

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 10, 2020

In the opinion of Quarles & Brady LLP, Bond Counsel, under existing law interest on the Bonds is included in gross income for federal income tax purposes. See "TAXABILITY OF INTEREST" herein. The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

The Village will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

New Issue

Rating Application Made: Moody's Investors Service, Inc.

VILLAGE OF OREGON, WISCONSIN (Dane County)

\$1,055,000* TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020C

BID OPENING: April 20, 2020, 10:00 A.M., C.T.

CONSIDERATION: April 20, 2020, 5:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$1,055,000* Taxable General Obligation Refunding Bonds, Series 2020C (the "Bonds") of the Village of Oregon, Wisconsin (the "Village") are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purpose of refunding the Village's 2019 State Trust Fund Loan. The Bonds are general obligations of the Village for which its full faith, credit and taxing powers are pledged. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF BONDS: May 6, 2020

MATURITY: March 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2022	\$45,000	2028	\$55,000	2034	\$65,000
2023	50,000	2029	55,000	2035	65,000
2024	50,000	2030	55,000	2036	70,000
2025	50,000	2031	60,000	2037	70,000
2026	50,000	2032	60,000	2038	70,000
2027	50,000	2033	60,000	2039	75,000

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, 2021 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on March 1, 2029 and thereafter are subject to call for prior optional redemption on March 1, 2028 or on any date thereafter, at a price of par plus accrued interest.

MINIMUM BID: \$1,041,812.

MAXIMUM BID: \$1,118,300.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$21,100 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation.

BOND COUNSEL: Quarles & Brady LLP.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

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

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. Circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities in any jurisdiction in which such offer, solicitation or sale would be lawful 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 or in a Final Official Statement.

REPRESENTATIONS

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. 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 and Associates, Inc. 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 and Associates, Inc., payable entirely by the Village, is contingent upon the delivery 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 underwriters in the interest of receiving competitive proposals in accordance with the sale notice 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 and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. 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 underwriter (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 Village is required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Bonds, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Preliminary 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.

TABLE OF CONTENTS

<p>INTRODUCTORY STATEMENT. 1</p> <p>THE BONDS. 1</p> <p style="padding-left: 20px;">GENERAL. 1</p> <p style="padding-left: 20px;">OPTIONAL REDEMPTION. 1</p> <p style="padding-left: 20px;">AUTHORITY; PURPOSE. 2</p> <p style="padding-left: 20px;">ESTIMATED SOURCES AND USES. 3</p> <p style="padding-left: 20px;">SECURITY. 3</p> <p style="padding-left: 20px;">CONCURRENT FINANCING. 3</p> <p style="padding-left: 20px;">RATING. 3</p> <p style="padding-left: 20px;">CONTINUING DISCLOSURE. 4</p> <p style="padding-left: 20px;">LEGAL OPINION. 4</p> <p style="padding-left: 20px;">STATEMENT REGARDING BOND COUNSEL PARTICIPATION. 4</p> <p style="padding-left: 20px;">ORIGINAL ISSUE DISCOUNT. 4</p> <p style="padding-left: 20px;">BOND PREMIUM. 5</p> <p style="padding-left: 20px;">TAXABILITY OF INTEREST. 6</p> <p style="padding-left: 20px;">NON-QUALIFIED TAX-EXEMPT OBLIGATIONS. . . 6</p> <p style="padding-left: 20px;">MUNICIPAL ADVISOR. 6</p> <p style="padding-left: 20px;">MUNICIPAL ADVISOR AFFILIATED COMPANIES. . 6</p> <p style="padding-left: 20px;">INDEPENDENT AUDITORS. 6</p> <p style="padding-left: 20px;">RISK FACTORS. 7</p> <p>VALUATIONS. 9</p> <p style="padding-left: 20px;">WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES. 9</p> <p style="padding-left: 20px;">CURRENT PROPERTY VALUATIONS. 10</p> <p style="padding-left: 20px;">2019 EQUALIZED VALUE BY CLASSIFICATION. . . 10</p> <p style="padding-left: 20px;">TREND OF VALUATIONS. 10</p> <p style="padding-left: 20px;">LARGER TAXPAYERS. 11</p> <p>DEBT. 12</p> <p style="padding-left: 20px;">DIRECT DEBT. 12</p> <p style="padding-left: 20px;">SCHEDULE OF GENERAL OBLIGATION DEBT. . . . 13</p> <p style="padding-left: 20px;">DEBT LIMIT. 16</p> <p style="padding-left: 20px;">OVERLAPPING DEBT. 16</p> <p style="padding-left: 20px;">DEBT RATIOS. 17</p> <p style="padding-left: 20px;">DEBT PAYMENT HISTORY. 17</p> <p style="padding-left: 20px;">FUTURE FINANCING. 17</p>	<p>TAX LEVIES AND COLLECTIONS. 18</p> <p style="padding-left: 20px;">TAX LEVIES AND COLLECTIONS. 18</p> <p style="padding-left: 20px;">PROPERTY TAX RATES. 19</p> <p style="padding-left: 20px;">LEVY LIMITS. 19</p> <p>THE ISSUER. 21</p> <p style="padding-left: 20px;">VILLAGE GOVERNMENT. 21</p> <p style="padding-left: 20px;">EMPLOYEES; PENSIONS. 21</p> <p style="padding-left: 20px;">OTHER POST EMPLOYMENT BENEFITS. 23</p> <p style="padding-left: 20px;">LITIGATION. 23</p> <p style="padding-left: 20px;">MUNICIPAL BANKRUPTCY. 23</p> <p style="padding-left: 20px;">FUNDS ON HAND. 24</p> <p style="padding-left: 20px;">ENTERPRISE FUNDS. 25</p> <p style="padding-left: 20px;">SUMMARY GENERAL FUND INFORMATION. . . . 26</p> <p>GENERAL INFORMATION. 27</p> <p style="padding-left: 20px;">LOCATION. 27</p> <p style="padding-left: 20px;">LARGER EMPLOYERS. 27</p> <p style="padding-left: 20px;">BUILDING PERMITS. 28</p> <p style="padding-left: 20px;">U.S. CENSUS DATA. 29</p> <p style="padding-left: 20px;">EMPLOYMENT/UNEMPLOYMENT DATA. 29</p> <p>FINANCIAL STATEMENTS. A-1</p> <p>FORM OF LEGAL OPINION. B-1</p> <p>BOOK-ENTRY-ONLY SYSTEM. C-1</p> <p>FORM OF CONTINUING DISCLOSURE CERTIFICATE. D-1</p> <p>NOTICE OF SALE. E-1</p> <p>BID FORM</p>
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VILLAGE OF OREGON VILLAGE BOARD

		<u>Term Expires</u>
Jeanne Carpenter	Village President	April 2021
Jerry Bollig	Village Trustee	April 2020 ¹
David Donovan	Village Trustee	April 2020 ¹
Randy Glysch	Village Trustee	April 2020 ¹
Cory Horton	Village Trustee	April 2021
Jenna Jacobson	Village Trustee	April 2021
Amanda Peterson	Village Trustee	April 2020 ¹

ADMINISTRATION

Michael Gracz, Village Administrator
Lisa Novinska, Finance Director/Treasurer
Peggy S.K. Haag, Village Clerk

PROFESSIONAL SERVICES

Stafford Rosenbaum LLP, Village Attorney, Madison, Wisconsin

Quarles & Brady LLP, Bond Counsel, Milwaukee, Wisconsin

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

¹ In April 2020, four positions are up for re-election. Results of the election are not available until mid-April 2020. The Final OS will include the results of said election.

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the Village of Oregon, Wisconsin (the "Village") and the issuance of its \$1,055,000* Taxable General Obligation Refunding Bonds, Series 2020C (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 issuance and sale of the Bonds ("Award Resolution") to be adopted by the Board of Trustees on April 20, 2020.

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 by connecting to the Bond Sales link 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 integral multiple thereof, and will be dated, as originally issued, as of May 6, 2020. 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, 2021, 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 and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). **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 2025 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 the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, 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, premium, if any, 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, premium, if any, and interest on the Bonds shall be payable as provided in the Award Resolution.

The Village has selected Bond Trust Services Corporation, Roseville, Minnesota, to act as paying agent (the "Paying Agent"). Bond Trust Services Corporation and Ehlers are affiliate companies. The Village will pay the charges for Paying Agent services. The Village reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the Village, the Bonds maturing on or after March 1, 2029 shall be subject to optional redemption prior to maturity on March 1, 2028 or any date thereafter, at a price of par plus accrued interest.

*Preliminary, subject to change

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, 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 Village or Paying Agent, if any, 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 such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 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.

AUTHORITY; PURPOSE

The Bonds are authorized pursuant to Section 67.04, Wisconsin Statutes, for the purpose of effecting a current refunding of the Village's \$1,000,000 State Trust Fund Loan, dated May 17, 2019 (the "2019 STF Loan") as follows:

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded
2019 STF Loan	5/17/19	5/27/20	Par	2022	4.50%	\$37,256
				2023	4.50%	38,932
				2024	4.50%	40,570
				2025	4.50%	42,510
				2026	4.50%	44,423
				2027	4.50%	46,422
				2028	4.50%	48,418
				2029	4.50%	50,689
				2030	4.50%	52,971
				2031	4.50%	55,354
				2032	4.50%	57,778
				2033	4.50%	60,445
				2034	4.50%	63,165
				2035	4.50%	66,008
				2036	4.50%	68,942
				2037	4.50%	72,080
				2038	4.50%	75,324
2039	4.50%	<u>78,713</u>				
Total 2019 STF Loan Being Refunded						<u>\$1,000,000</u>

Proceeds of the Bonds will be used to call and prepay the maturities described above and to pay all or most of the costs of issuance.

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Bonds	<u>\$1,055,000</u>	
Total Sources		\$1,055,000
Uses		
Total Underwriter's Discount	\$13,188	
Costs of Issuance	30,050	
Deposit to Current Refunding Fund	1,009,000	
Rounding Amount	<u>2,762</u>	
Total Uses		\$1,055,000

*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, credit and resources of the Village will be irrevocably pledged. The Village will levy a direct, annual, irrepealable 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.

CONCURRENT FINANCING

By means of separate Preliminary Official Statements, the Village will be issuing General Obligation Promissory Notes, Series 2020A and General Obligation Corporate Purpose Bonds, Series 2020B (the "Concurrent Obligations" or the "Series 2020A Notes" and the "Series 2020B Bonds") on May 6, 2020.

