

# PRELIMINARY OFFICIAL STATEMENT DATED DECEMBER 28, 2018

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 Bonds 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 individuals. See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Bonds. The interest on the Bonds is not exempt from current Wisconsin income or franchise taxes.

The Village will designate the Bonds as "qualified tax-exempt obligations" pursuant to 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 allocable to carrying and acquiring tax-exempt obligations.

**New Issue**

**Rating Application Made: Moody's Investors Service**

## VILLAGE OF FONTANA-ON-GENEVA LAKE, WISCONSIN (Walworth County)

### \$7,780,000\* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2019A

**BID OPENING:** January 7, 2019, 10:00 A.M., C.T.

**CONSIDERATION:** January 7, 2019, 6:00 P.M., C.T.

**PURPOSE/AUTHORITY/SECURITY:** The \$7,780,000\* General Obligation Corporate Purpose Bonds, Series 2019A (the "Bonds") of the Village of Fontana-on-Geneva Lake, Wisconsin (the "Village") are being issued pursuant Chapter 67 of the Wisconsin Statutes, to finance sewerage improvements, including but not limited to storm sewer and sanitary sewer improvements; street improvements; water system improvements, including, but not limited to the replacement of water mains and construction, extensions and improvements to the water system; and parking lots and other parking facilities, including but not limited to construction of and improvements to the beach parking lot (collectively, the "Project"); and the current refunding of the outstanding principal amount of the Village's \$7,140,000 General Obligation Corporate Purpose Bonds, Series 2010B, dated November 30, 2010, and \$208,000 General Obligation Promissory Note, dated March 30, 2018 (collectively, the "Refunding"). The Bonds are valid and binding 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 Bonds 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 BONDS:** January 24, 2019

**MATURITY:** March 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2020	\$435,000	2027	\$720,000	2034	\$125,000
2021	575,000	2028	785,000	2035	125,000
2022	640,000	2029	775,000	2036	130,000
2023	610,000	2030	100,000	2037	140,000
2024	685,000	2031	110,000	2038	140,000
2025	705,000	2032	110,000		
2026	755,000	2033	115,000		

**MATURITY ADJUSTMENTS:** \* The Village reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

**TERM BONDS:** See "Term Bond Option" herein.

**INTEREST:** March 1, 2020 and semiannually thereafter.

**OPTIONAL REDEMPTION:** Bonds maturing March 1, 2028 and thereafter are subject to redemption prior to maturity on March 1, 2027 and on any date thereafter, at a price of par plus accrued interest.

**MINIMUM BID:** \$7,682,750.

**MAXIMUM BID:** \$7,935,600.

**GOOD FAITH DEPOSIT:** A good faith deposit in the amount of \$155,600 shall be made by the winning bidder by wire transfer.

**FISCAL AGENT:** To be appointed by the Issuer.

**BOND COUNSEL:** Foley & Lardner LLP

**MUNICIPAL ADVISOR:** Ehlers and Associates, Inc.

**BOOK-ENTRY-ONLY:** See "Book-Entry-Only System" in Appendix C.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. 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. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), but is subject to revision, amendment and completion in a Final Official Statement.

## 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 Bonds 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 of the winning bidder. 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 Bonds.

## 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 Bonds 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 nearly 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 bid 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 Bonds are exempt or required to comply with the Rule.

## CLOSING CERTIFICATES

Upon delivery of the Bonds, 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 Bonds and on all dates subsequent thereto up to and including the date of the delivery of the Bonds, the 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 Bonds; (3) a certificate evidencing the due execution of the Bonds, 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 Bonds, (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 Bonds 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 Bonds in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

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## VILLAGE OF FONTANA-ON-GENEVA LAKE VILLAGE BOARD

		<u>Term Expires</u>
Patrick Kenny	President	April 2019
Arvid Petersen	Trustee	April 2019
John O'Neill	Trustee	April 2019
Stanton Livingston	Trustee	April 2020
Thomas McGreevy	Trustee	April 2019
Rick Pappas	Trustee	April 2020
David Prudden	Trustee	April 2020

### ADMINISTRATION

Theresa Loomer, Administrator/Clerk

Scott Vilona, Treasurer

### PROFESSIONAL SERVICES

Thorpe & Christian, S.C., Village Attorney, Delavan, Wisconsin

Foley & Lardner LLP, Bond Counsel, Milwaukee, Wisconsin

Ehlers and 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 Fontana-on-Geneva Lake, Wisconsin (the "Village") and the issuance of its \$7,780,000\* General Obligation Corporate Purpose Bonds, Series 2019A (the "Bonds"). Any descriptions or summaries of the Bonds, 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 Bonds to be included in the resolution authorizing the sale and issuance of the Bonds ("Award Resolution") to be adopted by the Village Board on January 7, 2019.

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

## THE BONDS

### GENERAL

The Bonds 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 January 24, 2019, the date of their original issuance. The Bonds will mature on March 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on March 1 and September 1 of each year, commencing March 1, 2020, to the registered owners of the Bonds 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 Bonds 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 Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, and interest on, the Bonds shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, and interest on, the Bonds shall be payable as provided in the Award Resolution.

The Village may appoint its Treasurer or may select a bank or trust company to act as authentication agent, paying agent and registrar (the "Fiscal Agent"). If an outside Fiscal Agent is selected, then the Village will pay the fees for Fiscal Agent services. The Village reserves the right to remove the Fiscal Agent and to appoint a successor.

### OPTIONAL REDEMPTION

The Bonds maturing on and after March 1, 2028 shall be subject to optional redemption prior to maturity on March 1, 2027 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 Bonds to be redeemed shall be at the discretion of the Village. If only part of the Bonds 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.

\* Preliminary, subject to change.

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 Bond 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 Bonds which have been called for redemption.

