

October 20, 2025

PRE-SALE REPORT FOR

Village of Palmyra, Wisconsin

**\$6,095,000 General Obligation Promissory Notes,
Series 2025A**



Prepared by:

Ehlers
N19W24400 Riverwood Drive,
Suite 100
Waukesha, WI 53188

Advisors:

Brian Roemer, Senior Municipal Advisor
Casey Griffiths, Senior Financial Specialist

BUILDING COMMUNITIES. IT'S WHAT WE DO.

EXECUTIVE SUMMARY OF PROPOSED DEBT

Proposed Issue:

\$6,095,000 General Obligation Promissory Notes, Series 2025A

Purposes:

The proposed issue includes financing for public infrastructure to serve Westfield Phase 1 Development and Public Safety equipment including an ambulance, mobile data terminals and a powerlift cot. Debt service will be paid from ad valorem property taxes and increment revenues produced by Tax Incremental District #4.

Authority:

The Notes are being issued pursuant to Wisconsin Statute(s):

- 67.12(12)

The Notes will be general obligations of the Village for which its full faith, credit and taxing powers are pledged.

The Notes count against the Village's General Obligation Debt Capacity Limit of 5% of total Village Equalized Valuation. Following issuance of the Notes, the Village's total General Obligation debt principal outstanding will be approximately \$8,495,045, which is 83% of its limit. Remaining General Obligation Borrowing Capacity will be approximately \$1,798,705.

Term/Call Feature:

The Notes are being issued for a term of 19 years. Principal on the Notes will be due on April 1 in the years 2028 through 2044. Interest will be due every six months beginning April 1, 2026.

The Notes will be subject to prepayment at the discretion of the Village on April 1, 2033 or any date thereafter.

Bank Qualification:

Because the Village is expecting to issue no more than \$10,000,000 in tax exempt debt during the calendar year, the Village will be able to designate the Notes as "bank qualified" obligations. Bank qualified status broadens the market for the Notes, which can result in lower interest rates.

Rating:

We recommend selling this issue non-rated as the cost of the rating would not be expected to be offset by the potential lower interest rates resulting from obtaining a rating. For a larger

bond issue, or a longer term bond issue, a rating might broaden the market for the Notes and result in an overall reduction in interest costs.

Basis for Recommendation:

Based on your objectives, financial situation and need, risk tolerance, liquidity needs, experience with the issuance of Notes and long-term financial capacity, as well as the tax status considerations related to the Notes and the structure, timing and other similar matters related to the Notes, we are recommending the issuance of Notes as a suitable option. Ehlers has reviewed other reasonably feasible alternatives to the recommended issuance of municipal securities and the Village Board motioned on October 6, 2025 to use the financing plan presented in this report.

Method of Sale/Placement:

We are recommending the Notes be issued as municipal securities and offered through a competitive underwriting process. You will solicit competitive bids, which we will compile on your behalf, for the purchase of the Notes from underwriters and banks.

An allowance for discount bidding will be incorporated in the terms of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction.

If the Notes are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to reduce your borrowing amount.

Premium Pricing:

In some cases, investors in municipal bonds prefer “premium” pricing structures. A premium is achieved when the coupon for any maturity (the interest rate paid by the issuer) exceeds the yield to the investor, resulting in a price paid that is greater than the face value of the bonds. The sum of the amounts paid in excess of face value is considered “reoffering premium.” For this issue of Notes, any premium amount received that is in excess of the underwriting discount and any capitalized interest amounts must be placed in the debt service fund and used to pay a portion of the interest payments due on the Notes. We anticipate using any premium amounts received to reduce the issue size.

The amount of premium allowed can be restricted in the bid specifications. Restrictions on premium may result in fewer bids, but may also eliminate large adjustments on the day of sale and unintended results with respect to debt service payment impacts. Ehlers will identify appropriate premium restrictions for the Notes intended to achieve the Village’s objectives for this financing.

