

This Preliminary Official Statement and the information contained herein is deemed by the issuer to be final as of the date hereof for purposes of SEC Rule 15c2-12(b)(1), however, the pricing and underwriting information is subject to revision, completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

In the opinion of Foley & Lardner LLP, Bond Counsel, under existing law and assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers; however, interest on the Notes will be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Notes. The interest on the Notes is not exempt from current Wisconsin income or franchise taxes.

The Village will designate the Notes as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the ability of certain financial institutions to deduct from income for federal income tax purposes, 80% of the interest expense that is allocable to carrying and acquiring tax-exempt obligations.

**New Issue**

**Non-Rated**

**PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 29, 2017**

**VILLAGE OF ELKHART LAKE, WISCONSIN  
(Sheboygan County)**

**\$2,595,000\* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2017A**

**BID OPENING:** December 4, 2017, 10:00 A.M., C.T.

**CONSIDERATION:** December 4, 2017, 7:00 P.M., C.T.

**PURPOSE/AUTHORITY/SECURITY:** The \$2,595,000\* General Obligation Promissory Notes, Series 2017A (the "Notes") of the Village of Elkhart Lake, Wisconsin (the "Village") are being issued pursuant to Section 67.12(12), Wisconsin Statutes, to finance construction and improvements to village hall, construction of public restrooms, the purchase of a fire truck and a dump truck, stormwater and sewer system improvements, and land acquisition for the site of a new public works building, and to refund certain outstanding obligations of the Village as more fully described herein. The Notes are general obligations of the Village and all the taxable property in the Village is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Foley & Lardner LLP, Milwaukee, Wisconsin.

**DATE OF NOTES:** December 21, 2017

**MATURITY:** November 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2018	\$50,000	2022	\$235,000	2026	\$260,000
2019	215,000	2023	245,000	2027	640,000
2020	225,000	2024	250,000		
2021	225,000	2025	250,000		

**MATURITY ADJUSTMENTS:** \* The Village reserves the right to increase or decrease the amount of any individual maturity of the Notes in increments of \$5,000 on the day of sale. If individual maturities are increased or decreased, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

**TERM NOTES:** See "Term Note Option" in the Notice of Sale.

**INTEREST:** May 1, 2018 and semiannually thereafter.

**OPTIONAL REDEMPTION:** Notes maturing November 1, 2025 and thereafter are subject to redemption prior to maturity on November 1, 2024 and on any date thereafter, at par.

**MINIMUM BID:** \$2,566,455.

**MAXIMUM BID:** \$2,698,800.

**GOOD FAITH DEPOSIT:** A good faith deposit in the amount of \$51,900 shall be submitted by the winning bidder by wire transfer.

**FISCAL AGENT:** To be determined.

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



## DISCLAIMERS

No dealer, broker, salesperson or other person has been authorized by the Village to give any information or to make any representation other than those contained in this Preliminary Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Village. ***This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Preliminary Official Statement is not to be construed as a contract with the syndicate manager or syndicate members. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers & Associates, Inc. ("Ehlers") prepared this Preliminary Official Statement and any addenda thereto relying on information of the Village and other sources for which there is reasonable basis for believing the information is accurate and complete. Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers, payable entirely by the Village, is contingent upon the sale of the Notes.

## COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

**Preliminary Official Statement:** This Preliminary Official Statement was prepared for the Village for dissemination to potential investors. Its primary purpose is to disclose information regarding the Notes to prospective bidders in the interest of receiving competitive bids in accordance with the notice of sale contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed near final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

**Review Period:** This Preliminary Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from a bidder. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum prior to the sale.

**Final Official Statement:** Copies of the Final Official Statement will be delivered to the winning bidder (Underwriter or Syndicate Manager) within seven business days following the proposal acceptance.

**Continuing Disclosure:** Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which the Notes are exempt or required to comply with the Rule.

## CLOSING CERTIFICATES

Upon delivery of the Notes, the Underwriter will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that on the date of the sale of the Notes and on all dates subsequent thereto up to and including the date of the delivery of the Notes, this Final Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Notes; (3) a certificate evidencing the due execution of the Notes, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Notes, (b) neither the corporate existence or boundaries of the Village nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Notes have been repealed, revoked or rescinded; and (4) a tax certificate setting forth facts and expectations of the Village relating to matters including that the Village does not expect to use the proceeds of the Notes in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

# TABLE OF CONTENTS

<p>INTRODUCTORY STATEMENT ..... 1</p> <p>THE NOTES ..... 1</p> <p style="padding-left: 20px;">GENERAL ..... 1</p> <p style="padding-left: 20px;">OPTIONAL REDEMPTION ..... 1</p> <p style="padding-left: 20px;">AUTHORITY; PURPOSE ..... 2</p> <p style="padding-left: 20px;">ESTIMATED SOURCES AND USES ..... 2</p> <p style="padding-left: 20px;">SECURITY ..... 3</p> <p style="padding-left: 20px;">RATING ..... 3</p> <p style="padding-left: 20px;">CONTINUING DISCLOSURE ..... 3</p> <p style="padding-left: 20px;">LEGAL OPINION ..... 3</p> <p style="padding-left: 20px;">TAX EXEMPTION ..... 4</p> <p style="padding-left: 20px;">QUALIFIED TAX-EXEMPT OBLIGATIONS ... 5</p> <p style="padding-left: 20px;">MUNICIPAL ADVISOR AFFILIATED COMPANIES ..... 5</p> <p style="padding-left: 20px;">INDEPENDENT AUDITORS ..... 5</p> <p style="padding-left: 20px;">RISK FACTORS ..... 5</p> <p>VALUATIONS ..... 7</p> <p style="padding-left: 20px;">WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES ..... 7</p> <p style="padding-left: 20px;">CURRENT PROPERTY VALUATIONS ..... 8</p> <p style="padding-left: 20px;">2017 EQUALIZED VALUE BY CLASSIFICATION ..... 8</p> <p style="padding-left: 20px;">TREND OF VALUATIONS ..... 8</p> <p style="padding-left: 20px;">LARGER TAXPAYERS ..... 9</p> <p>DEBT ..... 10</p> <p style="padding-left: 20px;">DIRECT DEBT ..... 10</p> <p style="padding-left: 20px;">SCHEDULE OF GENERAL OBLIGATION DEBT ..... 11</p> <p style="padding-left: 20px;">DEBT LIMIT ..... 12</p> <p style="padding-left: 20px;">OVERLAPPING DEBT ..... 12</p> <p style="padding-left: 20px;">DEBT RATIOS ..... 13</p> <p style="padding-left: 20px;">DEBT PAYMENT HISTORY ..... 13</p> <p style="padding-left: 20px;">FUTURE FINANCING ..... 13</p>	<p>TAX LEVIES AND COLLECTIONS ..... 14</p> <p style="padding-left: 20px;">TAX LEVIES AND COLLECTIONS ..... 14</p> <p style="padding-left: 20px;">PROPERTY TAX RATES ..... 15</p> <p style="padding-left: 20px;">LEVY LIMITS ..... 15</p> <p>THE ISSUER ..... 17</p> <p style="padding-left: 20px;">VILLAGE GOVERNMENT ..... 17</p> <p style="padding-left: 20px;">EMPLOYEES; PENSIONS ..... 17</p> <p style="padding-left: 20px;">OTHER POST EMPLOYMENT BENEFITS .... 18</p> <p style="padding-left: 20px;">LITIGATION ..... 18</p> <p style="padding-left: 20px;">MUNICIPAL BANKRUPTCY ..... 18</p> <p style="padding-left: 20px;">FUNDS ON HAND ..... 19</p> <p style="padding-left: 20px;">ENTERPRISE FUNDS ..... 20</p> <p style="padding-left: 20px;">SUMMARY GENERAL FUND INFORMATION ..... 21</p> <p>GENERAL INFORMATION ..... 22</p> <p style="padding-left: 20px;">LOCATION ..... 22</p> <p style="padding-left: 20px;">LARGER EMPLOYERS ..... 22</p> <p style="padding-left: 20px;">BUILDING PERMITS ..... 23</p> <p style="padding-left: 20px;">U.S. CENSUS DATA ..... 24</p> <p style="padding-left: 20px;">EMPLOYMENT/UNEMPLOYMENT DATA ... 24</p> <p>FINANCIAL STATEMENTS ..... A-1</p> <p>FORM OF LEGAL OPINION ..... B-1</p> <p>BOOK-ENTRY-ONLY SYSTEM ..... C-1</p> <p>FORM OF CONTINUING DISCLOSURE AGREEMENT ..... D-1</p> <p>NOTICE OF SALE ..... E-1</p> <p>BID FORM</p>
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## **BOARD OF TRUSTEES**

		<u>Term Expires</u>
Alan Rudnick	President	April 2019
Geoffrey Bray	Trustee	April 2019
Steven Kapellen	Trustee	April 2018
John Schott	Trustee	April 2018
Richard Sadiq	Trustee	April 2019
Lynn Shovan	Trustee	April 2018
Richard Baumann	Trustee	April 2019

## **ADMINISTRATION**

Jessica Reilly, Clerk-Treasurer/Administrator

## **PROFESSIONAL SERVICES**

John St. Peter, Edgarton, St. Peter, Petak & Rosenfeldt, Village Attorney, Fond du Lac, Wisconsin

Foley & Lardner LLP, Bond Counsel, Milwaukee, Wisconsin

Ehlers & Associates, Inc., Municipal Advisors, Waukesha, Wisconsin  
*(Other offices located in Roseville, Minnesota, Chicago, Illinois and Denver, Colorado)*

# INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the Village of Elkhart Lake, Wisconsin (the "Village") and the issuance of its \$2,595,000\* General Obligation Promissory Notes, Series 2017A (the "Notes") or the "Obligations". Any descriptions or summaries of the Notes, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Notes to be included in the resolution awarding the sale of the Notes (the "Award Resolution") to be adopted by the Village Board on December 4, 2017.

Inquiries may be directed to Ehlers & Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Waukesha, Wisconsin, (262) 785-1520, the Village's Municipal Advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at [www.ehlers-inc.com](http://www.ehlers-inc.com) by connecting to the Bond Sales link and following the directions at the top of the site.

## THE NOTES

### GENERAL

The Notes will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any multiple thereof, and will be dated as of December 21, 2017, the date of their original issuance. The Notes will mature on November 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on May 1 and November 1 of each year, commencing May 1, 2018, to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months.

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

### OPTIONAL REDEMPTION

At the option of the Village, the Notes maturing on or after November 1, 2025 shall be subject to optional redemption prior to maturity on November 1, 2024 and on any date thereafter, at a price of par plus accrued interest.

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

Notice of redemption shall be sent by first-class mail not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each Note to be redeemed at the address shown on the registration books maintained by the Fiscal Agent.

A notice of optional redemption may be revoked by sending a notice, by first class mail, not less than 15 days prior to the proposed redemption date to the registered owners of the Notes which have been called for redemption.

\*Preliminary, subject to change.

**AUTHORITY; PURPOSE**

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, to finance (i) construction and improvements to village hall, construction of public restrooms, the purchase of a fire truck and a dump truck, stormwater and sewer system improvements, and land acquisition for the site of a new public works building, and (ii) the advance refunding of the 2019 through and including 2027 maturities (the "Refunded Bonds") of the Village's General Obligation Engine House Bonds, Series 2008 (the "Series 2008 Bonds") as follows:

<b>Issue Being Refunded</b>	<b>Date of Refunded Issue</b>	<b>Call Date</b>	<b>Call Price</b>	<b>Maturities Being Refunded</b>	<b>Interest Rates</b>	<b>Principal to be Refunded</b>	<b>CUSIP Base 28766P</b>
The Series 2008 Bonds	8/19/08	11/1/18	Par	2019	4.300%	\$145,000	AL3
				2020	4.400%	155,000	AM1
				2021	4.450%	165,000	AN9
				2022	4.500%	175,000	AP4
				2023	4.550%	185,000	AQ2
				2024	4.600%	195,000	AR0
				2025	4.625%	200,000	AS8
				2026	4.650%	215,000	AT6
				2027	4.700%	<u>230,000</u>	AU3

**Total Maturities Being Refunded \$1,665,000**

On the closing date of the Notes, a portion of the proceeds of the Notes will be deposited in an escrow account established under an escrow agreement (the Escrow Agreement) to be entered into between the Village and Associated Trust Company N.A. as an escrow agent. The Escrow Agreement will state that the Refunded Bonds be redeemed on November 1, 2018. Note proceeds held in escrow will be invested in direct obligations of the U.S. Government. Actuarial services necessary to ensure adequacy of the escrow account to pay the redemption of the Refunded Bonds on the redemption date will be performed by a certified public accountant.

The Village will continue to pay the principal of and interest due on the Series 2008 Bonds in 2018.

**ESTIMATED SOURCES AND USES\***

<b>Sources</b>	
Par Amount of Notes	<u>\$2,595,000</u>
<b>Total Sources</b>	<b>\$2,595,000</b>
<b>Uses</b>	
Project Costs	\$875,000
Refunding Costs	1,645,404
Estimated Discount	28,545
Finance Related Expenses	41,825
Contingency/Rounding	<u>4,226</u>
<b>Total Uses</b>	<b>\$2,595,000</b>

\*Preliminary, subject to change.

## **SECURITY**

For the prompt payment of the Notes with interest thereon and for the levy of taxes sufficient for this purpose, the full faith and credit of the Village will be irrevocably pledged. The Village will levy a direct, annual, irrevocable tax on all taxable property in the Village sufficient to pay the interest on the Notes when it becomes due and also to pay and discharge the principal on the Notes at maturity, in compliance with Article XI, Section 3 of the Wisconsin Constitution. Such tax may, under current law, be levied without limitation as to rate or amount.

## **RATING**

None of the outstanding indebtedness of the Village is currently rated, and the Village has not requested a rating on this issue. A rating for this issue may not be requested without contacting Ehlers and receiving the permission of the Village.

## **CONTINUING DISCLOSURE**

To assist the underwriters in complying with SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934 (the "Rule"), the Issuer will enter into a Continuing Disclosure Agreement (the "Disclosure Agreement") for the benefit of the owners (including beneficial owners) of the Notes to be executed and delivered by the Issuer on the date the Notes are delivered. The Disclosure Agreement obligates the Issuer to provide certain annual financial information which is customarily prepared by the Issuer and is publicly available annually to the Municipal Securities Rulemaking Board (the "MSRB") and to provide to the MSRB notice of the occurrence of certain events with respect to the Notes which are listed in the Rule. The Disclosure Agreement provides that the annual financial information will be filed not later than 10 months after the end of each fiscal year. The Issuer's fiscal year ends December 31. The information to be contained in the annual financial information and the notices of listed events are set forth in the form of the Disclosure Agreement attached hereto as Appendix D. A failure by the Issuer to comply with the Disclosure Agreement will not constitute an event of default on the Notes (although owners of the Notes will have the right to compel performance of the obligations under the Disclosure Agreement). 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 liquidity of the Notes and their market price.

In the previous five years, the Village believes it has not failed to comply in all material respects with its prior disclosure agreement under the Rule.

The Village will file its continuing disclosure information using the Electronic Municipal Market Access ("EMMA") system or any system that may be prescribed by the MSRB in the future. Investors will be able to access continuing disclosure information filed with the MSRB at [www.emma.msrb.org](http://www.emma.msrb.org). Ehlers is currently engaged as disclosure dissemination agent for the Village.

## **LEGAL OPINION**

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

## STATEMENT REGARDING COUNSEL PARTICIPATION

Bond Counsel has not assumed responsibility for this Preliminary Official Statement or participated in its preparation (except with respect to the section entitled "TAX EXEMPTION" in the Preliminary Official Statement and the "FORM OF LEGAL OPINION" found in Appendix B).

## TAX EXEMPTION

In the opinion of Bond Counsel, under existing law, interest on the Notes is excluded from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers; however, interest on the Notes is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on certain corporations. The Issuer must comply with certain requirements of the Internal Revenue Code for interest on the Notes to be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer has agreed to comply with those requirements to the extent it may lawfully do so. Its failure to do so may cause interest on the Notes to be included in gross income for federal income tax purposes, perhaps even starting from the date the Notes are issued. The proceedings authorizing the Notes do not provide for an increase in interest rates or a redemption of the Notes in the event interest on the Notes ceases to be excluded from gross income.

The opinion of Bond Counsel will be based on legal authorities that are current as of its date, will cover certain matters not directly addressed by those authorities, and will represent Bond Counsel's judgment regarding the proper treatment of the Notes for federal income tax purposes. It is not binding on the Internal Revenue Service (the "IRS") or the courts, and it is not a guaranty of result. As to questions of fact, Bond Counsel will rely upon certified proceedings and certifications of public officials and others without independently undertaking to verify them.

Bond Counsel will express no opinion about other federal tax matters regarding the Notes. Other federal tax law provisions may adversely affect the value of an investment in the Notes for particular owners of Notes. Prospective investors should consult their own tax advisors about the tax consequences of owning a Note.