**AUTHORITY; PURPOSE**

The Bonds are being issued pursuant to Chapter 67 of the Wisconsin Statutes, to finance sewerage improvements, including but not limited to storm sewer and sanitary sewer improvements; street improvements; water system improvements, including, but not limited to the replacement of water mains and construction, extensions and improvements to the water system; and parking lots and other parking facilities, including but not limited to construction of and improvements to the beach parking lot (collectively, the “Project”); and the current refunding of the outstanding principal amount of the Village’s \$7,140,000 General Obligation Corporate Purpose Bonds, Series 2010B, dated November 30, 2010, and \$208,000 General Obligation Promissory Note, dated March 30, 2018 (collectively, the “Refunding”) 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>
\$7,140,000 General Obligation Corporate Purpose Bonds, Series 2010B (the “2010B Bonds”)	11/30/10	3/1/19	100%	2020	4.000%	\$400,000
				2021	4.000%	425,000
				2022	4.000%	500,000
				2023	4.000%	475,000
				2024	4.000%	550,000
				2025	4.125%	575,000
				2026	4.250%	625,000
				2027	4.375%	600,000
				2028	4.500%	675,000
				2029	4.500%	<u>700,000</u>
Subtotal - the 2010B Bonds						\$5,525,000
\$208,000 General Obligation Promissory Note (the “Bank Note”)	3/30/18	2/19/19	100%	2019	3.420%	\$33,728
				2020	3.420%	<u>170,475</u>
Subtotal - the Bank Note						<u>\$204,203</u>
Total principal being refunded by the Bonds						<b>\$5,729,203</b>

## ESTIMATED SOURCES AND USES\*

### Sources

Par Amount of Bonds	\$7,780,000	
Transfers from Prior Issue Debt Service Funds	691,406	
Estimated Interest Earnings	<u>1,750</u>	
<b>Total Sources</b>		<b>\$8,473,156</b>

### Uses

Total Underwriter's Discount	\$97,250	
Costs of Issuance	64,650	
Deposit to Borrowed Money Fund	2,000,700	
Deposit to Borrowed Money Fund for Refunding	6,310,203	
Rounding Amount	<u>353</u>	
<b>Total Uses</b>		<b>\$8,473,156</b>

\*Preliminary, subject to change.

## SECURITY

For the prompt payment of the Bonds 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 Bonds when it becomes due and also to pay and discharge the principal on the Bonds 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

General obligation debt of the Village, with the exception of any outstanding credit-enhanced issues, is currently rated "Aa3" by Moody's Investors Service ("Moody's").

The Village has requested a rating on the Bonds from Moody's, and bidders will be notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from Moody's. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Bonds, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Agreement described under the heading "CONTINUING DISCLOSURE" neither the Village nor the Underwriter undertake responsibility to bring to the attention of the owners of the Bonds any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

## 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 Village will enter into a Continuing Disclosure Agreement (the “Disclosure Agreement”) for the benefit of the owners (including beneficial owners) of the Bonds to be executed and delivered by the Village on the date the Bonds are delivered. The Disclosure Agreement obligates the Village to provide certain annual financial information and operating data relating to the Village 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 Bonds which are listed in the Rule. **The Disclosure Agreement provides that the annual financial information will be filed not later than the September 30 following the end of each fiscal year. The Village’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 Village to comply with the Disclosure Agreement will not constitute an event of default on the Bonds (although owners of the Bonds 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 Bonds in the secondary market. Consequently, such a failure may adversely affect the liquidity of the Bonds 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 undertakings under the Rule.

The Village will file its continuing disclosure information with the MSRB using the Electronic Municipal Market Access (“EMMA”) system or any system that may be prescribed in the future by the MSRB. 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 Bonds 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 Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding general obligations of the Village; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). (See “Form of Legal Opinion” attached as Appendix B).

## 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” and the “FORM OF LEGAL OPINION” found in Appendix B.

## TAX EXEMPTION

In the opinion of Bond Counsel, under existing law, interest on the Bonds 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 individuals. The Village must comply with certain requirements of the Internal Revenue Code for interest on the Bonds to be, or continue to be, excluded from gross income for federal income



tax purposes. The Village 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 Bonds to be included in gross income for federal income tax purposes, perhaps even starting from the date the Bonds are issued. The proceedings authorizing the Bonds do not provide for an increase in interest rates or a redemption of the Bonds in the event interest on the Bonds 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 Bonds 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 Bonds. Other federal tax law provisions may adversely affect the value of an investment in the Bonds for particular owners of Bonds. Prospective investors should consult their own tax advisors about the tax consequences of owning a Bond.

Current and future legislative proposals, if enacted into law, may cause the interest on the Bonds to be subject, directly or indirectly, to federal income taxation or otherwise prevent the owners of the Bonds 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 Bonds. Prospective purchasers of the Bonds 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 Village, including owners of the Bonds, would have little or no right to participate in an IRS examination of the Bonds. 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 Village may disagree may not be practicable. Any action of the IRS, including selection of the Bonds 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 Bonds and may cause the Village to incur significant expense.

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

Interest on the Bonds 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 Bond.

#### *Original Issue Discount*

Bond Counsel observes that the Bonds may be treated as sold with original issue discount for federal income tax purposes. Under existing law, any original issue discount on the Bonds is excluded from gross income for federal income tax purposes to the same extent as interest payable on such Bonds. In general, the original issue discount is the excess of the "stated redemption price at maturity" of a Bond over the issue price of that Bond. The issue price of a maturity of the Bonds generally is the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such maturity of the Bonds were first sold. In general, the stated redemption price at maturity of a Bond is the sum of all payments provided by the Bond other than "qualified stated interest" payments. In general, qualified stated interest is stated interest that is unconditionally payable in cash or in property (other than in debt instruments of the issuer) at least annually.

Original issue discount on tax-exempt obligations accrues on a constant-yield-to-maturity method based on regular compounding. The amount of original issue discount accrued in a particular accrual period will be

considered to be received ratably on each day of the accrual period and will increase the owner's tax basis in the obligations. The adjusted tax basis will be used to determine taxable gain or loss upon a disposition (for example, upon a sale, exchange, redemption, or payment at maturity) of the obligations.

