

March 24, 2026

SALE DAY REPORT FOR:

Village of Cottage Grove, Wisconsin

**\$19,220,000 General Obligation Promissory Notes,
Series 2026A**



Prepared by:

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Suite 100
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BUILDING COMMUNITIES. IT'S WHAT WE DO.

Competitive Sale Results

PURPOSE: For public purposes, including paying the cost of street and trail improvements, water and sewer improvements, park improvements, police station projects and acquiring vehicles and equipment for various departments.

RATING: S&P Global Ratings "AA" / Stable

NUMBER OF BIDS: 5

LOW BIDDER: Baird, Milwaukee, Wisconsin

COMPARISON FROM LOWEST TO HIGHEST BID: (TIC as bid)

LOW BID: 4.0299%

HIGH BID: 4.2088%

Summary of Sale Results:	
Principal Amount:	\$19,220,000
Underwriter's Discount:	\$222,068
Reoffering Premium:	\$926,625
True Interest Cost:	4.0434%
Costs of Issuance:	\$164,122
Yield:	2.590%-4.375%
Total Net P&I	\$28,635,442

NOTES: Total net principal and interest is \$537,838 less than the revised pre-sale estimate.

Bond Trust Services Corporation, Minneapolis, Minnesota will serve as Paying Agent on the Notes.

The Notes maturing April 1, 2036 and thereafter are callable April 1, 2035 or any date thereafter.

CLOSING DATE: April 16, 2026

DESIGNATED OFFICIAL ACTION: Award the sale of \$19,220,000 General Obligation Promissory Notes, Series 2026A.

SUPPLEMENTARY ATTACHMENTS

- Bid Tabulation
- Existing Debt Summary
- Project List
- Sources and Uses of Funds
- Updated Debt Service Schedules
- Tax Impact Schedule
- G.O. Debt Capacity
- Water Utility Coverage
- Sewer Utility Coverage
- Rating Report

BID TABULATION

\$19,535,000* General Obligation Promissory Notes, Series 2026A

Village of Cottage Grove, Wisconsin

SALE: March 24, 2026

AWARD: BAIRD

Rating: S&P Global Ratings "AA" / Stable

Tax Exempt - Non-Bank Qualified

NAME OF INSTITUTION	MATURITY (April 1)	COUPON RATE	REOFFERING YIELD	PRICE	TRUE INTEREST RATE
BAIRD				\$20,294,993.95	4.0299%
Milwaukee, Wisconsin	2027	5.000%	2.590%		
C.L. King & Associates	2028	5.000%	2.620%		
Edward Jones	2029	5.000%	2.700%		
Colliers Securities LLC	2030	5.000%	2.780%		
Crews & Associates, Inc.	2031	5.000%	2.900%		
Davenport & Co. L.L.C.	2032	5.000%	3.000%		
SouthState Securities	2033	5.000%	3.100%		
Isaak Bond Investments, Inc	2034	5.000%	3.210%		
Northland Securities, Inc.	2035	5.000%	3.330%		
Bernardi Securities, Inc.	2036	5.000%	3.440%		
Carty, Harding & Hearn, Inc.	2037	5.000%	3.540%		
CADZ Securities Inc	2038	5.000%	3.670%		
Midland Securities	2039	4.000%	4.000%		
BOK Financial Securities, Inc.	2040	4.000%	4.070%		
Celadon Financial Group, LLC	2041	4.000%	4.140%		
FMS Bonds Inc.	2042	4.125%	4.200%		
First Kentucky Securities Corp.	2043	4.125%	4.240%		
Alliance Global Partners	2044	4.250%	4.300%		
Multi Bank Securities Inc.	2045	4.250%	4.340%		
First Southern LLC	2046	4.375%	4.375%		
Dinosaur Financial Group					
First Bankers' Banc Securities, Inc					
Mountainside Securities LLC					
StoneX Financial Inc.					
Blaylock Van, LLC					
Falcon Square Capital					
Caldwell Sutter Capital, Inc.					
ZIONS BANK, division of ZB, N.A.					
Institutional Bond Network LLC					
UMB Bank,N.A.					

* Subsequent to bid opening the issue size was decreased to \$19,220,000.