Other Considerations:

The Notes will be offered with the option of the successful bidder utilizing a term bond structure. By offering underwriters the option to “term up” some of the maturities at the time of the sale, it gives them more flexibility in finding a market for your Notes. This makes your issue more marketable, which can result in lower borrowing costs. In the event that the successful bidder utilizes a term bond structure, we recommend the Village retain a paying agent to handle responsibility for processing mandatory redemption/call notices associated with term bonds.

Review of Existing Debt:

We have reviewed all outstanding indebtedness for the Village and find that there are no refunding opportunities at this time.

We will continue to monitor the market and the call dates for the Village’s outstanding debt and will alert you to any future refunding opportunities.

Continuing Disclosure:

Because the Village has less than \$10,000,000 in outstanding debt (including this issue) and this issue is over \$1,000,000, the Village will be agreeing to provide its Audited Financial Statements annually as well as providing notices of the occurrence of certain reportable events to the Municipal Securities Rulemaking Board (the “MSRB”), as required by rules of the Securities and Exchange Commission (SEC). The Village is already obligated to provide such reports for its existing bonds, and has contracted with Ehlers to prepare and file the reports.

Arbitrage Monitoring:

The Village must ensure compliance with certain sections of the Internal Revenue Code and Treasury Regulations (“Arbitrage Rules”) throughout the life of the issue to maintain the tax-exempt status of the Notes. These Arbitrage Rules apply to amounts held in construction, escrow, reserve, debt service account(s), etc., along with related investment income on each fund/account.

IRS audits will verify compliance with rebate, yield restriction and records retention requirements within the Arbitrage Rules. The Village’s specific arbitrage responsibilities will be detailed in the Tax Exemption Certificate (the “Tax Compliance Document”) prepared by your Bond Attorney and provided at closing.

The Notes may qualify for one or more exception(s) to the Arbitrage Rules by meeting 1) small issuer exception, 2) spend down requirements, 3) bona fide debt service fund limits, 4) reasonable reserve requirements, 5) expenditure within an available period limitations, 6) investments yield restrictions, 7) de minimis rules, or; 8) borrower limited requirements.

An Ehlers arbitrage expert will contact the Village within 30 days after the sale date to review the Village’s specific responsibilities for the Notes. The Village is currently receiving arbitrage services from Ehlers in relation to the Notes.

Investment of Note Proceeds:

Ehlers can assist the Village in developing a strategy to invest your Note proceeds until the funds are needed to pay project costs.

Risk Factors:

G.O. with Planned Abatement: The issuer is abating all or a portion of G.O. debt service payments for the issue with tax incremental revenues. In the event this revenue is not available, the Village is obligated to levy property taxes in an amount sufficient to make all debt payments.

Other Service Providers:

This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a particular firm to provide a service, we have assumed that you will continue that relationship. For services you have not previously required, we have identified a service provider. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, but the final fees may vary. If you have any questions pertaining to the identified service providers or their role, or if you would like to use a different service provider for any of the listed services please contact us.

Bond Counsel and Disclosure Counsel: Quarles & Brady LLP

Paying Agent: Bond Trust Services Corporation

Rating Agency: This issue will not be rated.

PROPOSED DEBT ISSUANCE SCHEDULE

Pre-Sale Review by Village Board:	October 20, 2025
Due Diligence Call to Review Official Statement:	Week of November 3, 2025
Distribute Official Statement:	November 10, 2025
Village Board Meeting to Award Sale of the Notes:	November 17, 2025
Estimated Closing Date:	December 11, 2025

Attachments

Table 1: Capital Improvement Plan & Funding Uses

Table 2: Estimated Sources and Uses of Funds

Table 3: Estimated Proposed Debt Service Schedule

Table 4: Financing Plan Tax Impact

Table 5: General Obligation Debt Capacity Analysis - Impact of Financing Plan

Table 6: TID #4 Cash Flow Projection: Westfield Phase 1 Development only

Bond Buyer Index

EHLERS' CONTACTS

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Table 1

Capital Improvement Plan & Funding Uses

Village of Palmyra, WI

Projects	Purpose/Dept.	Plan Issue	Funding	2026	Totals
Westfield Phase 1 Development	TID 4	2025 G.O. Notes	G.O. Debt	4,978,500	4,978,500
Ambulance	Fire	2025 G.O. Notes	G.O. Debt	354,278	354,278
mobile data terminals	Public Safety	2025 G.O. Notes	G.O. Debt	10,000	10,000
Powerlift Cot	Fire	2025 G.O. Notes	G.O. Debt	59,410	59,410
Public Safety Building Assessment	Public Safety	2025 G.O. Notes	G.O. Debt	21,500	21,500
Actual CIP Costs				5,423,688	5,423,688