Current and future legislative proposals, if enacted into law, may cause the interest on the Notes to be subject, directly or indirectly, to federal income taxation or otherwise prevent the owners of the Notes from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals may also affect the marketability of the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any current or future federal legislative proposals.

The IRS has an active tax-exempt bond enforcement program. Under current IRS procedures, parties other than the Issuer, including owners of the Notes, would have little or no right to participate in an IRS examination of the Notes. Moreover, because obtaining judicial review in connection with an IRS examination of tax-exempt obligations is difficult, obtaining independent review of IRS positions with which the Issuer may disagree may not be practicable. Any action of the IRS, including selection of the Notes for examination, the course or result of such an examination, or an examination of obligations presenting similar tax issues may affect the marketability of the Notes and may cause the Issuer to incur significant expense.

### *State of Wisconsin Income and Franchise Taxes*

Interest on the Notes is not exempt from current State of Wisconsin income or franchise taxes. Prospective investors should consult their own tax advisors about the state and local tax consequences of owning a Note.



## **QUALIFIED TAX-EXEMPT OBLIGATIONS**

The Issuer will designate the Notes as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code, relating to the ability of certain financial institutions (within the meaning of Section 265(b)(5) of the Code) to deduct from income for federal income tax purposes, 80% of the interest expense that is allocable to carrying and acquiring tax-exempt obligations.

## **MUNICIPAL ADVISOR**

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

## **MUNICIPAL ADVISOR AFFILIATED COMPANIES**

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

## **INDEPENDENT AUDITORS**

The basic financial statements of the Village for the fiscal year ended December 31, 2016 have been audited by Corson, Peterson & Hamann S.C., Sheboygan, Wisconsin, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any additional procedures relating to this Preliminary Official Statement.

## **RISK FACTORS**

Following is a description of possible risks to owners of the Notes without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

**Taxes:** The Notes are general obligations of the Village, the ultimate payment of which rests in the Village's ability to levy and collect sufficient taxes to pay debt service. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the Village in time to pay debt service when due.

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

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

**Interest Rates:** In the future, interest rates for this type of obligation may rise generally, or income tax rates may be reduced, any such possibly resulting in a reduction in the value of the Notes for resale prior to maturity.

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

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

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

**Depository Risk:** Wisconsin Statutes direct the local treasurer to immediately deposit upon receipt thereof, the funds of the municipality in a public depository designated by the governing body. A public depository means a federal or state credit union, federal or state savings and loan association, state bank, savings and trust company, mutual savings bank or national bank in Wisconsin or the local government pooled investment fund operated by the State Investment Board. It is not uncommon for a municipality to have deposits exceeding limits of federal and state insurance programs. Failure of a depository could result in loss of public funds or a delay in obtaining them. Such a loss or delay could interrupt a timely payment of municipal debt.

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

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

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

# VALUATIONS

## WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

### Equalized Value

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

### Assessed Value

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

## CURRENT PROPERTY VALUATIONS

2017 Equalized Value	\$304,262,300
2017 Equalized Value Reduced by Tax Increment Valuation	\$280,938,900
2017 Assessed Value	\$304,167,543

## 2017 EQUALIZED VALUE BY CLASSIFICATION

	<b>2017 Equalized Value</b>	<b>Percent of Total Equalized Value</b>
Residential	\$ 257,874,000	84.754%
Commercial	26,816,500	8.814%
Manufacturing	11,610,800	3.816%
Agricultural	8,400	0.003%
Personal Property	7,952,600	2.614%
Total	<u>\$ 304,262,300</u>	<u>100.000%</u>

## TREND OF VALUATIONS

Year	Assessed Value	Equalized Value <sup>1</sup>	Percent Increase/Decrease in Equalized Value
2013	\$ 281,907,011	\$ 265,534,000	-3.39%
2014	282,163,550	272,737,400	2.71%
2015	286,440,000	283,606,800	3.99%
2016	289,164,622	286,246,100	0.93%
2017	304,167,543	304,262,300	6.29%

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

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<sup>1</sup> Includes tax increment valuation.

## LARGER TAXPAYERS

<b>Taxpayer</b>	<b>Type of Business/Property</b>	<b>2017 Equalized Value<sup>1</sup></b>	<b>Percent of Village's Total Equalized Value</b>
Sargento Foods	Industrial	\$ 12,481,738	4.10%
Osthoff	Commercial	7,326,495	2.41%
Individual	Residential	5,019,303	1.65%
Individual	Residential	3,428,427	1.13%
Victorian Village Hospitality	Commercial & Residential	3,271,346	1.08%
Motorsports Villas of Elkhart Lake	Commercial	1,885,846	0.62%
Wallace Beaudry/Sohn	Industrial & Commercial	1,758,927	0.58%
Siebkens, LLC	Commercial	1,615,286	0.53%
Earl Beck Trust	Residential	1,600,779	0.53%
Sheboygan Bay LLC	Residential	1,526,657	0.50%
<b>Total</b>		<b>\$ 39,914,805</b>	<b>13.12%</b>
Village's Total 2017 Equalized Value <sup>2</sup>		\$304,262,300	

**Source:** The Village.

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<sup>1</sup> Calculated by dividing the 2017 Assessed Values by the 2017 Aggregate Ratio of assessment for the Village.

<sup>2</sup> Includes tax increment valuation.

## DEBT

**DIRECT DEBT**<sup>1</sup> (includes the Notes)\*

**General Obligation Debt (see schedules following)**

Total General Obligation Debt

\$ 8,661,000

\*Preliminary, subject to change.

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<sup>1</sup> Outstanding debt is as of the date of issuance of the Notes.

**ELKHART LAKE, WISCONSIN**  
**Schedule of Bonded Indebtedness**  
**General Obligation Debt**  
**(As of December 31, 2017)**

Dated Amount	GO Engine House Bonds		GO Bank Note		GO Street Imp Bds 2014A		GO Corp Purp Bonds Series 2015A		State Trust Fund		Taxable GO Refunding Bonds Series 2016A		GO Promissory Notes Series 2017A		Total Principal*	Total Interest*	Principal & Interest*	Principal Outstanding*	Principal %Paid*	Year
	Fiscal Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal						
2018	8/19/2008	\$2,670,000													480,500	210,874	691,374	8,180,500	5.55%	2018
2019			135,000	5,738											586,500	205,200	761,700	7,624,000	11.97%	2019
2020															612,500	193,777	806,277	7,011,500	19.05%	2020
2021															618,500	180,600	799,100	6,393,000	26.19%	2021
2022															634,500	166,728	801,228	5,758,500	33.51%	2022
2023															645,500	152,041	797,541	5,113,000	40.97%	2023
2024															671,000	136,253	807,253	4,442,000	48.71%	2024
2025															682,000	119,568	801,568	3,760,000	56.59%	2025
2026															680,000	102,355	782,355	3,100,000	64.21%	2026
2027															1,050,000	85,457	1,135,457	2,050,000	76.33%	2027
2028															410,000	59,138	469,138	1,640,000	81.06%	2028
2029															425,000	46,122	471,122	1,215,000	85.97%	2029
2030															255,000	35,529	290,529	960,000	88.92%	2030
2031															265,000	27,391	292,391	695,000	91.98%	2031
2032															270,000	18,808	288,808	425,000	95.09%	2032
2033															280,000	9,739	289,739	145,000	98.33%	2033
2034															145,000	2,538	147,538	0	100.00%	2034
															8,661,000	1,752,120	10,413,120			

\*Preliminary, subject to change.

**DEBT LIMIT** (includes the Notes)\*

The constitutional and statutory general obligation debt limit for Wisconsin municipalities, including towns, cities,

Equalized Value	\$ 304,262,300
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit	\$15,213,115
Less: General Obligation Debt*	<u>(8,661,000)</u>
Unused Debt Limit*	<u><u>\$6,552,115</u></u>

\*Preliminary, subject to change.

**OVERLAPPING DEBT<sup>1</sup>**

<b>Taxing District</b>	<b>2017 Equalized Value</b>	<b>% In Village</b>	<b>Total G.O. Debt<sup>2</sup></b>	<b>Village's Proportionate Share</b>
Sheboygan County	\$9,228,846,100	3.29%	\$ 36,785,000	\$1,210,227
Lakeshore Technical College District	14,830,270,510	2.05%	30,040,000	616,120
Elkhart Lake-Glenbeulah School District	695,506,993	43.75%	357,712	<u>156,499</u>
Village's Share of Total Overlapping Debt				<u><u>\$ 1,982,846</u></u>

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<sup>1</sup> Overlapping debt is as of the date of issuance of the Bonds. Only those taxing jurisdictions with general obligation debt outstanding are included in this section.

<sup>2</sup> Outstanding debt based on information obtained on EMMA and the Municipal Advisor's records.



**DEBT RATIOS**

	<b>G.O. Debt</b>	<b>Debt/Equalized Value \$304,262,300</b>	<b>Debt/ Per Capita 996<sup>1</sup></b>
Total General Obligation Debt (includes the Notes)*	\$8,661,000	2.85%	\$8,695.78
Village's Share of Total Overlapping Debt	<u>1,982,846</u>	<u>0.65%</u>	<u>1,990.81</u>
Total*	\$10,643,846	3.50%	\$10,686.59

\*Preliminary, subject to change.

**DEBT PAYMENT HISTORY**

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

**FUTURE FINANCING**

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

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<sup>1</sup> Estimated 2017 population.

## TAX LEVIES AND COLLECTIONS

### TAX LEVIES AND COLLECTIONS

Tax Year	Levy for Village Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2012/13	\$1,138,363	100%	\$4.14
2013/14	1,171,725	100%	4.41
2014/15	1,232,074	100%	4.55
2015/16	1,251,459	100%	4.51
2016/17	1,239,984	100%	4.41

Property tax statements are distributed to taxpayers by the town, village, and city clerks in December of the levy year. Current state law requires counties to pay 100% of the real property taxes levied to cities, villages, towns, school districts and other taxing entities on or about August 20 of the collection year.

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, unless the municipality, by ordinance, permits special assessments to be paid in installments. Real property taxes must be paid in full by January 31 or in two equal installments by January 31 and July 31. Alternatively, municipalities may adopt a payment plan which permits real property taxes to be paid in three or more equal installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31, are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. On or before January 15 and February 20 the town, city or village treasurer settles with other taxing jurisdictions for all collections through December and January, respectively. In municipalities which have authorized the payment of real property taxes in three or more installments, the town, city or village treasurer settles with the other taxing jurisdictions on January 15, February 20 and on the fifteenth day of each month following the month in which an installment payment is required. On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. Any county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. 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.

## PROPERTY TAX RATES

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

Year Levied/ Year Collected	Schools <sup>1</sup>	County	Local	Other <sup>2</sup>	Total
2012/13	\$9.15	\$5.27	\$4.14	\$0.17	\$18.73
2013/14	9.62	5.46	4.41	0.17	19.66
2014/15	8.94	5.49	4.55	0.17	19.15
2015/16	9.26	5.62	4.51	0.17	19.56
2016/17	9.01	5.44	4.41	0.17	19.03

**Source:** Property Tax Rates were extracted from Statement of Taxes prepared by the Wisconsin Department of Revenue, Division of State and Local Finance.

## LEVY LIMITS

Section 66.0602 of the Wisconsin Statutes, as amended most recently by 2015 Wisconsin Act 55, establishes a levy increase limit on the property tax levy imposed by a city, village, town, or county (a "**political subdivision**"). Subject to certain adjustments and exceptions, no political subdivision may increase its levy in any year, from the actual levy for the prior year, by a percentage that exceeds its valuation factor. The term "**valuation factor**" means a percentage equal to the greater of either (i) zero percent or (ii) the percentage change in the political subdivision's January 1<sup>st</sup> equalized value due to new construction, less improvements removed, between the previous year and the current year. However, the levy increase limit may be increased in either (but not both) of the following ways, by action of the governing body:

a. If a political subdivision's allowable levy in the prior year was greater than its actual levy, the levy increase limit otherwise applicable may be increased by the difference between the two amounts, up to a maximum increase of 1.5 percent of the actual levy in the prior year.

b. The levy increase limit may be increased by the total amount by which the valuation factor exceeded the actual percentage increase in the levy for each of the previous five years (beginning with 2014), up to a maximum increase of 5 percent of the actual levy in the prior year, to the extent such excess had not previously formed the basis for such an increase.

A political subdivision may also exceed the levy limit by action of its governing body that is approved by a referendum.

The levy increase limit otherwise applicable does not apply to amounts levied by a political subdivision to pay debt service on general obligations authorized on or after July 1, 2005, such as these Bonds.

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

<sup>2</sup> Includes the state reforestation tax which is apportioned to each county on the basis of its full value. Counties, in turn, apportion the tax to the tax districts within their borders on the basis of full value. It also includes taxes levied for special purpose districts such as metropolitan sewerage districts, sanitary districts, and public inland lake protection districts. Tax increment values are not included.

For general 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 increase limit otherwise applicable is increased by the difference between the two amounts.

If a political subdivision's levy for the payment of debt service on general obligations originally issued before July 1, 2005 (and general obligations issued to fund or refund such general obligations) is less in the current year than it was in the previous year, then the political subdivision shall reduce its levy increase limit in the current year by an amount equal to the amount that its levy was reduced.

The levy increase limit otherwise applicable does not apply to the amount that a political subdivision levies to make up any revenue shortfall for the debt service on a revenue bond issued under Section 66.0621 of the Wisconsin Statutes, or a special assessment B bond issued under Section 66.0713 (4) of the Wisconsin Statutes. In determining the levy increase limit for any year, the tax increment calculated for tax incremental districts is subtracted. If the Wisconsin Department of Revenue does not certify a value increment for a tax incremental district for the current year as a result of the district's termination, the levy increase limit otherwise applicable is increased by an amount equal to the political subdivision's maximum allowable levy for the immediately preceding year, multiplied by a percentage equal to 50 percent of the amount determined by dividing the value increment of the terminated tax incremental district for the previous year by the political subdivision's equalized value for the previous year.

Other adjustments or exceptions to the levy increase limit, which are not described in this summary, are made in specified situations.

## THE ISSUER

### VILLAGE GOVERNMENT

The Village was incorporated on November 3, 1894 and is governed by a seven-member Village Board, of which the Village President is a voting member. All Trustees are elected to staggered two-year terms. The appointed Administrator/Clerk-Treasurer is responsible for administrative details and financial records.

### EMPLOYEES; PENSIONS

The Village employs a staff of nine full-time, 21 part-time, and two seasonal employees. All eligible employees in the Village are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The WRS is a cost-sharing multiple-employer defined benefit pension plan. The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

Village employees are required to contribute half of the actuarially determined contributions, and the Village may not pay the employees' required contribution. The total retirement plan contributions (including both the Village's and the employees' contributions) for the fiscal year ended December 31, 2015 ("Fiscal Year 2015") and the fiscal year ended December 31, 2016 ("Fiscal Year 2016"), the Village's portion of contributions to WRS (not including any employee contributions) totaled \$41,085 and \$45,679 respectively.

The Village implemented Governmental Accounting Standards Board Statement No. 68 ("GASB 68") for Fiscal Year 2016.

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, 2015, the total pension liability of the WRS was calculated as \$90.1 billion and the fiduciary net position of the WRS was calculated as \$88.5 billion, resulting in a net pension liability of \$1.6 billion.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. The payroll for Village employees covered by the WRS for the year ended December 31, 2016 was \$602,675; the Village's total payroll was \$735,911. The total required contribution for the year ended December 31, 2016 was \$85,456, which consisted of \$45,679 or 7.6% of payroll from the employer and \$39,777 or 6.6% of payroll from employees. Total contributions for the years ending December 31, 2015 and 2014 were \$77,490 and \$78,568, respectively, equal to the required contributions for each year.

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

### **Recognized and Certified Bargaining Units**

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

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

Under the 2011 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. Impasse resolution for public safety employees and transit employees is subject to final and binding arbitration procedures, which do not include a right to strike. Interest arbitration is available for transit employees if certain conditions are met.

The Village does not work with any bargaining units for its employees.

### **OTHER POST EMPLOYMENT BENEFITS**

The Village does not provide any other post employment benefits.

### **LITIGATION**

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

### **MUNICIPAL BANKRUPTCY**

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

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

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Obligations 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 Obligations could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Obligations, and there could ultimately be no assurance that holders of the Obligations would be paid in full or in part on the Obligations. Further, under such circumstances, there could be no assurance that the Obligations would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Obligations 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 funds otherwise designated for payment to holders of the Obligations.

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 Obligations would not occur.