Owners of Bonds with original issue discount should consult their own tax advisors with respect to the federal tax consequences of owning such Bonds, including the computation of accrued original issue discount and the accrual of original issue discount allocable to owners that do not purchase their Bonds in the initial offering at the issue price.

Owners of Bonds with original issue discount should also consult their own tax advisors with respect to the state and local tax consequences of owning Bonds. Under the applicable provisions governing the determination of state and local taxes, ownership of Bonds with original issue discount may result in a tax liability in the year of accrual, even though there will not be a corresponding cash payment until a later year.

### **QUALIFIED TAX-EXEMPT OBLIGATIONS**

The Village will designate the Bonds 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 Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. 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, Colorado, 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, 2017, have been audited by Sitzberger & Company, S.C., Lake Geneva, 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 procedures relating to this Preliminary Official Statement.

## RISK FACTORS

Following is a description of possible risks to owners of the Bonds 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.

Following is a description of possible risks to owners of the Bonds 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 Bonds 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 Bonds. 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.

**Ratings; Interest Rates; Tax Rates:** In the future, the Village's credit rating may be reduced or withdrawn, interest rates for this type of obligation may rise generally, or income tax rates may be reduced, any such possibility resulting in a reduction in the value of the Bonds 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 Bonds 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 Bonds 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 (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Bonds. 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 Bonds in the secondary market. Such a failure may adversely affect the liquidity of the Bonds and their market price.

**Book-Entry-Only System:** The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds 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 the Bonds will be delivered by the Village or Fiscal Agent to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

**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 Bonds in the secondary market.

**Secondary Market for the Bonds:** No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof. Prices of the Bonds 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 Bonds. Such market value could be substantially different from the original purchase price.

**Bankruptcy:** The rights and remedies of the owners 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 Bonds will be similarly qualified. See "MUNICIPAL BANKRUPTCY" herein.

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

# 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

2018 Equalized Value	\$1,176,212,800
2018 Equalized Value Reduced by Tax Increment Valuation	\$1,118,027,100
2018 Assessed Value	\$1,169,094,100

## 2018 EQUALIZED VALUE BY CLASSIFICATION

	<b>2018 Equalized Value</b>	<b>Percent of Total Equalized Value</b>
Residential	\$1,131,472,700	96.196%
Commercial	41,757,700	3.550%
Manufacturing	0	0.000%
Agricultural	15,000	0.001%
Undeveloped	26,800	0.002%
Ag Forest	0	0.000%
Forest	0	0.000%
Other	0	0.000%
Personal Property	2,940,600	0.250%
Total	<u>\$1,176,212,800</u>	<u>100.000%</u>

## TREND OF VALUATIONS

Year	Assessed Value	Equalized Value <sup>1</sup>	Percent Increase/Decrease in Equalized Value
2014	\$1,133,449,300	\$1,163,096,700	-1.93%
2015	1,135,725,800	1,134,293,800	-2.48%
2016	1,145,882,500	1,158,949,500	2.17%
2017	1,157,907,200	1,135,674,100	-2.01%
2018	1,169,094,100	1,176,212,800	3.57%

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

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

## LARGEST TAXPAYERS

<b>Taxpayer</b>	<b>Type of Business/Property</b>	<b>2018 Equalized Value<sup>1</sup></b>	<b>Percent of Village's Total Equalized Value</b>
Individual	Residential	\$ 7,672,133	0.65%
Individual	Residential	6,697,434	0.57%
Individual	Residential	6,621,475	0.56%
Belvidere Park Association	Residential/Association	5,894,173	0.50%
Individual	Residential	5,333,982	0.45%
Harvard Geneva Lake Club	Residential/Association	5,258,828	0.45%
Individual	Residential	5,219,791	0.44%
Individual	Residential	5,182,968	0.44%
Individual	Residential	4,891,706	0.42%
Fontana Holdings LLC	Residential/Commercial	4,887,883	0.42%
<b>Total</b>		<b>\$ 57,660,373</b>	<b>4.90%</b>

Village's Total 2018 Equalized Value<sup>2</sup> \$1,176,212,800

**Source:** The Village.

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<sup>1</sup> Calculated by dividing the 2018 Assessed Values by the 2018 Aggregate Ratio of assessment for the Village.

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

## DEBT

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

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

Total General Obligation Debt	<u>\$ 31,198,045</u>
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#### **Revenue Debt (see schedules following)**

Total revenue debt secured by sewer revenues	<u>\$ 1,300,395</u>
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<sup>1</sup> Outstanding debt is as of the date of issuance of the Bonds.



**VILLAGE OF FONTANA-ON-GENEVA LAKE, WISCONSIN**  
Schedule of Bonded Indebtedness  
General Obligation Debt  
(As of January 24, 2019)