Sources of Funding					
G.O. Debt				5,423,688	5,423,688
Total				5,423,688	5,423,688

Debt Obligations					
2025 G.O. Notes				5,423,688	5,423,688
Total				5,423,688	5,423,688

Notes:

1) Project Total estimates provided by Village staff.

Table 2

Estimated Sources and Uses of Funds

Village of Palmyra, WI

		2025		
		G.O. Notes	TID #4 Portion	Public Safety (Levy) Portion
CIP Projects ¹				
	Westfield Phase 1 Development	4,978,500	4,978,500	
	Capitalized Interest	582,500	582,500	
	Ambulance	354,278		354,278
	mobile data terminals	10,000		10,000
	Powerlift Cot	59,410		59,410
	Public Safety Building Assessment	21,500		21,500
CIP Projects ¹		6,006,188	5,561,000	445,188
Estimated Issuance Expenses		167,738	155,353	12,384
	Municipal Advisor (Ehlers)	39,700	36,769	2,931
	Bond Counsel	30,000	27,785	2,215
	Disclosure Counsel	21,000	19,450	1,550
	Rating Fee	0	0	0
	Maximum Underwriter's Discount	12.50	76,188	70,563
	Paying Agent	850	787	63
	Subtotal Issuance Expenses	167,738	155,353	12,384
TOTAL TO BE FINANCED		6,173,926	5,716,353	457,572
	Estimated Interest Earnings	3.00%	(81,355)	(74,678)
	Assumed spend down (months)	6		(6,678)
	Rounding	2,430	3,324	(894)
NET BOND SIZE		6,095,000	5,645,000	450,000

Notes:

1) Project Total estimates provided by Village staff.

Table 3

Allocation of Debt Service - 2025 G.O. Notes

Village of Palmyra, WI

Year Ending	TID #4 Portion					Public Safety (Levy) Portion				Year Ending	Totals		
	Principal	Est. Rate ¹	Interest	Cap I	Total	Principal	Est. Rate	Interest	Total		Principal (4/1)	Interest	Total
2026	0	3.35%	188,500	(188,500)	0	20,000	3.35%	12,763	32,763	2026	20,000	201,263	32,763
2027	0	3.35%	234,000	(234,000)	0	0	3.35%	15,590	15,590	2027	0	249,590	15,590
2028	30,000	3.35%	233,498	(160,000)	103,498	10,000	3.35%	15,423	25,423	2028	40,000	248,920	128,920
2029	100,000	3.45%	231,270		331,270	30,000	3.45%	14,738	44,738	2029	130,000	246,008	376,008
2030	300,000	3.50%	224,295		524,295	65,000	3.50%	13,083	78,083	2030	365,000	237,378	602,378
2031	300,000	3.55%	213,720		513,720	65,000	3.55%	10,791	75,791	2031	365,000	224,511	589,511
2032	300,000	3.60%	202,995		502,995	65,000	3.60%	8,468	73,468	2032	365,000	211,463	576,463
2033	300,000	3.65%	192,120		492,120	70,000	3.65%	6,020	76,020	2033	370,000	198,140	568,140
2034	300,000	3.75%	181,020		481,020	70,000	3.75%	3,430	73,430	2034	370,000	184,450	554,450
2035	315,000	3.85%	169,331		484,331	55,000	3.85%	1,059	56,059	2035	370,000	170,390	540,390
2036	330,000	3.95%	156,750		486,750	0	3.95%	0	0	2036	330,000	156,750	486,750
2037	350,000	4.15%	142,970		492,970	0	4.15%	0	0	2037	350,000	142,970	492,970
2038	370,000	4.35%	127,660		497,660	0	4.35%	0	0	2038	370,000	127,660	497,660
2039	390,000	4.35%	111,130		501,130	0	4.35%	0	0	2039	390,000	111,130	501,130
2040	410,000	4.50%	93,423		503,423	0	4.50%	0	0	2040	410,000	93,423	503,423
2041	435,000	4.50%	74,410		509,410	0	4.50%	0	0	2041	435,000	74,410	509,410
2042	460,000	4.55%	54,158		514,158	0	4.55%	0	0	2042	460,000	54,158	514,158
2043	475,000	4.55%	32,886		507,886	0	4.55%	0	0	2043	475,000	32,886	507,886
2044	480,000	4.60%	11,040		491,040	0	4.60%	0	0	2044	480,000	11,040	491,040
Total	5,645,000		2,875,175	(582,500)	7,937,675	450,000		101,363	551,363	Total	6,095,000	2,976,538	8,489,038