**FUNDS ON HAND** (as of October 31, 2017)

<b>Fund</b>	<b>Total Cash and Investments</b>
General	\$ 2,271,806
Sewer Utility Fund	43,809
Water Utility Fund	757,047
CDA Fund	54,558
<b>Total Funds on Hand</b>	<b><u><u>\$ 3,127,220</u></u></b>

**ENTERPRISE FUNDS**

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

	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Water</b>			
Total Operating Revenues	\$ 260,678	\$ 272,313	\$ 280,880
Less: Operating Expenses	<u>(336,641)</u>	<u>(338,215)</u>	<u>(360,737)</u>
Operating Income	\$ (75,963)	\$ (65,902)	\$ (79,857)
Plus: Depreciation	108,443	110,431	112,700
Interest Income	<u>448</u>	<u>3,406</u>	<u>4,416</u>
Revenues Available for Debt Service	<u>\$ 32,928</u>	<u>\$ 47,935</u>	<u>\$ 37,259</u>



## SUMMARY GENERAL FUND INFORMATION

Following are summaries of the revenues and expenditures and fund balances for the Village's General Fund. These summaries are not purported to be the complete audited financial statements of the Village, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the Village. Copies of the complete audited financial statements are available upon request. See Appendix A for the Village's 2016 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2014 Audited	2015 Audited	2016 Audited	2017 Budget <sup>1</sup>	2018 Budget <sup>2</sup>
Revenues					
Taxes and special assessments	\$ 1,790,450	\$ 1,892,569	\$ 1,948,674	\$ 1,997,322	\$ 2,120,153
Intergovernmental	205,246	200,784	231,746	226,663	235,763
Licenses and permits	38,943	51,945	77,068	36,500	37,470
Penalties and forfeitures	77,159	50,581	45,509	56,620	56,850
Public charges for services	311,511	347,329	424,366	312,360	355,220
Intergovernmental charges for service	51,792	80,192	53,333	73,680	327,105
Miscellaneous general revenues	257,288	249,928	240,350	271,154	81,675
Total Revenues	<u>\$ 2,732,389</u>	<u>\$ 2,873,328</u>	<u>\$ 3,021,046</u>	<u>\$ 2,974,299</u>	<u>\$ 3,214,236</u>
Expenditures					
Current:					
General government	\$ 255,212	\$ 251,491	\$ 271,351	\$ 304,284	\$ 315,189
Public safety	572,740	546,854	604,948	620,755	649,090
Public works	540,887	531,096	633,186	691,105	705,375
Culture, recreation and education	208,495	211,733	226,004	255,766	260,387
Conservation and development	587,878	633,506	676,635	606,500	666,550
Capital outlay	244,391	353,727	216,552	539,079	1,582,105
Debt Service	383,105	422,147	413,054	647,662	672,340
Total Expenditures	<u>\$ 2,792,708</u>	<u>\$ 2,950,554</u>	<u>\$ 3,041,730</u>	<u>\$ 3,665,151</u>	<u>\$ 4,178,696</u>
<b>Excess of revenues over (under) expenditures</b>	\$ (60,319)	\$ (77,226)	\$ (20,684)	\$ (690,852)	\$ (964,460)
<b>Other Financing Sources (Uses)</b>					
Debt proceeds	0	1,100,000	0	491,384	1,346,628
Proceeds from land contract	0	90,000	0	0	0
Transfers to component unit	(16,500)	(835,135)	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>\$ (16,500)</u>	<u>\$ 354,865</u>	<u>\$ 0</u>	<u>\$ 491,384</u>	<u>\$ 1,346,628</u>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	\$ (76,819)	\$ 277,639	\$ (20,684)	\$ (199,468)	\$ 382,168
General Fund Balance January 1	2,889,457	2,812,638	3,090,277	3,069,593	2,870,125
General Fund Balance December 31	<u>\$ 2,812,638</u>	<u>\$ 3,090,277</u>	<u>\$ 3,069,593</u>	<u>\$ 2,870,125</u>	<u>\$ 3,252,293</u>
<b>DETAILS OF DECEMBER 31 FUND BALANCE</b>					
Nonspendable	743,809	697,610	659,064		
Restricted	121,178	244,810	111,115		
Committed	1,398,856	1,507,471	1,671,399		
Assigned	0	0	0		
Unassigned	548,795	640,386	628,015		
<b>Total</b>	<u>\$ 2,812,638</u>	<u>\$ 3,090,277</u>	<u>\$ 3,069,593</u>		

<sup>1</sup> 2017 Budget was adopted on November 21, 2016.

<sup>2</sup> 2018 Budget is Proposed Budget.

## GENERAL INFORMATION

### LOCATION

The Village of Elkhart Lake, with a 2010 U.S. Census population of 967, and a 2017 estimated population of 996, comprises an area of 1.275 square miles and is located approximately 20 miles west of Sheboygan and 25 miles east of Fond du Lac and is serviced by State Hwy. 67.

### LARGEST EMPLOYERS<sup>1</sup>

Largest employers in the Village include the following:

<b>Firm</b>	<b>Type of Business/Product</b>	<b>Estimated No. of Employees</b>
PLYCO	Hardware manufacturer	130
Bremer Manufacturing	Foundries-aluminum/brass/bronze	100
Sohn Manufacturing, Inc.	Physicians and surgeons equipment and supply manufacturers	100
Victorian Village Resort	Resort	100
School District of Elkhart Lake	Elementary and secondary education	72
KEES	Metal goods manufacturer	60
Sargento Foods, Inc.	Cheese - wholesale	52
Sibkens Resort	Hotels and motels	50
Otto's Restaurant	Restaurant	42
Lake Street Café Inc.	Restaurant	40

**Source:** *ReferenceUSA, written and telephone survey (November 2017), Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development.*

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<sup>1</sup> This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above. Some employers do not respond to inquiries for employment data.

## BUILDING PERMITS

	2013	2014	2015	2016	2017 <sup>1</sup>
<u>New Single Family Homes</u>					
No. of building permits	2	1	5	5	2
Valuation	\$753,000	\$406,864	\$1,987,000	\$1,525,000	\$1,230,000
<u>New Multiple Family Buildings</u>					
No. of building permits	0	0	0	9	0
Valuation	\$0	\$0	\$0	\$3,848,400	\$0
<u>New Commercial/Industrial</u>					
No. of building permits	0	0	1	2	1
Valuation	\$0	\$0	\$14,200,000	\$2,547,000	\$1,601,000
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	154	183	170	165	109
Valuation	\$2,399,000	\$1,583,261	\$18,554,106	\$11,566,967	\$5,328,279

**Source:** The Village.

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<sup>1</sup> As of October 31, 2017.

## U.S. CENSUS DATA

### Population Trend: Village of Elkhart Lake

2000 U.S. Census	967
2010 U.S. Census	1,021
2017 Estimated Population	996
Percent of Change 2000 - 2010	+ 5.58%

### Income and Age Statistics

	Village of Elkhart Lake	Sheboygan County	State of Wisconsin	United States
2015 per capita income	\$37,954	\$27,034	\$28,340	\$28,930
2015 median household income	\$52,857	\$53,713	\$53,357	\$53,889
2015 median family income	\$63,077	\$66,599	\$68,064	\$66,011
2015 median gross rent	\$660	\$658	\$776	\$928
2015 median value owner occupied units	\$182,600	\$148,200	\$165,800	\$178,600
2015 median age	50.4 yrs.	41.3 yrs.	39.0 yrs.	37.6 yrs.

	State of Wisconsin	United States
Village % of 2015 per capita income	133.92%	131.19%
Village % of 2015 median family income	92.67%	95.56%

### Housing Statistics

	<u>Village of Elkhart Lake</u>		
	2000	2015	Percent of Change
All Housing Units	599	705	17.70%

**Source:** 2000 and 2010 Census of Population and Housing, and 2015 American Community Survey (Based on a five-year estimate), U.S. Census Bureau ([www.factfinder2.census.gov](http://www.factfinder2.census.gov)).

## EMPLOYMENT/UNEMPLOYMENT DATA

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

Year	<u>Average Employment</u>	<u>Average Unemployment</u>	
	Sheboygan County	Sheboygan County	State of Wisconsin
2013	57,127	6.1%	6.7%
2014	58,484	4.6%	5.4%
2015	58,980	3.8%	4.6%
2016	59,790	3.5%	4.1%
2017, September	61,339	2.7%	3.0%

**Source:** Wisconsin Department of Workforce Development.

**FINANCIAL STATEMENTS**

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

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

**Village of Elkhart Lake**

Financial Statements

For the Year ended December 31, 2016

**Village of Elkhart Lake  
Financial Statements  
For the Year ended December 31, 2016**

Contents

Independent Accountant's Compilation Report

Balance Sheet

Statement of Revenues, Expenditures and Changes in  
Fund Balance

Statement of Revenues

Statement of Expenditures

Corson, Peterson & Hamann S.C.  
2203 S Memorial Pl  
Sheboygan, WI 53081  
920-457-3641

To the Village Board  
Village of Elkhart Lake  
Elkhart Lake, WI 53020-0143

Management is responsible for the accompanying financial statements of the Village of Elkhart Lake as of and for the year ended December 31, 2016 as listed in the table of contents. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Village's financial position and results of operations. Accordingly, these financial statements are not designed for those who are not informed about such matters. In addition, management has elected not to implement the provisions of GASB 34.

*Corson, Peterson & Hamann S.C.*

July 4, 2017



**Village of Elkhart Lake**  
**Balance Sheet**  
**December 31, 2016**

**Assets**

**Cash and Investments**

General Fund Checking	\$ 18,380.19
Payroll Checking	23,869.14
Tax Checking - NEB	692.80
Tax Checking - WB & T	48,224.57
General Fund Money Market	171,559.14
Tax Savings - NEB	102,396.12
Tax Savings - WB & T	2,300,510.13
Fire Department Building Fund Investments	11,325.02
State Investment Pool - General	1,160,305.43
State Investment Pool - Fire Station	172,424.30
State Investment Pool - Library	80,910.57
State Investment Pool - First Responders	14,110.33
State Investment Pool - TIF Increment	62.76
State Investment Pool - CDA	17,612.88
Investment Fund - WB & T	<u>305,835.18</u>

**Total Cash and Investments** \$ 4,428,218.56

**Taxes and Related Receivables**

Delinquent Personal Property Taxes	\$ 1,279.15
Special Charges to Tax Roll	<u>2,205.54</u>

**Total Taxes and Related Receivables** 3,484.69

**Other Receivables**

Accounts Receivable	\$ 118,033.65
Due From Other Governments	<u>20,592.01</u>

**Total Other Receivables** 138,625.66

**Due From Other Funds**

Due From Water Utility	13,110.34
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**Prepaid Expense**

Other Prepaid Expenses	8,812.50
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**Long Term Receivables**

Fire Station Note Receivable	<u>650,251.21</u>
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**Total Assets** \$ 5,242,502.96

**Village of Elkhart Lake**  
**Balance Sheet**  
**December 31, 2016**

**Liabilities and Fund Balance**

**Current Liabilities**

Accounts Payable	\$ 26,363.52
Due to Other Governments	26,378.37
Social Security and FWHT Payable	6,319.82
State Withholding Taxes Payable	2,064.48
Due WI Retirement System	10,815.03
Health Insurance Payable	1,035.00
Dog Licenses Due County	231.00
Sales Tax Payable	<u>276.03</u>

**Total Current Liabilities** \$ 73,483.25

**Due To Other Funds**

Due to Water Utility	1,474.99
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**Other Liabilities**

Advance Tax Collections	\$ 2,041,466.57
Deferred Revenue	<u>5,332.29</u>

**Total Other Liabilities** 2,046,798.86

**Total Liabilities** \$ 2,121,757.10

**Fund Balance**

Nonspendable - Long Term Receivables	\$ 650,251.21
Nonspendable - Prepaid Expenses	8,812.50
Restricted - CDA	46,486.93
Restricted - Capital Projects	111,115.16
Restricted - TIF District #2	(59,932.37)
Restricted - TIF District #3	52,146.59
Restricted - TIF District #4	12,452.38
Committed	1,671,399.00
Unassigned	<u>628,014.46</u>

**Total Fund Balance** 3,120,745.86

**Total Liabilities and Fund Balance** \$ 5,242,502.96

**Village of Elkhart Lake**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Year ended December 31, 2016**

	<u>Current Quarter</u>	<u>Year to Date Actual</u>	<u>Annual Budget</u>	<u>Over (Under)</u>
<b>Revenues</b>				
Taxes	\$ 340,951.94	\$ 2,064,836.82	\$ 2,058,945.00	\$ 5,891.82
Intergovernmental Revenues	50,900.09	236,037.11	228,179.00	7,858.11
Licenses and Permits	13,919.03	77,068.07	65,905.00	11,163.07
Fines, Forfeits and Penalties	9,195.42	45,508.84	57,460.00	(11,951.16)
Public Charges for Services	148,498.28	424,366.73	374,274.00	50,092.73
Intergovernmental Charges for Services	30,925.07	53,332.63	71,568.00	(18,235.37)
Miscellaneous Revenues	<u>61,964.77</u>	<u>249,025.33</u>	<u>266,275.00</u>	<u>(17,249.67)</u>
<b>Total Revenues</b>	<u>\$ 656,354.60</u>	<u>\$ 3,150,175.53</u>	<u>\$ 3,122,606.00</u>	<u>\$ 27,569.53</u>
<b>Expenditures</b>				
Current				
General Government	\$ 82,419.70	\$ 271,351.11	\$ 280,647.00	\$ (9,295.89)
Public Safety	160,212.94	604,947.55	621,215.00	(16,267.45)
Public Works	183,378.58	633,186.26	646,240.00	(13,053.74)
Culture, Recreation and Education	63,003.24	226,003.37	240,289.00	(14,285.63)
Conservation and Development	334,939.72	676,634.81	671,875.00	4,759.81
Capital Outlay	179,932.52	216,552.76	522,428.00	(305,875.24)
Debt Service	171,020.00	413,054.15	412,498.00	556.15
Community Development Authority	0.00	970.00	20,000.00	(19,030.00)
TIF District #2 - Sargento / Victory	749,086.75	1,230,477.86	1,392,977.00	(162,499.14)
TIF District #3 - The Osthoff	1,102,956.58	1,168,739.80	70,939.00	1,097,800.80
TIF District #4 - Wolf	<u>999,839.15</u>	<u>1,667,251.60</u>	<u>16,500.00</u>	<u>1,650,751.60</u>
<b>Total Expenditures</b>	<u>\$ 4,026,789.18</u>	<u>\$ 7,109,169.27</u>	<u>\$ 4,895,608.00</u>	<u>\$ 2,213,561.27</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>\$(3,370,434.58)</u>	<u>\$(3,958,993.74)</u>	<u>\$(1,773,002.00)</u>	<u>\$(2,185,991.74)</u>
<b>Other Financing Sources (Uses)</b>				
Refunding Bond Proceeds	\$ 3,005,000.00	\$ 3,005,000.00	\$ 0.00	\$ 3,005,000.00
Proceeds From Long Term Debt	0.00	786,500.00	786,500.00	0.00
Debt Premium	26,031.95	26,031.95	0.00	26,031.95
CDA Carryover Funds	0.00	0.00	20,000.00	(20,000.00)
TIF Carryover Funds / Debt Proceeds	0.00	0.00	544,849.00	(544,849.00)
Committed / Unassigned Funds Applied	<u>0.00</u>	<u>0.00</u>	<u>421,653.00</u>	<u>(421,653.00)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>\$ 3,031,031.95</u>	<u>\$ 3,817,531.95</u>	<u>\$ 1,773,002.00</u>	<u>\$ 2,044,529.95</u>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<u>\$ (339,402.63)</u>	<u>\$ (141,461.79)</u>	<u>\$ 0.00</u>	<u>\$ (141,461.79)</u>
<b>Fund Balance - January 1, 2016</b>		<u>3,262,207.65</u>		
<b>Fund Balance - December 31, 2016</b>		<u>\$ 3,120,745.86</u>		