Fiscal Year Ending	GO Notes Bank Loan		GO Bonds Series 2012A		GO Ref. Bonds Series 2012B		GO Corp Bonds Series 2014A		SIB Loan		GO Corp Bonds Series 2015A		GO Corp Bonds Series 2016A			
	Dated Amount	Maturity	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		
2019	\$525,000	4/9	52,500	2,990	250,000	80,090	105,000	27,510	225,000	121,794	65,531	25,771	710,000	131,713	50,000	66,375
2020	52,500		250,000	1,000	250,000	76,090	110,000	25,360	225,000	117,294	66,851	24,451	720,000	117,413	65,000	65,225
2021			250,000		250,000	71,653	110,000	23,160	200,000	113,044	68,198	23,104	765,000	102,563	145,000	63,125
2022			240,000		240,000	66,940	105,000	21,010	150,000	109,169	69,572	21,730	795,000	86,963	145,000	60,225
2023			225,000		225,000	62,065	110,000	18,750	200,000	104,544	70,974	20,328	830,000	70,713	145,000	57,325
2024			225,000		225,000	56,890	110,000	16,330	195,000	99,234	72,405	18,898	815,000	54,263	150,000	54,375
2025			225,000		225,000	51,265	110,000	13,800	200,000	93,925	73,864	17,439	845,000	37,663	150,000	51,375
2026			225,000		225,000	45,190	115,000	11,100	150,000	88,925	75,352	15,950	850,000	20,713	150,000	48,375
2027			225,000		225,000	38,665	115,000	8,168	320,000	81,475	76,870	14,432	265,000	9,231	150,000	45,000
2028			225,000		225,000	31,690	120,000	4,995	330,000	70,500	78,419	12,883	250,000	3,125	155,000	41,188
2029			225,000		225,000	24,378	125,000	1,688	335,000	58,863	79,999	11,303	170,000		170,000	37,125
2030			225,000		225,000	16,840			320,000	47,000	81,611	9,691	175,000		175,000	32,813
2031			220,000		220,000	9,220			275,000	35,500	83,256	8,046	175,000		175,000	28,219
2032			155,000		155,000	2,713			250,000	25,000	84,934	6,368	175,000		175,000	23,406
2033									250,000	15,000	86,645	4,657	175,000		175,000	18,375
2034									250,000	5,000	88,391	2,911	175,000		175,000	13,125
2035											90,172	1,130	175,000		175,000	7,875
2036																
2037																
2038																
			105,000	3,990	3,165,000	633,688	1,235,000	1,186,266	3,875,000	1,313,045	239,091	6,845,000	634,356	2,700,000	716,150	

continued on next page

\* Preliminary, subject to change.

**VILLAGE OF FONTANA-ON-GENEVA LAKE, WISCONSIN**  
**Schedule of Bonded Indebtedness**  
**General Obligation Debt**  
**(As of January 24, 2019)**

**GO Corp Bonds Series 2017A**      **GO Corp Bonds Series 2019A**

Fiscal Year Ending	3/2/2017 \$4,355,000		1/24/2019 \$7,780,000*		Total Principal*	Total Interest*	Principal & Interest*	Principal Outstanding*	Principal %Paid*	Year
	2/1	3/1	2/1	3/1						
2019	135,000	126,088	435,000	361,329	1,593,031	582,330	2,175,361	29,605,015	5.11%	2019
2020	180,000	121,363	575,000	211,949	2,104,351	909,524	3,013,875	27,500,663	11.85%	2020
2021	180,000	115,963	640,000	197,353	2,293,198	724,559	3,017,757	25,207,465	19.20%	2021
2022	180,000	110,563	610,000	181,735	2,324,572	673,951	2,998,523	22,882,893	26.65%	2022
2023	190,000	105,013	685,000	164,881	2,380,974	620,472	3,001,446	20,501,918	34.28%	2023
2024	195,000	99,238	705,000	145,935	2,447,405	564,108	3,011,513	18,054,514	42.13%	2024
2025	200,000	93,313	755,000	124,929	2,508,864	504,714	3,013,577	15,545,650	50.17%	2025
2026	200,000	87,313	720,000	102,633	2,520,352	442,494	2,962,846	13,025,298	58.25%	2026
2027	215,000	81,088	785,000	78,913	2,086,870	380,691	2,467,561	10,938,428	64.94%	2027
2028	220,000	74,563	775,000	53,565	2,163,419	317,855	2,481,275	8,775,009	71.87%	2028
2029	220,000	67,963	100,000	39,078	1,929,999	254,883	2,184,882	6,845,009	78.06%	2029
2030	235,000	61,138	110,000	35,453	1,136,611	206,558	1,343,170	5,708,398	81.70%	2030
2031	240,000	54,013	110,000	31,548	1,103,256	170,450	1,273,706	4,605,142	85.24%	2031
2032	250,000	46,663	115,000	27,469	1,024,934	135,697	1,160,631	3,580,208	88.52%	2032
2033	255,000	39,088	125,000	23,058	881,645	104,588	986,233	2,698,563	91.35%	2033
2034	265,000	30,956	125,000	18,370	903,391	75,050	978,441	1,795,172	94.25%	2034
2035	270,000	22,263	130,000	13,493	660,172	49,637	709,810	1,135,000	96.36%	2035
2036	285,000	13,244	140,000	8,260	590,000	29,361	619,361	545,000	98.25%	2036
2037	265,000	4,306	140,000	2,765	405,000	12,566	417,566	140,000	99.55%	2037
2038			140,000	2,765	140,000	2,765	142,765	0	100.00%	2038
	4,180,000	1,354,131	7,780,000	1,822,711	31,198,045	6,762,253	37,960,298			

**VILLAGE OF FONTANA-ON-GENEVA LAKE, WISCONSIN**  
**Schedule of Bonded Indebtedness**  
**Revenue Debt Secured by Sewer Revenues**  
**(As of January 24, 2019)**

**Sewer System Rev.**  
**Bonds**  
**Series 2009**

Dated Amount	11/25/2009 \$2,026,941		Maturity	5/1		
	Principal	Interest		Principal	Interest	
Year Ending	Total Principal	Total Interest	Total Principal & Interest	Principal Outstanding	Principal %Paid	Year
2019	103,277	33,317	136,594	1,197,119	7.94%	2019
2020	106,032	30,525	136,557	1,091,086	16.10%	2020
2021	108,861	27,658	136,519	982,225	24.47%	2021
2022	111,766	24,715	136,480	870,460	33.06%	2022
2023	114,748	21,693	136,441	755,712	41.89%	2023
2024	117,809	18,591	136,400	637,903	50.95%	2024
2025	120,952	15,406	136,358	516,951	60.25%	2025
2026	124,179	12,136	136,315	392,772	69.80%	2026
2027	127,492	8,778	136,271	265,280	79.60%	2027
2028	130,894	5,332	136,225	134,386	89.67%	2028
2029	134,386	1,793	136,179	0	100.00%	2029
	1,300,395	199,942	1,500,338			

**DEBT LIMIT\***

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

Equalized Value	\$ 1,176,212,800
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit	\$ 58,810,640
Less: General Obligation Debt (includes the Bonds)*	<u>(31,198,045)</u>
Unused Debt Limit*	<u><u>\$ 27,612,595</u></u>

\*Preliminary, subject to change.

