ 945,000
Notes	10,805,000	7,565,000	1,070,000	17,300,000	1,110,000
Direct Borrowings	1,276,519	-	66,173	1,210,346	68,489
Total General Obligation Debt	27,331,519	7,565,000	3,691,173	31,205,346	2,123,489
Revenue Bonds	2,515,000	-	105,000	2,410,000	110,000
Land Contract	5,384,327	-	574,725	4,809,602	580,472
Debt Premium	410,307	237,714	93,055	554,966	-
Governmental Activities Long-Term Obligations	<u>\$ 35,641,153</u>	<u>\$ 7,802,714</u>	<u>\$ 4,463,953</u>	<u>\$ 38,979,914</u>	<u>\$ 2,813,961</u>
<b>Business-Type Activities:</b>					
General Obligation Debt:					
Bonds	\$ 1,145,000	\$ -	\$ 1,020,000	\$ 125,000	\$ 110,000
Notes	1,635,000	895,000	310,000	2,220,000	335,000
Direct Borrowings	606,011	-	54,841	551,170	56,047
Total General Obligation Debt	3,386,011	895,000	1,384,841	2,896,170	501,047
Debt Premium	69,684	18,525	29,950	58,259	-
Notes Payable from Direct Borrowing - GBMSD	1,588,247	-	306,292	1,281,955	175,985
Business-Type Activities Long-Term Obligations	<u>\$ 5,043,942</u>	<u>\$ 913,525</u>	<u>\$ 1,721,083</u>	<u>\$ 4,236,384</u>	<u>\$ 677,032</u>

Total interest paid during the year on long-term debt totaled \$900,532.

**State Trust Fund Loan**

The Village's outstanding notes from direct borrowings related to the governmental activities of \$1,210,346 are subject to a statutory provision that in an event of late or nonpayment, a 1% per month penalty will be charged and the payment will be collected through a reduction in payments from the state of Wisconsin.

**VILLAGE OF HOBART, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

**Clean Water Fund Loan Programs**

The Village's outstanding notes from direct borrowings related to business-type activities of \$551,170 contain the following provisions in the event of a default: 1) Wisconsin Department of Administration can deduct amounts due from any state payments due to the Village or add the amounts due as a special charge to the property taxes apportioned; 2) may appoint a receiver for the Program's benefit; 3) may declare the principal amount immediately due and payable; 4) may enforce any right or obligation under the financing agreement including the right to seek specific performance or mandamus; and 5) may increase the interest rate set forth in the financing agreement to the market interest rate.

**General Obligation Debt**

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/22
<b>Bonds:</b>					
General Obligation Taxable Refunding Bonds	04/15/13	03/01/29	2.40 - 3.70%	\$ 6,450,000	\$ 3,905,000
General Obligation Refunding Bonds	01/28/14	03/01/29	2.70 - 3.80%	3,780,000	2,720,000
General Obligation Refunding Bonds	06/15/15	03/01/29	2.30 - 3.25%	1,090,000	870,000
General Obligation Refunding Bonds	06/15/15	03/01/32	3.00 - 4.20%	2,540,000	1,100,000
General Obligation Refunding Bonds	08/08/16	03/01/32	2.15 - 2.80%	1,790,000	1,260,000
General Obligation Corporate Purpose Bonds	07/14/20	03/01/35	1.00 - 2.00%	2,965,000	2,965,000
<b>Notes:</b>					
General Obligation Notes	08/01/17	03/01/27	2.00 - 2.25%	4,065,000	3,145,000
Taxable General Obligation Notes	08/28/18	05/01/28	3.00 - 3.40%	1,015,000	710,000
General Obligation Notes	07/14/20	09/01/29	1.25 - 1.45%	1,190,000	1,045,000
General Obligation Notes	05/11/21	03/01/31	1.05 - 2.00%	4,425,000	4,090,000
Taxable General Obligation Notes	05/11/21	03/01/31	0.15 - 1.75%	2,340,000	2,070,000
General Obligation Promissory Note	04/27/22	09/01/32	2.75 - 3.00%	7,565,000	7,565,000
General Obligation Note with Refunding	04/27/22	09/01/32	2.75 - 3.00%	895,000	895,000
<b>Direct Borrowings:</b>					
Clean Water Fund Bonds	07/27/11	05/01/31	2.20%	1,123,268	551,170
State Trust Fund Bonds	10/26/16	03/15/36	3.50%	1,500,000	1,210,346
Total Outstanding General Obligation Debt					<u>\$ 34,101,516</u>

**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

**General Obligation Debt (Continued)**

Annual principal and interest maturities of the outstanding general obligation debt of \$34,101,516 on December 31, 2022 are detailed below:

Year Ended December 31,	Governmental Activities					
	Bonds and Notes		Direct Borrowing		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 2,055,000	\$ 511,238	\$ 68,489	\$ 42,362	\$ 2,123,489	\$ 553,600
2024	2,345,000	464,147	70,777	40,074	2,415,777	504,221
2025	2,745,000	408,950	73,363	37,488	2,818,363	446,438
2026	2,795,000	346,710	75,931	34,920	2,870,931	381,630
2027	3,000,000	278,018	78,589	32,262	3,078,589	310,280
2028-2032	15,555,000	531,073	436,039	118,217	15,991,039	649,290
2033-2036	1,500,000	45,000	407,158	36,249	1,907,158	81,249
Total	<u>\$ 29,995,000</u>	<u>\$ 2,585,136</u>	<u>\$ 1,210,346</u>	<u>\$ 341,572</u>	<u>\$ 31,205,346</u>	<u>\$ 2,926,708</u>

  

Year Ended December 31,	Business-Type Activities					
	Bonds and Notes		Direct Borrowing		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 445,000	\$ 57,311	\$ 56,047	\$ 11,509	\$ 501,047	\$ 68,820
2024	460,000	38,801	57,280	10,263	517,280	49,064
2025	454,220	28,761	58,540	8,989	512,760	37,750
2026	459,220	18,712	59,828	7,687	519,048	26,399
2027	139,220	11,776	61,145	6,356	200,365	18,132
2028-2032	324,163	16,560	258,330	11,521	582,493	28,081
2033-2035	63,177	1,899	-	-	63,177	1,899
Total	<u>\$ 2,345,000</u>	<u>\$ 173,820</u>	<u>\$ 551,170</u>	<u>\$ 56,325</u>	<u>\$ 2,896,170</u>	<u>\$ 230,145</u>

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

**Legal Margin for New Debt**

The Village's legal margin for creation of additional general obligation debt on December 31, 2022 was \$30,591,639 as follows:

Equalized Valuation of the Village	\$ 1,293,863,100
Statutory Limitation Percentage	(x) 5%
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	64,693,155
Total Outstanding General Obligation Debt	
Applicable to Debt Limitation	34,101,516
Legal Margin for New Debt	<u>\$ 30,591,639</u>

**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

**Current Refunding**

During 2022, the Village issued \$8,460,000 of general obligation notes. These notes included \$6,130,000 to finance economic development projects and \$2,330,000 to refund outstanding debt. The current refundings were undertaken to obtain more favorable interest rates and reduce the total debt service interest payments. The general obligation notes result in a savings over the next seven years of \$61,004. The economic gain (difference between the present value of the debt service payments of the refunded and refunding debt) is \$58,382.

**Notes Payable – Green Bay Metropolitan Sewerage District (GBMSD)**

Annual principal and interest maturities of the outstanding notes payable to GBMSD of \$1,281,955 on December 31, 2022 are detailed below:

Year Ended December 31,	Business-Type Activities		
	Principal	Interest	Total
2023	\$ 175,985	\$ 41,707	\$ 217,692
2024	183,002	34,690	217,692
2025	190,307	27,385	217,692
2026	37,216	19,782	56,998
2027	38,221	18,777	56,998
2028-2032	207,154	77,837	284,991
2033-2037	236,672	54,081	290,753
2038-2041	213,398	8,834	222,232
Total	<u>\$ 1,281,955</u>	<u>\$ 283,093</u>	<u>\$ 1,565,048</u>

**Land Contract**

Land contract outstanding on December 31, 2022 totaled \$4,809,602 and was comprised of the following issue:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/22
Land Contract	09/23/20	09/23/30	1.00%	\$ 5,818,310	\$ 4,809,602

**VILLAGE OF HOBART, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

Annual principal and interest maturities of the outstanding land contract of \$4,809,602 on December 31, 2022 are detailed below:

<u>Year Ended December 31,</u>	Governmental Activities		
	Principal	Interest	Total
2023	\$ 580,472	\$ 48,096	\$ 628,568
2024	586,277	42,291	628,568
2025	592,140	36,428	628,568
2026	598,061	30,507	628,568
2027	604,042	24,526	628,568
2028-2030	1,848,610	37,094	1,885,704
Total	<u>\$ 4,809,602</u>	<u>\$ 218,942</u>	<u>\$ 5,028,544</u>

**Revenue Bonds**

Revenue bonds outstanding on December 31, 2022 totaled \$2,410,000 and were comprised of the following issue:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/22</u>
Revenue Bond	08/07/18	05/01/38	3.25 - 3.50%	\$ 2,715,000	\$ 2,410,000

Annual principal and interest maturities of the outstanding revenue bonds of \$2,410,000 on December 31, 2022 are detailed below:

<u>Year Ended December 31,</u>	Governmental Activities		
	Principal	Interest	Total
2023	\$ 110,000	\$ 78,550	\$ 188,550
2024	115,000	74,894	189,894
2025	120,000	71,075	191,075
2026	125,000	67,094	192,094
2027	130,000	62,950	192,950
2028-2032	725,000	246,755	971,755
2033-2037	885,000	113,404	998,404
2038	200,000	3,500	203,500
Total	<u>\$ 2,410,000</u>	<u>\$ 718,222</u>	<u>\$ 3,128,222</u>

**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

**Revenues Pledged**

Revenue bonds are payable only from revenues derived from the operation of the water utility and tax increments generated by the Village's Tax Incremental Financing District No. 1 and does not constitute debt where the full faith and credit or taxing powers of the Village are pledged. The Village has pledged future water utility revenues, net of specified operating expenses, and tax increments to repay the revenue bonds through 2038. Proceeds from the bonds provided financing for the construction or acquisition of capital assets paid for by the Village's Tax Incremental Financing District No. 1 and used by the utilities. The Village has recorded the revenue bonds in governmental activities because the Village believes Tax Incremental Financing District No. 1 will have sufficient resources to retire the debt when due. If the Village's Tax Incremental Financing District No. 1 cannot make a debt payment, the Village's water utility will be responsible for the debt service maturities.