See Independent Accountant's Compilation Report

**Village of Elkhart Lake**  
**Statement of Revenues**  
**For the Year ended December 31, 2016**

	<u>Current Quarter</u>	<u>Year to Date Actual</u>	<u>Annual Budget</u>	<u>Over (Under)</u>
<b>Taxes</b>				
General Property Taxes	\$ 0.00	\$ 1,251,458.78	\$ 1,251,459.00	\$ (0.22)
Tax Increment - TIF #2	0.00	20,351.72	20,000.00	351.72
Tax Increment - TIF #3	0.00	95,811.06	95,000.00	811.06
Retained Sales Tax	10.00	10.00	0.00	10.00
Room Tax	322,947.69	600,848.95	599,000.00	1,848.95
Municipal Utility Tax	17,994.25	67,915.00	66,436.00	1,479.00
Payment in Lieu of Taxes	0.00	28,397.35	27,000.00	1,397.35
Interest on Delinquent Taxes	0.00	43.96	50.00	(6.04)
<b>Total Taxes</b>	<u>\$ 340,951.94</u>	<u>\$ 2,064,836.82</u>	<u>\$ 2,058,945.00</u>	<u>\$ 5,891.82</u>
<b>Intergovernmental Revenues</b>				
Shared Revenues	\$ 18,461.45	\$ 21,655.88	\$ 20,250.00	\$ 1,405.88
Exempt Computer Aid	0.00	5,254.00	1,250.00	4,004.00
Fire Insurance Tax	0.00	10,077.83	8,800.00	1,277.83
Law Enforcement Training Aid	0.00	1,280.00	1,250.00	30.00
Police Grant	9,433.94	15,998.86	18,000.00	(2,001.14)
Water Patrol Aid	0.00	9,480.77	9,000.00	480.77
General Transportation Aid	23,004.70	92,018.80	91,900.00	118.80
Recycling Grant	0.00	3,687.96	3,900.00	(212.04)
Park Grant	0.00	290.00	0.00	290.00
County/Local Police Grants	0.00	628.01	0.00	628.01
Library System Income	0.00	74,965.00	73,829.00	1,136.00
Library System Grant	0.00	700.00	0.00	700.00
<b>Total Intergovernmental Revenues</b>	<u>\$ 50,900.09</u>	<u>\$ 236,037.11</u>	<u>\$ 228,179.00</u>	<u>\$ 7,858.11</u>
<b>Licenses and Permits</b>				
Liquor and Malt Beverage Licenses	\$ 0.00	\$ 5,250.00	\$ 5,800.00	\$ (550.00)
Cigarette and Soda Licenses	0.00	845.00	750.00	95.00
Operator Licenses	195.00	3,240.00	3,000.00	240.00
Peddler Permits	0.00	105.00	200.00	(95.00)
Dog Licenses Retained	4.50	276.75	300.00	(23.25)
Dog Listing Fee	60.50	60.50	20.00	40.50
Cable TV Franchise Fees	3,933.75	14,772.84	14,750.00	22.84
Building Permits	9,525.28	49,692.98	40,000.00	9,692.98
Variances/CUP/Zoning Fees	0.00	2,000.00	800.00	1,200.00
Pier and Raft Permits	10.00	45.00	10.00	35.00
Buoy Removal Permits	0.00	150.00	150.00	0.00
Sign Permits	90.00	160.00	70.00	90.00
Walkway Permits	100.00	400.00	50.00	350.00
Beach Wedding Permits	0.00	50.00	0.00	50.00
Room Tax Permits	0.00	20.00	5.00	15.00
<b>Total Licenses and Permits</b>	<u>\$ 13,919.03</u>	<u>\$ 77,068.07</u>	<u>\$ 65,905.00</u>	<u>\$ 11,163.07</u>

**Village of Elkhart Lake**  
**Statement of Revenues**  
**For the Year ended December 31, 2016**

	<u>Current Quarter</u>	<u>Year to Date Actual</u>	<u>Annual Budget</u>	<u>Over (Under)</u>
<b>Fines, Forfeits and Penalties</b>				
Court Penalties	\$ 46.75	\$ 199.91	\$ 200.00	\$ (0.09)
Court Penalties - Municipal	3,645.00	18,236.44	22,000.00	(3,763.56)
Court Penalties - State/County Assess.	2,930.19	13,177.74	19,000.00	(5,822.26)
Court Penalties - Town of Rhine	50.00	265.00	400.00	(135.00)
Court Costs	1,335.12	6,954.17	11,060.00	(4,105.83)
Municipal Court - Miscellaneous	2.10	286.00	300.00	(14.00)
Parking Fines	1,160.00	5,940.00	4,500.00	1,440.00
Dog License Penalties	0.00	140.00	0.00	140.00
Other Penalties	26.26	309.58	0.00	309.58
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Fines, Forfeits and Penalties</b>	<b>\$ 9,195.42</b>	<b>\$ 45,508.84</b>	<b>\$ 57,460.00</b>	<b>\$ (11,951.16)</b>
<b>Public Charges for Services</b>				
General Government Fees	\$ 969.27	\$ 976.77	\$ 10.00	\$ 966.77
Special Assessment Letters	115.00	615.00	250.00	365.00
Publication Fees	0.00	288.00	300.00	(12.00)
Law Enforcement Income	19.10	217.90	200.00	17.90
Police Contract Services	0.00	2,460.00	3,000.00	(540.00)
Witness Fees	24.00	48.00	0.00	48.00
Fire Protection Services	2,869.40	5,909.24	2,750.00	3,159.24
Road Maintenance Fees/Snow Removal	1,814.28	2,189.28	1,300.00	889.28
Water Patrol Reimbursement	0.00	1,547.61	0.00	1,547.61
Sewer Collection Fees	112,523.39	306,641.28	279,000.00	27,641.28
Sewer Collection Fees - Debt Service	28,619.05	86,471.15	81,664.00	4,807.15
Sewer Hookup Fees	1,250.00	9,500.00	0.00	9,500.00
Sanitation Services	0.00	0.00	200.00	(200.00)
Weed Cutting Fees	0.00	275.00	0.00	275.00
Library Copies	139.65	829.27	1,000.00	(170.73)
Library Fines	352.81	2,444.90	2,000.00	444.90
Beach Passes	(196.72)	3,934.28	2,600.00	1,334.28
Centennial Books	(0.95)	19.05	0.00	19.05
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Public Charges for Services</b>	<b>\$ 148,498.28</b>	<b>\$ 424,366.73</b>	<b>\$ 374,274.00</b>	<b>\$ 50,092.73</b>
<b>Intergovernmental Charges for Services</b>				
Town of Rhine - Water Patrol	\$ 0.00	\$ 3,902.50	\$ 6,600.00	\$ (2,697.50)
Town of Rhine - Police	0.00	207.70	200.00	7.70
Town of Rhine - Fire Protection	24,238.78	40,884.28	52,498.00	(11,613.72)
Town of Rhine - First Responders	5,223.79	6,875.65	10,808.00	(3,932.35)
Town of Rhine - Emergency Response	1,462.50	1,462.50	1,462.00	0.50
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Intergovernmental Charges</b>	<b>\$ 30,925.07</b>	<b>\$ 53,332.63</b>	<b>\$ 71,568.00</b>	<b>\$ (18,235.37)</b>

**Village of Elkhart Lake**  
**Statement of Revenues**  
**For the Year ended December 31, 2016**

	<u>Current Quarter</u>	<u>Year to Date Actual</u>	<u>Annual Budget</u>	<u>Over (Under)</u>
<b>Miscellaneous Revenues</b>				
Interest on Investments - General	\$ 90.40	\$ 11,680.43	\$ 1,500.00	\$ 10,180.43
Interest on Investments - CDA	62.81	116.44	0.00	116.44
Interest on Note - Town of Rhine	6,746.47	27,707.75	27,708.00	(0.25)
Interest on Special Assessments/Charges	0.00	250.28	0.00	250.28
Rent Income	1,569.50	5,528.00	5,000.00	528.00
Cell Tower Lease	8,961.59	55,081.31	53,500.00	1,581.31
Sale of Property and Equipment	159.52	159.52	100.00	59.52
Sale of Fire Protection Property	0.00	0.00	100.00	(100.00)
Insurance Claims/Restitution	0.00	1,000.00	0.00	1,000.00
Insurance Dividends and Refunds	0.00	4,396.00	4,300.00	96.00
Donations				
Police Department	50.00	5,560.00	5,500.00	60.00
Parks and Playgrounds	(23.81)	476.19	0.00	476.19
Fireworks	0.00	13,500.00	13,500.00	0.00
Village Beautification	1,606.80	1,606.80	0.00	1,606.80
Town of Rhine Fire Station Payments	0.00	0.00	50,877.00	(50,877.00)
Tourism Commission Reimbursements	38,862.94	110,736.95	102,450.00	8,286.95
CDA Loan Repayments	3,366.35	8,121.35	0.00	8,121.35
Utilities Reimbursement	514.14	1,144.69	1,740.00	(595.31)
Tax Chargebacks	0.00	1,957.50	0.00	1,957.50
Miscellaneous	(1.94)	2.12	0.00	2.12
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
<b>Total Miscellaneous Revenues</b>	<u>\$ 61,964.77</u>	<u>\$ 249,025.33</u>	<u>\$ 266,275.00</u>	<u>\$ (17,249.67)</u>
<b>Total Revenues</b>	<u>\$ 656,354.60</u>	<u>\$ 3,150,175.53</u>	<u>\$ 3,122,606.00</u>	<u>\$ 27,569.53</u>

**Village of Elkhart Lake**  
**Statement of Expenditures**  
**For the Year ended December 31, 2016**

	<u>Current</u> <u>Quarter</u>	<u>Year to Date</u> <u>Actual</u>	<u>Annual</u> <u>Budget</u>	<u>Over</u> <u>(Under)</u>
<b>General Government</b>				
<b>Village Board</b>				
Annual Salary	\$ 3,050.00	\$ 12,314.00	\$ 12,200.00	\$ 114.00
Per Diem	1,500.00	5,875.00	6,750.00	(875.00)
Medicare	66.00	263.81	275.00	(11.19)
Social Security	282.10	1,127.72	1,150.00	(22.28)
Internet/Web Page	0.00	0.00	450.00	(450.00)
School/Cable TV Fund	0.00	0.00	300.00	(300.00)
Board Expenses	2,999.91	6,954.30	7,000.00	(45.70)
Consulting Services	0.00	350.00	1,000.00	(650.00)
Publishing Legals	538.23	1,628.91	1,350.00	278.91
Minute Publishing	0.00	0.00	25.00	(25.00)
Publishing Service Reimbursement	0.00	288.00	525.00	(237.00)
Appreciation Dinner	<u>2,477.20</u>	<u>2,477.20</u>	<u>2,000.00</u>	<u>477.20</u>
<b>Total Village Board</b>	<b>\$ 10,913.44</b>	<b>\$ 31,278.94</b>	<b>\$ 33,025.00</b>	<b>\$ (1,746.06)</b>
<b>Municipal Court</b>				
Part Time Salary	\$ 922.28	\$ 3,860.27	\$ 4,400.00	\$ (539.73)
Annual Salary	834.00	3,336.00	3,336.00	0.00
Medicare	25.47	104.32	115.00	(10.68)
Social Security	108.90	446.20	489.00	(42.80)
Court Penalties - Town of Rhine	175.00	265.00	200.00	65.00
Court Penalties - State/County Assess.	4,014.04	13,177.74	19,000.00	(5,822.26)
Education	0.00	700.00	725.00	(25.00)
Expenses	220.65	371.05	895.00	(523.95)
Computer Support	1,103.17	1,103.17	550.00	553.17
Mileage	<u>0.00</u>	<u>285.78</u>	<u>350.00</u>	<u>(64.22)</u>
<b>Total Municipal Court</b>	<b>\$ 7,403.51</b>	<b>\$ 23,649.53</b>	<b>\$ 30,060.00</b>	<b>\$ (6,410.47)</b>
<b>Legal</b>				
Professional Services - Police	\$ 1,400.10	\$ 4,236.10	\$ 5,000.00	\$ (763.90)
Professional Services - Village	<u>5,148.12</u>	<u>15,184.99</u>	<u>15,500.00</u>	<u>(315.01)</u>
<b>Total Legal</b>	<b>\$ 6,548.22</b>	<b>\$ 19,421.09</b>	<b>\$ 20,500.00</b>	<b>\$ (1,078.91)</b>
<b>Assessment of Property</b>				
Assessment Services	\$ 2,225.00	\$ 8,900.00	\$ 8,900.00	\$ 0.00
Expenses	<u>633.80</u>	<u>633.80</u>	<u>850.00</u>	<u>(216.20)</u>
<b>Total Assessment of Property</b>	<b>\$ 2,858.80</b>	<b>\$ 9,533.80</b>	<b>\$ 9,750.00</b>	<b>\$ (216.20)</b>
<b>Accounting and Auditing</b>				
Professional Services	<u>\$ 13,850.00</u>	<u>\$ 34,900.00</u>	<u>\$ 32,000.00</u>	<u>\$ 2,900.00</u>

**Village of Elkhart Lake**  
**Statement of Expenditures**  
**For the Year ended December 31, 2016**

	<u>Current Quarter</u>	<u>Year to Date Actual</u>	<u>Annual Budget</u>	<u>Over (Under)</u>
<b>General Government</b>				
<b>Clerk/Treasurer</b>				
Full Time Salary	\$ 21,189.32	\$ 77,198.10	\$ 74,000.00	\$ 3,198.10
Part Time Salary	3,089.75	9,837.28	8,600.00	1,237.28
Disability Insurance	0.00	0.00	200.00	(200.00)
Medicare	329.67	1,169.56	1,200.00	(30.44)
Social Security	1,409.89	5,002.19	5,100.00	(97.81)
Health Insurance	3,950.86	22,050.59	24,600.00	(2,549.41)
Retirement	1,296.75	4,971.89	5,200.00	(228.11)
Life Insurance	22.86	160.63	200.00	(39.37)
Electricity	275.76	1,161.15	1,450.00	(288.85)
Natural Gas	49.68	183.08	460.00	(276.92)
Water	14.22	30.73	40.00	(9.27)
Telephone	365.47	1,421.32	1,900.00	(478.68)
Internet/Web Page	50.40	356.40	600.00	(243.60)
General Building Maintenance	240.84	1,240.50	1,450.00	(209.50)
Equipment	0.00	0.00	200.00	(200.00)
Equipment Repair and Maintenance	(74.02)	666.16	1,350.00	(683.84)
Office Supplies	957.73	1,308.31	1,500.00	(191.69)
Postage	1,742.54	1,774.32	2,200.00	(425.68)
Expenses	532.46	765.43	900.00	(134.57)
Clerk Expenses	0.00	100.00	600.00	(500.00)
Computer Support	1,922.33	4,182.33	3,500.00	682.33
Mileage	294.41	1,288.04	675.00	613.04
Training	60.00	1,371.46	2,000.00	(628.54)
	<u>\$ 37,720.92</u>	<u>\$ 136,239.47</u>	<u>\$ 137,925.00</u>	<u>\$ (1,685.53)</u>
<b>Total Clerk/Treasurer</b>				
<b>Elections</b>				
Part Time Salary	\$ 660.00	\$ 2,538.75	\$ 2,550.00	\$ (11.25)
Equipment Repair and Maintenance	0.00	650.00	650.00	0.00
Expenses	817.11	2,095.73	2,100.00	(4.27)
Mileage	0.00	44.28	200.00	(155.72)
	<u>\$ 1,477.11</u>	<u>\$ 5,328.76</u>	<u>\$ 5,500.00</u>	<u>\$ (171.24)</u>
<b>Total Elections</b>				
<b>Taxes, Insurance and Benefits</b>				
Flex 125 Plan Administration	\$ 105.00	\$ 428.50	\$ 485.00	\$ (56.50)
Employee Assistance Program	128.70	257.40	375.00	(117.60)
HRA Administration	0.00	105.00	500.00	(395.00)
Insurance	1,414.00	7,399.00	7,400.00	(1.00)
Sales Tax	0.00	0.00	300.00	(300.00)
Taxes on Annexed Land	0.00	227.00	227.00	0.00
Uncollectible Taxes/Refunds	0.00	2,582.62	2,600.00	(17.38)
	<u>\$ 1,647.70</u>	<u>\$ 10,999.52</u>	<u>\$ 11,887.00</u>	<u>\$ (887.48)</u>
<b>Total Taxes, Insurance and Benefits</b>				
<b>Total General Government</b>	<u>\$ 82,419.70</u>	<u>\$ 271,351.11</u>	<u>\$ 280,647.00</u>	<u>\$ (9,295.89)</u>



**Village of Elkhart Lake**  
**Statement of Expenditures**  
**For the Year ended December 31, 2016**

	<u>Current</u> <u>Quarter</u>	<u>Year to Date</u> <u>Actual</u>	<u>Annual</u> <u>Budget</u>	<u>Over</u> <u>(Under)</u>
<b>Public Safety</b>				
<b>Police Department</b>				
Full Time Salary	\$ 50,786.28	\$ 196,943.44	\$ 186,400.00	\$ 10,543.44
Part Time Salary	2,754.00	24,608.02	27,900.00	(3,291.98)
Overtime Salary	0.00	0.00	750.00	(750.00)
Part Time Police Clerk Salary	1,286.72	3,723.11	5,950.00	(2,226.89)
Disability Insurance	0.00	0.00	430.00	(430.00)
Medicare	802.68	3,378.83	3,213.00	165.83
Social Security	3,432.19	14,447.79	13,710.00	737.79
Health Insurance	8,355.26	37,772.27	36,600.00	1,172.27
Retirement	4,942.84	19,833.94	19,450.00	383.94
Uniform Allowance	393.70	687.38	750.00	(62.62)
Police Uniforms - Niemi	107.90	638.48	550.00	88.48
Police Uniforms - Meeusen	239.95	783.36	550.00	233.36
Life Insurance	92.15	399.95	775.00	(375.05)
Police Uniforms - Bramstedt	251.80	251.80	550.00	(298.20)
Police Contract	2,111.06	14,134.07	14,200.00	(65.93)
Electricity	683.08	2,177.18	2,400.00	(222.82)
Natural Gas	266.63	774.70	1,500.00	(725.30)
Water	71.41	148.17	175.00	(26.83)
Telephone	1,025.04	2,751.20	3,600.00	(848.80)
Internet/Web Page	289.88	1,284.12	1,100.00	184.12
General Building Maintenance	378.67	1,723.10	1,500.00	223.10
Equipment	577.20	7,644.35	5,600.00	2,044.35
Equipment Repair and Maintenance	0.00	0.00	1,000.00	(1,000.00)
Unemployment Expense	0.00	0.00	500.00	(500.00)
Office Supplies	117.66	684.64	1,300.00	(615.36)
Postage	0.00	242.77	400.00	(157.23)
Occupational Supplies	591.62	866.20	1,550.00	(683.80)
Expenses	251.37	1,557.37	1,000.00	557.37
Police Chief Expenses	349.97	1,340.68	1,600.00	(259.32)
Insurance	1,718.00	15,381.00	16,800.00	(1,419.00)
Water Patrol Expenses	0.00	464.26	1,200.00	(735.74)
Computer Support	2,318.27	4,089.59	2,025.00	2,064.59
Gas and Oil	1,411.95	4,949.11	8,750.00	(3,800.89)
Vehicle Maintenance and Expense	881.11	1,737.53	2,000.00	(262.47)
Mileage	0.00	128.80	250.00	(121.20)
Safe Ride Program	0.00	0.00	2,000.00	(2,000.00)
County Crime Prevention	203.74	884.20	2,000.00	(1,115.80)
Computer Time	234.00	936.00	852.00	84.00
Training	395.58	1,157.35	1,000.00	157.35
Physicals	0.00	103.00	450.00	(347.00)
	<u>\$ 87,321.71</u>	<u>\$ 368,627.76</u>	<u>\$ 372,330.00</u>	<u>\$ (3,702.24)</u>
<b>Total Police Department</b>				