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

<b>Taxing District</b>	<b>2018 Equalized Value</b>	<b>% In Village</b>	<b>Total G.O. Debt<sup>2</sup></b>	<b>Village's Proportionate Share</b>
Walworth County	\$14,834,270,000	7.9290%	\$ 7,650,000	\$ 606,569
Gateway Technical College District	45,272,714,289	2.5981%	72,385,000	1,880,635
Fontana J8 School	1,270,417,684	85.9257%	3,135,000	2,693,771
Linn J6 School	815,348,024	7.5287%	2,707,049	203,806
Big Foot Union High School	2,594,662,294	45.3320%	3,417,346	<u>1,549,151</u>
Village's Share of Total Overlapping Debt				<u><u>\$6,933,931</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 \$1,176,212,800</b>	<b>Debt/ Per Capita 1,695<sup>1</sup></b>
Total General Obligation Debt (includes the Bonds)*	\$31,198,045	2.65%	\$18,405.93
Village's Share of Total Overlapping Debt	<u>6,933,931</u>	<u>0.59%</u>	<u>4,090.81</u>
Total*	\$ 38,131,976	3.24%	\$22,496.74

\*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 2018 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
2014/15	\$3,310,164	100%	\$2.98
2015/16	3,502,538	100%	3.19
2016/17	3,594,365	100%	3.23
2017/18	3,838,669	100%	3.54
2018/19	3,846,877	[ In process ]	3.44

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

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
2014/15	\$6.81	\$4.60	\$2.98	\$0.18	\$14.57
2015/16	6.98	4.59	3.19	0.18	14.94
2016/17	6.90	4.49	3.23	0.18	14.80
2017/18	6.78	4.23	3.54	0.00	14.55
2018/19	6.80	3.91	3.44	0.00	14.15

**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 2017 Wisconsin Act 59, 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 1st 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:

1. 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.
2. 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.

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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. State property taxes were eliminated in the State's 2017 - 2019 budget act.

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.

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 Bonds) 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 August 12, 1924 and is governed by a Village Board that consists of a Village President and six Trustees. The President votes in all matters. All Board Members are elected to staggered two-year terms. The appointed Clerk / Administrator and Treasurer are responsible for administrative details and financial records.

## EMPLOYEES; PENSIONS

The Village employs a staff of 23 full-time, five part-time, and 40 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 generally to contribute half of the actuarially determined contributions, and the Village generally may not pay the employees' required contribution. During the fiscal year ended December 31, 2015 ("Fiscal Year 2015"), the fiscal year ended December 31, 2016 ("Fiscal Year 2016") and the fiscal year ended December 31, 2017 ("Fiscal Year 2017"), the Village's portion of contributions to WRS (not including any employee contributions) totaled \$96,248, \$102,693 and \$104,545, 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, 2016, the total pension liability of the WRS was calculated as \$93.4 billion and the fiduciary net position of the WRS was calculated as \$92.6 billion, resulting in a net pension liability of \$0.8 billion.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2017, the Village reported a liability of \$86,261 for its proportionate share of the net pension liability of

the WRS. The net pension liability was measured as of December 31, 2016 based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. The Village's proportion was 0.01046539% of the aggregate WRS net pension liability as of December 31, 2016.

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.

Under 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 following bargaining units represent employees of the Village:

<b>Bargaining Unit</b>	<b>Expiration Date of Current Contract</b>
WPPA	December 31, 2020

### **OTHER POST EMPLOYMENT BENEFITS**

The Village does not offer 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 Bonds or otherwise questioning the validity of the Bonds.

## **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 Bonds 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 owners of the Bonds could be modified in bankruptcy proceedings. Such modifications could be adverse to owners of the Bonds, and there could ultimately be no assurance that owners of the Bonds would be paid in full or in part on the Bonds. Further, under such circumstances, there could be no assurance that the Bonds would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of owners of the Bonds 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 owners of the Bonds.

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 owners of the Bonds would not occur.

**FUNDS ON HAND** (as of November 30, 2018)

<b>Fund</b>	<b>Total Cash and Investments</b>
General	\$ 813,134
Utility	1,985,623
CDA	<u>8,246</u>
Total Funds on Hand	<u><u>\$ 2,807,003</u></u>