A summary of net customer revenues, tax increments, debt service and remaining principal and interest due on revenue bonds follows:

	Water Utility
Net Customer Revenues:	
Charges for Services	\$ 1,071,113
Other	52,342
Total Operating Revenues	1,123,455
Less: Operating Expenses, Less Depreciation	684,717
Net Customer Revenues	438,738
Tax Increments	187,044
Total Pledged Revenues	<u>\$ 625,782</u>
Debt Service:	
Principal	\$ 105,000
Interest	82,044
Total Debt Service	<u>\$ 187,044</u>
Remaining Principal and Interest	<u>\$ 3,128,222</u>

There are various requirements associated with each of the Village's bond issues. The Village believes it is in compliance with all significant bond issue requirements.

**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Pension Plan**

**1. Plan Description**

The WRS is a cost-sharing, multiple-employer, defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible state of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 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/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.

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.

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

Final average earnings is the average of the participant's three highest 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.



**VILLAGE OF HOBART, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Pension Plan (Continued)**

The WRS also provides death and disability benefits for employees.

**2. Postretirement Adjustments**

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

The Core and Variable annuity adjustments granted during recent years are as follow:

<u>Year</u>	<u>Core Fund Adjustment (%)</u>	<u>Variable Fund Adjustment (%)</u>
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	20
2016	0.5	(5)
2017	2.0	4
2018	2.4	17
2019	0.0	(10)
2020	1.7	21
2021	5.1	13

**3. Contributions**

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

During the year ended December 31, 2022, the WRS recognized \$152,701 in contributions from the Village.

**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Pension Plan (Continued)**

**3. Contributions (Continued)**

Contribution rates for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Including Teachers, Executives, and Elected Officials)	6.50%	6.50%
Protective with Social Security	6.50%	12.00%
Protective without Social Security	6.50%	16.40%

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

At December 31, 2022, the Village reported an asset of \$933,717 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. 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 asset was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the Village's proportion was 0.01158432%, which was an increase of 0.00035875% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Village recognized pension revenue of \$81,425.

**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Pension Plan (Continued)**

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

At December 31, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 1,508,372	\$ 108,770
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	2,088,802
Changes in Assumptions	174,198	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	4,497	2,114
Employer Contributions Subsequent to the Measurement Date	152,701	-
Total	<u>\$ 1,839,768</u>	<u>\$ 2,199,686</u>

\$152,701 reported as deferred outflows related to pension resulting from the Village's contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Expense</u>
2023	\$ (43,310)
2024	(251,737)
2025	(110,610)
2026	(106,962)
Total	<u>\$ (512,619)</u>

**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Pension Plan (Continued)**

**5. Actuarial Assumptions**

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2020
Measurement Date of Net Pension Liability (Asset):	December 31, 2021
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:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Postretirement Adjustments*	1.7%

No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the postretirement 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. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from prior year, including the discount rate of return, postretirement adjustment, price inflation, mortality, and separation rates. The total pension liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Pension Plan (Continued)**

**5. Actuarial Assumptions (Continued)**

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

	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
<u>Core Fund Asset Class</u>			
Global Equities	52.0%	6.8%	4.2%
Fixed Income	25.0%	4.3%	1.8%
Inflation Sensitive Assets	19.0%	2.7%	0.2%
Real Estate	7.0%	5.6%	3.0%
Private Equity/Debt	12.0%	9.7%	7.0%
Cash	-15.0%	0.9%	N/A
Total Core Fund	<u>100%</u>	<u>7.5%</u>	<u>4.0%</u>
<u>Variable Fund Asset Class</u>			
U.S. Equities	70%	6.3%	3.7%
International Equities	30%	7.2%	4.6%
Total Variable Fund	<u>100%</u>	<u>6.8%</u>	<u>4.2%</u>

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

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

The Investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Pension Plan (Continued)**

**5. Actuarial Assumptions (Continued)**

**Single discount rate.** A single discount rate of 6.80% was used to measure the total pension liability, as opposed to a discount rate of 7.00% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 1.84% (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, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option adjusted analytics of a diverse population of over 10,000 tax exempt securities.). Because of the unique structure of WRS, the 6.80% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
Village's Proportionate Share of the Net Pension Liability (Asset)	\$ 662,538	\$ (933,717)	\$ (2,082,725)

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

**6. Payables to the Pension Plan**

At December 31, 2022, the Village reported a payable of \$32,633 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2022.

**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Deferred Compensation Plan**

The Village offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Village employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The deferred compensation plan assets are placed in trust for the sole benefit of employees and beneficiaries participating in the Plan and therefore are recorded on these financial statements. The Village contributes an amount equal to the current year Wisconsin Retirement System rates currently at 16.4% of eligible wages to the plan. Total contributions made by the Village were \$18,598 for the year ended December 31, 2022.

**H. Other Postemployment Benefits**

**Local Retiree Life Insurance Fund**

***Plan Description***

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

***OPEB Plan Fiduciary Net Position***

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

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

***Benefits Provided***

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

***Contributions***

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

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

**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. Other Postemployment Benefits (Continued)**

**Local Retiree Life Insurance Fund (Continued)**

***Contributions (Continued)***

Contribution rates as of December 31, 2022 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Postretirement Coverage	40% of Member Contribution
25% Postretirement Coverage	20% of Member Contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2021 are listed below:

Life Insurance Member Contribution Rates For the Year Ended December 31, 2021		
<u>Attained Age</u>	<u>Basic</u>	<u>Supplemental</u>
Under 30	\$0.05	\$0.05
30 - 34	0.06	0.06
35 - 39	0.07	0.07
40 - 44	0.08	0.08
45 - 49	0.12	0.12
50 - 54	0.22	0.22
55 - 59	0.39	0.39
60 - 64	0.49	0.49
65 - 69	0.57	0.57

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

During the year ended December 31, 2022, the LRLIF recognized \$825 in contributions from the employer.

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

At December 31, 2022, the Village reported a liability of \$206,160 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2021 rolled forward to December 31, 2021. No material changes in assumptions or benefits terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net OPEB liability was based on the Village's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2021, the Village's proportion was 0.03488100%, which was an increase of 0.00153600% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Village recognized OPEB expense of \$25,984.



**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. Other Postemployment Benefits (Continued)**

**Local Retiree Life Insurance Fund (Continued)**

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

At December 31, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 10,487
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	2,682	-
Changes in Assumptions	62,288	9,993
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	13,288	12,540
Total	<u>\$ 78,258</u>	<u>\$ 33,020</u>

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

<u>Year Ended December 31,</u>	<u>Expense</u>
2023	\$ 10,464
2024	10,153
2025	8,456
2026	9,493
2027	5,813
Thereafter	859
Total	<u>\$ 45,238</u>

**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. Other Postemployment Benefits (Continued)**

**Local Retiree Life Insurance Fund (Continued)**

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

**Actuarial assumptions.** The total OPEB liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date:	January 1, 2021
Measurement Date of Net OPEB Liability (Asset):	December 31, 2021
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	2.06%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.17%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the total OPEB liability changed from the prior year, including the price inflation, mortality, and separation rates. The total OPEB liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the January 1, 2021 actuarial valuation.

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

**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. Other Postemployment Benefits (Continued)**

**Local Retiree Life Insurance Fund (Continued)**

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

Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interim Credit	45%	1.68%
U.S. Long Credit Bonds	Bloomberg U.S Long Credit	5%	1.82%
U.S. Mortgages	Bloomberg MBS	50%	1.94%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate increase from 2.20% as of December 31, 2020 to 2.30% as of December 31, 2021.

**Single discount rate.** A single discount rate of 2.17% was used to measure the total OPEB liability for the current year as opposed to a discount rate of 2.25% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.12% as of December 31, 2020 to 2.06% as of December 31, 2021. The plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. Other Postemployment Benefits (Continued)**

**Local Retiree Life Insurance Fund (Continued)**

***OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)***

**Sensitivity of the Village's proportionate share of net OPEB liability to changes in the discount rate.** The following presents the Village's proportionate share of the net OPEB liability calculated using the discount rate of 2.17%, as well as what the Village's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.17%) or 1-percentage-point higher (3.17%) than the current rate:

	1% Decrease to Discount Rate <u>(1.17%)</u>	Current Discount Rate <u>(2.17%)</u>	1% Increase to Discount Rate <u>(3.17%)</u>
Village's Proportionate Share of the Net OPEB Liability	\$ 279,684	\$ 206,160	\$ 150,835

**Payable to the OPEB Plan**

At December 31, 2022, the Village reported a payable of \$-0- for the outstanding amount of contribution to the plan required for the year ended December 31, 2022.

**I. Fund Equity**

**Nonspendable Fund Balance**

In the fund financial statements, portions of governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31, 2022, nonspendable fund balance was as follows:

K-9 Fund:

Nonspendable:

Inventories and Prepaid Items \$ 8,074

**VILLAGE OF HOBART, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**I. Fund Equity (Continued)**

**Restricted Fund Balance**

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2022, restricted fund balance was as follows:

General Fund:	
Restricted for Geographic Information System (GIS)	\$ 10,442
Debt Service Fund:	
Restricted for Debt Retirement	165,768
Fire Department Donations Fund:	
Restricted for Fire Department	36,118
Police Department Fund:	
Restricted for Police Department	12,333
Parks and Recreation Fund:	
Restricted for Park Development	376,517
Tax Incremental Financial District No. 1:	
Restricted for Project Plan Development	2,064,991
Tax Incremental Financial District No. 2:	
Restricted for Project Plan Development	<u>907,157</u>
Total Restricted Fund Balance	<u><u>\$ 3,573,326</u></u>

**Assigned Fund Balance**

Portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2022, fund balance was assigned as follows:

General Fund:	
Assigned for Fire Station Project	\$ 1,300,000
Capital Projects Funds:	
Assigned for Subsequent Year's Expenditures:	
Capital Improvements	\$ 926,260
Tax Incremental District No. 1:	
Project Plan Development	<u>1,147,756</u>
Subtotal	<u>2,074,016</u>
Special Revenue Fund	
Assigned for Subsequent Year's Expenditures:	
K-9 Program	<u>138,299</u>
Total	<u><u>\$ 3,512,315</u></u>

**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 4 OTHER INFORMATION**

**A. Tax Incremental Financing Districts**

The Village has established separate capital projects funds for Tax Incremental District (TID) #1 and #2, which were created by the Village in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the Districts were created, the property tax base within the Districts were “frozen” and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the Village to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date. The Village’s Districts are still eligible to incur project costs.

Since creation of the above Districts, the Village has provided various financing sources to the TID. The foregoing amounts are not recorded as liabilities in the TID capital project fund but can be recovered by the Village from any future excess tax increment revenues.