RATING

General obligation debt of the Village is currently rated "Aa2" by Moody's Investors Service, Inc. ("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 Undertaking described under the heading "CONTINUING DISCLOSURE" neither the Village nor the underwriter undertake responsibility to bring to the attention of the owner of the Bonds any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

CONTINUING DISCLOSURE

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Bonds, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the Village shall agree to provide certain information to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events.

On the date of issue and delivery, the Village shall execute and deliver a Continuing Disclosure Certificate, under which the Village will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the Village are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the Village to comply with any Disclosure Undertaking will not constitute an event of default on the Bonds. However, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The Village failed to provide notice within 10 business days of certain financial obligations that it incurred in September of 2019. Except to the extent that the preceding is deemed to be material, the Village believes it has not failed to comply in the previous five years in all material respects with its prior undertakings under the Rule. The Village has reviewed its continuing disclosure responsibilities along with any changes to the Rule, to ensure compliance. Ehlers is currently engaged as dissemination agent for the Village.

LEGAL OPINION

An opinion as to the validity of the Bonds will be furnished by Quarles & Brady LLP, of Milwaukee, Wisconsin, bond counsel to the Village. 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).

STATEMENT REGARDING BOND COUNSEL PARTICIPATION

Bond Counsel has not assumed responsibility for this Official Statement or participated in its preparation (except with respect to the section entitled "Taxability of Interest" in the Official Statement and the "Form of Legal Opinion" found in the Appendix B) and has not performed any investigation as to its accuracy, completeness or sufficiency.

ORIGINAL ISSUE DISCOUNT

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

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

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

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

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

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

BOND PREMIUM

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

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. Owners of Premium Bonds, the interest on which is subject to tax, may make an election to amortize the bond premium and to offset the taxable interest income with the amortizable bond premium for the year. Any amortizable bond premium that reduces the amount of interest income also reduces the owner's adjusted tax basis in the Bond by a corresponding amount. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (for example, upon a sale, exchange, redemption, or payment at maturity) of such Premium Bond. If the election is made, it is effective for all Bonds acquired during that year and all future years unless the taxpayer receives permission from the IRS to revoke the election. Owners of Premium Bonds should consult with their tax advisors regarding the calculation and treatment of bond premium for federal income tax purposes, as well as the manner of making the election.

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

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

TAXABILITY OF INTEREST

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

NON-QUALIFIED TAX-EXEMPT OBLIGATIONS

The Village will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

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. Ehlers makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this Preliminary Official Statement, and its assistance in preparing this Preliminary Official Statement should not be construed as a representation that it has independently verified such information.

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 paying agent 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, 2018, have been audited by Johnson Block & Company, Inc., Middleton, Wisconsin, (insert state), 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 holders 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: In the future, the Village's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Bonds for resale prior to maturity.

Continuing Disclosure: A failure by the Village to comply with the Disclosure Undertaking for continuing disclosure (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 transferability and 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 holders of these obligations will be delivered by the Village to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the 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 holders may be limited by and are subject to the provisions of federal bankruptcy laws, to 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: The Village is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value 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 an information technology breach or attack with financial consequences that could have a material adverse impact.

Impact of the Spread of COVID-19: In late 2019, a novel strain of coronavirus (COVID-19) emerged in Wuhan, Hubei Province, China. COVID-19 has spread throughout the world, including to the United States, resulting in the World Health Organization proclaiming COVID-19 to be a pandemic and President Trump declaring a national emergency. In response to the spread of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19. The effects of the spread of COVID-19 and the government and private responses to the spread continue to rapidly evolve. COVID-19 has caused significant disruptions to the global, national and State economy. The extent to which the coronavirus impacts the Village and its financial condition will depend on future developments, which are highly uncertain and cannot be predicted by the Village, including the duration of the outbreak and measures taken to address the outbreak.

On March 13, 2020, Wisconsin Governor Tony Evers declared a public health emergency in the state in response to the growing threat of COVID-19. That declaration included direction to the state Department of Health Services to use any and all required resources to respond to and contain the outbreak. Governor Evers followed that up with a "safer at home" order on March 24, 2020, closing nonessential businesses, banning gatherings of any size and imposing strict travel restrictions. The order runs from March 25, 2020 through April 24, 2020, although the timeline could be changed.

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement and the Appendices hereto.

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

2019 Equalized Value	\$1,232,395,400
2019 Equalized Value Reduced by Tax Increment Valuation	\$1,212,814,500
2019 Assessed Value	\$1,218,704,170

2019 EQUALIZED VALUE BY CLASSIFICATION

	2019 Equalized Value¹	Percent of Total Equalized Value
Residential	\$ 1,044,812,400	84.779%
Commercial	160,276,300	13.005%
Manufacturing	21,191,300	1.720%
Agricultural	18,400	0.001%
Undeveloped	3,000	0.000%
Personal Property	6,094,000	0.494%
Total	<u><u>\$ 1,232,395,400</u></u>	<u><u>100.000%</u></u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value¹	Percent Increase/Decrease in Equalized Value
2015	\$ 934,266,500	\$ 937,955,600	4.24%
2016	990,210,400	1,008,065,500	7.47%
2017	1,069,921,300	1,086,383,800	7.77%
2018	1,134,772,570	1,154,984,200	6.31%
2019	1,218,704,170	1,232,395,400	6.70%

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

¹ Includes tax increment valuation.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2019 Equalized Value ¹	Percent of Village's Total Equalized Value
Fred-Bergamont Apartments LLC	Commercial	\$ 13,061,876	1.06%
Highlands of Netherwood	Residential	10,164,462	0.82%
Oregon Parks LLC	Residential/Commercial	8,070,104	0.65%
1026 Vinyard LLC, 25 Obrien Ct LLC, 522 W Johnson LLC	Residential/Commercial	6,974,586	0.57%
Individual	Residential/Commercial	6,106,504	0.50%
Bergamont Golf Course LLC	Commercial	6,067,671	0.49%
Lycon, Inc.	Commercial/Manufacturing	5,209,298	0.42%
Decem Properties LLC	Commercial	4,651,881	0.38%
Pine Cove Apartments	Commercial	4,553,990	0.37%
Oregon Community Bank	Commercial	4,199,638	0.34%
Total		\$ 69,060,010	5.60%

Village's Total 2019 Equalized Value² \$1,232,395,400

Source: The Village.

¹ Calculated by dividing the 2019 Assessed Values by the 2019 Aggregate Ratio of assessment for the Village.

² Includes tax increment valuation.

DEBT

DIRECT DEBT¹ (includes the Bonds and the Concurrent Obligations, as defined herein)*

General Obligation Debt (see schedules following)

Total General Obligation Debt

\$ 22,534,429

*Preliminary, subject to change.

¹ Outstanding debt is as of the dated date of the Bonds.

Village of Oregon, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 05/06/2020)

Dated Amount	Maturity	Corporate Purpose Bonds Series 2017B			State Trust Fund Loan 2017			Promissory Notes Series 2018A			Corporate Purpose Bonds Series 2018B			Promissory Notes Series 2019A			Corporate Purpose Bonds Series 2019B		
		06/08/2017 \$1,950,000	03/01	03/01	12/13/2017 \$550,000	03/15	03/01	06/20/2018 \$645,000	03/01	06/20/2018 \$3,880,000	03/01	06/13/2019 \$860,000	03/01	06/13/2019 \$2,655,000	03/01				
Calendar Year Ending		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest				
2020		0	25,188	0	0	0	7,060	0	51,713	0	13,150	0	42,625	0	80,850				
2021		100,000	48,875	21,715	20,577	60,000	13,430	190,000	100,575	105,000	24,725	220,000	80,850	220,000	80,850				
2022		100,000	45,875	22,584	19,709	65,000	11,993	190,000	94,875	110,000	21,500	140,000	73,650	140,000	73,650				
2023		100,000	42,875	23,487	18,805	65,000	10,433	195,000	89,100	110,000	17,650	140,000	68,050	140,000	68,050				
2024		100,000	39,875	24,378	17,915	65,000	8,808	195,000	83,250	115,000	13,150	150,000	62,250	150,000	62,250				
2025		100,000	36,875	25,402	16,891	65,000	7,118	195,000	77,400	110,000	8,650	150,000	56,250	150,000	56,250				
2026		95,000	33,950	26,418	15,874	70,000	5,295	200,000	71,475	110,000	4,800	150,000	50,250	150,000	50,250				
2027		95,000	31,100	27,475	14,818	75,000	3,263	205,000	65,400	105,000	1,575	155,000	44,250	155,000	44,250				
2028		95,000	28,250	28,536	13,756	75,000	1,088	205,000	59,250	105,000	1,575	155,000	38,925	155,000	38,925				
2029		100,000	25,325	29,715	12,577	75,000	1,088	180,000	53,475	105,000	1,575	155,000	34,275	155,000	34,275				
2030		95,000	22,400	30,904	11,389	30,904	11,389	185,000	48,000	185,000	48,000	155,000	29,625	155,000	29,625				
2031		95,000	19,550	32,140	10,153	32,140	10,153	180,000	42,525	180,000	42,525	130,000	25,350	130,000	25,350				
2032		95,000	16,700	33,401	8,891	33,401	8,891	180,000	37,125	180,000	37,125	130,000	21,450	130,000	21,450				
2033		95,000	13,731	34,762	7,531	34,762	7,531	180,000	31,613	180,000	31,613	130,000	17,550	130,000	17,550				
2034		95,000	10,644	36,152	6,140	36,152	6,140	180,000	25,988	180,000	25,988	130,000	13,650	130,000	13,650				
2035		85,000	7,613	37,598	4,694	37,598	4,694	180,000	20,363	180,000	20,363	130,000	9,750	130,000	9,750				
2036		85,000	4,638	39,093	3,199	39,093	3,199	180,000	14,625	180,000	14,625	130,000	5,850	130,000	5,850				
2037		90,000	1,575	40,666	1,627	40,666	1,627	180,000	8,775	180,000	8,775	130,000	1,950	130,000	1,950				
2038																			
2039		1,620,000	455,038	514,429	204,546	540,000	68,485	3,380,000	978,450	765,000	105,200	2,475,000	676,550	2,475,000	676,550				

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Village of Oregon, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 05/06/2020)