**ENTERPRISE FUNDS**

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

	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Water</b>			
Total Operating Revenues	\$ 1,048,535	\$ 1,066,216	\$ 1,078,536
Less: Operating Expenses	<u>(844,665)</u>	<u>(816,179)</u>	<u>(920,808)</u>
Operating Income	\$ 203,870	\$ 250,037	\$ 157,728
Plus: Depreciation	263,835	284,455	342,993
Interest Income	<u>0</u>	<u>0</u>	<u>0</u>
Revenues Available for Debt Service	<u><u>\$ 467,705</u></u>	<u><u>\$ 534,492</u></u>	<u><u>\$ 500,721</u></u>
<b>Sewer</b>			
Total Operating Revenues	\$ 1,122,101	\$1,151,146	\$ 1,160,059
Less: Operating Expenses	<u>(897,171)</u>	<u>(907,987)</u>	<u>(948,651)</u>
Operating Income	\$ 224,930	\$ 243,159	\$ 211,408
Plus: Depreciation	239,800	248,988	272,873
Interest Income	<u>5,115</u>	<u>2,995</u>	<u>2,287</u>
Revenues Available for Debt Service	<u><u>\$ 469,845</u></u>	<u><u>\$ 495,142</u></u>	<u><u>\$ 486,568</u></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 statements are available upon request. Appendix A includes the Village's 2017 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2015 Audited <sup>1</sup>	2016 Audited	2017 Audited	2018 Projected <sup>2</sup>	2019 Budget
<b>Revenues</b>					
Taxes	\$3,196,035	\$3,276,870	\$3,430,201	\$4,438,434	\$4,495,851
Intergovernmental revenues	533,285	610,820	508,873	552,649	585,807
Fines and forfeitures	113,580	104,184	104,201	106,000	96,000
Charges for services	582,262	689,492	700,544	851,964	852,253
Licenses and permits	254,400	257,007	318,208	179,500	54,500
Investment earnings	9,188	4,643	16,046	2,500	12,500
Commercial and miscellaneous revenues	0	0	0	0	0
Rental income and all other	93,090	167,804	146,791	103,634	147,480
<b>Total Revenues</b>	<b>\$4,781,840</b>	<b>\$5,110,820</b>	<b>\$5,224,864</b>	<b>\$6,234,681</b>	<b>\$6,244,391</b>
<b>Expenditures</b>					
Current:					
General government	\$519,272	\$503,791	\$502,802	\$635,447	\$725,919
Public safety	1,850,536	2,151,486	2,204,469	2,294,910	2,338,598
Health and human services	8,540	9,344	3,412	0	0
Capital outlay	994,792	301,560	168,159	54,674	27,000
Public works	1,214,104	1,045,563	1,077,961	1,078,846	1,076,416
Culture, recreation and education	460,642	534,386	585,448	574,547	625,279
Debt issuance/Contingency	0	0	0	0	0
Conservation and development	132,846	133,994	164,353	172,288	267,097
<b>Total Expenditures</b>	<b>\$5,180,732</b>	<b>\$4,680,124</b>	<b>\$4,706,604</b>	<b>\$4,810,712</b>	<b>\$5,060,309</b>
<b>Excess of revenues over (under) expenditures</b>	<b>\$ (398,892)</b>	<b>\$ 430,696</b>	<b>\$ 518,260</b>	<b>\$ 1,423,969</b>	<b>\$ 1,184,082</b>
<b>Other Financing Sources (Uses)</b>					
Sale of Village Property	180,230	5,927	\$29,030	\$0	\$0
Operating transfers in/out	(322,791)	(379,383)	(444,338)	(1,204,969)	(1,184,082)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (142,561)</b>	<b>\$ (373,456)</b>	<b>\$ (415,308)</b>	<b>(1,204,969)</b>	<b>(1,184,082)</b>
<b>Net Changes in Fund Balances</b>	<b>\$ (541,453)</b>	<b>\$ 57,240</b>	<b>\$ 102,952</b>	<b>\$ 219,000</b>	<b>\$ 0</b>
General Fund Balance January 1	2,527,434	1,985,981	2,043,221	2,137,210	2,356,210
Prior Period Adjustment	0	0	(8,963)	0	0
General Fund Balance December 31	\$1,985,981	\$2,043,221	\$2,137,210	\$2,356,210	\$2,356,210
<b>DETAILS OF DECEMBER 31 FUND BALANCE</b>					
Nonspendable	456,534	41,373	45,990		
Restricted	12,524	5,933	5,934		
Committed	0	0	0		
Assigned	15,642	27,549	11,646		
Unassigned	1,501,281	1,959,403	2,073,640		
<b>Total</b>	<b>\$1,985,981</b>	<b>\$2,034,258</b>	<b>\$2,137,210</b>		

<sup>1</sup> The 2015 operating deficit was due to an unbudgeted EMS expense of \$75,000 and approximately \$350,000 of planning and engineering costs associated with the 2016 Water Tower project. The Water Tower project costs were reimbursed with a portion of the proceeds of the 2017A Bonds.

<sup>2</sup> 2018 balances are as of December 13, 2018.

## GENERAL INFORMATION

### LOCATION

The Village, with a 2010 U.S. Census population of 1,672, and a current estimated population of 1,695, comprises an area of 2,940 acres. The Village is located approximately 23 miles southeast of Janesville and approximately 30 miles southwest of Milwaukee.

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

Largest employers in Walworth County include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Grand Geneva	Resort/hotel	1,004
University of Wisconsin - Whitewater	Higher education	1,088
Sta-Rite Industries LLC (Pentair)	Pumping equipment manufacturing	950
Walworth County	County government	842 <sup>2</sup>
Elkhorn Area School District	Elementary and secondary education	627
Generac Power Systems	Generator manufacturer	600
Abbey Resort	Hotels and motels	560
Aurora Health Care of Southern Lakes	Health care/hospital	550
Miniature Precision Components	Plastics product manufacturing	550
School District of Delavan-Darien	Elementary and secondary education	256 <sup>3</sup>

**Source:** *ReferenceUSA, written and telephone survey (November 2018), 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.

<sup>2</sup> 842.32 FTE per County's approved 2019 Budget.

<sup>3</sup> Per District 219 FT and 37 PT.

## BUILDING PERMITS

	2014	2015	2016	2017	2018 <sup>1</sup>
<u>New Single Family Homes</u>					
No. of building permits	7	17	13	22	22
Valuation	\$1,895,000	\$7,705,000	\$5,775,000	\$7,371,225	\$6,475,100
<u>New Multiple Family Buildings</u>					
No. of building permits	0	2	2	0	1
Valuation	\$0	\$2,250,000	\$2,000,000	\$0	\$9,000,000
<u>New Commercial/Industrial</u>					
No. of building permits	1	0	0	0	0
Valuation	\$2,550,000	\$0	\$0	\$0	\$0
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	702	800	911	908	812
Valuation	\$10,854,884	\$17,568,610	\$14,584,242	\$20,306,812	\$23,686,217

**Source:** The Village.

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<sup>1</sup> As of December 27, 2018.