**Village of Elkhart Lake**  
**Statement of Expenditures**  
**For the Year ended December 31, 2016**

	<u>Current</u> <u>Quarter</u>	<u>Year to Date</u> <u>Actual</u>	<u>Annual</u> <u>Budget</u>	<u>Over</u> <u>(Under)</u>
<b>Public Safety</b>				
<b>Fire Department</b>				
Part Time Salary	\$ 4,700.00	\$ 4,700.00	\$ 5,000.00	\$ (300.00)
Annual Salary	3,000.00	3,000.00	3,000.00	0.00
Loss of Time	384.00	384.00	600.00	(216.00)
F.D. Truck Inspection	2,400.00	2,400.00	2,500.00	(100.00)
Medicare	160.72	160.72	200.00	(39.28)
Social Security	687.22	687.22	775.00	(87.78)
Retirement	237.60	237.60	300.00	(62.40)
Fire Department Building Maintenance	600.00	600.00	600.00	0.00
Electricity	2,325.67	8,334.55	8,500.00	(165.45)
Natural Gas	1,160.00	2,923.42	2,900.00	23.42
Water	521.14	1,118.84	975.00	143.84
Telephone	360.00	1,119.26	1,150.00	(30.74)
Internet/Web Page	90.00	271.24	450.00	(178.76)
General Building Maintenance	2,804.58	9,934.21	10,000.00	(65.79)
Equipment	0.00	4,458.41	4,500.00	(41.59)
Equipment Repair and Maintenance	3,080.12	5,186.52	5,500.00	(313.48)
Education	0.00	165.95	250.00	(84.05)
Office Supplies	0.00	316.60	400.00	(83.40)
Occupational Supplies	0.00	156.30	300.00	(143.70)
Expenses	1,303.00	2,975.00	3,000.00	(25.00)
Insurance	2,479.00	13,487.00	13,550.00	(63.00)
Gas and Oil	177.69	1,415.41	1,450.00	(34.59)
Fire Vehicle Maintenance	154.67	8,489.83	8,500.00	(10.17)
Mileage	0.00	899.30	500.00	399.30
Training	252.67	1,626.67	2,000.00	(373.33)
	<u>\$ 26,878.08</u>	<u>\$ 75,048.05</u>	<u>\$ 76,900.00</u>	<u>\$ (1,851.95)</u>
<b>Total Fire Department</b>				
<b>Fire Protection</b>				
Full Time Salary	\$ 480.26	\$ 2,511.38	\$ 1,550.00	\$ 961.38
Part Time Salary	195.72	673.52	600.00	73.52
Disability Insurance	0.00	0.00	5.00	(5.00)
Fire Inspections	1,690.00	3,117.50	3,200.00	(82.50)
Medicare	34.06	89.63	75.00	14.63
Social Security	145.59	383.30	310.00	73.30
Health Insurance	132.57	742.73	400.00	342.73
Retirement	44.63	210.22	160.00	50.22
Life Insurance	2.21	10.39	10.00	0.39
Electricity	42.36	122.36	250.00	(127.64)
Expenses	0.00	225.00	100.00	125.00
Insurance	149.00	2,201.00	5,750.00	(3,549.00)
Hydrant Rental	28,524.50	114,098.00	114,220.00	(122.00)
	<u>\$ 31,440.90</u>	<u>\$ 124,385.03</u>	<u>\$ 126,630.00</u>	<u>\$ (2,244.97)</u>
<b>Total Fire Protection</b>				

**Village of Elkhart Lake**  
**Statement of Expenditures**  
**For the Year ended December 31, 2016**

	<u>Current</u> <u>Quarter</u>	<u>Year to Date</u> <u>Actual</u>	<u>Annual</u> <u>Budget</u>	<u>Over</u> <u>(Under)</u>
<b>Public Safety</b>				
<b>First Responders</b>				
Annual Salary	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$ 0.00
Medicare	79.75	79.75	70.00	9.75
Social Security	341.00	341.00	300.00	41.00
Uniform Allowance	762.00	762.00	1,400.00	(638.00)
Internet/Web Page	90.00	271.24	275.00	(3.76)
General Building Maintenance	192.50	527.35	400.00	127.35
Equipment	0.00	0.00	825.00	(825.00)
Equipment Repair and Maintenance	0.00	0.00	100.00	(100.00)
Occupational Supplies	276.37	648.57	2,460.00	(1,811.43)
Expenses	448.50	448.50	1,500.00	(1,051.50)
Board Expenses	0.00	430.00	1,000.00	(570.00)
Insurance	149.00	1,036.00	1,200.00	(164.00)
Mileage	0.00	79.35	400.00	(320.65)
Training	(1,109.76)	2,173.09	3,300.00	(1,126.91)
	<u>\$ 6,729.36</u>	<u>\$ 12,296.85</u>	<u>\$ 18,730.00</u>	<u>\$ (6,433.15)</u>
<b>Total First Responders</b>				
<b>Building Inspections/Zoning</b>				
Full Time Salary	\$ 2,494.45	\$ 9,945.91	\$ 9,590.00	\$ 355.91
Part Time Salary	218.92	849.65	850.00	(0.35)
Disability Insurance	0.00	0.00	30.00	(30.00)
Medicare	36.50	144.40	155.00	(10.60)
Social Security	156.10	617.24	650.00	(32.76)
Health Insurance	566.19	3,021.98	3,680.00	(658.02)
Retirement	164.64	656.51	750.00	(93.49)
Life Insurance	6.09	24.70	0.00	24.70
Expenses	25.00	1,954.47	2,000.00	(45.53)
Consulting Services	1,250.00	4,450.00	5,995.00	(1,545.00)
	<u>\$ 4,917.89</u>	<u>\$ 21,664.86</u>	<u>\$ 23,700.00</u>	<u>\$ (2,035.14)</u>
<b>Total Building Inspections/Zoning</b>				
<b>Emergency Response</b>				
Annual Salary	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 0.00
Medicare	26.10	26.10	30.00	(3.90)
Social Security	111.60	111.60	120.00	(8.40)
Retirement	170.82	170.82	175.00	(4.18)
Expenses	816.48	816.48	800.00	16.48
	<u>\$ 2,925.00</u>	<u>\$ 2,925.00</u>	<u>\$ 2,925.00</u>	<u>\$ 0.00</u>
<b>Total Emergency Response</b>				
<b>Total Public Safety</b>	<u>\$ 160,212.94</u>	<u>\$ 604,947.55</u>	<u>\$ 621,215.00</u>	<u>\$ (16,267.45)</u>

**Village of Elkhart Lake**  
**Statement of Expenditures**  
**For the Year ended December 31, 2016**

	<u>Current</u> <u>Quarter</u>	<u>Year to Date</u> <u>Actual</u>	<u>Annual</u> <u>Budget</u>	<u>Over</u> <u>(Under)</u>
<b>Public Works</b>				
<b>Transportation</b>				
Full Time Salary	\$ 23,495.06	\$ 79,569.50	\$ 76,000.00	\$ 3,569.50
Part Time Salary	3,686.39	12,678.51	13,500.00	(821.49)
Overtime Salary	0.00	0.00	1,125.00	(1,125.00)
Disability Insurance	0.00	0.00	180.00	(180.00)
Medicare	381.38	1,290.84	1,325.00	(34.16)
Social Security	1,630.49	5,518.72	5,645.00	(126.28)
Health Insurance	4,602.20	18,969.18	19,000.00	(30.82)
Retirement	1,762.99	6,039.31	6,000.00	39.31
Uniform Allowance	174.99	212.63	175.00	37.63
Part Time Clothing	0.00	37.63	0.00	37.63
Life Insurance	54.65	233.29	400.00	(166.71)
Equipment	0.00	253.33	500.00	(246.67)
Equipment Repair and Maintenance	726.98	1,804.45	950.00	854.45
Equipment Lease or Rent	0.00	0.00	1,300.00	(1,300.00)
Occupational Supplies	96.75	310.22	400.00	(89.78)
Expenses	100.88	225.88	400.00	(174.12)
Computer Support	0.00	0.00	100.00	(100.00)
Storm Sewer Cleaning	0.00	400.00	400.00	0.00
Engineering Services	0.00	0.00	4,000.00	(4,000.00)
Training	0.00	487.50	300.00	187.50
Street Maintenance/Improvements	4,458.07	12,651.51	9,000.00	3,651.51
Street Lighting	23,410.76	70,615.65	70,000.00	615.65
Sidewalk Maintenance	0.00	0.00	400.00	(400.00)
Crack Filling	0.00	3,000.00	5,000.00	(2,000.00)
	<u>\$ 64,581.59</u>	<u>\$ 214,298.15</u>	<u>\$ 216,100.00</u>	<u>\$ (1,801.85)</u>
<b>Total Transportation</b>				
<b>Garage</b>				
Electricity	\$ 388.75	\$ 1,772.23	\$ 3,200.00	\$ (1,427.77)
Natural Gas	311.46	1,772.82	5,000.00	(3,227.18)
Water	42.08	96.25	115.00	(18.75)
Telephone	172.72	910.66	975.00	(64.34)
Internet/Web Page	63.37	239.63	225.00	14.63
General Building Maintenance	(11.34)	102.10	1,000.00	(897.90)
Equipment	56.41	277.66	500.00	(222.34)
Small Equipment and Supplies	66.76	229.99	700.00	(470.01)
Equipment Repair and Maintenance	80.27	328.80	500.00	(171.20)
Office Supplies	(0.22)	56.06	75.00	(18.94)
Expenses	29.32	114.16	150.00	(35.84)
Insurance	494.40	8,618.40	9,100.00	(481.60)
Gas and Oil	1,908.14	5,767.51	10,100.00	(4,332.49)
Vehicle Maintenance and Expense	2,169.12	11,021.88	7,000.00	4,021.88
	<u>\$ 5,771.24</u>	<u>\$ 31,308.15</u>	<u>\$ 38,640.00</u>	<u>\$ (7,331.85)</u>
<b>Total Garage</b>				

**Village of Elkhart Lake**  
**Statement of Expenditures**  
**For the Year ended December 31, 2016**

	<u>Current</u> <u>Quarter</u>	<u>Year to Date</u> <u>Actual</u>	<u>Annual</u> <u>Budget</u>	<u>Over</u> <u>(Under)</u>
<b>Public Works</b>				
<b>Tree Commission</b>				
Full Time Salary	\$ 508.41	\$ 2,560.53	\$ 2,850.00	\$ (289.47)
Part Time Salary	0.00	355.24	500.00	(144.76)
Disability Insurance	0.00	0.00	10.00	(10.00)
Medicare	6.78	39.36	50.00	(10.64)
Social Security	29.08	169.09	210.00	(40.91)
Health Insurance	117.25	738.99	950.00	(211.01)
Retirement	33.60	192.53	225.00	(32.47)
Life Insurance	1.26	8.31	5.00	3.31
Equipment	0.00	0.00	120.00	(120.00)
Equipment Repair and Maintenance	0.00	0.00	65.00	(65.00)
Education	0.00	0.00	65.00	(65.00)
Office Supplies	0.00	0.00	40.00	(40.00)
Occupational Supplies	(790.00)	1,340.00	2,000.00	(660.00)
Expenses	0.00	71.56	150.00	(78.44)
Mileage	0.00	0.00	100.00	(100.00)
Consulting Services	0.00	0.00	300.00	(300.00)
Training	0.00	15.00	150.00	(135.00)
Tree Trimming	<u>1,025.00</u>	<u>1,370.00</u>	<u>1,600.00</u>	<u>(230.00)</u>
<b>Total Tree Commission</b>	<b>\$ 931.38</b>	<b>\$ 6,860.61</b>	<b>\$ 9,390.00</b>	<b>\$ (2,529.39)</b>
<b>Sanitation</b>				
Full Time Salary	\$ 2,494.95	\$ 12,573.90	\$ 12,600.00	\$ (26.10)
Part Time Salary	816.20	3,479.33	3,600.00	(120.67)
Disability Insurance	0.00	0.00	30.00	(30.00)
Medicare	45.63	221.29	225.00	(3.71)
Social Security	194.96	945.32	950.00	(4.68)
Health Insurance	726.92	5,001.11	4,400.00	601.11
Retirement	169.90	856.49	900.00	(43.51)
Life Insurance	8.23	39.79	25.00	14.79
Electricity	80.64	247.07	280.00	(32.93)
Equipment Repair and Maintenance	141.51	1,662.76	1,800.00	(137.24)
Office Supplies	0.00	0.00	200.00	(200.00)
Postage	0.00	0.00	150.00	(150.00)
Expenses	0.00	70.00	500.00	(430.00)
Joint Operating Expenses	1,496.92	4,196.92	3,700.00	496.92
Insurance	600.00	2,824.00	3,050.00	(226.00)
Computer Support	0.00	487.50	500.00	(12.50)
Training	0.00	0.00	200.00	(200.00)
Sewer Cleaning	0.00	4,931.50	5,000.00	(68.50)
Sewage Treatment	<u>75,754.60</u>	<u>260,054.82</u>	<u>257,700.00</u>	<u>2,354.82</u>
<b>Total Sanitation</b>	<b>\$ 82,530.46</b>	<b>\$ 297,591.80</b>	<b>\$ 295,810.00</b>	<b>\$ 1,781.80</b>

**Village of Elkhart Lake**  
**Statement of Expenditures**  
**For the Year ended December 31, 2016**

	<u>Current</u> <u>Quarter</u>	<u>Year to Date</u> <u>Actual</u>	<u>Annual</u> <u>Budget</u>	<u>Over</u> <u>(Under)</u>
<b>Public Works</b>				
<b>Refuse Collection and Disposal</b>				
Full Time Salary	\$ 339.75	\$ 1,411.81	\$ 1,175.00	\$ 236.81
Part Time Salary	1,066.09	3,372.24	3,525.00	(152.76)
Disability Insurance	0.00	0.00	5.00	(5.00)
Medicare	20.06	68.03	80.00	(11.97)
Social Security	86.03	291.64	290.00	1.64
Health Insurance	83.07	400.43	400.00	0.43
Retirement	32.47	125.33	100.00	25.33
Life Insurance	1.67	6.39	5.00	1.39
Equipment Repairs and Maintenance	0.00	0.00	70.00	(70.00)
Office Supplies	0.00	58.00	75.00	(17.00)
Postage	0.00	0.00	75.00	(75.00)
Incinerator Monitoring	659.12	659.12	700.00	(40.88)
Refuse Collection	17,422.75	51,327.99	53,500.00	(2,172.01)
Yard Waste	2,632.00	3,818.92	3,300.00	518.92
Recycling Collection	<u>7,220.90</u>	<u>21,587.65</u>	<u>23,000.00</u>	<u>(1,412.35)</u>
<b>Total Refuse Collection and Disposal</b>	<b>\$ <u>29,563.91</u></b>	<b>\$ <u>83,127.55</u></b>	<b>\$ <u>86,300.00</u></b>	<b>\$ <u>(3,172.45)</u></b>
<b>Total Public Works</b>	<b>\$ <u>183,378.58</u></b>	<b>\$ <u>633,186.26</u></b>	<b>\$ <u>646,240.00</u></b>	<b>\$ <u>(13,053.74)</u></b>
<b>Culture, Recreation and Education</b>				
<b>Civic Center</b>				
Electricity	\$ 354.19	\$ 1,128.89	\$ 1,275.00	\$ (146.11)
Natural Gas	102.83	318.40	550.00	(231.60)
Water	17.63	34.15	50.00	(15.85)
General Building Maintenance	789.55	1,957.47	2,200.00	(242.53)
Equipment Repair and Maintenance	0.00	0.00	200.00	(200.00)
Expenses	123.65	222.65	190.00	32.65
Insurance	<u>0.00</u>	<u>322.00</u>	<u>160.00</u>	<u>162.00</u>
<b>Total Civic Center</b>	<b>\$ <u>1,387.85</u></b>	<b>\$ <u>3,983.56</u></b>	<b>\$ <u>4,625.00</u></b>	<b>\$ <u>(641.44)</u></b>