Dated Amount	Maturity	Promissory Notes Series 2020A			Corporate Purpose Bonds Series 2020B			Taxable Refunding Bonds Series 2020C			Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
		05/06/2020 \$1,325,000*	03/01	Estimated Interest	05/06/2020 \$3,715,000*	03/01	Estimated Interest	05/06/2020 \$1,055,000*	03/01	Estimated Interest				
		Principal	0	0	0	0	0	0	145,000	380,216	22,389,429	.64%	2020	
		Principal	100,000	30,572	110,000	97,297	0	38,808	2,046,715	2,675,986	20,342,713	9.73%	2021	
		Principal	110,000	21,445	115,000	71,888	45,000	28,951	1,912,584	2,444,792	18,430,129	18.21%	2022	
		Principal	110,000	19,768	165,000	69,746	50,000	27,978	1,928,487	2,408,195	16,501,642	26.77%	2023	
		Principal	105,000	18,075	190,000	66,948	50,000	26,953	1,899,378	2,327,475	14,602,264	35.20%	2024	
		Principal	110,000	16,328	350,000	62,540	50,000	25,903	2,075,402	2,451,539	12,526,862	44.41%	2025	
		Principal	140,000	14,195	290,000	57,115	50,000	24,803	2,066,418	2,388,193	10,460,444	53.58%	2026	
		Principal	140,000	11,675	315,000	51,664	50,000	23,653	1,837,475	2,106,094	8,622,969	61.73%	2027	
		Principal	165,000	8,771	340,000	45,435	55,000	22,391	1,558,536	1,781,903	7,064,432	68.65%	2028	
		Principal	165,000	5,471	340,000	38,635	55,000	21,016	1,024,715	1,215,490	6,039,717	73.20%	2029	
		Principal	180,000	1,890	200,000	33,050	55,000	19,586	900,904	1,066,844	5,138,813	77.20%	2030	
		Principal			325,000	27,375	60,000	18,033	822,140	965,125	4,316,673	80.84%	2031	
		Principal			225,000	21,213	60,000	16,353	723,401	845,133	3,593,272	84.05%	2032	
		Principal			200,000	16,225	60,000	14,613	699,762	801,024	2,893,510	87.16%	2033	
		Principal			175,000	11,681	65,000	12,736	681,152	761,991	2,212,358	90.18%	2034	
		Principal			150,000	7,663	65,000	10,721	647,598	708,401	1,564,759	93.06%	2035	
		Principal			125,000	4,194	70,000	8,560	629,093	670,159	935,666	95.85%	2036	
		Principal			100,000	1,300	70,000	6,250	610,666	632,143	325,000	98.56%	2037	
		Principal					70,000	3,870	250,000	256,795	75,000	99.67%	2038	
		Principal					75,000	1,331	75,000	76,331	0	100.00%	2039	
			1,325,000	148,190	3,715,000	683,967	1,055,000	352,507	22,534,429	4,429,399	26,963,828			

* Preliminary, subject to change.

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	\$ 1,232,395,400
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit	\$ 61,619,770
Less: General Obligation Debt (includes the Bonds and the Concurrent Obligations)*	<u>(22,534,429)</u>
Unused Debt Limit*	<u>\$ 39,085,341</u>

*Preliminary, subject to change.

OVERLAPPING DEBT¹

Taxing District	2019 Equalized Value²	% In Village	Total G.O. Debt³	Village's Proportionate Share
Dane County	\$ 69,928,053,700	1.7624%	\$ 405,410,000	\$ 7,144,946
Madison Area Technical College District	94,997,912,017	1.2973%	153,865,000	1,996,091
Oregon School District	2,663,018,294	46.2781%	91,665,000	<u>42,420,820</u>
Village's Share of Total Overlapping Debt				<u>\$ 51,561,857</u>

¹ Overlapping debt is as of the dated date of the Bonds. Only those taxing jurisdictions with general obligation debt outstanding are included in this section.

² Includes tax increment valuation.

³ Outstanding debt based on information obtained on EMMA and the Municipal Advisor's records.

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$1,232,395,400	Debt/ Per Capita 10,170¹
Total General Obligation Debt (includes the Bonds and the Concurrent Obligations)*	\$ 22,534,429	1.83%	\$ 2,215.77
Village's Share of Total Overlapping Debt	<u>51,561,857</u>	<u>4.18%</u>	<u>5,070.00</u>
Total*	\$ 74,096,286	6.01%	\$ 7,285.77

*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

Aside from the Concurrent Obligations, the Village does not have plans for additional financing within the next 12 months.

¹ Estimated 2019 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
2015/16	\$5,155,798	100%	\$5.72
2016/17	5,375,942	100%	5.50
2017/18	5,728,872	100%	5.44
2018/19	6,122,612	100%	5.36
2019/20	6,588,908	[In Process]	5.43

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.

The spread of COVID-19 and responses taken by the United States government, state governments, local governments and private industries have caused significant disruptions to the national and State economy. See "RISK FACTORS - Impact of the Spread of COVID-19" herein. Certain states have announced extended deadlines for payment of property taxes, although as of this date Wisconsin has not taken such measures. The Village cannot predict whether and how much payment of property taxes will be impacted. Any delays or reduction in the receipt of property taxes may materially adversely impact the Village's finances and payment of debt obligations, including the Bonds.

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 ¹	County	Local	Other ²	Total
2015/16	\$13.04	\$3.15	\$5.72	\$0.18	\$22.09
2016/17	12.70	3.13	5.50	0.18	21.51
2017/18	12.50	3.14	5.44	0.00	21.08
2018/19	12.29	2.97	5.36	0.00	20.62
2019/20	12.08	2.90	5.43	0.00	20.41

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, imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of either the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current or zero percent). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. In 2018, and in each year thereafter, the base amount is the actual levy for the immediately preceding year plus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes (an amount equal to the property taxes formerly levied on certain items of personal property), and the levy limit is the base amount multiplied by the valuation factor, minus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

A political subdivision that did not levy its full allowable levy in the prior year can carry forward the difference between the allowable levy and the actual levy, up to a maximum of 1.5% of the prior year's actual levy. The use of the carry forward levy adjustment needs to be approved by a majority vote of the political subdivision's governing body (except in the case of towns) if the amount of carry forward levy adjustment is less than or equal to 0.5% and by a super majority vote of the political subdivision's governing body (three-quarters vote if the governing body is comprised of five or more members, two-thirds vote if the governing body is comprised of fewer than five members) (except in the case of towns) if the amount of the carry forward levy adjustment is greater than 0.5% up to the maximum increase of 1.5%. For towns, the use of the carry forward levy adjustment needs to be approved by a majority vote of the annual town meeting or special town meeting after the town board has adopted a resolution in favor of the adjustment by a majority vote if the amount of carry forward levy adjustment is less than or equal to 0.5%

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

² 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.

or by two-thirds vote or more if the amount of carry forward levy adjustment is greater than 0.5% up to the maximum of 1.5%.

Beginning with levies imposed in 2015, if a political subdivision does not make an adjustment in its levy as described in the above paragraph in the current year, the political subdivision may increase its levy by the aggregate amount of the differences between the political subdivision's valuation factor in the previous year and the actual percent increase in a political subdivision's levy attributable to the political subdivision's valuation factor in the previous year, for the five years before the current year, less any amount of such aggregate amount already claimed as an adjustment in any of the previous five years. The calculation of the aggregate amount available for such adjustment may not include any year before 2014, and the maximum adjustment allowed may not exceed 5%. The use of the adjustment described in this paragraph requires approval by a two-thirds vote of the political subdivision's governing body, and the adjustment may only be used if the political subdivision's level of outstanding general obligation debt in the current year is less than or equal to the political subdivision's level of outstanding general obligation debt in the previous year.

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other exclusions from and adjustments to the tax levy limit. Among the items excluded from the limit are amounts levied for any revenue shortfall for debt service on a revenue bond issued under Section 66.0621. Among the adjustments permitted is an adjustment applicable when a tax increment district terminates, which allows an amount equal to the prior year's allowable levy multiplied by 50% of the political subdivision's percentage growth due to the district's termination.

With respect to general obligation debt service, the following provisions are made:

- (a) If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally issued before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy.
- (b) For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts. This adjustment is based on scheduled debt service rather than the amount actually levied for debt service (after taking into account offsetting revenues such as sales tax revenues, special assessments, utility revenues, tax increment revenues or surplus funds). Therefore, the levy limit could negatively impact political subdivisions that experience a reduction in offsetting revenues.
- (c) The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005.

The Bonds were authorized after July 1, 2005 and therefore the levy limits do not apply to taxes levied to pay debt service on the Bonds.

THE ISSUER

VILLAGE GOVERNMENT

The Village was incorporated in 1883 and is governed by a Village President and a seven-member Village Board of which the Village President is a voting member. All are elected to two-year terms. The appointed Administrator, Finance Director/Treasurer and Village Clerk are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The Village employs a staff of 52 full-time, 30 part-time, and 9 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 generally required 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, 2016 ("Fiscal Year 2016"), the fiscal year ended December 31, 2017 ("Fiscal Year 2017") and the fiscal year ended December 31, 2018 ("Fiscal Year 2018"), the Village's portion of contributions to WRS (not including any employee contributions) totaled \$212,052, \$227,409 and \$299,979 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, 2017, the total pension liability of the WRS was calculated as \$101.4 billion and the fiduciary net position of the WRS was calculated as \$104.4 billion, resulting in a net pension asset of \$3 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 2018, the Village reported an asset of \$697,429 for its proportionate share of the net pension asset of the WRS. The net pension asset was measured as of December 31, 2017 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 0.02348942% of the aggregate WRS net pension asset as of December 31, 2017.

The calculation of the total pension asset 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 asset of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Recognized and Certified Bargaining Units

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

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

Under the 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:

Bargaining Unit	Expiration Date of Current Contract
WPPA	December 31, 2020

OTHER POST EMPLOYMENT BENEFITS

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

For Fiscal Year 2018, the Village's portion of contributions to the LRLIF totaled \$998. For Fiscal Year 2018, the Village reported a liability of \$158,128 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2017 based on the Village's share of contributions to the LRLIF relative to the contributions of all participating employers. The Village's proportion was .052559% of the aggregate LRLIF net OPEB liability as of December 31, 2017.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the net OPEB liability of the LRLIF, which may also cause ETF to change the contribution requirements for employers and employees. For more detailed information, see Note 4 in the "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Source: The Village's most recent audit.

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 holders of the Bonds could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Bonds, and there could ultimately be no assurance that holders

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 holders 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 revenues otherwise designated for payment to holders 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 holders of the Bonds would not occur.