## U.S. CENSUS DATA

### Population Trend: Village of Fontana-on-Geneva Lake

2000 U.S. Census	1,754
2010 U.S. Census	1,672
2018 Estimated Population	1,695
Percent of Change 2000 - 2010	-4.68%

### Income and Age Statistics

	<b>The Village</b>	<b>Walworth County</b>	<b>State of Wisconsin</b>	<b>United States</b>
2016 per capita income	\$51,129	\$28,085	\$29,253	\$29,829
2016 median household income	\$77,011	\$55,575	\$54,610	\$55,322
2016 median family income	\$96,250	\$70,510	\$69,925	\$67,871
2016 median gross rent	\$944	\$828	\$789	\$928
2016 median value owner occupied	\$341,300	\$189,500	\$167,000	\$184,700
2016 median age	56.9 yrs.	39.0 yrs.	39.1 yrs.	37.7 yrs.

  

	<b>State of Wisconsin</b>	<b>United States</b>
Village % of 2016 per capita income	174.78%	171.41%
Village % of 2016 median family income	137.65%	141.81%

### Housing Statistics

	<b><u>Village of Fontana-on-Geneva Lake</u></b>		
	<b>2000</b>	<b>2016</b>	<b>Percent of Change</b>
All Housing Units	1,974	2,418	22.49%

**Source:** 2000 and 2010 Census of Population and Housing, and 2016 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.

<b>Year</b>	<b><u>Average Employment</u></b>		<b><u>Average Unemployment</u></b>	
	<b>Walworth County</b>	<b>Walworth County</b>	<b>State of Wisconsin</b>	
2014	53,861	5.5%	5.4%	
2015	54,385	4.6%	4.5%	
2016	55,615	4.0%	4.0%	
2017	56,356	3.3%	3.3%	
2018, October	58,134	2.4%	2.7%	

**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 Preliminary Official Statement. Although the inclusion of the financial statements in this Preliminary 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 Bonds, 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.

**FORM OF LEGAL OPINION**

*(See following pages.)*

### BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds (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 maturity 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, Fiscal 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 Fiscal 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.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the Village or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The Village may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Village believes to be reliable, but the Village takes no responsibility for the accuracy thereof.

**FORM OF CONTINUING DISCLOSURE AGREEMENT**

*(See following pages.)*

**NOTICE OF SALE**

**\$7,780,000\* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2019A  
VILLAGE OF FONTANA-ON-GENEVA LAKE, WISCONSIN**

Bids for the purchase of \$7,780,000\* General Obligation Corporate Purpose Bonds, Series 2019A (the "Bonds") of the Village of Fontana-on-Geneva Lake, Wisconsin (the "Village") will be received at the offices of Ehlers and 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 January 7, 2019, (the "Sale Date") at which time they will be opened, read and tabulated. The bids will be presented to the Village Board for consideration for award by resolution (the "Award Resolution") at a meeting to be held at 6:00 P.M., Central Time, on the Sale Date. The bid offering to purchase the Bonds upon the terms specified herein and most favorable to the Village will be accepted unless all bids are rejected.

**PURPOSE**

The Bonds are being issued pursuant to Section 67.04, Wisconsin Statutes, to finance sewerage improvements, including but not limited to storm sewer and sanitary sewer improvements; street improvements; water system improvements, including, but not limited to the replacement of water mains and construction, extensions and improvements to the water system; and parking lots and other parking facilities, including but not limited to construction of and improvements to the beach parking lot (collectively, the "Project"); and the current refunding of the outstanding principal amount of the Village's \$7,140,000 General Obligation Corporate Purpose Bonds, Series 2010B, dated November 30, 2010, and \$208,000 General Obligation Promissory Note, dated March 30, 2018 (collectively, the "Refunding"). The Bonds are valid and binding 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 Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount.

**DATES AND MATURITIES**

The Bonds will be dated January 24, 2019, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any multiple thereof, and will mature on March 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2020	\$435,000	2027	\$720,000	2034	\$125,000
2021	575,000	2028	785,000	2035	125,000
2022	640,000	2029	775,000	2036	130,000
2023	610,000	2030	100,000	2037	140,000
2024	685,000	2031	110,000	2038	140,000
2025	705,000	2032	110,000		
2026	755,000	2033	115,000		

**ADJUSTMENT OPTION**

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

## TERM BOND OPTION

Bids for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, 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 March 1 and September 1 of each year, commencing March 1, 2020, to the registered owners of the Bonds 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 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2020 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds 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 Bonds 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 Bonds, 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 purchasers of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, 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 Bonds.

## FISCAL AGENT

The Village may appoint its Treasurer or may select a bank or trust company to act as authentication agent, paying agent and registrar (the "Fiscal Agent"). If an outside Fiscal Agent is selected, then the Village will pay the fees for Fiscal Agent services. The Village reserves the right to remove the Fiscal Agent and to appoint a successor.

## OPTIONAL REDEMPTION

The Bonds maturing on and after March 1, 2028 shall be subject to optional redemption prior to maturity on March 1, 2027 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 Bonds to be redeemed shall be at the discretion of the Village. If only part of the Bonds 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 Bond to be redeemed at the address shown on the registration books maintained by the Fiscal Agent.

## DELIVERY

On or about January 24, 2019, (the "Closing Date"), the Bonds 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 Bonds is then pending or, to the best knowledge of officers of the Village, threatened. Payment for the Bonds 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 Bonds 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 Bonds are valid and binding general obligations of the Village; provided that the rights of the owners of the Bonds and the enforceability of the Bonds 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). The Legal Opinion is in substantially the form set forth in Appendix B of the POS.

## SUBMISSION OF BIDS

Bids must not be for less than \$7,682,750 nor more than \$7,935,600 plus accrued interest, if any, on the principal amount of \$7,780,000 from the dated date of the Bonds 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 \$155,600 ("Deposit") shall be made by the winning bidder by wire transfer to **KleinBank, 1550 Audubon Road, Chaska, Minnesota, ABA No. 091915654 for credit: Ehlers and 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 Bonds 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 Bonds 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 irrevocably agree that Ehlers shall hold the Deposit in escrow subject only to the following conditions and duties: 1) All income earned thereon shall be retained by Ehlers 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 on the Closing Date; 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 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.