**Village of Elkhart Lake**  
**Statement of Expenditures**  
**For the Year ended December 31, 2016**

	<u>Current Quarter</u>	<u>Year to Date Actual</u>	<u>Annual Budget</u>	<u>Over (Under)</u>
<b>Culture, Recreation and Education</b>				
<b>Library</b>				
Part Time Salary	\$ 22,790.53	\$ 84,326.01	\$ 84,379.24	\$ (53.23)
Disability Insurance	0.00	0.00	30.00	(30.00)
Medicare	330.44	1,222.70	1,223.50	(0.80)
Social Security	1,413.05	5,228.31	5,231.51	(3.20)
Retirement	785.19	3,368.91	3,682.38	(313.47)
Life Insurance	35.91	138.51	0.00	138.51
Electricity	1,087.87	3,467.33	4,000.00	(532.67)
Natural Gas	288.91	868.80	1,500.00	(631.20)
Water	17.62	34.14	100.00	(65.86)
Telephone	356.93	1,013.13	1,200.00	(186.87)
Internet/Web Page	0.00	15.99	100.00	(84.01)
Library T-1 Line	0.00	1,300.00	700.00	600.00
Online Databases	0.00	434.91	1,000.00	(565.09)
General Building Maintenance	4,272.31	8,170.45	9,000.00	(829.55)
Equipment	0.00	80.00	500.00	(420.00)
Copier	0.00	345.46	350.00	(4.54)
Technology Fund	915.00	1,289.70	2,000.00	(710.30)
Shared Automation	1,717.48	8,485.33	10,000.00	(1,514.67)
Special Funds	833.54	859.54	5,787.37	(4,927.83)
Videos	1,359.30	4,651.11	4,500.00	151.11
Audio Books	305.06	598.34	1,000.00	(401.66)
Electronic Collections	31.78	2,445.09	1,400.00	1,045.09
Books	5,423.16	19,056.03	16,000.00	3,056.03
Music	210.98	454.53	500.00	(45.47)
Magazines and Newspapers	2,057.54	3,740.33	3,500.00	240.33
Library Programs	9.94	1,596.59	1,500.00	96.59
Friends of the Library	1,602.85	0.00	0.00	0.00
Office Supplies	1,188.24	2,202.90	2,500.00	(297.10)
Library Marketing	612.31	768.71	500.00	268.71
Expenses	414.50	1,015.16	1,000.00	15.16
Insurance	149.00	1,709.00	1,800.00	(91.00)
Computer Support	0.00	0.00	900.00	(900.00)
Mileage	610.08	610.08	500.00	110.08
Legal Services	0.00	40.00	500.00	(460.00)
Training	0.00	0.00	500.00	(500.00)
Gifts/Donations	2,462.48	0.00	0.00	0.00
<b>Total Library</b>	<b>\$ 51,282.00</b>	<b>\$ 159,537.09</b>	<b>\$ 167,384.00</b>	<b>\$ (7,846.91)</b>

**Village of Elkhart Lake**  
**Statement of Expenditures**  
**For the Year ended December 31, 2016**

	<u>Current</u> <u>Quarter</u>	<u>Year to Date</u> <u>Actual</u>	<u>Annual</u> <u>Budget</u>	<u>Over</u> <u>(Under)</u>
<b>Culture, Recreation and Education</b>				
<b>Parks</b>				
Full Time Salary	\$ 763.26	\$ 5,754.72	\$ 7,250.00	\$ (1,495.28)
Part Time Salary	2,460.97	9,966.33	10,400.00	(433.67)
Disability Insurance	0.00	0.00	20.00	(20.00)
Medicare	46.23	224.06	220.00	4.06
Social Security	197.78	958.19	900.00	58.19
Health Insurance	103.40	1,362.25	2,200.00	(837.75)
Retirement	212.82	1,037.66	950.00	87.66
Life Insurance	14.86	67.75	40.00	27.75
Electricity	588.11	2,089.74	1,700.00	389.74
Electricity - Vollrath Park	1,813.15	5,762.65	5,000.00	762.65
Natural Gas	0.00	0.00	100.00	(100.00)
Natural Gas - Vollrath Park	218.56	522.47	950.00	(427.53)
Water	512.87	836.99	500.00	336.99
Water - Vollrath Park	1,424.85	2,055.56	1,600.00	455.56
General Building Maintenance	0.00	906.48	1,000.00	(93.52)
Equipment	(193.34)	1,871.57	2,100.00	(228.43)
Equipment Repair and Maintenance	0.00	659.90	750.00	(90.10)
Occupational Supplies	0.00	2,312.86	2,200.00	112.86
Expenses	1,071.51	1,599.85	2,000.00	(400.15)
Insurance	202.00	2,291.00	2,500.00	(209.00)
Village Beautification	0.00	2,200.80	2,000.00	200.80
Training	0.00	0.00	200.00	(200.00)
<b>Total Parks</b>	<u>\$ 9,437.03</u>	<u>\$ 42,480.83</u>	<u>\$ 44,580.00</u>	<u>\$ (2,099.17)</u>
<b>Holiday Celebrations</b>				
Street Decorations	\$ 470.62	\$ 470.62	\$ 2,700.00	\$ (2,229.38)
Fireworks	0.00	16,500.00	16,500.00	0.00
Festivals and Holidays	0.00	1,145.00	2,000.00	(855.00)
<b>Total Holiday Celebrations</b>	<u>\$ 470.62</u>	<u>\$ 18,115.62</u>	<u>\$ 21,200.00</u>	<u>\$ (3,084.38)</u>
<b>Chamber/Depot</b>				
Electricity	\$ 268.82	\$ 625.17	\$ 650.00	\$ (24.83)
Water	0.00	0.00	150.00	(150.00)
General Building Maintenance	7.92	489.10	900.00	(410.90)
Insurance	149.00	772.00	800.00	(28.00)
<b>Total Chamber/Depot</b>	<u>\$ 425.74</u>	<u>\$ 1,886.27</u>	<u>\$ 2,500.00</u>	<u>\$ (613.73)</u>
<b>Total Culture, Recreation and Education</b>	<u>\$ 63,003.24</u>	<u>\$ 226,003.37</u>	<u>\$ 240,289.00</u>	<u>\$ (14,285.63)</u>



**Village of Elkhart Lake**  
**Statement of Expenditures**  
**For the Year ended December 31, 2016**

	<u>Current Quarter</u>	<u>Year to Date Actual</u>	<u>Annual Budget</u>	<u>Over (Under)</u>
<b>Conservation and Development</b>				
<b>Tourism Commission</b>				
Full Time Salary	\$ 14,525.34	\$ 50,771.87	\$ 50,350.00	\$ 421.87
Part Time Salary	8,745.85	34,257.36	32,850.00	1,407.36
Medicare	328.84	1,197.55	1,135.00	62.55
Social Security	1,406.00	5,120.56	4,865.00	255.56
Health Insurance	2,705.49	9,859.49	9,100.00	759.49
Retirement	1,494.88	5,507.27	5,200.00	307.27
Life Insurance	71.82	277.02	0.00	277.02
Telephone	779.89	2,460.42	3,000.00	(539.58)
Internet	90.00	273.00	300.00	(27.00)
Expenses	253.95	253.95	0.00	253.95
Room Tax Paid	303,690.58	564,803.65	563,000.00	1,803.65
Mileage	<u>528.44</u>	<u>758.46</u>	<u>650.00</u>	<u>108.46</u>
<b>Total Tourism Commission</b>	<u>\$ 334,621.08</u>	<u>\$ 675,540.60</u>	<u>\$ 670,450.00</u>	<u>\$ 5,090.60</u>
<b>51 N. East Building</b>				
Electricity	\$ 110.95	\$ 353.17	\$ 400.00	\$ (46.83)
Natural Gas	121.67	347.45	520.00	(172.55)
Water	86.02	174.59	170.00	4.59
General Building Maintenance	0.00	0.00	180.00	(180.00)
Insurance	<u>0.00</u>	<u>219.00</u>	<u>155.00</u>	<u>64.00</u>
<b>Total 51 N. East Building</b>	<u>\$ 318.64</u>	<u>\$ 1,094.21</u>	<u>\$ 1,425.00</u>	<u>\$ (330.79)</u>
<b>Total Conservation and Development</b>	<u>\$ 334,939.72</u>	<u>\$ 676,634.81</u>	<u>\$ 671,875.00</u>	<u>\$ 4,759.81</u>

**Village of Elkhart Lake**  
**Statement of Expenditures**  
**For the Year ended December 31, 2016**

	<u>Current Quarter</u>	<u>Year to Date Actual</u>	<u>Annual Budget</u>	<u>Over (Under)</u>
<b>Capital Outlay</b>				
<b>General Government</b>				
<b>Village Board</b>				
Computer Equipment	\$ 3,713.70	\$ 5,686.26	\$ 0.00	\$ 5,686.26
Contingencies	0.00	0.00	10,000.00	(10,000.00)
Expenses	<u>0.00</u>	<u>3,830.00</u>	<u>7,000.00</u>	<u>(3,170.00)</u>
<b>Total Village Board</b>	<u>\$ 3,713.70</u>	<u>\$ 9,516.26</u>	<u>\$ 17,000.00</u>	<u>\$ (7,483.74)</u>
<b>Clerk/Treasurer</b>				
Furniture	\$ 1,670.00	\$ 1,670.00	\$ 10,400.00	\$ (8,730.00)
Office Equipment	897.87	897.87	3,000.00	(2,102.13)
Computer Equipment	<u>0.00</u>	<u>0.00</u>	<u>1,500.00</u>	<u>(1,500.00)</u>
<b>Total Clerk/Treasurer</b>	<u>\$ 2,567.87</u>	<u>\$ 2,567.87</u>	<u>\$ 14,900.00</u>	<u>\$ (12,332.13)</u>
<b>Elections</b>				
Office Equipment	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 2,500.00</u>	<u>\$ (2,500.00)</u>
<b>Assessment of Property</b>				
Reassessment	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 3,000.00</u>	<u>\$ (3,000.00)</u>
<b>Total General Government</b>	<u>\$ 6,281.57</u>	<u>\$ 12,084.13</u>	<u>\$ 37,400.00</u>	<u>\$ (25,315.87)</u>
<b>Public Safety</b>				
<b>Police Department</b>				
General Building Maintenance	\$ 0.00	\$ 5,535.00	\$ 5,500.00	\$ 35.00
Equipment	0.00	6,838.61	2,500.00	4,338.61
Police Squad Car	<u>0.00</u>	<u>0.00</u>	<u>12,000.00</u>	<u>(12,000.00)</u>
<b>Total Police Department</b>	<u>\$ 0.00</u>	<u>\$ 12,373.61</u>	<u>\$ 20,000.00</u>	<u>\$ (7,626.39)</u>
<b>Fire Department</b>				
New Member Outfits	\$ 2,398.35	\$ 2,912.05	\$ 10,005.00	\$ (7,092.95)
Equipment	781.20	4,487.20	4,591.00	(103.80)
Equipment Replacement	2,000.00	2,000.00	2,000.00	0.00
Equipment Repair and Maintenance	0.00	0.00	2,000.00	(2,000.00)
Vehicles	<u>0.00</u>	<u>0.00</u>	<u>9,500.00</u>	<u>(9,500.00)</u>
<b>Total Fire Department</b>	<u>\$ 5,179.55</u>	<u>\$ 9,399.25</u>	<u>\$ 28,096.00</u>	<u>\$ (18,696.75)</u>

**Village of Elkhart Lake**  
**Statement of Expenditures**  
**For the Year ended December 31, 2016**

	<u>Current Quarter</u>	<u>Year to Date Actual</u>	<u>Annual Budget</u>	<u>Over (Under)</u>
<b>Capital Outlay</b>				
<b>Public Safety</b>				
<b>First Responders</b>				
New Member Outfits	\$ 0.00	\$ 0.00	\$ 7,000.00	\$ (7,000.00)
Equipment	<u>591.00</u>	<u>591.00</u>	<u>2,885.00</u>	<u>(2,294.00)</u>
<b>Total First Responders</b>	<u>\$ 591.00</u>	<u>\$ 591.00</u>	<u>\$ 9,885.00</u>	<u>\$ (9,294.00)</u>
<b>Emergency Response</b>				
Radio's/Pager's	<u>\$ 25,404.50</u>	<u>\$ 25,404.50</u>	<u>\$ 34,000.00</u>	<u>\$ (8,595.50)</u>
<b>Total Public Safety</b>	<u>\$ 31,175.05</u>	<u>\$ 47,768.36</u>	<u>\$ 91,981.00</u>	<u>\$ (44,212.64)</u>
<b>Public Works</b>				
<b>Transportation</b>				
Equipment	\$ 0.00	\$ 663.10	\$ 647.00	\$ 16.10
Truck/Plow	0.00	0.00	33,000.00	(33,000.00)
Storm Sewer Repairs	2,233.17	2,233.17	0.00	2,233.17
Street Maintenance/Improvements	2,616.00	4,042.00	5,500.00	(1,458.00)
Street Signs	899.48	1,113.25	3,500.00	(2,386.75)
Street Improvements/Reconstruction	<u>114,087.45</u>	<u>114,087.45</u>	<u>175,000.00</u>	<u>(60,912.55)</u>
<b>Total Transportation</b>	<u>\$ 119,836.10</u>	<u>\$ 122,138.97</u>	<u>\$ 217,647.00</u>	<u>\$ (95,508.03)</u>
<b>Garage</b>				
Assessment	\$ 0.00	\$ 0.00	\$ 5,000.00	\$ (5,000.00)
Replacement Fund	0.00	0.00	2,500.00	(2,500.00)
Vehicles	<u>14,507.14</u>	<u>14,507.14</u>	<u>25,000.00</u>	<u>(10,492.86)</u>
<b>Total Garage</b>	<u>\$ 14,507.14</u>	<u>\$ 14,507.14</u>	<u>\$ 32,500.00</u>	<u>\$ (17,992.86)</u>
<b>Sanitary Sewers</b>				
Equipment	\$ 0.00	\$ 0.00	\$ 8,400.00	\$ (8,400.00)
Equipment Repair and Maintenance	1,346.45	1,346.45	7,000.00	(5,653.55)
Sanitary Sewer Improvements	0.00	0.00	4,000.00	(4,000.00)
Sewer Televising	<u>0.00</u>	<u>0.00</u>	<u>1,000.00</u>	<u>(1,000.00)</u>
<b>Total Sanitary Sewers</b>	<u>\$ 1,346.45</u>	<u>\$ 1,346.45</u>	<u>\$ 20,400.00</u>	<u>\$ (19,053.55)</u>
<b>Total Public Works</b>	<u>\$ 135,689.69</u>	<u>\$ 137,992.56</u>	<u>\$ 270,547.00</u>	<u>\$ (132,554.44)</u>

**Village of Elkhart Lake**  
**Statement of Expenditures**  
**For the Year ended December 31, 2016**

	<u>Current Quarter</u>	<u>Year to Date Actual</u>	<u>Annual Budget</u>	<u>Over (Under)</u>
<b>Capital Outlay</b>				
<b>Culture, Recreation and Education</b>				
<b>Civic Center</b>				
General Building Maintenance	\$ 786.21	\$ 1,986.21	\$ 2,000.00	\$ (13.79)
<b>Library</b>				
Library/Civic Center Expansion	\$ 0.00	\$ 0.00	\$ 46,000.00	\$ (46,000.00)
<b>Parks</b>				
General Building Maintenance	\$ 0.00	\$ 0.00	\$ 3,500.00	\$ (3,500.00)
Equipment	0.00	0.00	2,000.00	(2,000.00)
Occupational Supplies	0.00	0.00	500.00	(500.00)
Lake Spraying	<u>1,000.00</u>	<u>1,000.00</u>	<u>1,000.00</u>	<u>0.00</u>
<b>Total Parks</b>	<u>\$ 1,000.00</u>	<u>\$ 1,000.00</u>	<u>\$ 7,000.00</u>	<u>\$ (6,000.00)</u>
<b>Holiday Celebrations</b>				
Street Decorations	\$ 0.00	\$ 10,721.50	\$ 4,500.00	\$ 6,221.50
<b>Chamber/Depot</b>				
General Building Maintenance	\$ 5,000.00	\$ 5,000.00	\$ 3,000.00	\$ 2,000.00
<b>Total Culture, Rec. and Education</b>	<u>\$ 6,786.21</u>	<u>\$ 18,707.71</u>	<u>\$ 62,500.00</u>	<u>\$ (43,792.29)</u>
<b>Conservation and Development</b>				
<b>Economic Development</b>				
Industrial Park	\$ 0.00	\$ 0.00	\$ 40,000.00	\$ (40,000.00)
Bakalich Blacktopping	<u>0.00</u>	<u>0.00</u>	<u>20,000.00</u>	<u>(20,000.00)</u>
<b>Total Conservation and Dev.</b>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 60,000.00</u>	<u>\$ (60,000.00)</u>
<b>Total Capital Outlay</b>	<u>\$ 179,932.52</u>	<u>\$ 216,552.76</u>	<u>\$ 522,428.00</u>	<u>\$ (305,875.24)</u>