As of December 31, 2022, the Village can recover \$30,649,047 from future excess tax increment revenues of the following:

	Recoverable Costs
TID #1	\$ 24,329,042
TID #2	6,320,005

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

	Termination Year
TID #1	2029
TID #2	2031

**VILLAGE OF HOBART, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Tax Abatements**

The Village has created tax incremental financing districts (the Districts) in accordance with Wisconsin State Statute 66.1105, Tax Increment Law. As part of the project plan for the Districts, the Village entered into agreements with developers for a creation of tax base within the Districts. The agreements require the Village to make annual repayments of property taxes collected within the Districts to the developers, based upon the terms of the agreements. As tax abatements, those developer payments and the related property tax revenues are not reported as revenues or expenditures in the financial statements.

For the year ended December 31, 2022, the Village abated property taxes totaling \$1,824,185 under this program, including the following tax abatement agreements that each exceeded 10% of the total amount abated:

- A property tax abatement of \$276,332 to a developer for 15.15% within Tax Incremental District #1.
- A property tax abatement of \$207,115 to a developer for 11.35% within Tax Incremental District #1.
- A property tax abatement of \$338,360 to a developer for 18.55% within Tax Incremental District #2.

**C. 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; and natural disasters for which the government carries commercial insurance. The Village completes an annual review of its insurance coverage to ensure adequate coverage. There was no reduction in coverage in the current year, and no losses exceeded insurance coverage in any of the past three years.

**D. Contingencies**

From time to time, the Village is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and legal counsel 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.

**E. Subsequent Event**

On February 22, 2023, the Village approved the sale of approximately \$8,400,000 general obligation bonds for the purpose of capital improvements and a new fire station.

## **REQUIRED SUPPLEMENTARY INFORMATION**



**VILLAGE OF HOBART, WISCONSIN**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**  
**WISCONSIN RETIREMENT SYSTEM**  
**LAST 10 FISCAL YEARS**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**  
**WISCONSIN RETIREMENT SYSTEM**  
**LAST 10 MEASUREMENT PERIODS**

Measurement Period Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/14	0.00774009%	\$ (190,118)	\$ 939,257	20.24%	102.74%
12/31/15	0.00770979%	125,283	969,185	12.93%	98.20%
12/31/16	0.00809579%	66,729	1,105,339	6.04%	99.12%
12/31/17	0.00897009%	(266,332)	1,200,250	22.19%	102.93%
12/31/18	0.01006341%	358,024	1,287,386	27.81%	96.45%
12/31/19	0.01065425%	(343,541)	1,308,652	26.25%	102.96%
12/31/20	0.01122557%	(700,827)	1,411,725	49.64%	105.26%
12/31/21	0.01158432%	(933,717)	1,439,600	64.86%	106.02%

**SCHEDULE OF CONTRIBUTIONS**  
**WISCONSIN RETIREMENT SYSTEM**  
**LAST 10 FISCAL YEARS**

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll (Fiscal Year)	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 74,384	\$ 74,384	\$ -	\$ 969,185	7.67%
12/31/16	85,438	85,438	-	1,105,339	7.73%
12/31/17	103,000	103,000	-	1,200,250	8.58%
12/31/18	111,615	111,615	-	1,287,387	8.67%
12/31/19	111,431	111,431	-	1,308,652	8.51%
12/31/20	130,988	130,988	-	1,411,725	9.28%
12/31/21	136,843	136,843	-	1,439,600	9.51%
12/31/22	152,701	152,701	-	1,605,777	9.51%

See accompanying Notes to Required Supplementary Information.

**VILLAGE OF HOBART, WISCONSIN**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**  
**LOCAL RETIREE LIFE INSURANCE FUND**  
**LAST 10 FISCAL YEARS**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)**  
**LOCAL RETIREE LIFE INSURANCE FUND**  
**LAST 10 MEASUREMENT PERIODS**

Measurement Period Ending	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
12/31/17	0.03846000%	\$ 115,734	\$ 1,200,250	9.64%	44.81%
12/31/18	0.03946400%	101,829	1,171,000	8.70%	48.69%
12/31/19	0.03212700%	136,803	1,308,652	10.45%	37.58%
12/31/20	0.03334500%	183,422	1,411,725	12.99%	31.36%
12/31/21	0.03488100%	206,160	1,283,000	16.07%	29.57%

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

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
12/31/18	\$ 759	\$ 759	\$ -	\$ 1,171,000	0.06%
12/31/19	633	633	-	1,308,652	0.05%
12/31/20	689	689	-	1,411,725	0.05%
12/31/21	700	700	-	1,283,000	0.05%
12/31/22	825	825	-	1,605,777	0.05%

See accompanying Notes to Required Supplementary Information.

**VILLAGE OF HOBART, WISCONSIN**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2022**

**NOTE 1 WISCONSIN RETIREMENT SYSTEM**

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

*Changes of assumptions:*

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

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0 to 6.8%
- Lowering 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 EFT Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2018 including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the postretirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

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

**VILLAGE OF HOBART, WISCONSIN**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2022**

**NOTE 2 OTHER POSTEMPLOYMENT BENEFITS**

**Local Retiree Life Insurance Fund**

*Changes of benefit terms.* There were no changes of benefit terms.

*Changes of assumptions:*

Assumptions: The ETF Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

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

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

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

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

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

## **SUPPLEMENTARY INFORMATION**

**VILLAGE OF HOBART, WISCONSIN  
GENERAL FUND  
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES  
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
<b>Taxes:</b>				
General Property	\$ 1,998,173	\$ 1,998,424	\$ 1,998,173	\$ (251)
Managed Forest Crop Tax	75	75	75	-
Use Value Penalty	1,000	534	9,201	8,667
Interest and Taxes	1,500	2,274	2,500	226
Total Taxes	2,000,748	2,001,307	2,009,949	8,642
<b>Intergovernmental:</b>				
Federal:				
Police	-	10,170	17,646	7,476
State:				
State Shared Taxes	93,067	93,066	93,067	1
Fire Insurance Dues	45,000	47,914	47,914	-
Tax-Exempt Computer Aid	1,730	1,730	1,730	-
Transportation	405,261	405,261	404,139	(1,122)
Recycling	18,633	18,603	18,603	-
Local:				
Reimbursements from the Town of Lawrence	590,306	574,994	581,405	6,411
Total Intergovernmental	1,153,997	1,151,738	1,164,504	12,766
<b>Licenses and Permits:</b>				
Licenses:				
Liquor and Malt Beverage	3,100	13,260	13,260	-
Operators License	9,000	6,229	6,681	452
Cigarette License	250	100	200	100
Cable Television Fees	47,000	37,150	39,724	2,574
Dog	3,500	4,475	4,346	(129)
Permits:				
Quarry	6,000	3,000	6,985	3,985
Building	75,000	83,740	99,154	15,414
Park Fee/Building	-	-	-	-
Site Review	500	600	600	-
Zoning	2,000	3,300	3,975	675
Total Licenses and Permits	146,350	151,854	174,925	23,071

**VILLAGE OF HOBART, WISCONSIN  
GENERAL FUND  
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
Fines and Forfeits:				
Court Fines and Penalties	\$ 90,000	\$ 82,000	\$ 74,976	\$ (7,024)
Dog License Late Fee	-	530	530	-
Total Fines and Forfeits	90,000	82,530	75,506	(7,024)
Public Charges for Services:				
General Government	4,000	7,000	9,031	2,031
Garbage Collection	419,210	419,210	419,210	-
Police Liaison Fees	81,235	81,799	81,179	(620)
Street Lighting	64,155	63,615	63,615	-
Fire Calls	500	-	-	-
Land and Tower Rent Fees	29,000	29,610	-	(29,610)
Total Public Charges for Services	598,100	601,234	573,035	(28,199)
Miscellaneous:				
Reimbursements	-	13,000	11,616	(1,384)
Interest	10,000	14,000	41,489	27,489
Other General Government	3,377	3,348	3,348	-
Total Miscellaneous	13,377	30,348	56,453	26,105
Total Revenues	<u>\$ 4,002,572</u>	<u>\$ 4,019,011</u>	<u>\$ 4,054,372</u>	<u>\$ 35,361</u>

**VILLAGE OF HOBART, WISCONSIN  
GENERAL FUND  
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES  
YEAR ENDED DECEMBER 31, 2022**

	Budget			Variance Final Budget - Positive (Negative)
	Original	Final	Actual	
General Government:				
Village Board	\$ 50,943	\$ 51,192	\$ 54,827	\$ (3,635)
Municipal Court	92,786	82,540	82,085	455
Legal	135,000	120,000	76,237	43,763
Village Administration	56,176	55,354	53,525	1,829
Village Clerk	140,769	143,819	121,916	21,903
Economic Development	36,500	45,564	41,970	3,594
Tribal Affairs	12,000	12,000	13,000	(1,000)
Elections	14,450	19,300	21,545	(2,245)
Audit and Other Accounting	7,000	7,000	-	7,000
Treasurer	62,704	44,267	48,089	(3,822)
Property Assessment	35,000	37,500	38,421	(921)
Buildings and Grounds	43,470	63,343	70,091	(6,748)
General Office	54,146	53,000	58,087	(5,087)
Insurance and Bonds	24,585	26,985	24,336	2,649
General Contingency	88,000	129,278	48,292	80,986
Total General Government	853,529	891,142	752,421	138,721
Public Safety:				
Police Department	1,759,369	1,724,843	1,743,706	(18,863)
Animal Control	2,000	1,500	2,090	(590)
Fire Protection	421,534	449,267	456,289	(7,022)
Rescue Service	126,671	126,671	126,671	-
Total Public Safety	2,309,574	2,302,281	2,328,756	(26,475)
Public Works:				
Highway Administration	122,931	109,360	120,418	(11,058)
Highway Maintenance and Construction	342,334	346,374	317,058	29,316
Street Lighting	78,000	87,000	92,856	(5,856)
Garbage Collection	290,000	280,000	302,978	(22,978)
Total Public Works	833,265	822,734	833,310	(10,576)
Conservation and Development:				
Parks	7,000	2,500	4,149	(1,649)
Neighborhood Services	106,477	107,627	101,023	6,604
Planning/Zoning	1,500	1,500	1,700	(200)
Total Conservation and Development	114,977	111,627	106,872	4,755
Total Expenditures	<u>\$ 4,111,345</u>	<u>\$ 4,127,784</u>	<u>\$ 4,021,359</u>	<u>\$ 106,425</u>