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 Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

### **AWARD**

The Bonds 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 Bonds 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 Bonds, 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 Bonds resulting from the purchase of bond insurance shall be paid by the winning bidder, except that, if the Village has requested and received a rating on the Bonds from a rating agency, then the Village 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 Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Bonds.

### **CUSIP NUMBERS**

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

### **QUALIFIED TAX-EXEMPT OBLIGATIONS**

The Village will designate the Bonds 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 Underwriters 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 Bonds. The agreement is in substantially the form set forth in Appendix D of the Preliminary Official Statement.

## NEW ISSUE PRICING

### ESTABLISHMENT OF ISSUE PRICE PRIOR TO CLOSING

The winning bidder shall assist the Village in establishing the issue price of the Bonds and shall execute and deliver to the Village at Closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, 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 Village intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “**competitive sale requirements**”) because:

1. the Village 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 Village 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 Village anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds 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 Bonds, as specified in the bid.

In the event that the competitive sale requirements are not satisfied, the Village shall so advise the winning bidder. In that event, the winning bidder shall be required to elect at the time of the acceptance of the bid whether to comply with its obligation to assist the Village in establishing the “issue price” of the Bonds on the basis of the “general rule” or on the basis of the “hold-the-offering price” rule, as further described below. If the winning bidder makes no express election, it shall be treated as having elected to apply the “general rule”.

**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 Bonds will be subject to either the “general rule” or the “hold-the-offering price” rule, as applicable, to establish the issue price of the Bonds.**

For purposes of the agreements and representations of the underwriters, the “**10 percent test**” is met when the first 10% of a maturity is first sold to the public at a single price. The winning bidder shall advise the Village if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The winning bidder shall also promptly advise the Village, at or before the time of award of the Bonds, which maturities of the Bonds shall be subject to the “general rule” and which shall be subject to the “hold-the-offering-price rule”.

If the winning bidder elects to comply on the basis of the “**general rule**”, then the Village intends treat the first price at which 10% of a maturity of the Bonds is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis. The Village, however, may in its sole discretion choose to apply one or more different interpretations of the issue price rule for purposes of its federal income tax compliance (for example, by averaging the prices at which the first 10% is sold). Until the 10% test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the Village and to its financial advisor the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold. If such election is made, the Village will not require bidders to comply with the “hold-the-offering-price rule”.

If the winning bidder elects to comply on the basis of the “**hold-the-offering-price rule**”, the Village may determine to treat (i) the first price at which 10% of a maturity of the Bonds is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the Sale Date of any maturity of the Bonds as the issue price of that maturity, in each case applied on a maturity-by-maturity basis.

By electing the hold-the-offering-price rule, the winning bidder (i) agrees to confirm that the underwriters have offered or will offer the Bonds 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) agrees, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds 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 Bonds 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 Village and its financial advisor when the underwriters have sold 10% of that maturity of the Bonds 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 Village acknowledges that, in making the representations 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 Bonds 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 Bonds 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 Bonds 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 Bonds 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 Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, 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 Bonds 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 Bonds 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 Bonds 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 Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, 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 Bonds 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 Village (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds 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 Bonds 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 Bonds to the public).
- (iii) a winning bidder of any of the Bonds 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), and
- (iv) **“maturity”** means each maturity of substantially identical Bonds. For this purpose, Bonds are not treated as substantially identical if they have different credit or payment terms. For example, Bonds 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 Bonds prior to the bid opening 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 version of the Final Official Statement within seven business days after the bid acceptance. Up to 10 paper copies of the Final Official Statement will be provided upon request. Additional paper 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

Theresa Loomer, Administrator/Clerk  
Village of Fontana-on-Geneva Lake, Wisconsin

# BID FORM

The Board of Trustees  
Village of Fontana-on-Geneva Lake, Wisconsin

January 7, 2019

RE: \$7,780,000\* General Obligation Corporate Purpose Bonds, Series 2019A  
DATED: January 24, 2019

For all or none of the above Bonds, in accordance with the Notice of Sale and terms of the Book-Entry-Only System as stated in this Official Statement, we will pay you \$ \_\_\_\_\_ (not less than \$7,682,750 nor more than \$7,935,600) plus accrued interest, if any, to the date of delivery for fully registered Bonds bearing interest at the rates and maturing on March 1 in the following years:

_____ % due 2020	_____ % due 2027	_____ % due 2034
_____ % due 2021	_____ % due 2028	_____ % due 2035
_____ % due 2022	_____ % due 2029	_____ % due 2036
_____ % due 2023	_____ % due 2030	_____ % due 2037
_____ % due 2024	_____ % due 2031	_____ % due 2038
_____ % due 2025	_____ % due 2032	
_____ % due 2026	_____ % due 2033	

\* The Village reserves the right to increase or decrease the principal amount of the Bonds on the Sale Date, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, 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 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2020 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds 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 \$155,600 ("Deposit") to **KleinBank, 1550 Audubon Road, Chaska, Minnesota, ABA No. 091915654 for credit: Ehlers and Associates Good Faith Account No. 3208138.** Such Deposit shall be received by Ehlers and Associates no later than two hours after the bid opening time on the Sale Date. The Village reserves the right to award the Bonds 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. In the event the Deposit is not received as provided above, the Village may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. If our bid is not accepted, the Deposit shall be promptly returned to us. We agree to the conditions and duties of Ehlers for holding the Deposit in escrow, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about January 24, 2019.

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 the Bonds.

We have received and reviewed the Preliminary 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 establishment of issue price by the time described in the Notice of Sale.

This bid is a firm offer for the purchase of the Bonds 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: \_\_\_\_.

If the competitive sale requirements are not met, we elect to use the (circle one): 10% test / hold-the-offering-price rule to determine the issue price of the Bonds.

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 January 24, 2019 of the above bid is \$ \_\_\_\_\_ and the true interest cost (TIC) is \_\_\_\_\_ %.

The foregoing offer is hereby accepted by and on behalf of the Village Board of the Village of Fontana-on-Geneva Lake, Wisconsin, on January 7, 2019.

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