Adjusted Price: \$19,924,556.02 Adjusted Net Interest Cost: \$9,415,441.64 Adjusted TIC: 4.0434%

NAME OF INSTITUTION	TRUE INTEREST RATE
TD FINANCIAL PRODUCTS LLC New York, New York	4.1403%
JEFFERIES LLC New York, New York	4.2055%
FIDELITY CAPITAL MARKETS Boston, Massachusetts	4.2081%
HILLTOPSECURITIES Dallas, Texas	4.2088%

Table 1
Existing G.O. Debt

Village of Cottage Grove, WI

Year Ending	Existing Debt														Annual Taxes		Year Ending	
	Total G.O. Debt Payments	Fiscal Agent Charges	Contingency	Less: TID #5	Less: TID #6	Less: TID #9	Less: Sewer	Less: Water	Less: Premium	Less: Debt Fund	Less: ERIM	Less: TID #5 Surplus	Less: Interest income	Net Tax Levy	Equalized Value (TID OUT)	Tax Rate Per \$1,000		\$100,000 of Value
2026	5,532,422	3,400	66,774	(1,586,839)	(116,775)	(764,518)	(298,716)	(126,308)	(220,671)	(350,000)	(100,000)	(200,000)	(3,400)	1,835,370	1,185,685,600	\$1.55	\$154.79	2026
2027	3,455,943			(291,182)	(118,550)	(761,143)	(291,654)	(124,575)						1,868,839	1,525,171,414	\$1.23	\$122.53	2027
2028	3,700,125				(120,175)	(761,393)	(301,744)	(130,325)						2,386,489	1,648,015,841	\$1.45	\$144.81	2028
2029	3,449,829				(116,725)	(765,018)	(187,056)	(111,200)						2,269,831	1,748,338,392	\$1.30	\$129.83	2029
2030	3,244,324				0	(762,018)	(187,231)	(112,325)						2,182,750	1,854,768,053	\$1.18	\$117.68	2030
2031	2,905,699					(762,393)	(167,706)	(93,700)						1,881,900	1,967,676,593	\$0.96	\$95.64	2031
2032	2,873,287					(762,321)	(158,478)	(95,263)						1,857,225	2,087,458,412	\$0.89	\$88.97	2032
2033	2,058,547						(154,134)	(101,425)						1,802,988	2,214,531,919	\$0.81	\$81.42	2033
2034	2,119,491						(154,616)	(102,488)						1,862,388	2,349,340,994	\$0.79	\$79.27	2034
2035	1,883,294						(145,075)	(88,913)						1,649,306	2,492,356,538	\$0.66	\$66.17	2035
2036	1,527,844						(145,556)	(31,688)						1,350,600	2,644,078,117	\$0.51	\$51.08	2036
2037	1,487,166						(140,897)	(30,563)						1,315,706	2,805,035,709	\$0.47	\$46.91	2037
2038	1,322,422						(106,772)	0						1,215,650	2,975,791,555	\$0.41	\$40.85	2038
2039	1,181,650						0	0						1,181,650	3,156,942,119	\$0.37	\$37.43	2039
2040	1,142,550													1,142,550	3,349,120,179	\$0.34	\$34.11	2040
2041	1,004,400													1,004,400	3,552,997,030	\$0.28	\$28.27	2041
2042	972,100													972,100	3,769,284,833	\$0.26	\$25.79	2042
2043	469,200													469,200	3,998,739,102	\$0.12	\$11.73	2043
2044	0													0	4,242,161,341	\$0.00	\$0.00	2044
Total	40,330,291	3,400	66,774	(1,878,021)	(472,225)	(5,338,801)	(2,439,635)	(1,148,770)	(220,671)	(350,000)	(100,000)	(200,000)	(3,400)	28,248,941				Total

Notes:

Legend:

Represents +/- 25% Change over previous year



Table 2

Capital Improvement Plan & Funding Uses

Projects	Fund, Repayment	2026	Totals
Police Station (Police)	Fund 412, Levy	14,581,861	14,581,861
2027 - Engineering: Ollie Street Reconstruction (Public Works)	Fund 412, Levy	80,000	80,000
2027 - Engineering: Ollie Street Reconstruction (Water)	Fund 600, Water	110,000	110,000
2027 - Engineering: Ollie Street Reconstruction (Sewer)	Fund 601, Sewer	100,000	100,000
2027 - Engineering: CTH N/Main Street Reconstruction (Public Works)	Fund 412, Levy	115,000	115,000
2027 - Engineering: CTH N/Main Street Reconstruction (Water)	Fund 600, Water	115,000	115,000
2027 - Engineering: CTH N/Main Street Reconstruction (Sewer)	Fund 601, Sewer	95,000	95,000
2026 - BB/Buss Bike Path & Damascus Bike Path Impr (Public Works)	Fund 412, Levy	400,000	400,000
2026 - Annual Roads, Street, and Trail Maintenance (Public Works)	Fund 411, Levy	750,150	750,150
2026 - Gaston Water Main Loop (Water)	Fund 600, Water	1,075,000	1,075,000
2026 - Well No. 2 Improvements (Water) ¹	Fund 600, Water	1,025,000	1,025,000
2026 - Annual Vehicles and Equipment (General)	Fund 411, Levy	62,850	62,850
2026 - Annual Vehicles and Equipment (Fire)	Fund 411, Levy	15,825	15,825
2026 - Annual Vehicles and Equipment (Police)	Fund 411, Levy	280,000	280,000
2026 - Annual Vehicles and Equipment (Public Works)	Fund 411, Levy	250,600	250,600
2026 - Annual Vehicles and Equipment (Parks, Recreation, Forestry)	Fund 411, Levy	197,500	197,500
CIP Costs		19,253,786	19,253,786

Debt Obligations			
Fund 412, Levy		15,176,861	15,176,861
Fund 411, Levy		1,556,925	1,556,925
Fund 600, Water		2,325,000	2,325,000
Fund 601, Sewer		195,000	195,000
Total		19,253,786	19,253,786

Notes:

1. Additional project costs for Well #2 will be included in 2027 financing.

Table 3 Sources and Uses

Village of Cottage Grove, WI

	2026				
	G.O. Notes	Fund 412, Levy Portion	Fund 411, Levy Portion	Fund 600, Water Portion	Fund 601, Sewer Portion
CIP Projects					
Project Costs	19,255,878	15,178,953	1,556,925	2,325,000	195,000
Subtotal Project Costs	19,255,878	15,178,953	1,556,925	2,325,000	195,000
CIP Projects	19,255,878	15,178,953	1,556,925	2,325,000	195,000
Premium					
Underwriter's Premium (built into rates)	(926,625)	(646,399)	(160,994)	(101,270)	(17,962)
Premium Deposit To Debt Service	704,556	471,356	143,027	74,464	15,709
Net Premium	(222,068)	(175,044)	(17,967)	(26,805)	(2,253)
Issuance Expenses					
Municipal Advisor	72,500	56,477	6,835	8,092	1,096
Bond Counsel	39,900	31,451	3,228	4,816	405
Disclosure Counsel	25,935	20,443	2,098	3,131	263
Rating Fee	24,937	19,656	2,018	3,010	253
Underwriter's Discount	222,068	175,044	17,967	26,805	2,253
Paying Agent	850	670	69	103	9
Subtotal Issuance Expenses	386,190	303,741	32,214	45,956	4,279
TOTAL TO BE FINANCED	19,420,000	15,307,651	1,571,173	2,344,151	197,026
Estimated Interest Earnings	(200,000)	(157,651)	(16,173)	(24,151)	(2,026)
Rounding	-	0	0	0	(0)
NET ISSUE SIZE	19,220,000	15,150,000	1,555,000	2,320,000	195,000

Notes:

1) Investment income based on spend down on file.