Notes:

1) Estimated Rate assumes 10/6/25 WI/NR/TE/GO sale plus 35 basis points (or 0.35%).

Table 4
Financing Plan Tax Impact
Village of Palmyra, WI

Year Ending	Existing Debt					Proposed Debt								Year Ending
	Net Debt Service Levy	Change From Prior Year Levy	Equalized Value (TID OUT)	Tax Rate Per \$1,000	Annual Taxes \$250,000 Home	2025 G.O. Notes 6,095,000 Dated: 12/11/2025 Total P&I	Abatements Less: TID 4	Debt Service Levy		Taxes				
								Total Net Debt Service Levy	Levy Change from Prior Year	Total Tax Rate for Debt Service	Annual Taxes \$250,000 Home	Annual Taxes Change From PY	Annual Taxes Difference From Existing	
2026	424,339		182,696,800	\$2.32	\$580.66	32,763	0	457,102	37,148	\$2.50	\$625	\$49	\$45	2026
2027	403,723	(20,616)	201,272,247	\$2.01	\$501.46	15,590	0	419,313	(37,789)	\$2.08	\$521	(\$105)	\$19	2027
2028	392,996	(10,727)	221,736,327	\$1.77	\$443.09	128,920	(103,498)	418,418	(895)	\$1.89	\$472	(\$49)	\$29	2028
2029	372,098	(20,898)	244,281,064	\$1.52	\$380.81	376,008	(331,270)	416,835	(1,583)	\$1.71	\$427	(\$45)	\$46	2029
2030	91,967	(280,131)	269,118,007	\$0.34	\$85.43	602,378	(524,295)	170,049	(246,786)	\$0.63	\$158	(\$269)	\$73	2030
2031	89,366	(2,601)	296,480,211	\$0.30	\$75.36	589,511	(513,720)	165,157	(4,892)	\$0.56	\$139	(\$19)	\$64	2031
2032	85,288	(4,078)	326,624,431	\$0.26	\$65.28	576,463	(502,995)	158,756	(6,402)	\$0.49	\$122	(\$18)	\$56	2032
2033	0	(85,288)	359,833,522	\$0.00	\$0.00	568,140	(492,120)	76,020	(82,736)	\$0.21	\$53	(\$69)	\$53	2033
2034	0	0	396,419,103	\$0.00	\$0.00	554,450	(481,020)	73,430	(2,590)	\$0.19	\$46	(\$7)	\$46	2034
2035	0	0	436,724,472	\$0.00	\$0.00	540,390	(484,331)	56,059	(17,371)	\$0.13	\$32	(\$14)	\$32	2035
2036	0	0	481,127,834	\$0.00	\$0.00	486,750	(486,750)	0	(56,059)	\$0.00	\$0	(\$32)	\$0	2036
2037	0	0	530,045,848	\$0.00	\$0.00	492,970	(492,970)	0	0	\$0.00	\$0		\$0	2037
2038	0	0	583,937,533	\$0.00	\$0.00	497,660	(497,660)	0	0	\$0.00	\$0		\$0	2038
2039	0	0	643,308,582	\$0.00	\$0.00	501,130	(501,130)	0	0	\$0.00	\$0		\$0	2039
2040	0	0	708,716,101	\$0.00	\$0.00	503,423	(503,423)	0	0	\$0.00	\$0		\$0	2040
2041	0	0	780,773,840	\$0.00	\$0.00	509,410	(509,410)	0	0	\$0.00	\$0		\$0	2041
2042	0	0	860,157,950	\$0.00	\$0.00	514,158	(514,158)	0	0	\$0.00	\$0		\$0	2042
2043	0	0	947,613,332	\$0.00	\$0.00	507,886	(507,886)	0	0	\$0.00	\$0		\$0	2043
2044	0	0	1,043,960,619	\$0.00	\$0.00	491,040	(491,040)	0	0	\$0.00	\$0		\$0	2044
2045	0	0	1,150,103,885	\$0.00	\$0.00	0	0	0	0	\$0.00	\$0		\$0	2045
Total	1,859,776					8,489,038	(7,937,675)						\$462.54	Total
										Total Cost of Finaning Plan to Sample Taxpayer				