**Village of Elkhart Lake**  
**Statement of Expenditures**  
**For the Year ended December 31, 2016**

	<u>Current Quarter</u>	<u>Year to Date Actual</u>	<u>Annual Budget</u>	<u>Over (Under)</u>
<b>Debt Service</b>				
<b>Principal</b>				
Bonds	\$ 125,000.00	\$ 180,000.00	\$ 180,000.00	\$ 0.00
Notes	0.00	50,600.01	50,000.00	600.01
Land Contract	<u>0.00</u>	<u>30,000.00</u>	<u>30,000.00</u>	<u>0.00</u>
<b>Total Principal</b>	<u>\$ 125,000.00</u>	<u>\$ 260,600.01</u>	<u>\$ 260,000.00</u>	<u>\$ 600.01</u>
<b>Interest</b>				
Bonds	\$ 46,020.00	\$ 125,813.75	\$ 125,814.00	\$ (0.25)
Notes	<u>0.00</u>	<u>26,640.39</u>	<u>26,684.00</u>	<u>(43.61)</u>
<b>Total Interest</b>	<u>\$ 46,020.00</u>	<u>\$ 152,454.14</u>	<u>\$ 152,498.00</u>	<u>\$ (43.86)</u>
<b>Total Debt Service</b>	<u>\$ 171,020.00</u>	<u>\$ 413,054.15</u>	<u>\$ 412,498.00</u>	<u>\$ 556.15</u>
<b>Community Development Authority</b>				
<b>Conservation and Development</b>				
<b>Economic Development</b>				
CDA Development	\$ 0.00	\$ 750.00	\$ 20,000.00	\$ (19,250.00)
Expenses	<u>0.00</u>	<u>220.00</u>	<u>0.00</u>	<u>220.00</u>
<b>Total Conservation and Dev.</b>	<u>\$ 0.00</u>	<u>\$ 970.00</u>	<u>\$ 20,000.00</u>	<u>\$ (19,030.00)</u>
<b>Total Community Development Authority</b>	<u>\$ 0.00</u>	<u>\$ 970.00</u>	<u>\$ 20,000.00</u>	<u>\$ (19,030.00)</u>

**Village of Elkhart Lake**  
**Statement of Expenditures**  
**For the Year ended December 31, 2016**

	<u>Current Quarter</u>	<u>Year to Date Actual</u>	<u>Annual Budget</u>	<u>Over (Under)</u>
<b>TIF District #2 - Sargento / Victory</b>				
<b>General Government</b>				
<b>Administration</b>				
Expenses	\$ 0.00	\$ 1,460.00	\$ 4,000.00	\$ (2,540.00)
<b>Legal</b>				
Professional Services	\$ 1,000.00	\$ 5,822.00	\$ 8,000.00	\$ (2,178.00)
<b>Accounting and Auditing</b>				
Professional Services	\$ 1,575.00	\$ 2,825.00	\$ 6,500.00	\$ (3,675.00)
<b>Total General Government</b>	<u>\$ 2,575.00</u>	<u>\$ 10,107.00</u>	<u>\$ 18,500.00</u>	<u>\$ (8,393.00)</u>
<b>Conservation and Development</b>				
<b>Economic Development</b>				
Consulting Services	\$ 0.00	\$ 175.00	\$ 1,000.00	\$ (825.00)
Engineering Services	792.00	4,601.50	20,000.00	(15,398.50)
Developer Incentives	0.00	150,000.00	175,000.00	(25,000.00)
<b>Total Conservation and Dev.</b>	<u>\$ 792.00</u>	<u>\$ 154,776.50</u>	<u>\$ 196,000.00</u>	<u>\$ (41,223.50)</u>
<b>Capital Outlay</b>				
<b>Public Works</b>				
Property Acquisition	\$ 0.00	\$ 0.00	\$ 250,000.00	\$ (250,000.00)
Street Improvements - N. Lake Street	0.00	621.00	0.00	621.00
Street Improvements - Victory Lane	42,132.07	244,422.12	875,000.00	(630,577.88)
Street Improvements - Garfield Avenue	12,949.45	86,204.11	0.00	86,204.11
<b>Total Capital Outlay</b>	<u>\$ 55,081.52</u>	<u>\$ 331,247.23</u>	<u>\$1,125,000.00</u>	<u>\$ (793,752.77)</u>
<b>Debt Service</b>				
Principal	\$ 633,500.00	\$ 658,500.00	\$ 25,000.00	\$ 633,500.00
Interest	35,736.66	54,445.56	28,477.00	25,968.56
Debt Issue Costs	21,401.57	21,401.57	0.00	21,401.57
<b>Total Debt Service</b>	<u>\$ 690,638.23</u>	<u>\$ 734,347.13</u>	<u>\$ 53,477.00</u>	<u>\$ 680,870.13</u>
<b>Total TIF District #2 - Sargento / Victory</b>	<u>\$ 749,086.75</u>	<u>\$1,230,477.86</u>	<u>\$1,392,977.00</u>	<u>\$ (162,499.14)</u>

**Village of Elkhart Lake**  
**Statement of Expenditures**  
**For the Year ended December 31, 2016**

	<u>Current Quarter</u>	<u>Year to Date Actual</u>	<u>Annual Budget</u>	<u>Over (Under)</u>
<b>TIF District #3 - The Osthoff</b>				
<b>General Government</b>				
<b>Administration</b>				
Expenses	\$ 0.00	\$ 150.00	\$ 500.00	\$ (350.00)
<b>Legal</b>				
Professional Services	\$ 0.00	\$ 0.00	\$ 500.00	\$ (500.00)
<b>Accounting and Auditing</b>				
Professional Services	\$ 1,575.00	\$ 2,825.00	\$ 3,000.00	\$ (175.00)
<b>Total General Government</b>	<u>\$ 1,575.00</u>	<u>\$ 2,975.00</u>	<u>\$ 4,000.00</u>	<u>\$ (1,025.00)</u>
<b>Conservation and Development</b>				
<b>Economic Development</b>				
Consulting Services	\$ 0.00	\$ 175.00	\$ 500.00	\$ (325.00)
<b>Debt Service</b>				
Principal	\$1,035,000.00	\$1,050,000.00	\$ 15,000.00	\$ 1,035,000.00
Interest	39,872.81	89,081.03	51,439.00	37,642.03
Debt Issue Costs	26,508.77	26,508.77	0.00	26,508.77
<b>Total Debt Service</b>	<u>\$1,101,381.58</u>	<u>\$1,165,589.80</u>	<u>\$ 66,439.00</u>	<u>\$ 1,099,150.80</u>
<b>Total TIF District #3 - The Osthoff</b>	<u><u>\$1,102,956.58</u></u>	<u><u>\$1,168,739.80</u></u>	<u><u>\$ 70,939.00</u></u>	<u><u>\$ 1,097,800.80</u></u>

**Village of Elkhart Lake**  
**Statement of Expenditures**  
**For the Year ended December 31, 2016**

	<u>Current Quarter</u>	<u>Year to Date Actual</u>	<u>Annual Budget</u>	<u>Over (Under)</u>
<b>TIF District #4 - Wolf</b>				
<b>General Government Administration</b>				
Expenses	\$ 0.00	\$ 180.00	\$ 500.00	\$ (320.00)
<b>Legal</b>				
Professional Services	\$ 360.00	\$ 7,977.37	\$ 1,000.00	\$ 6,977.37
<b>Accounting and Auditing</b>				
Professional Services	\$ 1,575.00	\$ 2,825.00	\$ 5,000.00	\$ (2,175.00)
<b>Total General Government</b>	<u>\$ 1,935.00</u>	<u>\$ 10,982.37</u>	<u>\$ 6,500.00</u>	<u>\$ 4,482.37</u>
<b>Conservation and Development Economic Development</b>				
Engineering Services	\$ 2,717.00	\$ 4,503.00	\$ 5,000.00	\$ (497.00)
Developer Incentives	<u>150,000.00</u>	<u>800,000.00</u>	<u>0.00</u>	<u>800,000.00</u>
<b>Total Conservation and Dev.</b>	<u>\$ 152,717.00</u>	<u>\$ 804,503.00</u>	<u>\$ 5,000.00</u>	<u>\$ 799,503.00</u>
<b>Capital Outlay Public Works</b>				
Water Line Extension	\$ 8,466.50	\$ 10,045.58	\$ 0.00	\$ 10,045.58
<b>Debt Service</b>				
Principal	\$ 786,500.00	\$ 786,500.00	\$ 0.00	\$ 786,500.00
Interest	25,049.49	25,049.49	0.00	25,049.49
Debt Issue Costs	<u>25,171.16</u>	<u>30,171.16</u>	<u>5,000.00</u>	<u>25,171.16</u>
<b>Total Debt Service</b>	<u>\$ 836,720.65</u>	<u>\$ 841,720.65</u>	<u>\$ 5,000.00</u>	<u>\$ 836,720.65</u>
<b>Total TIF District #4 - Wolf</b>	<u>\$ 999,839.15</u>	<u>\$1,667,251.60</u>	<u>\$ 16,500.00</u>	<u>\$1,650,751.60</u>
<b>Total Expenditures</b>	<u>\$4,026,789.18</u>	<u>\$7,109,169.27</u>	<u>\$4,895,608.00</u>	<u>\$ 2,213,561.27</u>



**FORM OF LEGAL OPINION**

(See following pages.)

December \_\_\_\_, 2017

Village of Elkhart Lake  
40 Pine Street  
Elkhart Lake, Wisconsin 53020

Subject: \$2,595,000  
Village of Elkhart Lake, Wisconsin  
General Obligation Promissory Notes, Series 2017A

We have acted as bond counsel to the Village of Elkhart Lake, Wisconsin (the “**Issuer**”) in connection with the issuance of its \$2,595,000 Village of Elkhart Lake, Wisconsin General Obligation Promissory Notes, Series 2017A, dated December 21, 2017 (the “**Obligations**”).

We examined the law, a certified copy of the proceedings relating to the issuance of the Obligations, and certifications of public officials and others. As to questions of fact material to our opinion, we relied upon the certified proceedings and certifications without independently undertaking to verify them.

Based upon this examination, it is our opinion that, under existing law:

1. The Obligations are valid and binding general obligations of the Issuer.
2. All property in the Issuer’s territory is subject to *ad valorem* taxation without any limit as to rate or amount to pay the principal and interest coming due on the Obligations. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Obligations except to the extent that the Issuer has deposited other funds, or there is otherwise surplus money, in the account within the debt service fund created for the Obligations under Wisconsin law.
3. Interest on the Obligations is excluded from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers; however, interest on the Obligations is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on certain corporations. The Issuer must comply with all requirements of the Internal Revenue Code of 1986, as amended (the “**Code**”), that must be satisfied after the Obligations are issued for interest on the Obligations to be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer has agreed to comply with those requirements. Its failure to do so may cause interest on the Obligations to be included in gross income for federal income tax purposes, in some cases retroactively to the date the Obligations were issued. The Issuer has designated the Obligations as “qualified tax-exempt obligations” for purposes of Section 265(b)(3)



FOLEY & LARDNER LLP

Village of Elkhart Lake

December \_\_, 2017

Page 2

of the Code. We express no opinion about other federal tax law consequences relating to the Obligations.

The rights of the owners of the Obligations and the enforceability of the Obligations may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or an equitable proceeding).

We express no opinion as to the truth or completeness of any official statement or other disclosure document used in connection with the offer and sale of the Obligations.

Our opinion is given as of the date of this letter. We assume no duty to update our opinion to reflect any facts or circumstances that later come to our attention or any subsequent changes in law. In acting as bond counsel, we have established an attorney-client relationship only with the Issuer.

Very truly yours,

### BOOK-ENTRY-ONLY SYSTEM

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

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

**FORM OF CONTINUING DISCLOSURE AGREEMENT**

(See following pages.)

## CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement, dated as of December 21, 2017 (this “**Disclosure Agreement**”), is executed and delivered by the Village of Elkhart Lake, Wisconsin (the “**Issuer**”), a municipal securities issuer and a governmental entity located in the State of Wisconsin. The Issuer covenants and agrees as follows:

### **Section 1. Definitions.**

The following capitalized terms have the following meanings:

“**Annual Financial Information**” means the Issuer’s financial information or operating data, for the preceding fiscal year, of the type included in the Final Official Statement and specifically described in Section 3(a) hereof.

“**Commission**” means the U.S. Securities and Exchange Commission.

“**Dissemination Agent**” means any agent responsible for assisting the Issuer in carrying out its obligations under this Disclosure Agreement which has been designated as a dissemination agent in writing by the Issuer and has filed with the Issuer a written acceptance of such designation, and the successors and assigns of such dissemination agent.

“**EMMA**” means the Electronic Municipal Market Access system for municipal securities disclosures, a Commission-approved electronic database established and operated by the MSRB to accommodate the collection and availability of required filings of secondary market disclosures under the Rule.

“**Event Notice**” means a notice of occurrence of a Listed Event provided under Section 4(b) hereof or a notice provided under Sections 3(d), 4(c), or 8 hereof, each of which shall be transmitted as described in Section 5 hereof.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended from time to time.

“**Final Official Statement**” means the offering document prepared and distributed to a Participating Underwriter in connection with the primary offering of the Obligations.

“**Issuer**” means the municipal securities issuer named above.

“**Listed Event**” means any of the events listed in Section 4(a) of this Disclosure Agreement.

“**MSRB**” means the Municipal Securities Rulemaking Board, which serves as the sole repository for all required filings of all secondary market disclosures under the Rule.

“**Obligated Person**” means, with respect to any issue of municipal securities, any person, including the issuer of such municipal securities, who is either generally or through an enterprise, fund, or account of such person, committed by contract or other arrangement to support payment of all, or part of such municipal securities (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities).

“**Obligations**” means the Issuer’s \$2,595,000 General Obligation Promissory notes, Series 2017A, dated December 21, 2017.

“**Owners**” means the beneficial owners from time to time of the Obligations.

“**Participating Underwriter**” means any broker, dealer, or municipal securities dealer that is required to comply with the Rule when acting as underwriter in the primary offering of the Obligations.

“**Resolution**” means collectively, the resolutions adopted by the governing body of the Issuer on November 6, 2017 and on December 4, 2017, pursuant to which the Obligations are issued.

“**Rule**” means Rule 15c2-12(b)(5) adopted by the Commission under the Exchange Act.

## **Section 2. Purpose of this Disclosure Agreement.**

The purpose of this Disclosure Agreement is to assist a Participating Underwriter in complying with the Rule when acting as an underwriter in the primary offering of the Obligations.

The Issuer represents that on the date hereof it is an Obligated Person with respect to not more than \$10,000,000 aggregate amount of outstanding municipal securities, including the Obligations.

## **Section 3. Annual Financial Information.**

- (a) The Annual Financial Information shall include, at a minimum, that financial information and operating data which is customarily prepared by the Issuer and is publicly available, which as of the date of this Disclosure Agreement includes the following:
  - 1. the Issuer’s audited annual financial statements, and
  - 2. the Issuer’s adopted annual budget.
- (b) The Issuer shall, at least annually, not later than 10 months following the close of the Issuer’s fiscal year (currently December 31), submit its Annual Financial Information to the MSRB. If the Issuer’s audited annual financial statements are not available on the date the Annual Financial Information is due to be submitted, then the Issuer shall submit the



statements to the MSRB within ten business days after they are publicly available.

- (c) If the Issuer fails to submit its Annual Financial Information to the MSRB by the date required in subsection (b) above, then the Issuer shall promptly send an Event Notice of such failure to the MSRB.

**Section 4. Reporting of Listed Events; Event Notices.**

- (a) This Section 4 shall govern the submission of an Event Notice after the occurrence of any of the following Listed Events with respect to the Obligations:
  1. Principal and interest payment delinquencies.
  2. Non-payment related defaults, if material under the Exchange Act.
  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 Obligations, or other material events affecting the tax status of the Obligations.
  7. Modifications to rights of Owners, if material under the Exchange Act.
  8. Redemptions of the Obligations, if material under the Exchange Act, and tender offers.
  9. Defeasances.
  10. Release, substitution, or sale of property securing repayment of the Obligations, if material under the Exchange Act.
  11. Rating changes.
  12. Bankruptcy, insolvency, receivership, or similar event of the Issuer (for the purposes of this event, 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 the assets or business of the Issuer).