**VILLAGE OF HOBART, WISCONSIN  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

	K-9 Fund	ARPA	Fire Department Donations	Police Department Donations	Parks and Recreation	Total
<b>ASSETS</b>						
Cash and Investments	\$ 138,299	\$ 634,193	\$ 36,118	\$ 17,431	\$ 376,692	\$ 1,202,733
Inventories and Prepaid Items	<u>8,074</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,074</u>
Total Assets	<u><u>\$ 146,373</u></u>	<u><u>\$ 634,193</u></u>	<u><u>\$ 36,118</u></u>	<u><u>\$ 17,431</u></u>	<u><u>\$ 376,692</u></u>	<u><u>\$ 1,210,807</u></u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts Payable	\$ -	\$ 24,656	\$ -	\$ 5,098	\$ 175	\$ 29,929
Unearned Revenues	<u>-</u>	<u>609,537</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>609,537</u>
Total Liabilities	<u>-</u>	<u>634,193</u>	<u>-</u>	<u>5,098</u>	<u>175</u>	<u>639,466</u>
Fund Balances:						
Nonspendable	8,074	-	-	-	-	8,074
Restricted	-	-	36,118	12,333	376,517	424,968
Assigned	<u>138,299</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>138,299</u>
Total Fund Balances	<u><u>146,373</u></u>	<u><u>-</u></u>	<u><u>36,118</u></u>	<u><u>12,333</u></u>	<u><u>376,517</u></u>	<u><u>571,341</u></u>
Total Liabilities and Fund Balances	<u><u>\$ 146,373</u></u>	<u><u>\$ 634,193</u></u>	<u><u>\$ 36,118</u></u>	<u><u>\$ 17,431</u></u>	<u><u>\$ 376,692</u></u>	<u><u>\$ 1,210,807</u></u>

**VILLAGE OF HOBART, WISCONSIN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

	<u>K-9 Fund</u>	<u>ARPA</u>	<u>Fire Department Donations</u>	<u>Police Department Donations</u>	<u>Parks and Recreation</u>	<u>Total</u>
<b>REVENUES</b>						
Intergovernmental	\$ -	\$ 214,495	\$ -	\$ -	\$ -	\$ 214,495
Licenses and Permits	-	-	-	-	49,180	49,180
Miscellaneous	<u>85,749</u>	<u>13,445</u>	<u>36,118</u>	<u>30,036</u>	<u>-</u>	<u>165,348</u>
Total Revenues	<u>85,749</u>	<u>227,940</u>	<u>36,118</u>	<u>30,036</u>	<u>49,180</u>	<u>429,023</u>
<b>EXPENDITURES</b>						
Current:						
General Government	-	71,323	-	-	-	71,323
Public Safety	19,452	119,354	-	17,703	-	156,509
Culture and Recreation	-	-	-	-	719	719
Capital Outlay	<u>-</u>	<u>37,263</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,263</u>
Total Expenditures	<u>19,452</u>	<u>227,940</u>	<u>-</u>	<u>17,703</u>	<u>719</u>	<u>265,814</u>
<b>NET CHANGE IN FUND BALANCES</b>	66,297	-	36,118	12,333	48,461	163,209
Fund Balances - Beginning of Year	<u>80,076</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>328,056</u>	<u>408,132</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 146,373</u>	<u>\$ -</u>	<u>\$ 36,118</u>	<u>\$ 12,333</u>	<u>\$ 376,517</u>	<u>\$ 571,341</u>

**VILLAGE OF HOBART, WISCONSIN  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 614,014	\$ 613,763	\$ 614,014	\$ 251
Excess Stadium District Sales Tax	-	251	107	(144)
Total Revenues	614,014	614,014	614,121	107
<b>EXPENDITURES</b>				
Current:				
Debt Service:				
Principal	470,000	470,000	470,000	-
Interest and Fiscal Charges	144,014	144,014	144,014	-
Total Expenditures	614,014	614,014	614,014	-
<b>NET CHANGE IN FUND BALANCE</b>	-	-	107	107
Fund Balance - Beginning of Year	165,661	165,661	165,661	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 165,661</u>	<u>\$ 165,661</u>	<u>\$ 165,768</u>	<u>\$ 107</u>

**VILLAGE OF HOBART, WISCONSIN  
TAX INCREMENTAL DISTRICT #1 CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 3,076,604	\$ 3,076,604	\$ 1,904,219	\$ (1,172,385)
Intergovernmental	1,435	1,435	1,435	-
Miscellaneous	138,851	138,851	195,158	56,307
Total Revenues	3,216,890	3,216,890	2,100,812	(1,116,078)
<b>EXPENDITURES</b>				
Current:				
General Government	53,097	53,097	76,787	(23,690)
Conservation and Development	1,800,963	1,800,963	35,000	1,765,963
Debt Service:				
Principal	1,180,148	1,180,148	1,878,818	(698,670)
Interest and Fiscal Charges	423,819	423,819	612,582	(188,763)
Capital Outlay	-	-	5,304,398	(5,304,398)
Total Expenditures	3,458,027	3,458,027	7,907,585	(4,449,558)
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(241,137)	(241,137)	(5,806,773)	(5,565,636)
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-Term Debt Issued	-	-	6,130,000	6,130,000
Premium on Debt Issued	-	-	237,714	237,714
Refunding Debt Issued	-	-	1,435,000	1,435,000
Debt Service - Principal Refunded	-	-	(1,455,000)	(1,455,000)
Total Other Financing Sources (Uses)	-	-	6,347,714	6,347,714
<b>NET CHANGE IN FUND BALANCE</b>	(241,137)	(241,137)	540,941	782,078
Fund Balance - Beginning of Year	2,671,806	2,671,806	2,671,806	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 2,430,669</u>	<u>\$ 2,430,669</u>	<u>\$ 3,212,747</u>	<u>\$ 782,078</u>

**VILLAGE OF HOBART, WISCONSIN  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 523,659	\$ 523,659	\$ 523,659	\$ -
Special Assessments	-	-	351,000	351,000
Intergovernmental Charges for Services	66,869	52,973	52,505	(468)
Total Revenues	590,528	576,632	927,164	350,532
<b>EXPENDITURES</b>				
Capital Outlay	837,376	809,584	499,313	310,271
Total Expenditures	837,376	809,584	499,313	310,271
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(246,848)	(232,952)	427,851	660,803
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Capital Assets	246,848	232,952	-	(232,952)
<b>NET CHANGE IN FUND BALANCE</b>	-	-	427,851	427,851
Fund Balance - Beginning of Year	498,409	498,409	498,409	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 498,409</u>	<u>\$ 498,409</u>	<u>\$ 926,260</u>	<u>\$ 427,851</u>

**VILLAGE OF HOBART, WISCONSIN  
TAX INCREMENTAL DISTRICT #2 CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 1,635,405	\$ 1,635,405	\$ 983,605	\$ (651,800)
Intergovernmental	327	327	327	-
Miscellaneous	1,000	1,000	63,770	62,770
Total Revenues	1,636,732	1,636,732	1,047,702	(589,030)
<b>EXPENDITURES</b>				
Current:				
General Government	42,482	42,482	53,276	(10,794)
Conservation and Development	651,800	651,800	100,000	551,800
Debt Service:				
Principal	541,025	541,025	567,080	(26,055)
Interest and Fiscal Charges	183,191	183,191	182,657	534
Capital Outlay	-	-	367,970	(367,970)
Total Expenditures	1,418,498	1,418,498	1,270,983	147,515
<b>NET CHANGE IN FUND BALANCE</b>	218,234	218,234	(223,281)	(441,515)
Fund Balance - Beginning of Year	1,130,438	1,130,438	1,130,438	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,348,672</u>	<u>\$ 1,348,672</u>	<u>\$ 907,157</u>	<u>\$ (441,515)</u>

**ADDITIONAL INDEPENDENT AUDITORS' REPORT  
FOR BASIC FINANCIAL STATEMENTS**



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

Village Board  
Village of Hobart, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Hobart, Wisconsin, (the Village) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Village of Hobart, Wisconsin's basic financial statements, and have issued our report thereon dated March 30, 2023.

***Report on Internal Control Over Financial Reporting***

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2022-001 and 2022-002 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2022-003 to be a significant deficiency.



***Report on Compliance and Other Matters***

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

***Village of Hobart, Wisconsin's Response to Findings***

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

***Purpose of This Report***

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



**CliftonLarsonAllen LLP**

Green Bay, Wisconsin  
March 30, 2023

**VILLAGE OF HOBART, WISCONSIN  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2022**

<b><i>Internal Control Over Financial Reporting</i></b>	
<b>Finding No.</b>	<b>Control Deficiencies</b>
<b>2022-001</b>	<b>Segregation of Duties</b> Repeat finding of 2021-001 Material Weakness in Internal Control over Financial Reporting
Condition	The Village has a combined clerk/treasurer position to essentially complete all financial and recordkeeping duties of the general Village's operations. Accordingly, this does not allow for proper segregation of duties for internal control purposes.
Criteria or Specific Requirement	Segregation of duties is an internal control intended to prevent or decrease the occurrence of errors or intentional fraud. Segregation of duties ensures that no single employee has control over all phases of a transaction.
Cause	The lack of segregation of duties is due to the limited number of employees and the size of the Village's operations
Effect	Errors or intentional fraud could occur and not be detected timely by other employees in the normal course of their responsibilities as a result of the lack of segregation of duties.
Recommendation	We recommend the Village Board continue to monitor transactions and the financial records of the Village.
Views of Responsible Officials and Planned Corrective Actions	The Village has contracted with an experienced governmental finance professional to provide oversight and review of Village transactions and financial records.

**VILLAGE OF HOBART, WISCONSIN  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

<b><i>Internal Control Over Financial Reporting (Continued)</i></b>	
<b>Finding No.</b>	<b>Control Deficiencies</b>
<b>2022-002</b>	<b>Adjustments to the Village's Financial Records</b>
	Repeat finding of 2021-002 Material Weakness in Internal Control over Financial Reporting
Condition	As part of our audit, we proposed adjusting journal entries to the Villages financial statements.
Criteria or Specific Requirement	Adjusting journal entries proposed by the auditors are considered to be an internal control deficiency.
Cause	While Village staff maintains financial records which accurately report revenues and expenditures throughout the year, preparing year-end adjusting and closing entries requires additional expertise that would entail additional training and staff time to develop.
Effect	Year-end financial records prepared by the Village may contain misstatements.
Recommendation	We recommend the Village continue reviewing the adjusting, closing and Governmental Accounting Standards Board Statement No. 34 (GASB 34) conversion entries. While it may not be cost beneficial to hire additional staff to prepare these items, a thorough review of this information by appropriate staff of the Village is necessary to obtain an adequate understanding of the Village's financial reports.
Views of Responsible Officials and Planned Corrective Actions	The Village has contracted with an experienced governmental finance professional to review the adjusting, closing, and GASB 34 conversion entries drafted by CLA. Management has reviewed and approved the financial statements and other information prior to issuance.