FUNDS ON HAND (as of February 29, 2020)

Fund	Total Cash and Investments
General	\$ 4,320,182
Special Revenue	1,885,859
Debt Service	150,091
Capital Projects	6,280,271
Water	2,673,543
Sewer	6,165,051
Trust Agency	81,232
Total Funds on Hand	<u><u>\$ 21,556,228</u></u>

ENTERPRISE FUNDS

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

	2017	2018	2019 Unaudited
Water			
Total Operating Revenues	\$ 1,264,395	\$ 1,265,651	\$ 1,309,111
Less: Operating Expenses	<u>(937,371)</u>	<u>(830,724)</u>	<u>(827,162)</u>
Operating Income	\$ 327,024	\$ 434,927	\$ 481,949
Plus: Depreciation	382,652	346,515	346,515
Interest Income	<u>6,133</u>	<u>21,949</u>	<u>41,385</u>
Revenues Available for Debt Service	<u><u>\$ 715,809</u></u>	<u><u>\$ 803,391</u></u>	<u><u>\$ 869,849</u></u>
Sewer			
Total Operating Revenues	\$ 1,436,597	\$ 1,482,794	\$ 1,514,127
Less: Operating Expenses	<u>(1,595,796)</u>	<u>(1,630,087)</u>	<u>(1,710,706)</u>
Operating Income	\$ (159,199)	\$ (147,293)	\$ (196,579)
Plus: Depreciation	683,561	692,175	692,325
Interest Income	<u>11,410</u>	<u>43,660</u>	<u>88,882</u>
Revenues Available for Debt Service	<u><u>\$ 535,772</u></u>	<u><u>\$ 588,542</u></u>	<u><u>\$ 584,628</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 audited financial statements are available upon request. See Appendix A for the Village's 2018 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2016 Audited	2017 Audited	2018 Audited	2019 Projected ¹	2020 Adopted Budget ²
Revenues					
Taxes and special assessments	\$ 4,114,146	\$ 3,799,018	\$ 3,994,856	\$ 4,163,447	\$ 4,485,239
Intergovernmental	933,883	768,419	804,961	844,098	873,062
Licenses and permits	243,891	169,956	194,703	248,860	214,690
Penalties and forfeitures	113,630	134,252	139,377	149,026	117,500
Public charges for services	81,687	72,335	87,276	96,930	146,650
Intergovernmental charges for services	198,195	158,875	178,248	165,168	183,259
Interest	22,714	27,861	59,387	128,293	80,000
Miscellaneous general revenues	98,674	73,920	92,755	93,580	73,962
Total Revenues	\$ 5,806,820	\$ 5,204,636	\$ 5,551,563	\$ 5,889,402	\$ 6,174,362
Expenditures					
Current:					
General government	\$ 1,004,007	\$ 952,393	\$ 961,847	\$ 1,011,440	\$ 1,149,990
Public safety	2,836,508	2,732,585	3,317,721	3,230,342	3,456,494
Public works	810,065	747,380	899,201	987,056	950,706
Health and social services	224,452	226,757	238,485	265,824	300,560
Culture and recreation	1,159,765	545,130	517,830	454,941	591,536
Capital outlay	34,690	44,565	53,440	63,613	98,302
Total Expenditures	\$ 6,069,487	\$ 5,248,810	\$ 5,988,524	\$ 6,013,216	\$ 6,547,588
Excess of revenues over (under) expenditures	\$ (262,667)	\$ (44,174)	\$ (436,961)	\$ (123,814)	\$ (373,226)
Other Financing Sources (Uses)					
Proceeds from capital lease			0	0	0
Proceeds of long-term debt			275,550	310,194	0
Transfers in	418,663	295,745	294,379	290,010	373,226
Transfers out	(108,344)	(165,744)	(275,844)	0	0
Total Other Financing Sources (Uses)	\$ 310,319	\$ 130,001	\$ 294,085	\$ 600,204	\$ 373,226
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ 47,652	\$ 85,827	\$ (142,876)	\$ 476,390	\$ 0
General Fund Balance January 1	2,419,353	2,467,005	2,552,832	2,409,956	
Prior Period Adjustment	0	0	0	0	
Residual Equity Transfer in (out)	0	0	0	0	
General Fund Balance December 31	\$ 2,467,005	\$ 2,552,832	\$ 2,409,956	\$ 2,886,346	
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	831,939	826,540	581,296		
Restricted	0	0	0		
Committed	4,001	4,558	4,558		
Assigned	4,515	3,423	4,657		
Unassigned	1,626,550	1,718,311	1,819,445		
Total	\$ 2,467,005	\$ 2,552,832	\$ 2,409,956		

¹ Unaudited data is as of December 31, 2019.

² The 2020 budget was adopted on November 18, 2019.

GENERAL INFORMATION

LOCATION

The Village, with a 2010 U.S. Census population of 9,231 and a current estimated population of 10,170 comprises an area of 4.48 square miles and is located approximately nine miles south of the City of Madison just off U.S. Highway 14.

LARGER EMPLOYERS¹

Larger employers in the Area include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Oregon School District	Elementary and secondary education	525 ²
Oakhill Correctional Institution	Minimum security prison	265 ³
Trachte Inc.	Manufacturers	154
Wisco Industries, Inc.	Laser Cutting - Manufacturing	120
Bill's Food Center	Grocers	100
Thysse Printing Service, Inc.	Commercial printing and designer	93
Village of Oregon	Municipal Government	84
Oregon Manor LTD	Nursing & Convalescent Homes	85
Gorman & Company	General contractor	60
All-Color Powder Coating, Inc.	Custom powder coating on metal products	45

Source: *ReferenceUSA, written and telephone survey (April 2019), Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development.*

¹ 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 noted above. Some employers do not respond to inquiries for employment data. Estimates provided are accurate as of the date noted and may not reflect changes in the number of employees resulting from the current COVID-19 pandemic. (See "RISK FACTORS - Impact of the Spread of COVID-19").

² FTE number per the District's Official Statement dated 1/23/19

³ FTE number per the fact sheet dated 6/30/18

BUILDING PERMITS

	2016	2017	2018	2019	2020 ¹
<u>New Single Family Homes</u>					
No. of building permits	40	32	47	53	8
Valuation	\$14,416,878	\$13,100,884	\$20,320,970	\$19,692,457	\$1,394,013
<u>New Multiple Family Buildings</u>					
No. of building permits	16	1	4	12	1
Valuation	\$5,640,000	\$5,500,000	\$995,000	\$4,379,900	\$450,000
<u>New Commercial/Industrial</u>					
No. of building permits	4	3	10	4	1
Valuation	\$1,505,000	\$1,080,000	\$7,184,072	\$11,155,000	\$275,000
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	410	417	415	424	48
Valuation	\$61,200,906	\$27,700,739	\$38,657,839	\$32,227,357	\$2,119,013

Source: The Village.

¹ As of February 29, 2020.

U.S. CENSUS DATA

Population Trend: The Village

2000 U.S. Census	7,514
2010 U.S. Census	9,231
2019 Estimated Population	10,170
Percent of Change 2000 - 2010	+ 22.85%

Income and Age Statistics

	The Village	Dane County	State of Wisconsin	United States
2018 per capita income	\$41,138	\$38,757	\$32,018	\$32,621
2018 median household income	\$80,385	\$70,541	\$59,209	\$60,293
2018 median family income	\$102,237	\$94,813	\$75,313	\$73,965
2018 median gross rent	\$845	\$1,031	\$837	\$1,023
2018 median value owner occupied units	\$246,400	\$252,300	\$173,600	\$204,900
2018 median age	37.6 yrs.	34.9 yrs.	39.3 yrs.	37.9 yrs.

	State of Wisconsin	United States
Village % of 2018 per capita income	128.48%	126.11%
Village % of 2018 median family income	135.75%	138.22%

Housing Statistics

	<u>The Village</u>		
	2010	2018	Percent of Change
All Housing Units	3,665	3,954	7.89%

Source: 2000 and 2010 Census of Population and Housing, and 2018 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov/cedsci>).

EMPLOYMENT/UNEMPLOYMENT DATA

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

Year	<u>Average Employment</u>		<u>Average Unemployment</u>	
	Dane County	Dane County	State of Wisconsin	State of Wisconsin
2015	300,863	3.2%	4.5%	
2016	309,310	2.9%	4.0%	
2017	313,575	2.4%	3.3%	
2018	313,451	2.2%	3.0%	
2019, December ¹	311,548	2.1%	3.2%	

Source: Wisconsin Department of Workforce Development.

¹ Preliminary County.

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 or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Official Statement, nor has the Village requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the Village since the date of the financial statements, in connection with the issuance of the 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.



JOHNSON BLOCK

CPAs

**VILLAGE OF OREGON
FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
For the Year Ended December 31, 2018**

VILLAGE OF OREGON

Table of Contents
December 31, 2018

	<u>Page</u>	
INDEPENDENT AUDITOR'S REPORT.....	i-ii	
MANAGEMENT'S DISCUSSION AND ANALYSIS	iii-xi	
BASIC FINANCIAL STATEMENTS:		
Government-wide Financial Statements		
Statement of Net Position	1	
Statement of Activities.....	2	
Fund Financial Statements		
Balance Sheet – Governmental Funds	3	
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	4	
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	5	
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	6	
Statement of Net Position – Proprietary Funds.....	7	
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	8	
Statement of Cash Flows – Proprietary Funds	9-10	
Statement of Fiduciary Net Position – Fiduciary Funds	11	
Notes to the Financial Statements.....	12-50	
REQUIRED SUPPLEMENTARY INFORMATION:		
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (with Variances) – General Fund		51
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (with Variances) – Major Special Revenue Fund.....		52
Wisconsin Retirement System Schedules		53
Local Retiree Life Insurance Fund Schedules		54
Notes to Required Supplementary Information		55-56
OTHER SUPPLEMENTARY INFORMATION:		
Combining Balance Sheet – Non-Major Governmental Funds		57
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Governmental Funds		58
Combining Balance Sheet – Non-Major Special Revenue Funds.....		59-60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Special Revenue Funds		61-62
Combining Balance Sheet – Non-Major Capital Projects and Permanent Funds		63-64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Capital Projects and Permanent Funds.....		65-66



INDEPENDENT AUDITOR'S REPORT

To the Village Board
Village of Oregon, Wisconsin

We have audited the accompanying financial statements of the governmental activities, business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Oregon, Wisconsin, as of and for the year ended December 31, 2018, which collectively comprise the Village's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Oregon, Wisconsin, as of December 31, 2018, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Emphasis of Matter

As discussed in Note 1 to the financial statements, effective January 1, 2018, the Village of Oregon adopted the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the Wisconsin Retirement System schedules and the Local Retiree Life Insurance Schedules as identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Oregon, Wisconsin's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining non-major fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Johnson Block & Company, Inc.