Table 4
Allocation of Debt Service - 2026 G.O. Notes
Village of Cottage Grove, WI

Year Ending	Fund 412, Levy Portion					Fund 411, Levy Portion				Fund 600, Water Portion				Fund 601, Sewer Portion				Year Ending	Totals			
	Principal	Rate	Interest	Premium	Net Total	Principal	Interest	Premium	Net Total	Principal	Interest	Premium	Net Total	Principal	Interest	Premium	Net Total		Principal (4/1)	Interest	Premium	Net Total
2026					0				0				0				0	2026	0	0	0	0
2027	475,000	5.00%	991,039	(471,356)	994,683	0	113,385	(113,385)	0	95,000	152,345	(74,464)	172,881	25,000	13,594	(13,594)	25,000	2027	595,000	1,270,363	(672,799)	1,192,564
2028	50,000	5.00%	662,713		712,713	100,000	75,250	(29,642)	145,608	75,000	99,469		174,469	15,000	8,125	(2,115)	21,010	2028	240,000	845,556	(31,757)	1,053,800
2029	335,000	5.00%	653,088		988,088	150,000	69,000		219,000	80,000	95,594		175,594	15,000	7,375		22,375	2029	580,000	825,056		1,405,056
2030	360,000	5.00%	635,713		995,713	160,000	61,250		221,250	80,000	91,594		171,594	15,000	6,625		21,625	2030	615,000	795,181		1,410,181
2031	590,000	5.00%	611,963		1,201,963	170,000	53,000		223,000	85,000	87,469		172,469	20,000	5,750		25,750	2031	865,000	758,181		1,623,181
2032	625,000	5.00%	581,588		1,206,588	175,000	44,375		219,375	90,000	83,094		173,094	20,000	4,750		24,750	2032	910,000	713,806		1,623,806
2033	655,000	5.00%	549,588		1,204,588	185,000	35,375		220,375	95,000	78,469		173,469	20,000	3,750		23,750	2033	955,000	667,181		1,622,181
2034	620,000	5.00%	517,713		1,137,713	195,000	25,875		220,875	100,000	73,594		173,594	20,000	2,750		22,750	2034	935,000	619,931		1,554,931
2035	715,000	5.00%	484,338		1,199,338	205,000	15,875		220,875	105,000	68,469		173,469	20,000	1,750		21,750	2035	1,045,000	570,431		1,615,431
2036	760,000	5.00%	447,463		1,207,463	215,000	5,375		220,375	110,000	63,094		173,094	25,000	625		25,625	2036	1,110,000	516,556		1,626,556
2037	870,000	5.00%	406,713		1,276,713					115,000	57,469		172,469					2037	985,000	464,181		1,449,181
2038	880,000	5.00%	362,963		1,242,963					120,000	51,594		171,594					2038	1,000,000	414,556		1,414,556
2039	895,000	4.00%	323,063		1,218,063					125,000	46,094		171,094					2039	1,020,000	369,156		1,389,156
2040	930,000	4.00%	286,563		1,216,563					130,000	40,994		170,994					2040	1,060,000	327,556		1,387,556
2041	965,000	4.00%	248,663		1,213,663					135,000	35,694		170,694					2041	1,100,000	284,356		1,384,356
2042	1,015,000	4.13%	208,428		1,223,428					145,000	30,003		175,003					2042	1,160,000	238,431		1,398,431
2043	1,055,000	4.13%	165,734		1,220,734					150,000	23,919		173,919					2043	1,205,000	189,653		1,394,653
2044	1,100,000	4.25%	120,600		1,220,600					155,000	17,531		172,531					2044	1,255,000	138,131		1,393,131
2045	1,145,000	4.25%	72,894		1,217,894					160,000	10,838		170,838					2045	1,305,000	83,731		1,388,731
2046	1,110,000	4.38%	24,281		1,134,281					170,000	3,719		173,719					2046	1,280,000	28,000		1,308,000
Total	15,150,000		8,355,102	(471,356)	23,033,746	1,555,000	498,760	(143,027)	1,910,733	2,320,000	1,211,042	(74,464)	3,456,577	195,000	55,094	(15,709)	234,385	Total	19,220,000	10,119,998	(704,556)	28,635,442

Notes:

1) Final True Interest Cost of 4.04%

PRE-SALE ESTIMATE WITH DOWNSIZING

29,173,280

DIFFERENCE

(537,838)