**VILLAGE OF HOBART, WISCONSIN  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

<b><i>Internal Control Over Financial Reporting (Continued)</i></b>	
<b>Control Deficiencies</b>	
<b>2022-003</b>	<b>Preparation of Annual Financial Report</b>
	Significant Deficiency in Internal Control over Financial Reporting
Condition	Current Village staff maintain accounting records which reflect the Village's financial transactions; however, preparing the Village's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The Village contracts with us and our knowledge of applicable accounting principles, financial statement formats, and note disclosures to assist in the preparation of the annual financial report in an efficient manner. However, as independent auditors, CLA cannot be considered part of the Village's internal control system, As part of its internal control over preparation of its financial statements, including disclosures, the Village had implemented a comprehensive review procedure to ensure that the financial statements, including note disclosures, are complete and accurate.
Criteria or Specific Requirement	The preparation and review of the annual financial report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes or municipal financial report.
Cause	Village management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.
Effect	Without our involvement, the Village may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.
Recommendation	We recommend the Village continue reviewing the annual financial and municipal financial reports. Such review procedures should be performed by an individual possessing a thorough understanding of accounting principles generally accepted in the United States of America and knowledge of the Village's activities and operations. While it may not be cost beneficial to train additional staff to completely prepare the reports, a thorough review of this information by appropriate staff of the Village is necessary to obtain a complete and adequate understanding of the Village's annual financial and municipal financial reports.
Views of Responsible Officials and Planned Corrective Actions	Management believes that the cost of hiring additional staff to prepare financial reports outweigh the benefits to be received. Management will continue to review the financial statements.



**Forms of Continuing Disclosure Certificates**

## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Village of Hobart, Brown County, Wisconsin (the "Issuer") in connection with the issuance of \$10,000,000 General Obligation Promissory Notes, Series 2024A, dated March 26, 2024 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on March 5, 2024 (the "Resolution") and delivered to \_\_\_\_\_ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

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

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at [www.emma.msrb.org](http://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 Official Statement dated \_\_\_\_\_, 2024 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 Hobart, Brown County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Village Clerk of the Issuer who can be contacted at 2990 South Pine Tree Road, Hobart, Wisconsin 54155, phone (920) 869-1011, fax (920) 869-2048.

"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, 2023, 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. TAX LEVIES, RATES AND COLLECTIONS
2. EQUALIZED VALUATIONS
3. INDEBTEDNESS OF THE VILLAGE - General Obligation Debt

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 26th day of March, 2024.

(SEAL)

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Richard R. Heidel  
President

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Lisa Vanden Heuvel  
Village Clerk

## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Village of Hobart, Brown County, Wisconsin (the "Issuer") in connection with the issuance of \$1,460,000 Taxable General Obligation Promissory Notes, Series 2024B, dated March 26, 2024 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on March 5, 2024 (the "Resolution") and delivered to \_\_\_\_\_ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

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

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at [www.emma.msrb.org](http://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 Official Statement dated \_\_\_\_\_, 2024 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 Hobart, Brown County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Village Clerk of the Issuer who can be contacted at 2990 South Pine Tree Road, Hobart, Wisconsin 54155, phone (920) 869-1011, fax (920) 869-2048.

"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, 2023, 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. TAX LEVIES, RATES AND COLLECTIONS
2. EQUALIZED VALUATIONS
3. INDEBTEDNESS OF THE VILLAGE - General Obligation Debt

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 26th day of March, 2024.

(SEAL)

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Richard R. Heidel  
President

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Lisa Vanden Heuvel  
Village Clerk

**Official Notices of Sales and Bid Forms**

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**OFFICIAL NOTICE OF SALE**

**AND**

**BID FORM**

**FOR**

**VILLAGE OF HOBART**

**BROWN COUNTY, WISCONSIN**

**\$10,000,000\* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2024A**

DATE AND TIME:

March 5, 2024  
9:30 a.m.  
Central Standard Time

PLACE:

PMA Securities, LLC  
770 N. Jefferson Street, Suite 200  
Milwaukee, Wisconsin 53202  
Attention: Phil Hohlweck  
Phone: (414) 436-1943  
E-Mail: [compbidWI@pmanetwork.com](mailto:compbidWI@pmanetwork.com)

FORM OF BIDDING:

Electronic or via e-mail, as described herein.

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\* Preliminary, subject to change.

## OFFICIAL NOTICE OF SALE

### VILLAGE OF HOBART BROWN COUNTY, WISCONSIN

#### **\$10,000,000\* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2024A**

NOTICE IS HEREBY GIVEN that the Village of Hobart, Brown County, Wisconsin (the “Village”), will receive bids either (i) electronically via **Parity®** or (ii) sent via e-mail to [compbidWI@pmanetwork.com](mailto:compbidWI@pmanetwork.com) (each as more fully described below), for the purchase of its \$10,000,000\* General Obligation Promissory Notes, Series 2024A (the “Notes”), on an all or none basis at the following time and place:

DATE AND TIME: 9:30 a.m.  
Central Standard Time  
March 5, 2024

PLACE: Offices of the Village’s Municipal Advisor:  
PMA Securities, LLC (the “Municipal Advisor”)  
770 N. Jefferson Street, Suite 200  
Milwaukee, Wisconsin 53202

AWARD OF NOTES: Bids will be publicly announced at the above time and place. Unless all bids are rejected, award will be made by a notification of sale to the bidder offering the lowest true interest cost (“TIC”) to the Village.

### **The Notes**

Proceeds of the Notes will be used (i) for public purposes, including paying the cost of public infrastructure projects in the Village's Tax Incremental District No. 1 and Tax Incremental District No. 2 and (ii) to pay certain costs associated with the issuance of the Notes.

The Notes are being issued pursuant to Section 67.12(12) of the Wisconsin Statutes. The Notes will be general obligations of the Village for which its full faith and credit and taxing powers are pledged which taxes may, under current law, be levied without limitation as to rate or amount. The Village is authorized and required by law to levy on all property taxable by the Village such ad valorem taxes as may be necessary to pay the Notes and the interest thereon. See “THE NOTES” and “CONSTITUTIONAL AND STATUTORY CONSIDERATIONS AND LIMITATIONS CONCERNING THE VILLAGE’S POWER TO INCUR INDEBTEDNESS” in the Preliminary Official Statement for further information on the authorization and security for the Notes.

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\* Preliminary, subject to change.

## **Bidding Instructions**

Each proposal must be submitted on the Official Bid Form without alteration or change no later than 9:30 a.m. Central Standard Time on March 5, 2024 either:

(i) via **Parity®** in accordance with this Official Notice of Sale. To the extent any instructions or directions set forth in **Parity®** conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about **Parity®**, potential bidders may contact the Municipal Advisor or i-Deal LLC at 1359 Broadway, New York, NY 10018, telephone (212) 849-5021; or

(ii) via e-mail to [compbidWI@pmanetwork.com](mailto:compbidWI@pmanetwork.com).

**The Bidder (“Bidder”) bears all risk of transmission failure.**

**Any Bidder intending to bid via e-mail shall notify the Municipal Advisor of such intention no later than the close of business on March 4, 2024.**

## **Determination of Winning Bid**

The Notes will be awarded to the single and best Bidder (the “Underwriter”) whose bid will be determined upon the basis of the **lowest TIC** at the rates designated in said bid from the dated date to the maturity dates after deducting the bid premium or adding the bid discount, if any. The TIC will be calculated as the rate which, when used in computing the present value of all principal and interest to be paid on the Notes (commencing on September 1, 2024 and semiannually on each March 1 and September 1 thereafter), produces an amount on the date of issuance of the Notes (expected to be March 26, 2024) equal to the purchase price set forth in the bid. In the event of more than one proposal specifying the lowest TIC, the Notes will be awarded to the Bidder whose proposal is selected by lot from among all such proposals.

## **Terms of the Notes**

The Notes will be dated the date of issuance thereof, will mature on the dates and in the amounts, and not more than one rate should be specified for each maturity as described in the Official Bid Form attached hereto.

The Notes due on and after March 1, 2031 are subject to redemption prior to maturity, at the option of the Village, in whole or in part, from maturities selected by the Village and within each maturity by lot, in integral multiples of \$5,000, on March 1, 2030 or on any date thereafter, at a redemption price of par plus accrued interest to the redemption date.

Any Bidder electing to designate any maturities as term bonds shall so specify on the affirmed bid form. The term bonds shall be subject to mandatory sinking fund redemption by lot in the amounts currently specified for the serial bonds, at a redemption price of 100% of the principal amount thereof.

## **Bidding Parameters**

**The interest rates must be in multiples of one-eighth or one-twentieth of one percent (1/8 or 1/20 of 1%), and not more than one rate for a single maturity shall be specified. The rate bid for each maturity shall not exceed 5.0%. All bids must be for all of the Notes and must be for not less than 100% and not more than 102% of the par amount thereof.**

Attorneys' fees, Municipal Advisor fees, rating agency fees, paying agent fees, the cost of distributing the Official Notice of Sale, the Preliminary Official Statement and the final Official Statement and miscellaneous expenses of said Village incurred in connection with the offering and delivery of the Notes shall all be the obligation of the Village.

*A good faith deposit will not be required prior to bid opening.* The Underwriter is required to submit a certified or cashier's check on a solvent bank or trust company or a wire transfer for \$100,000 payable to the Village as evidence of good faith of the bidder (the "Deposit") not later than 3:30 P.M. Central Standard Time on the sale date. The Deposit of the Underwriter will be retained by the Village pending delivery of the Notes. The Village may hold the proceeds of any Deposit or invest the same (at the Village's risk) in obligations that mature at or before the delivery of the Notes, until disposed of, as follows: (a) at the delivery of the Notes and upon compliance with the Underwriter's obligation to take up and pay for the Notes, the full amount of the Deposit held by the Village, without adjustment for interest, shall be applied toward the purchase price of the Notes at that time, and the full amount of any interest earnings thereon shall be retained by the Village; and (b) if the Underwriter fails to take up and pay for the Notes when tendered, the full amount of the Deposit plus any interest earnings thereon will be forfeited to the Village as liquidated damages.

The Underwriter shall provide Bond Counsel, within 48 hours of the award, the required issue statistics to complete parts II-V of Department of Treasury Form 8038-G.

The Village will furnish to the Underwriter the approving legal opinion of Bond Counsel. After delivery, the Village will furnish to the Underwriter a complete certified transcript of all proceedings in connection with the issuance of the Notes which shall include a non-litigation certificate showing that there is no litigation pending or threatened as to the validity or security of the Notes.