Johnson Block and Company, Inc.
June 17, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Village of Oregon, Wisconsin, we offer readers of the Village of Oregon, Wisconsin's basic financial statements this narrative overview and analysis of the financial activities of the Village of Oregon, Wisconsin for the fiscal year ended December 31, 2018. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Village's basic financial statements, which follow this narrative.

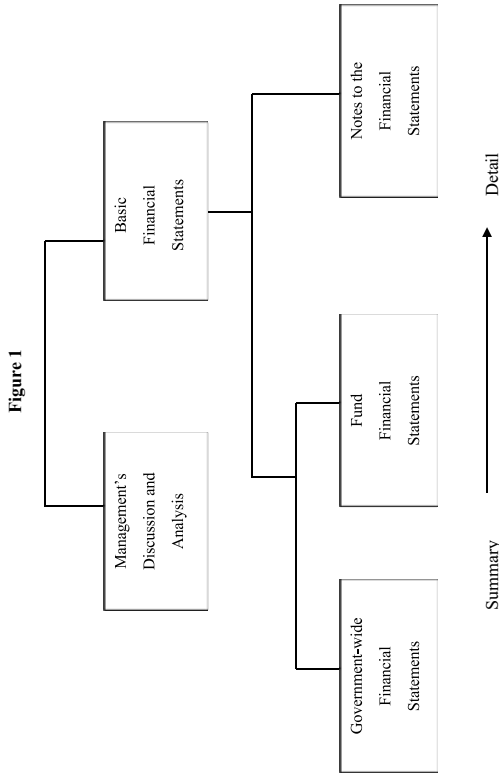
FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Village of Oregon, Wisconsin exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$60,536,101 (*net position*).
- The government's total net position increased by \$1,787,709.
- As of the close of the current fiscal year, the Village of Oregon, Wisconsin's governmental funds reported combined ending fund balances of \$8,578,803, an increase of \$618,903 in comparison with the prior year.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$1,819,445 or 30.4 percent of total general fund expenditures for the fiscal year.
- The Village reported a net increase in general obligation debt of \$2,819,999.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to Village of Oregon, Wisconsin's basic financial statements. The Village's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Village through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Village of Oregon, Wisconsin.

Required Components of Annual Financial Report



BASIC FINANCIAL STATEMENTS

The first two statements in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the Village's financial status.

The next statements are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Village's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the fiduciary fund statements; and 3) the proprietary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the Village's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Village's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Village's financial status as a whole.

The two government-wide statements report the Village's net position and how it has changed. Net position is the difference between the Village's assets plus deferred outflows of resources and total liabilities plus deferred inflows of resources. Measuring net position is one way to gauge the Village's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities and 2) business-type activities. The governmental activities include most of the Village's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the Village charges customers to provide. These include the water and sewer services offered by the Village of Oregon, Wisconsin.

The Village has one component unit, the Community Development Authority, which is reported separately in the government-wide financial statements.

Fund Financial Statements

The fund financial statements provide a more detailed look at the Village's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Oregon, Wisconsin, like all other governmental entities in Wisconsin, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the State of Wisconsin Statutes or the Village's budget ordinance. All of the funds of Village of Oregon, Wisconsin can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds - Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Village's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Village's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the general fund, the TIF #3 special revenue fund, the street improvement fund and the debt service fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Village of Oregon, Wisconsin adopts an annual budget for its governmental funds as required by the State of Wisconsin Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Village, the management of the Village, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Village to obtain funds from identified sources to finance these current period activities. The budgetary comparison schedule provided for the General and TIF District #3 demonstrates how well the Village complied with the budget ordinance and whether or not the Village succeeded in providing the services as planned when the budget was adopted. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the variance between the final budget and the actual revenue and expenditures.

Proprietary Funds - The Village of Oregon, Wisconsin has one kind of proprietary fund, *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village of Oregon, Wisconsin uses enterprise funds to account for its water and sewer operations. These funds are the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Utility and for the Sewer Utility, both of which are considered to be major funds of the Village of Oregon.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of these funds are *not* available to support the Village of Oregon, Wisconsin's own programs. The most significant fiduciary fund maintained by the Village of Oregon, Wisconsin is the Tax Collections Fund which records the tax roll and tax collections for other taxing jurisdictions within the Village of Oregon, Wisconsin. The accounting used for fiduciary funds is much like that used for governmental funds.

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

Other Information - In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Village of Oregon, Wisconsin. Required supplementary information can be found following the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS
THE VILLAGE OF OREGON, WISCONSIN'S NET POSITION

Figure 1

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 18,729,866	\$ 16,925,179	\$ 8,192,975	\$ 6,724,246	\$ 26,922,841	\$ 23,649,425
Capital Assets (Restated)	32,876,896	30,805,329	25,953,214	25,727,754	58,830,110	56,378,083
Total Assets	51,606,762	47,730,508	34,146,189	32,297,000	85,752,951	80,027,508
Deferred Outflows	1,350,245	1,484,214	177,605	207,134	1,527,850	1,691,348
Long-Term Liabilities	13,044,364	10,640,687	2,449,340	2,049,070	15,493,704	12,689,757
Other Liabilities	3,085,560	2,752,774	404,938	351,383	3,490,498	3,104,157
Total Liabilities	16,129,924	13,393,461	2,854,278	2,400,453	18,984,202	15,793,914
Deferred Inflows	7,611,948	6,981,219	148,550	67,724	7,760,498	7,048,943
Net Position:						
Net Investment in Capital Assets	22,492,400	22,568,442	23,646,132	23,418,543	46,138,532	45,986,985
Restricted	1,894,718	2,131,933	1,833,938	1,687,950	3,728,656	3,819,883
Unrestricted	4,828,017	4,139,667	5,840,896	4,929,464	10,668,913	9,069,131
Total Net Position	\$ 29,215,135	\$ 28,840,042	\$ 31,320,966	\$ 30,035,957	\$ 60,536,101	\$ 58,875,999

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the Village of Oregon, Wisconsin exceeded liabilities and deferred inflows of resources by \$60,536,101 as of December 31, 2018. The Village's net position increased by \$1,787,709 for the fiscal year ended December 31, 2018. The largest portion, \$46,138,532, reflects the Village's investment in capital assets (e.g. land, land improvements, buildings, and equipment), less any related debt still outstanding that was issued to acquire those items. The Village of Oregon, Wisconsin uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village of Oregon, Wisconsin's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Village of Oregon, Wisconsin's net position, \$3,728,656, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$10,668,913 is unrestricted.

VILLAGE OF OREGON, WISCONSIN CHANGES IN NET POSITION

Figure 2

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services and fees, fines and costs	\$ 1,620,081	\$ 1,501,024	\$ 2,748,445	\$ 2,700,992	\$ 4,368,526	\$ 4,202,016
Operating grants and contributions	876,856	769,892	35,951	241,713	912,807	1,011,605
Capital grants and contributions	1,208,248	234,474	1,271,056	-	2,479,304	234,474
General revenues:						
Taxes	6,485,924	6,093,343	-	-	6,485,924	6,093,343
Intergovernmental revenues not restricted to specific programs	225,440	238,771	-	-	225,440	238,771
Unrestricted Interest and Investment Earnings	150,211	59,997	65,609	17,543	215,820	77,540
Miscellaneous	2,741	8,698	-	-	2,741	8,698
Special Items	(9,031)	(314,586)	-	-	(9,031)	(314,586)
Total Revenues	10,560,470	8,591,613	4,121,061	2,960,248	14,681,531	11,551,861
Expenses:						
General Government	1,204,495	1,218,771	-	-	1,204,495	1,218,771
Public Safety	3,534,552	3,041,921	-	-	3,534,552	3,041,921
Public Works	3,122,113	2,734,571	-	-	3,122,113	2,734,571
Health, Welfare & Sanitation	302,074	264,239	-	-	302,074	264,239
Culture and Recreation	1,550,462	1,541,860	-	-	1,550,462	1,541,860
Conservation & Development	195,424	232,526	-	-	195,424	232,526
Interest on long-term debt	448,901	332,427	-	-	448,901	332,427
Water & Sewer	-	-	2,535,801	2,568,861	2,535,801	2,568,861
Total Expenses	10,358,021	9,366,315	2,535,801	2,568,861	12,893,822	11,935,176
Increase (Decrease) in Net Position before transfers	202,449	(774,702)	1,585,260	391,387	1,787,709	(883,315)
Transfers	300,251	307,411	(300,251)	(307,411)	-	-
Increase (Decrease) in Net Position	502,700	(467,291)	1,285,009	83,976	1,787,709	(883,315)
Net Position - January 1	28,840,042	29,307,333	30,035,957	29,951,981	58,875,999	59,259,314
Restatement	(127,607)	-	-	-	(127,607)	-
Net Position - January 1, restated	28,712,435	29,307,333	30,035,957	29,951,981	58,748,392	59,259,314
Net Position - December 31	\$ 29,215,135	\$ 28,840,042	\$ 31,320,966	\$ 30,035,957	\$ 60,536,101	\$ 58,875,999

Figure 2 provides summarized operating results and their impact on net position. Governmental activities increased and business-type activities increased the Village's financial position.

Governmental activities: The Village relies primarily on charges for services (15%) and taxes (61%) to provide basic services, and capital grants and contributions (11%) and operating grants and contributions (8%) for major projects. Public safety (34%) and public works (30%) comprise the majority of expenses.

Business-type activities: Utility charges for services were comparable to 2017. Utility grants and contributions increased by \$1,271,056 mainly due to developer contributions in the current year.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

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

Governmental Funds: The focus of the Village of Oregon, Wisconsin's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Village of Oregon, Wisconsin's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the primary operating fund of the Village of Oregon, Wisconsin. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$1,819,445, while total fund balance was \$2,409,956. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 30 percent of total General Fund expenditures, while total fund balance represents 40 percent of that same amount.

At December 31, 2018, the governmental funds of Village of Oregon, Wisconsin reported a combined fund balance of \$8,578,803, an increase of \$618,903 from last year.

General Fund Budgetary Highlights: During the fiscal year, the Village revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget resolution once more accurate information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

Revenue was greater than the original budgeted amounts primarily because of an increase in fees and permits as well as miscellaneous revenues collected.

Expenditures were slightly more than the budget primarily in the general government departments. Revenues were available to cover any departments that exceeded their budgets.

Proprietary Funds: The Village of Oregon, Wisconsin's proprietary funds provide the same type of information found in the government-wide statements but in more detail.

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

Capital Asset and Debt Administration

Capital Assets: The Village of Oregon, Wisconsin's investment in capital assets for its governmental and business-type activities as of December 31, 2018, totals \$58,830,110 (net of accumulated depreciation). These assets include land, land improvements, buildings, construction in progress, and infrastructure.