Table 5 Financing Plan Tax Impact

Village of Cottage Grove, WI

Year Ending	Existing Debt		Proposed Debt								Year Ending
	Net Debt Service Levy	Equalized Value (TID OUT)	2026 G.O. Notes 19,220,000 Dated: 4/16/2026 Total Net P&I	Abatements		Debt Service Levy		Taxes			
				Less: Water	Less: Sewer	Total Net Debt Service Levy	Levy Change from Prior Year	Total Tax Rate for Debt Service	Annual Taxes \$100,000 of Value	Annual Taxes 2026 Note Only	
2026	1,835,370	1,185,685,600	0			1,835,370		\$1.55	\$155		2026
2027	1,868,839	1,525,171,414	1,192,564	(172,881)	(25,000)	2,863,523	1,028,153	\$1.88	\$188	\$65	2027
2028	2,386,489	1,648,015,841	1,053,800	(174,469)	(21,010)	3,244,809	381,287	\$1.97	\$197	\$52	2028
2029	2,269,831	1,748,338,392	1,405,056	(175,594)	(22,375)	3,476,918	232,109	\$1.99	\$199	\$69	2029
2030	2,182,750	1,854,768,053	1,410,181	(171,594)	(21,625)	3,399,713	(77,206)	\$1.83	\$183	\$66	2030
2031	1,881,900	1,967,676,593	1,623,181	(172,469)	(25,750)	3,306,863	(92,850)	\$1.68	\$168	\$72	2031
2032	1,857,225	2,087,458,412	1,623,806	(173,094)	(24,750)	3,283,188	(23,675)	\$1.57	\$157	\$68	2032
2033	1,802,988	2,214,531,919	1,622,181	(173,469)	(23,750)	3,227,950	(55,238)	\$1.46	\$146	\$64	2033
2034	1,862,388	2,349,340,994	1,554,931	(173,594)	(22,750)	3,220,975	(6,975)	\$1.37	\$137	\$58	2034
2035	1,649,306	2,492,356,538	1,615,431	(173,469)	(21,750)	3,069,519	(151,456)	\$1.23	\$123	\$57	2035
2036	1,350,600	2,644,078,117	1,626,556	(173,094)	(25,625)	2,778,438	(291,081)	\$1.05	\$105	\$54	2036
2037	1,315,706	2,805,035,709	1,449,181	(172,469)	0	2,592,419	(186,019)	\$0.92	\$92	\$46	2037
2038	1,215,650	2,975,791,555	1,414,556	(171,594)	0	2,458,613	(133,806)	\$0.83	\$83	\$42	2038
2039	1,181,650	3,156,942,119	1,389,156	(171,094)	0	2,399,713	(58,900)	\$0.76	\$76	\$39	2039
2040	1,142,550	3,349,120,179	1,387,556	(170,994)	0	2,359,113	(40,600)	\$0.70	\$70	\$36	2040
2041	1,004,400	3,552,997,030	1,384,356	(170,694)	0	2,218,063	(141,050)	\$0.62	\$62	\$34	2041
2042	972,100	3,769,284,833	1,398,431	(175,003)	0	2,195,528	(22,534)	\$0.58	\$58	\$32	2042
2043	469,200	3,998,739,102	1,394,653	(173,919)	0	1,689,934	(505,594)	\$0.42	\$42	\$31	2043
2044	0	4,242,161,341	1,393,131	(172,531)	0	1,220,600	(469,334)	\$0.29	\$29	\$29	2044
2045	0	4,500,401,849	1,388,731	(170,838)	0	1,217,894	(2,706)	\$0.27	\$27	\$27	2045
2046	0	4,774,362,683	1,308,000	(173,719)	0	1,134,281	(83,613)	\$0.24	\$24	\$24	2046
Total	28,248,941		28,635,442	(3,456,577)	(234,385)	53,193,420			2,322	965	Total

Notes:

Table 6

General Obligation Debt Capacity Analysis - Impact of Financing Plan

Village of Cottage Grove, WI

Existing Debt				
Year Ending	Projected Equalized Value (TID IN) ¹	Debt Limit	Existing Principal Outstanding	% of Limit
2025	1,545,983,000	77,299,150	31,711,521	41.02%
2026	1,920,306,989	96,015,349	27,716,794	28.87%
2027	2,117,311,884	105,865,594	25,331,334	23.93%
2028	2,283,885,106	114,194,255	22,595,000	19.79%
2029	2,452,776,261	122,638,813	19,995,000	16.30%
2030	2,634,156,758	131,707,838	17,490,000	13.28%
2031	2,828,950,172	141,447,509	15,220,000	10.76%
2032	3,038,148,376	151,907,419	12,885,000	8.48%
2033	3,262,816,591	163,140,830	11,285,000	6.92%
2034	3,504,098,808	175,204,940	9,560,000	5.46%
2035	3,763,223,619	188,161,181	8,010,000	4.26%
2036	4,041,510,465	202,075,523	6,765,000	3.35%
2037	4,340,376,362	217,018,818	5,515,000	2.54%
2038	4,661,343,111	233,067,156	4,385,000	1.88%
2039	5,006,045,049	250,302,252	3,355,000	1.34%
2040	5,376,237,371	268,811,869	2,325,000	0.86%
2041	5,773,805,067	288,690,253	1,395,000	0.48%
2042	6,200,772,520	310,038,626	460,000	0.15%
2043	6,659,313,815	332,965,691		
2044	7,151,763,807	357,588,190		
2045	7,680,630,013	384,031,501		
2046	8,248,605,377	412,430,269		

Proposed Debt				
2026 G.O. Notes	Combined Principal Existing & Proposed	% of Limit	Residual Capacity	Year Ending
	\$31,711,521	41.02%	\$45,587,629	2025
19,220,000	\$46,936,794	48.88%	\$49,078,556	2026
18,625,000	\$43,956,334	41.52%	\$61,909,260	2027
18,385,000	\$40,980,000	35.89%	\$73,214,255	2028
17,805,000	\$37,800,000	30.82%	\$84,838,813	2029
17,190,000	\$34,680,000	26.33%	\$97,027,838	2030
16,325,000	\$31,545,000	22.30%	\$109,902,509	2031
15,415,000	\$28,300,000	18.63%	\$123,607,419	2032
14,460,000	\$25,745,000	15.78%	\$137,395,830	2033
13,525,000	\$23,085,000	13.18%	\$152,119,940	2034
12,480,000	\$20,490,000	10.89%	\$167,671,181	2035
11,370,000	\$18,135,000	8.97%	\$183,940,523	2036
10,385,000	\$15,900,000	7.33%	\$201,118,818	2037
9,385,000	\$13,770,000	5.91%	\$219,297,156	2038
8,365,000	\$11,720,000	4.68%	\$238,582,252	2039
7,305,000	\$9,630,000	3.58%	\$259,181,869	2040
6,205,000	\$7,600,000	2.63%	\$281,090,253	2041
5,045,000	\$5,505,000	1.78%	\$304,533,626	2042
3,840,000	\$3,840,000	1.15%	\$329,125,691	2043
2,585,000	\$2,585,000	0.72%	\$355,003,190	2044
1,280,000	\$1,280,000	0.33%	\$382,751,501	2045
0	\$0	0.00%	\$412,430,269	2046

Table 7 Water Utility Debt Coverage

Village of Cottage Grove, WI

Year	Revenue Debt Coverage			All in Debt Coverage					Year
	Existing Debt	Total	Debt Coverage	Existing Revenue	Existing G.O.	Proposed G.O.	Total	Debt Coverage	
			\$850,335 2025 Net Revenues					543,736 2025 Net Revenues	
2026	272,829	272,829	3.12	272,829	126,308	0	399,136	1.36	2026
2027	272,790	272,790	3.12	272,790	124,575	172,881	570,245	0.95	2027
2028	272,750	272,750	3.12	272,750	130,325	174,469	577,544	0.94	2028
2029	272,710	272,710	3.12	272,710	111,200	175,594	559,503	0.97	2029
2030	272,669	272,669	3.12	272,669	112,325	171,594	556,587	0.98	2030
2031	272,627	272,627	3.12	272,627	93,700	172,469	538,796	1.01	2031
2032	272,584	272,584	3.12	272,584	95,263	173,094	540,940	1.01	2032
2033	272,541	272,541	3.12	272,541	101,425	173,469	547,435	0.99	2033
2034	106,420	106,420	7.99	106,420	102,488	173,594	382,501	1.42	2034
2035	106,406	106,406	7.99	106,406	88,913	173,469	368,788	1.47	2035
2036	63,364	63,364	13.42	63,364	31,688	173,094	268,145	2.03	2036
2037					30,563	172,469	203,031	2.68	2037
2038						171,594	171,594	3.17	2038
2039						171,094	171,094	3.18	2039
2040						170,994	170,994	3.18	2040
2041						170,694	170,694	3.19	2041
2042						175,003	175,003	3.11	2042
2043						173,919	173,919	3.13	2043
2044						172,531	172,531	3.15	2044
2045						170,838	170,838	3.18	2045
2046						173,719	173,719	3.13	2046
Total	2,457,689	2,457,689		2,457,689	1,148,770	3,456,577	7,063,036		Total