## **Establishment of Issue Price**

(a) The winning bidder (the "Purchaser") shall assist the Village in establishing the issue price of the Notes and shall execute and deliver to the Village at Closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the Public or the sales price or prices of the Notes, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Purchaser, the Village and Bond Counsel. All actions to be taken by the Village under this Official Notice of Sale to establish the issue price of the Notes may be taken on behalf of the Village by the Village's Municipal Advisor, identified herein, and any notice or report to be provided to the Village may be provided to the Village's Municipal Advisor. Within one hour of the award, the Purchaser will provide the Village and its Municipal Advisor the expected initial offering price of the Notes, which the

Purchaser used to formulate its bid.

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

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

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

(c) In the event that the Competitive Sale Requirements are not satisfied, the Village shall so advise the winning bidder. The Village may determine to treat (i) the first price at which 10% of a maturity of the Notes (the “10% Test”) is sold to the Public as the issue price of that maturity, and/or (ii) the initial offering price of that maturity (the “Hold-the-Offering-Price Rule”), in each case applied on a maturity-by-maturity basis. The Purchaser shall advise the Village if any maturity of the Notes satisfies the 10% Test as of the date and time of the award of the Notes. The Village shall promptly advise the Purchaser, at or before the time of award of the Notes, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Notes shall be subject to the 10% Test or shall be subject to the Hold-the-Offering-Price Rule or both. Bids will *not* be subject to cancellation in the event that the Village determines to apply the Hold-the-Offering-Price Rule to any maturity of the Notes. ***Bidders should prepare their bids on the assumption that some or all of the maturities of the Notes will be subject to the Hold-the-Offering-Price Rule in order to establish the issue price of the Notes.***

(d) By submitting a bid, the Purchaser shall (i) confirm that the Underwriters (as hereinafter defined) have offered or will offer the Notes to the Public (as hereinafter defined) on or before the date of award at the offering price or prices (the “Initial Offering Price”), and (ii) agree, on behalf of the Underwriters participating in the purchase of the Notes, that the Underwriters will neither offer nor sell unsold Notes of any maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price to the Public during the period starting on the Sale Date (as hereinafter defined) and ending on the earlier of the following:

- (1) the close of the fifth (5<sup>th</sup>) business day after the Sale Date; or



- (2) the date on which the Underwriters have sold at least 10% of that maturity of the Notes to the Public at a price that is no higher than the Initial Offering Price to the Public.

The Purchaser will advise the Village promptly after the close of the fifth (5<sup>th</sup>) business day after the Sale Date whether it has sold 10% of that maturity of the Notes to the Public at a price that is no higher than the Initial Offering Price to the Public, if that occurs prior to the close of the fifth (5<sup>th</sup>) business day after the Sale Date. Within one hour of the award, the Purchaser will inform the Village of the Initial Offering Price for each maturity of the Notes.

(e) If the Competitive Sale Requirements are not satisfied, then until the 10% Test has been satisfied as to each maturity of the Notes, the Purchaser agrees to promptly report to the Village the prices at which the unsold Notes of that maturity have been sold to the Public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) all Notes of that maturity have been sold or (ii) the 10% Test has been satisfied as to the Notes of that maturity, provided that the Purchaser's reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the Village or Bond Counsel.

(f) The Village acknowledges that, in making the representation set forth above, the Purchaser will rely on (i) the agreement of each Underwriter to comply with requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Notes, as set forth in an agreement among Underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Notes to the Public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Notes, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Notes to the Public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Notes including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Notes, as set forth in the third-party distribution agreement and the related pricing wires. The Village further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Notes, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule if applicable to the Notes.

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

(i) any agreement among Underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the

selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the Public the unsold Notes of each maturity allocated to it whether or not the closing date has occurred, until either all Notes of that maturity allocated to it have been sold or it is notified by the Purchaser that either the 10% Test has been satisfied as to the Notes of that maturity, provide that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the Purchaser and (ii) to comply with the Hold-the-Offering-Price Rule, if applicable, if and for so long as directed by the Purchaser and as set forth in the related pricing wires, which shall be until the 10% Test has been satisfied as to the Notes of that maturity or until the close of business on the fifth (5<sup>th</sup>) business day following the date of award,

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

(C) to acknowledge that, unless otherwise advised by the Underwriter, the Purchaser shall assume that each order submitted by the Underwriter is a sale to the Public.

(ii) any agreement among Underwriters or selling group agreement relating to the initial sale of the Notes to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Notes to the Public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Notes of each maturity allocated to it, whether or not the closing date has occurred, until either all Notes of that maturity allocated to it have been sold or until it is notified by the Purchaser or such Underwriter that either the 10% Test has been satisfied as to the Notes of that maturity, provided that the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the Purchaser or such Underwriter and (B) comply with the Hold-the-Offering-Price Rule, if applicable, if and for so long as directed by the Purchaser or the Underwriter and as set forth in the related pricing wires, which shall be at least until the 10% Test has been satisfied as to the Notes of that maturity or until the close of business on the fifth (5<sup>th</sup>) business day following the date of the award.

(h) Sales of any Notes to any person that is a Related Party to an Underwriter participating in the initial sale of the Notes to the Public (each such term being used as defined below) shall not constitute sales to the Public for purposes of this Official Notice of Sale. Further, for purposes of this Official Notice of Sale:

(i) “Public” means any person other than an Underwriter or a Related Party,

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

## **Tax Status**

Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, will deliver a legal opinion with respect to the federal income tax status applicable to the interest on the Notes under existing law substantially in the form attached to the Preliminary Official Statement as Appendix A.

## **Designation as Qualified Tax-Exempt Obligations**

Subject to the Village’s compliance with certain covenants, the Notes shall be designated as “qualified tax-exempt obligations” under the small issuer exception provided under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

## **Book-Entry Only**

The Notes will be issued as fully-registered Notes without coupons and, when issued, will be registered in the name of CEDE & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Notes. A single Note certificate for each maturity will be issued to DTC and immobilized in its custody. Individual purchases may be made in book-entry-only form only through DTC participants, in the principal amount of \$5,000 or any integral multiple thereof. Individual purchasers will not receive certificates evidencing their ownership of the Notes purchased. The Underwriter shall be required

to deposit the Note certificates with DTC as a condition to delivery of the Notes. The Village will make payments of principal and interest on the Notes to DTC or its nominee as registered owner of the Notes in same-day funds. Transfer of those payments to participants of DTC will be the responsibility of DTC; transfer of the payments to beneficial owners by DTC participants will be the responsibility of such participants and other nominees of beneficial owners all as required by DTC rules and procedures. No assurance can be given by the Village that DTC, its participants and other nominees of beneficial owners will make prompt transfer of the payments as required by DTC rules and procedures. The Village assumes no liability for failures of DTC, its participants or other nominees to promptly transfer payments to beneficial owners of the Notes.

In the event that the securities depository relationship with DTC for the Notes is terminated and the Village does not appoint a successor depository, the Village will prepare, authenticate and deliver, at its expense, fully-registered certificate Notes in the denominations of \$5,000 or any integral multiple thereof in the aggregate principal amount of the Notes of the same maturities and interest rate then outstanding to the beneficial owners of the Notes.

### **CUSIP Numbers**

It is intended that CUSIP numbers will be printed on the Notes, but neither the failure to print or type such numbers on any Notes nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriter to accept delivery of and make payment for the Notes. All expenses in relation to the printing of CUSIP numbers, including CUSIP Service Bureau charges for the assignment of said numbers, shall be the responsibility of and shall be paid by the Underwriter.

### **Continuing Disclosure**

The Village covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the “Undertaking”) to provide ongoing disclosure about the Village for the benefit of the beneficial owners of the Notes on or before the date of delivery of the Notes as required under Section (b)(5) of Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The form of the Undertaking is set forth in Appendix C in the Preliminary Official Statement. Please see the section entitled “CONTINUING DISCLOSURE” in the Preliminary Official Statement for a description of the Village’s compliance over the last five years with undertakings previously entered into by it pursuant to the Rule.

The Underwriter’s obligation to purchase the Notes shall be conditional upon the Village delivering the Undertaking on or before the date of delivery of the Notes.

### **Official Statement**

The Village declares the Preliminary Official Statement provided in connection with the sale of the Notes to be final as of its date for purposes of the Rule, except for the omission of the offering prices or yields, the interest rates, any other terms or provisions required by the Village specified in the bid, ratings, other terms of the Notes depending on such matters, and the identity of the Underwriter. Upon the sale of the Notes, the Village will publish an Official Statement in substantially the same form as the Preliminary Official Statement, subject to minor additions, deletions and revisions as required to complete the Preliminary Official Statement. By submission

of its bid, the Underwriter will be deemed to have certified that it has obtained and reviewed the Preliminary Official Statement. Promptly after the sale date, but in no event later than seven business days after the sale date, the Village will provide the Underwriter with an electronic copy of the final Official Statement. The Underwriter agrees to supply to the Village all information necessary to complete the Official Statement within 24 hours after the award of the Notes.

### **Conditions of Closing**

The Village reserves the right to reject any or all bids and to determine the best bid in its sole discretion, and to waive any irregularity in any bid. Additionally, the Village reserves the right to modify or amend this Official Notice of Sale; however, any such modification or amendment shall not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Notes and any such modification or amendment will be announced on the Amendments Page of the **Parity**® webpage and through *Thompson Municipal News*.

By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the Village in the Note transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder represents that the signatory to the bid is duly authorized to, and does consent to and waive for and on behalf of such bidder any conflict of interest of Bond Counsel arising from any adverse position to the Village in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

The Notes will be delivered to the Underwriter against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be March 26, 2024. Should delivery, however, be delayed beyond forty-five (45) days from the date of sale for any reason beyond the control of the Village except failure of performance by the Underwriter, the Village may cancel the award or the Underwriter may withdraw the Deposit and thereafter the Underwriter's interest in and liability for the Notes will cease.

### **Additional Information**

The Preliminary Official Statement and the Official Bid Form, together with other pertinent information, may be obtained from the Village, Attention: Aaron Kramer, Village Administrator, 2990 South Pine Tree Road, Hobart Wisconsin 54155, telephone: (920) 869-1011, or from the Municipal Advisor, Attention: Phil Hohlweck, 770 N. Jefferson Street, Suite 200, Milwaukee, Wisconsin 53202, telephone: (414) 436-1943.

By order of the Village Board of the Village, dated this 27<sup>th</sup> day of February, 2024.