Major capital asset transactions during the year include the following additions:

- Police vehicles (2)
- Water pickup
- Street sweeper
- N Perry Parkway extension

VILLAGE OF OREGON, WISCONSIN'S CAPITAL ASSETS

Figure 3

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Land (Restated)	\$ 9,579,359	\$ 9,579,359	\$ 270,832	\$ 258,301	\$ 9,850,191	\$ 9,837,660
Construction Work in Progress	560,451	96,850	-	-	560,451	96,850
Land and Construction Work in Progress	10,139,810	9,676,209	270,832	258,301	10,410,642	9,934,510
Buildings & Improvements	6,316,758	6,241,274	3,078,570	3,078,570	9,395,328	9,319,844
Vehicles & Equipment	4,637,266	4,302,589	1,156,382	1,068,533	5,793,648	5,371,122
Infrastructure	37,658,491	35,172,682	39,538,040	38,278,650	77,196,531	73,451,332
Other Capital Assets	48,612,515	45,716,545	43,772,992	42,425,753	92,385,507	88,142,298
Accumulated Depreciation	(25,875,429)	(24,587,425)	(18,090,610)	(17,111,300)	(43,966,039)	(41,698,725)
Other Capital Assets, net of depreciation	22,737,086	21,129,120	25,682,382	25,314,453	48,419,468	46,443,573
Total Capital Assets	\$ 32,876,896	\$ 30,805,329	\$ 25,953,214	\$ 25,572,754	\$ 58,830,110	\$ 56,378,083

Additional information on the Village's capital assets can be found in the Notes to the Financial Statements.

Long-Term Obligations: As of December 31, 2018, the Village of Oregon, Wisconsin had total long-term obligations outstanding of \$17,410,533. Of this, \$16,490,000 is debt backed by the full faith and credit of the Village. The remainder of the Village's debt represents compensated absences.

VILLAGE OF OREGON, WISCONSIN'S OUTSTANDING LONG-TERM OBLIGATIONS

Figure 4

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
General Obligation Bonds/Notes	\$13,915,000	\$ 11,525,351	\$ 2,575,000	\$ 2,144,650	\$ 16,490,000	\$ 13,670,001
Premium	288,895	282,693	57,082	61,838	345,977	344,531
Other Long-Term Obligations	494,666	462,866	79,890	74,523	574,556	537,389
Total Debt Outstanding	\$ 14,698,561	\$ 12,270,910	\$ 2,711,972	\$ 2,281,011	\$ 17,410,533	\$ 14,551,921

The Village of Oregon, Wisconsin's total debt increased by \$2,858,612 during the past fiscal year. Principal payments on long-term obligations totaled \$1.76 million for 2018.

The State of Wisconsin statutes limit the amount of general obligation debt that a unit of government can issue to 5 percent of the total equalized value of taxable property located within that government's boundaries. The legal debt limit for Village of Oregon, Wisconsin is \$57,749,210.

Additional information regarding the Village of Oregon, Wisconsin's long-term debt can be found in the Notes to the Financial Statements.

Economic Factors Bearing on the Village's Future

Major Developments in the Village of Oregon (tax base)

Bergamot, Merri-Hill and Oregon Parks developments continue to build single family homes. The Village of Oregon annexed in two more developments-Highlands of Netherwood and Autumn Ridge. The new downtown apartment project was completed and opened (61 Units). The Village continues to have a healthy pattern of building projects, 47 single family homes, 4 duplexes and 5 commercial (Sleep Inn Hotel, Omni Technologies, All Color, Kwik Trip and the Youth Center).

Levy Limit

In July 2005, the State of Wisconsin placed a levy limit on municipalities for fiscal years 2006 and 2007. In 2007, the State of Wisconsin continued this levy limit for fiscal years 2008 and 2009. In 2009, the State of Wisconsin continued this levy limit for fiscal years 2010 and 2011. The 2011-2013 state budget makes the levy limits permanent.

Requests for Information

This report is designed to provide an overview of the Village's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Director, Village of Oregon, 117 Spring Street, Oregon, Wisconsin 53575.

VILLAGE OF OREGON
Oregon, Wisconsin

Statement of Net Position
December 31, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>				
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 8,828,571	\$ 5,842,691	\$ 14,671,262	\$ 1,931
Receivables:				
Taxes	6,388,726	-	6,388,726	-
Accounts, Net	449,624	244,869	694,493	-
Special Assessments	7,198	-	7,198	-
Internal Balances	(7,624)	7,624	-	-
Inventories	-	15,076	15,076	-
Prepays	158,580	16,642	175,222	-
Restricted Assets:				
Restricted Cash and Investments	250,132	1,833,938	2,084,070	-
Net Pension Asset	622,318	75,111	697,429	-
TOTAL CURRENT ASSETS	16,697,525	8,035,951	24,733,476	1,931
NONCURRENT ASSETS				
Capital Assets:				
Land, Improvements, and Construction in Progress	10,139,810	270,832	10,410,642	-
Other Capital Assets, Net of Depreciation	22,737,086	25,682,382	48,419,468	-
Total Capital Assets	32,876,896	25,953,214	58,830,110	-
Other Assets:				
Land Held for Resale	546,779	-	546,779	-
Long-term Receivables	1,485,562	157,024	1,642,586	-
Total Other Assets	2,032,341	157,024	2,189,365	-
TOTAL NONCURRENT ASSETS	34,909,237	26,110,238	61,019,475	-
TOTAL ASSETS	51,606,762	34,146,189	85,752,951	1,931
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized Loss on Bond Refunding	174,727	38,246	212,973	-
Deferred Pension Outflows	1,154,647	139,359	1,294,006	-
Deferred Outflows - Retiree Life Insurance	20,871	-	20,871	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,350,245	177,605	1,527,850	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 52,957,007	\$ 34,323,794	\$ 87,280,801	\$ 1,931
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</u>				
CURRENT LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 1,096,787	\$ 117,289	\$ 1,214,076	\$ -
Due to Other Governmental Agencies	9,187	-	9,187	-
Deposits	4,304	-	4,304	-
Accrued Interest Payable	162,957	25,017	187,974	-
Long-Term Liabilities Due Within One Year				
Compensated Absences	228,207	52,875	281,082	-
Long-Term Debt	1,584,118	209,757	1,793,875	-
TOTAL CURRENT LIABILITIES	3,085,560	404,938	3,490,498	-
NONCURRENT LIABILITIES				
Long-Term Debt	12,619,777	2,422,325	15,042,102	-
Compensated Absences	266,459	27,015	293,474	-
Retiree Life Insurance Liability	158,128	-	158,128	-
TOTAL NONCURRENT LIABILITIES	13,044,364	2,449,340	15,493,704	-
TOTAL LIABILITIES	16,129,924	2,854,278	18,984,202	-
DEFERRED INFLOWS OF RESOURCES				
Deferred Pension Inflows	1,230,795	148,550	1,379,345	-
Deferred Inflows - Retiree Life Insurance	2,228	-	2,228	-
Deferred Tax Levy	6,378,925	-	6,378,925	-
TOTAL DEFERRED INFLOWS OF RESOURCES	7,611,948	148,550	7,760,498	-
NET POSITION				
Net Investment in Capital Assets	22,492,400	23,646,132	46,138,532	-
Restricted	1,894,718	1,833,938	3,728,656	-
Unrestricted	4,828,017	5,840,896	10,668,913	1,931
TOTAL NET POSITION	29,215,135	31,320,966	60,536,101	1,931
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 52,957,007	\$ 34,323,794	\$ 87,280,801	\$ 1,931

VILLAGE OF OREGON
Oregon, Wisconsin

Statement of Activities
For the Year Ended December 31, 2018

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	Component Unit
Primary Government								
Governmental Activities								
General Government	\$ 1,204,495	\$ 97,728	\$ -	\$ -	\$ (1,106,767)	\$ -	\$ (1,106,767)	\$ -
Public Safety	3,534,552	498,778	59,806	-	(2,975,968)	-	(2,975,968)	-
Public Works	3,122,113	605,134	462,973	1,208,248	(845,758)	-	(845,758)	-
Health, Welfare and Sanitation	302,074	129,837	80,642	-	(91,595)	-	(91,595)	-
Culture and Recreation	1,550,462	223,138	273,435	-	(1,053,889)	-	(1,053,889)	-
Conservation and Development	195,424	-	-	-	(195,424)	-	(195,424)	-
Interest on Long-term debt	448,901	65,466	-	-	(383,435)	-	(383,435)	-
Total Governmental Activities	10,358,021	1,620,081	876,856	1,208,248	(6,652,836)	-	(6,652,836)	-
Business-type Activities								
Water	882,092	1,265,651	33,876	624,942	-	\$ 1,042,377	1,042,377	-
Sewer	1,653,709	1,482,794	2,075	646,114	-	477,274	477,274	-
Total Business-type Activities	2,535,801	2,748,445	35,951	1,271,056	-	1,519,651	1,519,651	-
Total Primary Government	\$ 12,893,822	\$ 4,368,526	\$ 912,807	\$ 2,479,304	(6,652,836)	-	(5,133,185)	-

General Revenues:

Taxes:								
Property Taxes, levied for general purposes	3,951,810						3,951,810	-
Property Taxes, levied for debt service	1,174,354						1,174,354	-
Property Taxes, levied for community service purposes	602,961						602,961	-
Tax Increments	713,753						713,753	-
Other Taxes	43,046						43,046	-
Shared taxes from state	225,440						225,440	-
Interest Income	150,211					65,609	215,820	24
Miscellaneous	2,741						2,741	-
Special Item - gain (loss) on sale of land	(9,031)						(9,031)	-
Transfers	300,251					(300,251)	-	-
Total General Revenues, Special Items and Transfers	7,155,536					(234,642)	6,920,894	24
Change in Net Position	502,700					1,285,009	1,787,709	24
Net Position - Beginning, as previously reported	28,840,042					30,035,957	58,875,999	1,907
Prior Period Adjustment - Implementation of GASB Statement No. 75	(127,607)					-	(127,607)	-
Net Position - Beginning, as restated	28,712,435					30,035,957	58,748,392	1,907
Net Position - Ending	\$ 29,215,135					\$ 31,320,966	\$ 60,536,101	\$ 3,838

See accompanying notes to the basic financial statements.