Notes:

1. All in coverage net revenues reduced by the amount of the PILOT.

Table 8 Sewer Utility Debt Coverage

Village of Cottage Grove, WI

Year	All in Debt Coverage			Debt Coverage	Year
	Existing G.O.	Proposed G.O.	Total		
				893,306	
				2025 Net Revenues	
2026	298,716	0	298,716	2.99	2026
2027	291,654	25,000	316,654	2.82	2027
2028	301,744	21,010	322,754	2.77	2028
2029	187,056	22,375	209,431	4.27	2029
2030	187,231	21,625	208,856	4.28	2030
2031	167,706	25,750	193,456	4.62	2031
2032	158,478	24,750	183,228	4.88	2032
2033	154,134	23,750	177,884	5.02	2033
2034	154,616	22,750	177,366	5.04	2034
2035	145,075	21,750	166,825	5.35	2035
2036	145,556	25,625	171,181	5.22	2036
2037	140,897		140,897	6.34	2037
2038	106,772		106,772	8.37	2038
Total	2,439,635	234,385	2,674,021		Total

Notes:

Research Update:

Cottage Grove, WI Series 2026A GO Promissory Notes Assigned 'AA' Rating; Outlook Stable

March 6, 2026

Overview

- S&P Global Ratings assigned its 'AA' rating to the village of [Cottage Grove, Wis.](#) roughly \$19.535 million series 2026A general obligation (GO) promissory notes.
- The outlook is stable.

Rationale

Security

Cottage Grove's unlimited-tax GO pledge secures the series 2026A bonds.

The village will use the proceeds from the series 2026A bonds to finance various projects, including park, water, and sewer infrastructure improvements, police station projects, and vehicle and equipment purchases.

Credit highlights

The rating reflects the village's strong reserve position and solid performance, backed by a straightforward, tax-supported budget that has been well-managed historically. Consistent positive operating results have increased available reserves to over \$2 million, based on audited fiscal 2024 results, which management expects to sustain. However, the rating is constrained by the village's debt profile, characterized by elevated annual liability costs and a high net direct debt per capita, which is expected to rise with planned additional debt issuances.

Cottage Grove, just five miles east of Madison, enjoys stability from its proximity to the state capital and the University of Wisconsin, which provide reliable employment for commuting residents. The largely residential property tax base is bolstered by ongoing development. Notably, a \$295 million Amazon distribution facility is under construction, spanning 3 million square feet and expected to create up to 1,400 full-time jobs. Management anticipates a 68% increase in equalized value by 2030, alongside significant population growth over the next 20 years.

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Cottage Grove, WI Series 2026A GO Promissory Notes Assigned 'AA' Rating; Outlook Stable

For the fiscal year ended Dec. 31, 2024, general fund results exceeded budget expectations, yielding an audited surplus of \$430,000 due to higher investment returns and increased state-shared revenue and permit revenue. The fiscal 2025 budget projects breakeven results, and management expects an unaudited surplus of \$144,000. Notably, the village's leading tax increment district (TID) is expected to close in fiscal 2026, adding over \$200 million in incremental value to the tax rolls.

However, the village's debt levels are high relative to its budget, representing a primary credit weakness that may limit budget capacity. Debt and liability costs for the village are likely to increase to an excess of 28%-30%, by our estimates, supporting our view of a very high cost of debt service going forward.