Notes:



Table 5**General Obligation Debt Capacity Analysis - Impact of Financing Plan***Village of Palmyra, WI*

Existing Debt					Proposed Debt				
Year Ending	Projected Equalized Value (TID IN) ¹	Debt Limit	Existing Principal Outstanding	% of Limit	Combined Principal Existing & Proposed			Residual Capacity	Year Ending
2025	205,875,000	10,293,750	1,985,045	19%	6,095,000	\$8,080,045	78%	\$2,213,705	2025
2026	226,510,267	11,325,513	1,531,638	14%	6,075,000	\$7,606,638	67%	\$3,718,876	2026
2027	249,213,848	12,460,692	1,091,395	9%	6,075,000	\$7,166,395	58%	\$5,294,298	2027
2028	274,193,055	13,709,653	664,226	5%	6,035,000	\$6,699,226	49%	\$7,010,427	2028
2029	301,675,978	15,083,799	255,000	2%	5,905,000	\$6,160,000	41%	\$8,923,799	2029
2030	331,913,570	16,595,678	169,500	1%	5,540,000	\$5,709,500	34%	\$10,886,178	2030
2031	365,181,937	18,259,097	84,000	0%	5,175,000	\$5,259,000	29%	\$13,000,097	2031
2032	401,784,859	20,089,243		0%	4,810,000	\$4,810,000	24%	\$15,279,243	2032
2033	442,056,566	22,102,828		0%	4,440,000	\$4,440,000	20%	\$17,662,828	2033
2034	486,364,788	24,318,239		0%	4,070,000	\$4,070,000	17%	\$20,248,239	2034
2035	535,114,112	26,755,706		0%	3,700,000	\$3,700,000	14%	\$23,055,706	2035
2036	588,749,679	29,437,484		0%	3,370,000	\$3,370,000	11%	\$26,067,484	2036
2037	647,761,247	32,388,062		0%	3,020,000	\$3,020,000	9%	\$29,368,062	2037
2038	712,687,664	35,634,383		0%	2,650,000	\$2,650,000	7%	\$32,984,383	2038
2039	784,121,787	39,206,089		0%	2,260,000	\$2,260,000	6%	\$36,946,089	2039
2040	862,715,896	43,135,795		0%	1,850,000	\$1,850,000	4%	\$41,285,795	2040
2041	949,187,651	47,459,383		0%	1,415,000	\$1,415,000	3%	\$46,044,383	2041
2042	1,044,326,645	52,216,332		0%	955,000	\$955,000	2%	\$51,261,332	2042
2043	1,149,001,612	57,450,081		0%	480,000	\$480,000	1%	\$56,970,081	2043
2044	1,264,168,362	63,208,418		0%	0	\$0	0%	\$63,208,418	2044
2045	1,390,878,508	69,543,925		0%	0	\$0	0%	\$69,543,925	2045