VILLAGE OF OREGON
Oregon, Wisconsin

Balance Sheet
Governmental Funds
December 31, 2018

	<u>General Fund</u>	<u>Debt Service</u>	<u>Street Improvements</u>	<u>TIF #3 Special Revenue</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and Cash Equivalents	\$ 1,891,743	\$ 310,830	\$ 3,145,168	\$ 96,759	\$ 3,384,071	\$ 8,828,571
Receivables:						
Taxes	4,130,718	1,372,320	7,143	212,687	665,858	6,388,726
Special Assessments	-	-	7,198	-	-	7,198
Accounts	368,991	-	-	-	80,633	449,624
Other	-	175,562	-	1,310,000	-	1,485,562
Due from Other Funds	14,716	-	-	-	1,643	16,359
Prepaid Expenses	142,411	-	-	-	16,169	158,580
Restricted Cash	-	44,374	-	-	205,758	250,132
Advances Receivable	429,084	-	-	-	-	429,084
Total Assets	<u>\$ 6,977,663</u>	<u>\$ 1,903,086</u>	<u>\$ 3,159,509</u>	<u>\$ 1,619,446</u>	<u>\$ 4,354,132</u>	<u>\$ 18,013,836</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 157,086	\$ -	\$ 156,599	\$ -	\$ 507,510	\$ 821,195
Accrued Liabilities	275,593	-	-	-	-	275,593
Deposits	4,304	-	-	-	-	4,304
Due to Other Funds	9,267	-	-	-	14,716	23,983
Due to Other Governments	541	-	-	-	8,649	9,190
Advances Payable	-	-	-	-	429,084	429,084
Total Liabilities	<u>446,791</u>	<u>-</u>	<u>156,599</u>	<u>-</u>	<u>959,959</u>	<u>1,563,349</u>
Deferred Inflows of Resources:						
Deferred Taxes and Special Assessments	4,120,916	1,547,882	14,341	1,522,687	665,858	7,871,684
Total Deferred Inflows of Resources	<u>4,120,916</u>	<u>1,547,882</u>	<u>14,341</u>	<u>1,522,687</u>	<u>665,858</u>	<u>7,871,684</u>
Fund Balances (Deficit):						
Nonspendable	581,296	-	-	-	94,299	675,595
Restricted	-	355,204	678,808	96,759	1,851,804	2,982,575
Committed	4,558	-	-	-	436,624	441,182
Assigned	4,657	-	2,309,761	-	723,349	3,037,767
Unassigned (Deficit)	1,819,445	-	-	-	(377,761)	1,441,684
Total Fund Balances (Deficit)	<u>2,409,956</u>	<u>355,204</u>	<u>2,988,569</u>	<u>96,759</u>	<u>2,728,315</u>	<u>8,578,803</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,977,663</u>	<u>\$ 1,903,086</u>	<u>\$ 3,159,509</u>	<u>\$ 1,619,446</u>	<u>\$ 4,354,132</u>	<u>\$ 18,013,836</u>

VILLAGE OF OREGON
Oregon, Wisconsin

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2018

Total fund balance, governmental funds		\$ 8,578,803
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		32,876,896
Special assessments set up for installment are reported as revenue in the Statement of Net Position when earned, but they are recorded as deferred inflows of resources in the fund financial statements.		1,492,759
Land held for resale is capitalized on the government-wide financial statements but is recorded as an expenditure when purchased on the fund financial statements.		546,779
Unamortized debt premiums are not recognized in the fund financial statements since they are not due and payable in the current period. However, they are included in the Statement of Net Position.		(288,895)
The net pension asset is not a current financial resource in the current period and, therefore, is not reported in the fund financial statements.		622,318
The net OPEB liability is not due and payable in the current period and, therefore, is not reported in the fund financial statements.		(158,128)
Deferred charges for loss on refunding are recognized as an expense in the funds but deferred on the Statement of Net Position.		174,727
Pension and OPEB deferred outflows of resources and deferred inflows of resources are actuarially determined by the defined benefit pension and OPEB plans. These items are reflected in the Statement of Net Position and are being amortized with pension and OPEB expenses in the Statement of Activities. The deferred outflows of resources and deferred inflows of resources are not financial resources or uses and therefore are not reported in the fund statements.		
Deferred outflows of resources		1,175,519
Deferred inflows of resources		(1,233,023)
Some liabilities, (such as General Obligation Debt and Accrued Interest), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.		
Accrued interest	(162,957)	
Long term debt - Current portion	(1,556,576)	
Long term debt	(12,358,423)	
Compensated absences	(228,207)	
Compensated absences - Long-term	(266,459)	
Subtotal	(14,572,622)	
Rounding		2
Net Position of Governmental Activities in the Statement of Net Position		\$ 29,215,135

VILLAGE OF OREGON
Oregon, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2018

	<u>General Fund</u>	<u>Debt Service</u>	<u>Street Improvements</u>	<u>TIF #3 Special Revenue</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Property Taxes	\$ 3,951,810	\$ 1,174,354	\$ -	\$ 209,853	\$ 1,106,860	\$ 6,442,877
Other Taxes	43,046	-	-	-	-	43,046
Special Assessment Revenue	-	-	7,878	-	-	7,878
Intergovernmental	804,961	-	-	1,510	219,408	1,025,879
License and Permits	194,703	75,015	-	-	153,868	423,586
Fines, Forfeits and Penalties	139,377	-	-	-	20,333	159,710
Public Charges for Services	87,276	-	-	-	558,177	645,453
Intergovernmental Charges for Services	178,248	62,056	-	-	24,592	264,896
Interest Income	59,387	3,673	40,378	1,040	45,759	150,237
Miscellaneous Income	92,755	-	86,040	178,593	135,616	493,004
Total Revenues	<u>5,551,563</u>	<u>1,315,098</u>	<u>134,296</u>	<u>390,996</u>	<u>2,264,613</u>	<u>9,656,566</u>
EXPENDITURES						
Current:						
General Government	961,847	1,936	-	2,340	125,315	1,091,438
Public Safety	3,317,721	-	-	-	19,097	3,336,818
Public Works	899,201	-	39,126	-	494,069	1,432,396
Health and Human Services	238,485	-	-	-	-	238,485
Culture, Recreation and Education	517,830	-	-	-	1,002,434	1,520,264
Conservation and Development	53,440	-	-	-	86,366	139,806
Capital Outlay	-	-	1,740,992	55,618	1,795,043	3,591,653
Debt Service:						
Principal Repayment	-	1,435,351	-	120,000	-	1,555,351
Interest Expense and Fiscal Charges	-	238,980	57,391	57,365	55,888	409,624
Total Expenditures	<u>5,988,524</u>	<u>1,676,267</u>	<u>1,837,509</u>	<u>235,323</u>	<u>3,578,212</u>	<u>13,315,835</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(436,961)</u>	<u>(361,169)</u>	<u>(1,703,213)</u>	<u>155,673</u>	<u>(1,313,599)</u>	<u>(3,659,269)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from Long-Term Debt	275,550	-	2,078,493	-	1,590,957	3,945,000
Other Source -debt premium	-	-	18,590	-	14,331	32,921
Transfers In	294,379	388,642	-	-	1,121,522	1,804,543
Transfers Out	<u>(275,844)</u>	<u>-</u>	<u>-</u>	<u>(160,026)</u>	<u>(1,068,422)</u>	<u>(1,504,292)</u>
Total Other Financing Sources and Uses	<u>294,085</u>	<u>388,642</u>	<u>2,097,083</u>	<u>(160,026)</u>	<u>1,658,388</u>	<u>4,278,172</u>
Net Change in Fund Balances	(142,876)	27,473	393,870	(4,353)	344,789	618,903
Fund Balances - Beginning	2,552,832	327,731	2,594,699	101,112	2,383,526	7,959,900
Fund Balances - Ending	<u>\$ 2,409,956</u>	<u>\$ 355,204</u>	<u>\$ 2,988,569</u>	<u>\$ 96,759</u>	<u>\$ 2,728,315</u>	<u>\$ 8,578,803</u>

VILLAGE OF OREGON
Oregon, Wisconsin

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to
the Statement of Activities
For the Year Ended December 31, 2018**

Net change in fund balances - total governmental funds: \$ 618,903

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

This is the amount of capital outlays (\$2,443,863) net of depreciation (\$1,457,894) in the current period. 985,969

Net effect of various miscellaneous transactions involving capital assets (i.e. noncapitalized outlay, sales, trade-ins, developer contributions, and donations) is to decrease net position. 1,122,208

Gain (Loss) on sale of capital assets (36,610)

Land held for resale capitalized on the government-wide statements 546,779

Governmental funds record special assessment revenues when available and collectible. In contrast, such revenues are reported in the Statement of Activities when earned. This represents special assessments and other revenue accrued on the government-wide statements, but not on the fund statements. (181,672)

Governmental funds report debt proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount of \$3,945,000 debt proceeds with debt premium of \$32,921 during the year net of principal payments \$1,555,351. (2,422,570)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Change in accrued interest not reflected on governmental funds (47,276)

Amortization of debt premiums 26,719

Amortization of loss on refunding (18,721)

Change in compensated absences (31,800)

Pension and OPEB expenses reported in the governmental funds represents current year required contributions into the defined benefit pension and OPEB plans. Pension and OPEB expenses in the Statement of Activities are actuarially determined by the defined benefit pension and OPEB plans as the difference between the net pension asset and the net OPEB liability from the prior year to the current year, with some adjustments.