The rating further reflects our opinion of the following:

- Cottage Grove is small but rapidly expanding with a mix of commercial and residential development. Although the village's income is above national averages, it is materially lower than that of higher-rated peers; however, due to its access to Madison and high property values, we view the economy as stable.
- The general fund benefits from historically stable and predictable revenue, mostly property taxes. Reserves are increasing and surpassed \$2.4 million based on fiscal 2024 results, but they are nominally lower than those of higher-rated peers.
- A financial management framework that includes sophisticated, proactive policies and practices, encompassing comprehensive budget assumptions and ongoing monitoring; robust long-term capital and financial planning; and clearly defined policies governing investments, debt, and reserves that management routinely monitors.
- The village's debt and liability profile is weaker than those of peers, particularly the debt burden, which is anticipated to continue to worsen based on additional debt plans over the next five years.
- For more information on our institutional framework assessment for Wisconsin municipalities, see: "[Institutional Framework Assessment: Wisconsin Local Governments](#)," Sept. 10, 2024.

Environmental, social, and governance

We view Cottage Grove's environmental, social, and governance risks as neutral.

Outlook

The stable outlook reflects S&P Global Ratings' opinion of Cottage Grove's stable finances and expanding tax base that we think will likely benefit the village over time.

Downside scenario

We could lower the rating if the village does not maintain structural balance most years, causing available reserves to deteriorate substantially, or if the debt burden becomes highly elevated.

Upside scenario

We could raise the rating if income metrics align with those of higher-rated peers, coupled with the maintenance of materially higher general fund reserves.

Cottage Grove, Wisconsin--credit summary

Institutional framework (IF)	2
Individual credit profile (ICP)	1.91
Economy	1.0
Financial performance	2
Reserves and liquidity	1
Management	1.30
Debt and liabilities	4.25

Cottage Grove, Wisconsin--key credit metrics

	Most recent	2024	2023	2022
Economy				
Real GCP per capita % of U.S.	127	--	127	128
County PCPI % of U.S.	111	--	111	111
Market value (\$000s)	1,358,209	1,358,209	1,241,981	1,006,438
Market value per capita (\$)	181,944	181,944	170,321	128,981
Top 10 taxpayers % of taxable value	17.6	17.6	--	--
County unemployment rate (%)	2.3	2.3	2.2	2.1
Local median household EBI % of U.S.	142	142	131	138
Local per capita EBI % of U.S.	114	114	108	112
Local population	7,465	7,465	7,292	7,803
Financial performance				
Operating fund revenues (\$000s)	--	8,152	5,520	4,946
Operating fund expenditures (\$000s)	--	7,798	5,673	5,698
Net transfers and other adjustments (\$000s)	--	76	296	408
Operating result (\$000s)	--	430	143	(344)
Operating result % of revenues	--	5.3	2.6	(7.0)
Operating result three-year average %	--	0.3	(0.6)	0.8
Reserves and liquidity				
Available reserves % of operating revenues	--	29.6	36.1	34.7
Available reserves (\$000s)	--	2,414	1,995	1,714
Debt and liabilities				
Debt service cost % of revenues	--	19.2	24.5	27.3
Net direct debt per capita (\$)	6,343	4,278	3,228	2,977
Net direct debt (\$000s)	47,350	31,937	23,542	23,228
Direct debt 10-year amortization (%)	57	71	67	--
Pension and OPEB cost % of revenues	--	2.0	2.0	2.0
NPLs per capita (\$)	--	40	37	111
Combined NPLs (\$000s)	--	296	267	863

Financial data may reflect analytical adjustments and are sourced from issuer audit reports or other annual disclosures. Economic data is generally sourced from S&P Global Market Intelligence, the Bureau of Labor Statistics, Claritas, and issuer audits and other disclosures. Local population is sourced from Claritas. Claritas estimates are point in time and not meant to show year-over-year trends. GCP--Gross county product. PCPI--Per capita personal income. EBI--Effective buying income. OPEB--Other postemployment benefits. NPLs--Net pension liabilities.

Cottage Grove, WI Series 2026A GO Promissory Notes Assigned 'AA' Rating; Outlook Stable

Ratings List

New Issue Ratings

US\$19.535 mil GO prom nts ser 2026A due 04/01/2046

Long Term Rating

AA/Stable

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