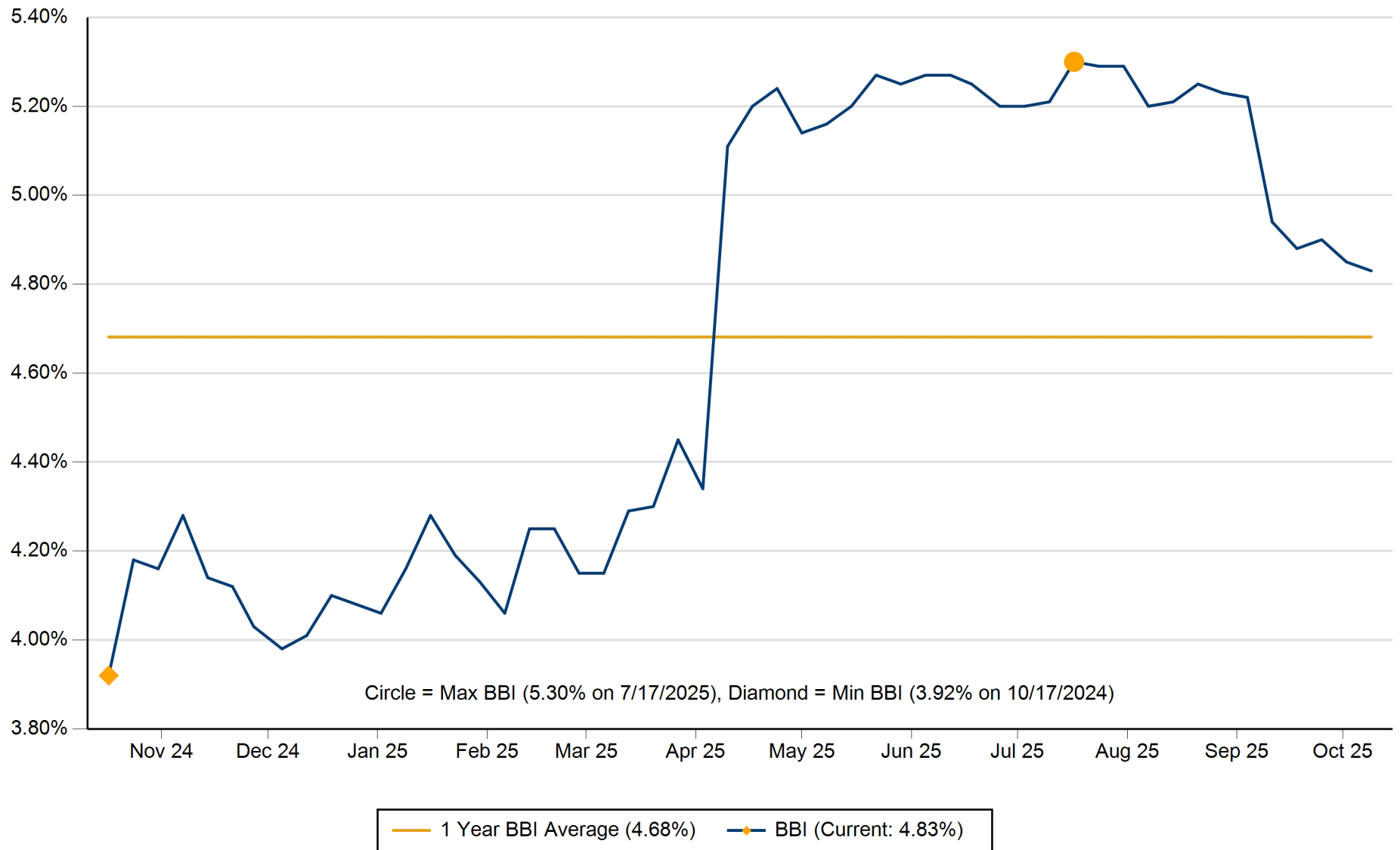
Notes:

1) Projected TID IN EV based on 5-year average at 0.100232017860999 % annual inflation.