/s/ Aaron Kramer

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Village Administrator

Village of Hobart

Brown County, Wisconsin

## OFFICIAL BID FORM

Village Board  
Village of Hobart  
Brown County, Wisconsin

March 5, 2024

Ladies and Gentlemen:

Subject to all the provisions of the Official Notice of Sale, which is expressly made a part of this bid, we offer to purchase the General Obligation Promissory Notes, Series 2024A (the “Notes”) as described below:

Par amount of Notes: \$10,000,000\*  
Dated date: Date of issuance  
Purchase price: \$\_\_\_\_\_  
(not less than 100.0% and not more than 102.0% of the par amount of the Notes)

The Notes shall bear interest as follows (each rate (i) a multiple of 1/8 or 1/20 of 1% and (ii) not exceeding 5.00%):

<u>Maturity (March 1)</u>	<u>Amount (\$)*</u>	<u>Rate (%)</u>	<u>Term Bonds (Year)</u>
2025	790,000	_____	_____
2026	1,135,000	_____	_____
2027	1,025,000	_____	_____
2028	1,220,000	_____	_____
2029	1,570,000	_____	_____
2030	1,470,000	_____	_____
2031	1,370,000	_____	_____
2032	1,420,000	_____	_____

Net Interest Cost: \$\_\_\_\_\_  
True Interest Cost: \_\_\_\_\_ %

If the net interest cost or the true interest cost stated above is incorrectly computed, the undersigned agrees that the purchase price and interest rates shall prevail.

Any Bidder electing to designate any maturities as term bonds shall so specify on the affirmed bid form. The term bonds shall be subject to mandatory sinking fund redemption by lot in the amounts currently specified for the serial bonds, at a redemption price of 100% of the principal amount thereof.

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\* Preliminary, subject to change. The Village reserves the right to increase or decrease the principal amount of the individual maturities of the Notes on the day of sale in increments of \$5,000. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000 bond.

The Notes due on and after March 1, 2031 are subject to redemption prior to maturity, at the option of the Village, in whole or in part, from maturities selected by the Village and within each maturity by lot, in integral multiples of \$5,000, on March 1, 2030 or on any date thereafter, at a redemption price of par plus accrued interest to the redemption date.

The Notes are to be accompanied by the unqualified approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, and a certificate evidencing that no litigation is pending against the Village, which will affect the validity or security of these Notes.

Attorneys' fees, Rating Agency fees, Municipal Advisor fees, paying agent fees, the cost of distributing the Official Notice of Sale, the Preliminary Official Statement and the Official Statement and miscellaneous expenses of said Village incurred in connection with the offering and delivery of the Notes shall all be the obligation of the Village.

This bid is a firm offer for the purchase of the Notes identified in the Official Notice of Sale, on the terms set forth in this bid form and the Official Notice of Sale, and is not subject to any conditions, except as permitted by the Official Notice of Sale. By submitting this bid, we confirm that we have an established industry reputation for underwriting new issuances of municipal bonds. *[If the bidder cannot confirm an established industry reputation for underwriting new issuances of municipal bonds, the preceding sentence should be crossed out.]* We understand that if we are the winning bidder that we will deposit with the Village not later than 3:30 P.M. Central Standard Time on the sale date a certified or cashier's check or wire transfer in the amount of \$100,000 payable to said Village as a guarantee of good faith, to be applied in accordance with the Official Notice of Sale.

\_\_\_\_\_

Managing Underwriter Signature

Name of Firm: \_\_\_\_\_

Direct Contact: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Phone Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

—PLEASE ATTACH A LIST OF ACCOUNT MEMBERS—

The foregoing offer is hereby accepted this 5th day of March, 2024 by the Village of Hobart, Brown County, Wisconsin, and in recognition therefore is signed by the official of the Village empowered and authorized to make such acceptance.

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Village of Hobart  
Brown County, Wisconsin



## **Exhibit A**

### **Form of Issue Price Certificate**

Village of Hobart, Wisconsin ("Village")  
\$10,000,000  
General Obligation Promissory Notes, Series 2024A,  
dated March 26, 2024

**UNDERWRITER'S CERTIFICATE**

The undersigned, on behalf of \_\_\_\_\_  
("\_\_\_\_\_"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Notes").

1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering prices of the Notes to the Public by \_\_\_\_\_ are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Notes used by \_\_\_\_\_ in formulating its bid to purchase the Notes. Attached as Schedule B is a true and correct copy of the bid provided by \_\_\_\_\_ to purchase the Notes.

(b) \_\_\_\_\_ was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by \_\_\_\_\_ constituted a firm offer to purchase the Notes.

2. ***[Bond Insurance***

(a) The Municipal Bond Insurance Policy (the "Bond Insurance Policy") issued by \_\_\_\_\_ (the "Bond Insurer") was essential in marketing the Notes at the rates and prices at which they were marketed and the absence of the Bond Insurance Policy would have had a material adverse effect on the interest rates at which the Notes were sold.

[(b) We are paying a premium of \$\_\_\_\_\_ (the "Bond Insurance Premium") to the Bond Insurer for its Bond Insurance Policy.]

(c) In our opinion, the Bond Insurance Premium paid to the Bond Insurer for its Bond Insurance Policy is a reasonable arm's-length charge for the transfer of credit risk which the Bond Insurance Policy represents.

(d) In our opinion, the present value of the Bond Insurance Premium is less than the present value of the interest on the Notes reasonably expected to be saved as a result of the Bond Insurance Policy. In making this determination present values were computed by using the yield on the Notes (determined with regard to the Bond Insurance Premium) as the discount rate.]

3. ***Defined Terms.***

(a) "Maturity" means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) "Sale Date" means the first day on which there is a binding contract in writing for the sale of a Maturity of the Notes. The Sale Date of the Notes is March 5, 2024.

(d) "Underwriter" means (i) any person that agrees pursuant to a written contract with the Village (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents \_\_\_\_\_'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. \_\_\_\_\_ understands that the foregoing information will be relied upon by the Village with respect to certain of the representations set forth in the Tax Exemption Certificate and compliance with the federal income tax rules affecting the Notes, and by Quarles & Brady LLP, Bond Counsel, in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G and other federal income tax advice that it may give to the Village from time to time relating to the Notes.

\_\_\_\_\_  
By:\_\_\_\_\_

Name:\_\_\_\_\_

Dated: March 26, 2024

SCHEDULE A  
TO  
UNDERWRITER'S CERTIFICATE

EXPECTED OFFERING PRICES

(See Attached)

SCHEDULE B  
TO  
UNDERWRITER'S CERTIFICATE

COPY OF UNDERWRITER'S BID

(See Attached)

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**OFFICIAL NOTICE OF SALE**

**AND**

**BID FORM**

**FOR**

**VILLAGE OF HOBART**

**BROWN COUNTY, WISCONSIN**

**\$1,460,000\* TAXABLE GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2024B**

DATE AND TIME:

March 5, 2024  
10:00 a.m.  
Central Standard Time

PLACE:

PMA Securities, LLC  
770 N. Jefferson Street, Suite 200  
Milwaukee, Wisconsin 53202  
Attention: Phil Hohlweck  
Phone: (414) 436-1943  
E-Mail: [compbidWI@pmanetwork.com](mailto:compbidWI@pmanetwork.com)

FORM OF BIDDING:

Electronic or via e-mail, as described herein.

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\* Preliminary, subject to change.

## OFFICIAL NOTICE OF SALE

### VILLAGE OF HOBART BROWN COUNTY, WISCONSIN

#### **\$1,460,000\* TAXABLE GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2024B**

NOTICE IS HEREBY GIVEN that the Village of Hobart, Brown County, Wisconsin (the “Village”), will receive bids either (i) electronically via **Parity®** or (ii) sent via e-mail to [compbidWI@pmanetwork.com](mailto:compbidWI@pmanetwork.com) (each as more fully described below), for the purchase of its \$1,460,000\* Taxable General Obligation Promissory Notes, Series 2024B (the “Notes”), on an all or none basis at the following time and place:

DATE AND TIME: 10:00 a.m.  
Central Standard Time  
March 5, 2024

PLACE: Offices of the Village’s Municipal Advisor:  
PMA Securities, LLC (the “Municipal Advisor”)  
770 N. Jefferson Street, Suite 200  
Milwaukee, Wisconsin 53202

AWARD OF NOTES: Bids will be publicly announced at the above time and place. Unless all bids are rejected, award will be made by a notification of sale to the bidder offering the lowest true interest cost (“TIC”) to the Village.

#### **The Notes**

Proceeds of the Notes will be used (i) for public purposes, including paying project costs of the Village's Tax Incremental District No. 1 and (ii) to pay certain costs associated with the issuance of the Notes.

The Notes are being issued pursuant to Section 67.12(12) of the Wisconsin Statutes. The Notes will be general obligations of the Village for which its full faith and credit and taxing powers are pledged which taxes may, under current law, be levied without limitation as to rate or amount. The Village is authorized and required by law to levy on all property taxable by the Village such ad valorem taxes as may be necessary to pay the Notes and the interest thereon. See “THE NOTES” and “CONSTITUTIONAL AND STATUTORY CONSIDERATIONS AND LIMITATIONS CONCERNING THE VILLAGE’S POWER TO INCUR INDEBTEDNESS” in the Preliminary Official Statement for further information on the authorization and security for the Notes.

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\* Preliminary, subject to change.

## **Bidding Instructions**

Each proposal must be submitted on the Official Bid Form without alteration or change no later than 10:00 a.m. Central Standard Time on March 5, 2024 either:

(i) via **Parity®** in accordance with this Official Notice of Sale. To the extent any instructions or directions set forth in **Parity®** conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about **Parity®**, potential bidders may contact the Municipal Advisor or i-Deal LLC at 1359 Broadway, New York, NY 10018, telephone (212) 849-5021; or

(ii) via e-mail to [compbidWI@pmanetwork.com](mailto:compbidWI@pmanetwork.com).

**The Bidder (“Bidder”) bears all risk of transmission failure.**

**Any Bidder intending to bid via e-mail shall notify the Municipal Advisor of such intention no later than the close of business on March 4, 2024.**

## **Determination of Winning Bid**

The Notes will be awarded to the single and best Bidder (the “Underwriter”) whose bid will be determined upon the basis of the **lowest TIC** at the rates designated in said bid from the dated date to the maturity dates after deducting the bid premium or adding the bid discount, if any. The TIC will be calculated as the rate which, when used in computing the present value of all principal and interest to be paid on the Notes (commencing on September 1, 2024 and semiannually on each March 1 and September 1 thereafter), produces an amount on the date of issuance of the Notes (expected to be March 26, 2024) equal to the purchase price set forth in the bid. In the event of more than one proposal specifying the lowest TIC, the Notes will be awarded to the Bidder whose proposal is selected by lot from among all such proposals.

## **Terms of the Notes**

The Notes will be dated the date of issuance thereof, will mature on the dates and in the amounts, and not more than one rate should be specified for each maturity as described in the Official Bid Form attached hereto.