13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all 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 under the Exchange Act.
  14. Appointment of a successor or additional trustee or the change of name of a trustee, if material under the Exchange Act.
- (b) The Issuer shall submit an Event Notice to the MSRB within ten business days after the occurrence of any Listed Event.
  - (c) If the Issuer determines that it failed to submit an Event Notice of an occurrence of a Listed Event as required by subsection (b) above, then it shall promptly submit an Event Notice with respect to such occurrence to the MSRB.

**Section 5. Transmittal of Annual Financial Information and Event Notices.**

Annual Financial Information and Event Notices shall be submitted to the MSRB in an electronic format, and accompanied by identifying information, as prescribed by the MSRB. As of the date of this Disclosure Agreement, the MSRB requires that all submissions of secondary disclosure be made through EMMA. The Annual Financial Information may be submitted as a single document or as a package comprising separate documents. Any or all the items constituting the Annual Financial Information may be incorporated by reference from other documents available to the public on the MSRB's internet website or filed with the Commission. The Issuer shall clearly identify each document so incorporated by reference.

**Section 6. Duty to Confirm MSRB's Filing Format and Procedure.**

The Issuer shall confirm, in the manner it deems appropriate, the MSRB's prescriptions concerning the electronic format and accompanying identifying information for submissions. As of the date of this Disclosure Agreement, information on the MSRB's required

electronic format and submission procedures through EMMA can be found on the MSRB's internet website at [www.emma.msrb.org](http://www.emma.msrb.org).

**Section 7. Termination of Disclosure Agreement and Reporting Obligation.**

This Disclosure Agreement and the Issuer's disclosure obligations under this Disclosure Agreement with respect to the Obligations shall terminate upon the legal defeasance (if applicable), prior redemption, or payment in full of all the Obligations or if the Rule shall be revoked or rescinded by the Commission or declared invalid by a final decision of a court of competent jurisdiction.

**Section 8. Amendment; Waiver.**

Notwithstanding any other provision of this Disclosure Agreement, the Issuer may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if the following conditions are met:

- (a) 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 an obligated person, or the type of business conducted;
- (b) This Disclosure Agreement, as amended or waived, would have complied with the requirements of the Rule on the date of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) The amendment or waiver does not materially impair the interests of Owners, as determined either by parties unaffiliated with the Issuer (such as the fiscal agent, trustee, or bond counsel), or by approving vote of the Owners pursuant to the terms of the Resolution at the time of the amendment.

In the event this Disclosure Agreement 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 Financial Information 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 Financial Information 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. Dissemination Agent.**

The Issuer may, from time to time, appoint or engage a Dissemination Agent and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent.

**Section 10. Additional Information.**

The Issuer may, from time to time, choose to disseminate other information, using the means of transmittal set forth in Section 5 hereof or any other means of communication, or to include other information with its Annual Financial Information or Event Notice, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information with its Annual Financial Information or Event Notice in addition to that which is specifically required by this Disclosure Agreement, then the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Financial Information or Event Notice.

**Section 11. Default.**

The sole remedy of the Owners under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action to compel performance.

**Section 12. Beneficiaries.**

The Issuer intends to be contractually bound by this Disclosure Agreement. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Participating Underwriters, and the Owners, and shall create no rights in any other person or entity.

**Section 13. Recordkeeping.**

The Issuer shall maintain records of all Annual Financial Information and Event Notices submitted to the MSRB pursuant to this Disclosure Agreement, including the content and the date of filing of such submissions, until the last Obligation has been retired.

**Section 14. Responsible Officer.**

The Issuer's Administrator/Clerk-Treasurer shall be the officer, representative, agency, or agent of the Issuer ultimately responsible for submitting Annual Financial Information and Event Notices to the MSRB, to the extent required hereunder, regardless of whether a Dissemination Agent has been appointed. Any inquiries regarding this Disclosure Agreement should be directed to:

Attention: Administrator/Clerk-Treasurer  
Village of Elkhart Lake  
40 Pine Street  
Elkhart Lake, WI 53020  
Telephone: (920) 876-2122  
Fax: (920) 876-2892  
Email: [clerk@elkhartlakewi.gov](mailto:clerk@elkhartlakewi.gov)

*[Signature Page Follows]*

IN WITNESS WHEREOF, the Issuer has caused this Disclosure Agreement to be executed by its duly authorized officer or representative as of the date written above.

VILLAGE OF ELKHART LAKE  
Issuer

By: \_\_\_\_\_  
Title: Village Administrator/Clerk-Treasurer

**NOTICE OF SALE**

**\$2,595,000\* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2017A  
VILLAGE OF ELKHART LAKE, WISCONSIN**

Bids for the purchase of \$2,595,000\* General Obligation Promissory Notes, Series 2017A (the "Notes") of the Village of Elkhart Lake, Wisconsin (the "Village") will be received at the offices of Ehlers & Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Municipal Advisors to the Village, until 10:00 A.M., Central Time, and **ELECTRONIC BIDS** will be received via **PARITY**, in the manner described below, until 10:00 A.M. Central Time, on December 4, 2017 (the "Sale Date"), at which time they will be opened, read, and tabulated. The bids will be presented to the Village Board of Trustees for consideration for award by resolution (the "Award Resolution") at a meeting to be held at 7:00 P.M., Central Time, on the Sale Date. The bid offering to purchase the Notes upon the terms specified herein and most favorable to the Village will be accepted unless all bids are rejected.

**PURPOSE**

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, to finance (i) construction and improvements to village hall, construction of public restrooms, the purchase of a fire truck and a dump truck, stormwater and sewer system improvements, and land acquisition for the site of a new public works building, and (ii) the advance refunding of certain outstanding obligations of the Village as more fully described in the Preliminary Official Statement. The Notes are general obligations of the Village, and all the taxable property in the Village is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount.

**DATES AND MATURITIES**

The Notes will be dated December 21, 2017, will be issued as fully registered Notes in the denomination of \$5,000 each, or any multiple thereof, and will mature on November 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2018	\$50,000	2022	\$235,000	2026	\$260,000
2019	215,000	2023	245,000	2027	640,000
2020	225,000	2024	250,000		
2021	225,000	2025	250,000		

**ADJUSTMENT OPTION**

\* The Village reserves the right to increase or decrease the amount of any individual maturity of the Notes in increments of \$5,000 on the Sale Date. If individual maturities are increased or decreased, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

**TERM NOTE OPTION**

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

## INTEREST PAYMENT DATES AND RATES

Interest will be payable on May 1 and November 1 of each year, commencing May 1, 2018, to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months. **The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2019 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.)** All Notes of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in a multiple of 5/100 or 1/8 of 1%.

## BOOK-ENTRY-ONLY FORMAT

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

## OPTIONAL REDEMPTION

At the option of the Village, the Notes maturing on or after November 1, 2025 shall be subject to optional redemption prior to maturity on November 1, 2024 and on any date thereafter, at a price of par plus accrued interest.

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

Notice of redemption shall be sent by first class mail not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each Note to be redeemed at the address shown on the registration books maintained by the Fiscal Agent.

A notice of optional redemption may be revoked by sending a notice, by first class mail, not less than 15 days prior to the proposed redemption date to the registered owners of the Notes which have been called for redemption.

## DELIVERY

On or about December 21, 2017 (the "Closing Date"), the Notes will be delivered without cost to the winning bidder at DTC. On the Closing Date, the Village will furnish to the winning bidder the opinion of bond counsel hereinafter described, a tax certificate, and a certificate verifying that no litigation in any manner questioning the validity of the Notes is then pending or, to the best knowledge of officers of the Village, threatened. Payment for the Notes must be received by the Village at its designated depository on the Closing Date in immediately available funds.



## LEGAL OPINION

An opinion as to the validity of the Notes and the exemption from federal taxation of the interest thereon will be furnished by Foley & Lardner LLP, Bond Counsel to the Village, and will be available on the Closing Date. The legal opinion will be issued on the basis of existing law and will state that the Notes are valid and binding general obligations of the Village; provided that the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding).

## SUBMISSION OF BIDS

Bids for the Notes shall not be less than \$2,566,455 nor more than \$2,698,800 plus accrued interest on the principal amount of \$2,595,000 from date of original issue of the Notes to the Closing Date. Prior to the time on the Sale Date established above for the opening of bids, interested parties may submit a bid as follows:

- 1) Electronically to [bondsale@ehlers-inc.com](mailto:bondsale@ehlers-inc.com); or
- 2) Facsimile submission to Ehlers, Facsimile Number (651) 697-8555; or
- 3) Electronically via **PARITY** in accordance with this Notice of Sale until 10:00 A.M. Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 2<sup>nd</sup> Floor, New York, New York 10018, Telephone (212) 849-5021.

Bids must be submitted to Ehlers via one of the methods described above and must be received prior to the time on the Sale Date established above for the opening of bids. Each bid must be unconditional except as to legality. Neither the Village nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit in the amount of \$51,900 (the "Deposit") shall be made by the winning bidder by wire transfer of funds to **KleinBank, 1550 Audubon Road, Chaska, Minnesota, ABA No. 091915654 for credit: Ehlers & Associates Good Faith Account No. 3208138**. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time on the Sale Date. The Village reserves the right to award the Notes to a winning bidder whose wire transfer has been initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the Village may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the Village as liquidated damages if the bid is accepted and the winning bidder fails to comply therewith.

The Village and the winning bidder hereby agree irrevocably that Ehlers shall hold the Deposit in escrow subject to the following conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the bid is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the bid is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

No bid can be withdrawn after the time set for receiving bids on the Sale Date unless the meeting of the Village scheduled for award of the Notes is adjourned, recessed, or continued to another date without award of the Notes having been made.

## **AWARD**

The Notes will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The Village's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Notes will be awarded by lot. The Village reserves the right to reject any and all bids and to waive any informality in any bid.

## **BOND INSURANCE**

A policy of municipal bond insurance or commitment therefor may be purchased at the option of the winning bidder, provided that the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole expense of the winning bidder. In the event an insurance policy is purchased for the Notes, the winning bidder shall also be responsible for ascertaining whether or not the municipal bond insurer requires specific language with respect to the insurer and the insurance policy to be included in the Award Resolution. The winning bidder shall provide, or cause the insurer to provide, any such required language to bond counsel no later than 1:00 p.m. Central Time on the Sale Date. Any increased costs of issuance for the Notes resulting from the purchase of bond insurance shall be paid by the winning bidder, except that, if the Issuer has requested and received a rating on the Notes from a rating agency, then the Issuer will pay that rating fee. Any other rating agency fees shall be the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Notes are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Notes.

## **CUSIP NUMBERS**

The Village will assume no obligation for the assignment or printing of CUSIP numbers on the Notes or for the accuracy of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery caused as a result of printing CUSIP numbers on the Notes.

## **QUALIFIED TAX-EXEMPT OBLIGATIONS**

The Village will designate the Notes as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

## **CONTINUING DISCLOSURE**

In order to assist the winning bidder in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the Village will enter into an agreement for the benefit of the owners of the Notes. The agreement is in substantially the form set forth in Appendix D of the Preliminary Official Statement.

## **ESTABLISHMENT OF ISSUE PRICE PRIOR TO CLOSING**

The winning bidder shall assist the Issuer in establishing the issue price of the Obligations and shall execute and deliver to the Issuer on the closing date for the Obligations an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sale price or prices of the Obligations, together with the supporting pricing wires or equivalent communications, and compliance with the representations and covenants below, and identifying all underwriters for purposes of the issue price rules.

The Issuer 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 Obligations) will apply to the initial sale of the Obligations (the "**competitive sale requirements**") because:

- (1) the Issuer shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Issuer expects to receive bids from at least three underwriters of municipal obligations who have established industry reputations for underwriting new issuances of municipal obligations; and
- (4) the Issuer anticipates awarding the sale of the Obligations to the bidder who submits a firm offer to purchase the Obligations at the lowest true interest cost as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Obligations as specified in the bid.

**However, bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Bidders should prepare their bids on the assumption that all of the maturities of the Obligations will be subject to “hold-the-offering price” rule to establish the issue price of the Obligations.**

In the event that the competitive sale requirements are not satisfied, the winning bidder must comply with the “hold-the-offering-price rule.”

By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Obligations to the public on or before the date of award at the offering price or prices (the “**initial offering price**”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder, and (ii) agree, on behalf of the underwriters participating in the purchase of the Obligations, that the underwriters will neither offer nor sell unsold Obligations of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Obligations to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the Issuer and its financial advisor when the underwriters have sold 10% of that maturity of the Obligations 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 (5th) business day after the sale date.

The Issuer acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires and representations relating to actual sales, (ii) in the event a selling group has been created in connection with the initial sale of the Obligations to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires and representations relating to actual sales, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Obligations to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires and representations relating to actual sales.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Obligations 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 retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Obligations of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Obligations of that maturity or all Obligations of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule in each case if and for so long as directed by the winning bidder and as set forth in the related

pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Obligations to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Obligations to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Obligations of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Obligations of that maturity or all Obligations of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Obligations to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this section of the Notice of Sale:

- (i) “**public**” means any person (including any individual, trust, estate, partnership, association or corporation) other than an underwriter or a related party,
- (ii) “**underwriter**” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Obligations 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 Obligations 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 Obligations to the public).
- (iii) a winning bidder of any of the Obligations is a “**related party**” to an underwriter if the underwriter and the winning bidder are subject, directly or indirectly, to (A) at least 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),
- (iv) “**Sale Date**” means the date that the Obligations are awarded by the Issuer to the winning bidder, and
- (v) “**Maturity**” means each maturity of substantially identical Obligations. For this purpose, Obligations are not treated as substantially identical if they have different credit or payment terms. For example, Obligations having the same nominal maturity are not treated as having the same “maturity” for this purpose if they have different interest rates.

### PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain the Preliminary Official Statement relating to the Notes prior to the bid opening by request from Ehlers at [www.ehlers-inc.com](http://www.ehlers-inc.com) by connecting to the Bond Sales link. The representative of the winning bidder will be provided with an electronic copy of the Final Official Statement within seven business days of the bid acceptance. Up to 10 paper copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

Information for bidders and bid forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the Village Board

Jessica Reilly, Clerk-Treasurer/Administrator  
Village of Elkhart Lake, Wisconsin

# BID FORM

The Village Board  
Village of Elkhart Lake, Wisconsin

December 4, 2017

RE: \$2,595,000\* General Obligation Promissory Notes, Series 2017A  
DATED: December 21, 2017

For all or none of the above Notes, in accordance with the Notice of Sale and terms of the Book-Entry Only System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$\_\_\_\_\_ (not less than \$2,566,455 nor more than \$2,698,800) plus accrued interest to date of delivery for fully registered Notes bearing interest rates and maturing in the stated years as follows:

_____ % due	2018	_____ % due	2022	_____ % due	2026
_____ % due	2019	_____ % due	2023	_____ % due	2027
_____ % due	2020	_____ % due	2024		
_____ % due	2021	_____ % due	2025		

\* The Village reserves the right to increase or decrease the amount of any individual maturity of the Notes in increments of \$5,000 on the day of sale. If individual maturities are increased or decreased, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

**The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2019 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.)** All Notes of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in a multiple of 5/100 or 1/8 of 1%.

If we are the winning bidder, we will wire our Deposit in the amount of \$51,900 to **KleinBank, 1550 Audubon Road, Chaska, Minnesota, ABA No. 091915654 for credit: Ehlers & Associates Good Faith Account No. 3208138**. Such Deposit shall be received by Ehlers & Associates no later than two hours after the bid opening time. The Village reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received. In the event the Deposit is not received as provided above, the Village may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. If our bid is not accepted, said deposit shall be promptly returned to us. If the Deposit is wired to such escrow account, we agree to the conditions and duties of Ehlers & Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Notes to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about December 21, 2017.

This bid is subject to the Village's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for this Issue.

We have received and reviewed the Official Statement and have submitted our requests for additional information or corrections to the Final Official Statement. As Syndicate Manager, we agree to provide the Village with the information necessary for the establishment of the issue price by the times described in the Notice of Sale.

This bid is a firm offer for the purchase of the Notes identified in the Notice of Sale, on the terms set forth in this bid form and the Notice of Sale, and is not subject to any conditions, except as permitted by the Notice of Sale.

By submitting this bid, we confirm that we are an Underwriter and have an established industry reputation for underwriting new issuances of municipal bonds. YES: \_\_\_ NO: \_\_\_.

Account Manager: \_\_\_\_\_ By: \_\_\_\_\_

Account Members:

**Award will be on a true interest cost basis.** According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from December 21, 2017 of the above bid is \$\_\_\_\_\_ and the true interest cost (TIC) is \_\_\_\_\_%.

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The foregoing offer is hereby accepted by and on behalf of the Board of Trustees of the Village of Elkhart Lake, Wisconsin, on December 4, 2017.

By: \_\_\_\_\_ By: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_