Village of Palmyra, Wisconsin																			
Tax Increment District No. 4																			
Table 6: Cash Flow Projection: Westfield Phase 1 Development only																			
Year	Projected Revenues				Projected Expenditures									Balances			Year		
	Tax Increments	Interest Earnings	Debt Proceeds	Total Revenues	2025 G.O. Promissory Note				2025 G.O. Promissory Note Issue Total	Real Property			Total Expenditures	Liabilities					
					Dated Date:	\$5,665,000 12/11/25	Est. Rate ¹	Int.		Cap. Int.	Assembly Costs ³	Financing Costs		Ongoing Planning & Administration	Annual	Cumulative		Outstanding	
2026	52,099			52,099	0	3.35%	189,241	(189,241)	0		85,500		28,041	113,541	(61,442)	381,513	5,665,000	2026	
2027	52,099			52,099	0	3.35%	234,920	(234,920)	0		85,500		28,041	113,541	(61,442)	320,071	5,665,000	2027	
2028	139,773			139,773	30,000	3.35%	234,418	(160,000)	104,418		85,500		28,041	217,959	(78,186)	241,885	5,635,000	2028	
2029	366,971			366,971	100,000	3.45%	232,190		332,190		85,500		28,041	445,731	(78,760)	163,125	5,535,000	2029	
2030	617,510			617,510	300,000	3.50%	225,215		525,215		85,500		28,041	638,756	(21,246)	141,879	5,235,000	2030	
2031	617,510			617,510	300,000	3.55%	214,640		514,640		85,500		28,041	628,181	(10,671)	131,208	4,935,000	2031	
2032	617,510			617,510	300,000	3.60%	203,915		503,915		84,000		28,041	615,956		1,554	132,762	4,635,000	2032
2033	617,510			617,510	300,000	3.65%	193,040		493,040				28,041	521,081		96,429	229,191	4,335,000	2033
2034	617,510			617,510	300,000	3.75%	181,940		481,940				28,041	509,981		107,529	336,720	4,035,000	2034
2035	617,510			617,510	315,000	3.85%	170,251		485,251				28,041	513,292		104,218	440,938	3,720,000	2035
2036	617,510			617,510	330,000	3.95%	157,670		487,670				28,041	515,711		101,799	542,737	3,390,000	2036
2037	617,510			617,510	350,000	4.15%	143,890		493,890				28,041	521,931		95,579	638,316	3,040,000	2037
2038	617,510			617,510	370,000	4.35%	128,580		498,580				28,041	526,621		90,889	729,205	2,670,000	2038
2039	617,510			617,510	390,000	4.35%	112,050		502,050				28,041	530,091		87,419	816,624	2,280,000	2039
2040	617,510			617,510	410,000	4.50%	94,343		504,343				28,041	532,384		85,126	901,750	1,870,000	2040
2041	617,510			617,510	435,000	4.50%	75,330		510,330				28,041	538,371		79,139	980,889	1,435,000	2041
2042	617,510			617,510	460,000	4.55%	55,078		515,078				28,041	543,119		74,391	1,055,280	975,000	2042
2043	617,510			617,510	475,000	4.55%	33,806		508,806				28,041	536,847		80,663	1,135,943	500,000	2043
2044	617,510			617,510	500,000	4.60%	11,500		511,500				28,041	539,541		77,969	1,213,912	0	2044
Totals (2023 - 2044)	9,873,592	75,000	5,665,000	15,613,592	5,965,000		2,892,016		8,272,855	5,000,000	651,000	155,904	619,921	14,399,680					Totals (2023 - 2044)
Notes:														PROJECTED PAYOFF YEAR					
1) Assumes rate as described on Table 3 of Presale Report																			

1 YEAR TREND IN MUNICIPAL BOND INDICES

Weekly Rates October, 2024 - October, 2025



The Bond Buyer "20 Bond Index" (BBI) shows average yields on a group of municipal bonds that mature in 20 years and have an average rating equivalent to Moody's Aa2 and S&P's AA.