The Notes due on and after March 1, 2031 are subject to redemption prior to maturity, at the option of the Village, in whole or in part, from maturities selected by the Village and within each maturity by lot, in integral multiples of \$5,000, on March 1, 2030 or on any date thereafter, at a redemption price of par plus accrued interest to the redemption date.

Any Bidder electing to designate any maturities as term bonds shall so specify on the affirmed bid form. The term bonds shall be subject to mandatory sinking fund redemption by lot in the amounts currently specified for the serial bonds, at a redemption price of 100% of the principal amount thereof.



## **Bidding Parameters**

**The interest rates must be in multiples of one-eighth or one-twentieth of one percent (1/8 or 1/20 of 1%), and not more than one rate for a single maturity shall be specified. The rate bid for each maturity shall not exceed 6.50%. All bids must be for all of the Notes and must be for not less than 100.0% and not more than 102.0% of the par amount thereof.**

Attorneys' fees, Municipal Advisor fees, rating agency fees, paying agent fees, the cost of distributing the Official Notice of Sale, the Preliminary Official Statement and the final Official Statement and miscellaneous expenses of said Village incurred in connection with the offering and delivery of the Notes shall all be the obligation of the Village.

*A good faith deposit will not be required prior to bid opening.* The Underwriter is required to submit a certified or cashier's check on a solvent bank or trust company or a wire transfer for \$14,600 payable to the Village as evidence of good faith of the bidder (the "Deposit") not later than 3:30 P.M. Central Standard Time on the sale date. The Deposit of the Underwriter will be retained by the Village pending delivery of the Notes. The Village may hold the proceeds of any Deposit or invest the same (at the Village's risk) in obligations that mature at or before the delivery of the Notes, until disposed of, as follows: (a) at the delivery of the Notes and upon compliance with the Underwriter's obligation to take up and pay for the Notes, the full amount of the Deposit held by the Village, without adjustment for interest, shall be applied toward the purchase price of the Notes at that time, and the full amount of any interest earnings thereon shall be retained by the Village; and (b) if the Underwriter fails to take up and pay for the Notes when tendered, the full amount of the Deposit plus any interest earnings thereon will be forfeited to the Village as liquidated damages.

The Village will furnish to the Underwriter the approving legal opinion of Bond Counsel. After delivery, the Village will furnish to the Underwriter a complete certified transcript of all proceedings in connection with the issuance of the Notes which shall include a non-litigation certificate showing that there is no litigation pending or threatened as to the validity or security of the Notes.

## **Tax Status**

Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, will deliver a legal opinion with respect to the federal income tax status applicable to the interest on the Notes under existing law substantially in the form attached to the Preliminary Official Statement as Appendix A.

## **Book-Entry Only**

The Notes will be issued as fully-registered Notes without coupons and, when issued, will be registered in the name of CEDE & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Notes. A single Note certificate for each maturity will be issued to DTC and immobilized in its custody. Individual purchases may be made in book-entry-only form only through DTC participants, in the principal amount of \$5,000 or any integral multiple thereof. Individual purchasers will not receive certificates evidencing their ownership of the Notes purchased. The Underwriter shall be required

to deposit the Note certificates with DTC as a condition to delivery of the Notes. The Village will make payments of principal and interest on the Notes to DTC or its nominee as registered owner of the Notes in same-day funds. Transfer of those payments to participants of DTC will be the responsibility of DTC; transfer of the payments to beneficial owners by DTC participants will be the responsibility of such participants and other nominees of beneficial owners all as required by DTC rules and procedures. No assurance can be given by the Village that DTC, its participants and other nominees of beneficial owners will make prompt transfer of the payments as required by DTC rules and procedures. The Village assumes no liability for failures of DTC, its participants or other nominees to promptly transfer payments to beneficial owners of the Notes.

In the event that the securities depository relationship with DTC for the Notes is terminated and the Village does not appoint a successor depository, the Village will prepare, authenticate and deliver, at its expense, fully-registered certificate Notes in the denominations of \$5,000 or any integral multiple thereof in the aggregate principal amount of the Notes of the same maturities and interest rate then outstanding to the beneficial owners of the Notes.

### **CUSIP Numbers**

It is intended that CUSIP numbers will be printed on the Notes, but neither the failure to print or type such numbers on any Notes nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriter to accept delivery of and make payment for the Notes. All expenses in relation to the printing of CUSIP numbers, including CUSIP Service Bureau charges for the assignment of said numbers, shall be the responsibility of and shall be paid by the Underwriter.

### **Continuing Disclosure**

The Village covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the “Undertaking”) to provide ongoing disclosure about the Village for the benefit of the beneficial owners of the Notes on or before the date of delivery of the Notes as required under Section (b)(5) of Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The form of the Undertaking is set forth in Appendix C in the Preliminary Official Statement. Please see the section entitled “CONTINUING DISCLOSURE” in the Preliminary Official Statement for a description of the Village’s compliance over the last five years with undertakings previously entered into by it pursuant to the Rule.

The Underwriter’s obligation to purchase the Notes shall be conditional upon the Village delivering the Undertaking on or before the date of delivery of the Notes.

### **Official Statement**

The Village declares the Preliminary Official Statement provided in connection with the sale of the Notes to be final as of its date for purposes of the Rule, except for the omission of the offering prices or yields, the interest rates, any other terms or provisions required by the Village specified in the bid, ratings, other terms of the Notes depending on such matters, and the identity of the Underwriter. Upon the sale of the Notes, the Village will publish an Official Statement in

substantially the same form as the Preliminary Official Statement, subject to minor additions, deletions and revisions as required to complete the Preliminary Official Statement. By submission of its bid, the Underwriter will be deemed to have certified that it has obtained and reviewed the Preliminary Official Statement. Promptly after the sale date, but in no event later than seven business days after the sale date, the Village will provide the Underwriter with an electronic copy of the final Official Statement. The Underwriter agrees to supply to the Village all information necessary to complete the Official Statement within 24 hours after the award of the Notes.

### **Conditions of Closing**

The Village reserves the right to reject any or all bids and to determine the best bid in its sole discretion, and to waive any irregularity in any bid. Additionally, the Village reserves the right to modify or amend this Official Notice of Sale; however, any such modification or amendment shall not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Notes and any such modification or amendment will be announced on the Amendments Page of the **Parity®** webpage and through *Thompson Municipal News*.

By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the Village in the Note transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder represents that the signatory to the bid is duly authorized to, and does consent to and waive for and on behalf of such bidder any conflict of interest of Bond Counsel arising from any adverse position to the Village in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

The Notes will be delivered to the Underwriter against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be March 26, 2024. Should delivery, however, be delayed beyond forty-five (45) days from the date of sale for any reason beyond the control of the Village except failure of performance by the Underwriter, the Village may cancel the award or the Underwriter may withdraw the Deposit and thereafter the Underwriter's interest in and liability for the Notes will cease.

### **Additional Information**

The Preliminary Official Statement and the Official Bid Form, together with other pertinent information, may be obtained from the Village, Attention: Aaron Kramer, Village Administrator, 2990 South Pine Tree Road, Hobart Wisconsin 54155, telephone: (920) 869-1011, or from the Municipal Advisor, Attention: Phil Hohlweck, 770 N. Jefferson Street, Suite 200, Milwaukee, Wisconsin 53202, telephone: (414) 436-1943.

By order of the Village Board of the Village, dated this 27<sup>th</sup> day of February, 2024.

/s/ Aaron Kramer

Village Administrator

Village of Hobart

Brown County, Wisconsin

## OFFICIAL BID FORM

Village Board  
Village of Hobart  
Brown County, Wisconsin

March 5, 2024

Ladies and Gentlemen:

Subject to all the provisions of the Official Notice of Sale, which is expressly made a part of this bid, we offer to purchase the Taxable General Obligation Promissory Notes, Series 2024B (the "Notes") as described below:

Par amount of Notes: \$1,460,000\*  
Dated date: Date of issuance  
Purchase price: \$ \_\_\_\_\_  
(not less than 100.0% and not more than 102.0% of the par amount of the Notes)

The Notes shall bear interest as follows (each rate (i) a multiple of 1/8 or 1/20 of 1% and (ii) not exceeding 6.50%):

<u>Maturity (March 1)</u>	<u>Amount (\$)*</u>	<u>Rate (%)</u>	<u>Term Bonds (Year)</u>
2025	150,000	_____	_____
2026	155,000	_____	_____
2027	165,000	_____	_____
2028	175,000	_____	_____
2029	185,000	_____	_____
2030	200,000	_____	_____
2031	210,000	_____	_____
2032	220,000	_____	_____

Net Interest Cost: \$ \_\_\_\_\_  
True Interest Cost: \_\_\_\_\_ %

If the net interest cost or the true interest cost stated above is incorrectly computed, the undersigned agrees that the purchase price and interest rates shall prevail.

Any Bidder electing to designate any maturities as term bonds shall so specify on the affirmed bid form. The term bonds shall be subject to mandatory sinking fund redemption by lot

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\* Preliminary, subject to change. The Village reserves the right to increase or decrease the principal amount of the individual maturities of the Notes on the day of sale in increments of \$5,000. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000 bond.

in the amounts currently specified for the serial bonds, at a redemption price of 100% of the principal amount thereof.

The Notes due on and after March 1, 2031 are subject to redemption prior to maturity, at the option of the Village, in whole or in part, from maturities selected by the Village and within each maturity by lot, in integral multiples of \$5,000, on March 1, 2030 or on any date thereafter, at a redemption price of par plus accrued interest to the redemption date.

The Notes are to be accompanied by the unqualified approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, and a certificate evidencing that no litigation is pending against the Village, which will affect the validity or security of these Notes.

Attorneys' fees, Rating Agency fees, Municipal Advisor fees, paying agent fees, the cost of distributing the Official Notice of Sale, the Preliminary Official Statement and the Official Statement and miscellaneous expenses of said Village incurred in connection with the offering and delivery of the Notes shall all be the obligation of the Village.

We understand that if we are the winning bidder that we will deposit with the Village not later than 3:30 P.M. Central Standard Time on the sale date a certified or cashier's check or wire transfer in the amount of \$14,600 payable to said Village as a guarantee of good faith, to be applied in accordance with the Official Notice of Sale.

\_\_\_\_\_  
Managing Underwriter Signature

Name of Firm: \_\_\_\_\_

Direct Contact: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Phone Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

**—PLEASE ATTACH A LIST OF ACCOUNT MEMBERS—**

The foregoing offer is hereby accepted this 5th day of March, 2024 by the Village of Hobart, Brown County, Wisconsin, and in recognition therefore is signed by the official of the Village empowered and authorized to make such acceptance.

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Village of Hobart  
Brown County, Wisconsin