Amount of current year required contributions into the defined benefit pension and OPEB plans (249,772)

Actuarially determined change in net pension and OPEB asset (liability) between years, with adjustment 190,543

Change in net position of governmental activities \$ 502,700

VILLAGE OF OREGON
Oregon, Wisconsin

Statement of Net Position
Proprietary Funds
December 31, 2018

	Enterprise Funds		
	Water	Sewer	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 1,942,975	\$ 3,899,716	\$ 5,842,691
Receivables:			
Accounts	106,685	138,184	244,869
Due from Other Funds	3,555	4,069	7,624
Inventories	15,076	-	15,076
Prepaid Expenses	7,857	8,785	16,642
Total Current Assets	<u>2,076,148</u>	<u>4,050,754</u>	<u>6,126,902</u>
Restricted Assets:			
Restricted Cash and Cash Equivalents	596,918	1,237,020	1,833,938
Net Pension Asset	29,785	45,326	75,111
Total Restricted Assets	<u>626,703</u>	<u>1,282,346</u>	<u>1,909,049</u>
Capital Assets:			
Land and Improvements	197,522	58,056	255,578
Construction Work in Progress	15,254	-	15,254
Other Capital Assets	18,420,967	25,352,025	43,772,992
Less Accumulated Depreciation	<u>(6,316,130)</u>	<u>(11,774,480)</u>	<u>(18,090,610)</u>
Net Capital Assets	<u>12,317,613</u>	<u>13,635,601</u>	<u>25,953,214</u>
Noncurrent Assets:			
Long-Term Receivable	-	157,024	157,024
Total Noncurrent Assets	<u>-</u>	<u>157,024</u>	<u>157,024</u>
Total Assets	<u>15,020,464</u>	<u>19,125,725</u>	<u>34,146,189</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized Loss on Debt Refunding	38,246	-	38,246
Deferred Pension Outflows	55,262	84,097	139,359
Total Deferred Outflows of Resources	<u>93,508</u>	<u>84,097</u>	<u>177,605</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 15,113,972</u>	<u>\$ 19,209,822</u>	<u>\$ 34,323,794</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 38,205	\$ 77,054	\$ 115,259
Accrued Liabilities	851	1,179	2,030
Accrued Interest Payable	16,889	8,128	25,017
Compensated Absences	19,837	33,038	52,875
Current Portion of Long-Term Debt	140,000	65,000	205,000
Current Portion of Unamortized Bond Premium	4,757	-	4,757
Total Current Liabilities	<u>220,539</u>	<u>184,399</u>	<u>404,938</u>
Non-Current Liabilities:			
Long-Term Debt:			
General Obligation Debt	1,655,000	715,000	2,370,000
Unamortized Bond Premium	52,325	-	52,325
Total Long-Term Debt	<u>1,707,325</u>	<u>715,000</u>	<u>2,422,325</u>
Other Liabilities:			
Compensated Absences	13,384	13,631	27,015
Total Other Liabilities	<u>13,384</u>	<u>13,631</u>	<u>27,015</u>
Total Non-Current Liabilities	<u>1,720,709</u>	<u>728,631</u>	<u>2,449,340</u>
Total Liabilities	<u>1,941,248</u>	<u>913,030</u>	<u>2,854,278</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Inflows	58,907	89,643	148,550
NET POSITION			
Net Investment in Capital Assets	10,520,531	13,125,601	23,646,132
Restricted	596,918	1,237,020	1,833,938
Unrestricted	1,996,368	3,844,528	5,840,896
Total Net Position	<u>13,113,817</u>	<u>18,207,149</u>	<u>31,320,966</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 15,113,972</u>	<u>\$ 19,209,822</u>	<u>\$ 34,323,794</u>

**Village of Oregon
Oregon, Wisconsin**

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2018**

	Enterprise Funds		
	Water	Sewer	Total
OPERATING REVENUES			
Charges for Services	\$ 1,221,388	\$ 1,479,255	\$ 2,700,643
Other Operating Revenues	44,263	3,539	47,802
Total Operating Revenues	<u>1,265,651</u>	<u>1,482,794</u>	<u>2,748,445</u>
OPERATING EXPENSES			
Operation and Maintenance	478,281	918,393	1,396,674
Depreciation	346,515	692,175	1,038,690
Taxes	5,928	19,519	25,447
Total Operating Expenses	<u>830,724</u>	<u>1,630,087</u>	<u>2,460,811</u>
Operating Income (Loss)	<u>434,927</u>	<u>(147,293)</u>	<u>287,634</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest and Investment Revenue	21,949	43,660	65,609
Miscellaneous Non-Operating Revenue	143,676	176,059	319,735
Interest and Amortization Expense	(51,368)	(23,622)	(74,990)
Total Non-Operating Revenues (Expenses)	<u>114,257</u>	<u>196,097</u>	<u>310,354</u>
Income (Loss) Before Transfers and Capital Contributions	549,184	48,804	597,988
Capital Contributions	515,142	472,130	987,272
Transfers Out - Tax Equivalent	(282,489)	-	(282,489)
Transfers Out	(11,212)	(6,550)	(17,762)
Change in Net Position	770,625	514,384	1,285,009
Net Position - Beginning	12,343,192	17,692,765	30,035,957
Total Net Position - Ending	<u>\$ 13,113,817</u>	<u>\$ 18,207,149</u>	<u>\$ 31,320,966</u>

See accompanying notes to the basic financial statements.
A-18

VILLAGE OF OREGON
Oregon, Wisconsin

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018

	Water	Sewer	Total
<u>Cash Flows from Operating Activities:</u>			
Receipts from customers	\$ 1,263,926	\$ 1,482,908	\$ 2,746,834
Payments to suppliers	(124,546)	(534,532)	(659,078)
Payments to employees	(272,235)	(400,439)	(672,674)
Tax equivalent paid	(282,489)	-	(282,489)
	584,656	547,937	1,132,593
 <u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and construction of plant assets	(313,823)	(118,055)	(431,878)
Proceeds from long-term debt	225,000	405,000	630,000
Impact / Connection Fees	109,800	173,984	283,784
Interceptor receivable payments	-	194,400	194,400
Principal payments on long-term debt	(149,650)	(50,000)	(199,650)
Transfer to debt service	(11,212)	(6,550)	(17,762)
Interest paid	(54,642)	(18,894)	(73,536)
	(194,527)	579,885	385,358
 <u>Cash Flows from Investing Activities:</u>			
Interest income	21,949	43,660	65,609
	21,949	43,660	65,609
Net cash provided (used) by investing activities	21,949	43,660	65,609
Net increase (decrease) in cash and equivalents	412,078	1,171,482	1,583,560
<u>Cash and Equivalents, Beginning of year</u>	2,127,815	3,965,254	6,093,069
<u>Cash and Equivalents, End of year</u>	\$ 2,539,893	\$ 5,136,736	\$ 7,676,629
 <u>Reconciliation to Statement of Net Position:</u>			
Current cash and cash equivalents	\$ 1,942,975	\$ 3,899,716	\$ 5,842,691
Restricted cash and cash equivalents	596,918	1,237,020	1,833,938
	\$ 2,539,893	\$ 5,136,736	\$ 7,676,629

See accompanying notes to the basic financial statements.

VILLAGE OF OREGON
Oregon, Wisconsin

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018

	Water	Sewer	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating Income (Loss)	\$ 434,927	\$ (147,293)	\$ 287,634
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Miscellaneous	33,875	2,074	35,949
Tax equivalent transfer	(282,489)	-	(282,489)
Joint meter allocation	25,764	(25,764)	-
Amortization	(659)	-	(659)
Depreciation	346,515	692,175	1,038,690
Pension expense	4,196	5,659	9,855
Changes in Assets and Liabilities:			
Customer accounts receivable	1,615	114	1,729
Due from/to other funds	(3,340)	(3,906)	(7,246)
Inventories	(254)	-	(254)
Prepayments	698	615	1,313
Accounts payable	20,762	19,912	40,674
Accrued liabilities	3,046	4,351	7,397
Net cash provided (used) by operating activities	\$ 584,656	\$ 547,937	\$ 1,132,593
Noncash Capital and Related Financing			
Plant financed by developer contributions	\$ 515,142	\$ 472,130	\$ 987,272

VILLAGE OF OREGON
Oregon, Wisconsin

Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2018

	<u>Tax Agency</u>
ASSETS	
Cash and Cash Equivalents	\$ 12,137,878
Receivables:	
Taxes Receivable	5,301,644
Total Assets	<u>\$ 17,439,522</u>
LIABILITIES	
Due to Other Governments	\$ 17,439,522
Total Liabilities	<u>\$ 17,439,522</u>

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

The Village operates under a Village Board form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services.

The Village's financial statements include the Village of Oregon Community Development Authority as a component unit, as defined in GASB 14 and as amended by GASB 39 and GASB 61.

The criterion for including a legally separate organization as a component unit is the degree of financial accountability and fiscal dependency the Village has with the organization. A financial benefit or burden relationship needs to be present between the primary government and that organization for it to be included in the reporting entity as a component unit.

The following circumstances set forth the Village's financial accountability for a legally separate organization: the Village is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Village. The Village may be financially accountable if an organization is fiscally dependent on the Village regardless of whether the organization has (1) a separately-elected governing body, (2) a governing body appointed by a higher level of government, or (3) a jointly-appointed governing body. In addition, the primary government may determine, through exercise of management's professional judgment, that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the Village's financial statements from being misleading.

Component Unit

The Village Board appoints the governing body of the Community Development Authority of the Village of Oregon (CDA). The CDA is fiscally dependent upon the Village because the Board approves the CDA's budget and levies taxes for the CDA. The CDA is discretely presented in the Village's financial statements. Current audited financial information is included in the Village's financial statements. A separate audited financial statement was not issued.

1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation - Government-Wide and Fund Financial Statements

"Government-wide" financial statements are basic financial statements required for all governmental units. The Statement of Net Position and the Statement of Activities are the two required statements. Both statements are prepared on the full accrual basis. The modified accrual basis of accounting continues to be the appropriate basis of accounting for governmental activity fund financial statements.

In addition, all funds in the government-wide financial statements are reported as business-type activities or governmental activities. The definitions for these types of activities are discussed in other portions of Note 1.

Finally, all non-fiduciary funds are further classified as major or non-major funds. In reporting financial condition and results of operations for governmental units, the standard concentrates on major funds versus non-major funds.

Government-Wide Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nontax revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

As discussed earlier, the government has one discretely presented component unit. The Community Development Authority is not considered to be a major component unit and is shown in a separate column in the government-wide financial statements.

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

1. Summary of Significant Accounting Policies (Continued)
- B. Basis of Presentation - Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements

Fund financial statements of the reporting entity are organized into individual funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets and deferred outflows of resources, liabilities and deferred inflows of resources, net position/fund equity, revenues, and expenditure/expenses.

Funds are identified as major funds or non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- a. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenue, or expenditures/expenses of that individual government or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise funds that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or proprietary fund that the Village believes is particularly important to the financial statement user may be reported as a major fund.

The Village reports the following major funds:

Major Governmental Funds

General Fund- Used to account for all financial resources, except those required to be accounted for in another fund.

TIF District #3 Special Revenue Fund- Used to account for activity related to the improvement within TIF District #3.

Debt Service- Used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest, and related costs.

Street Improvements- Used to account for the accumulation of resources for, and payment of, street improvement projects and related repairs.

Major Proprietary Funds

Proprietary funds are used to account for operations a) that are financed and operated in a manner similar to private business enterprise – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or b) where the governing body has decided that periodic determination of revenues earned, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The following proprietary funds are included in these statements:

1. Summary of Significant Accounting Policies (Continued)
- B. Basis of Presentation - Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements (Continued)

Water - All activities necessary to provide water services to residents of the Village. Fund activities include administration, billing and collection, operations, maintenance, and financing.

Sewer - This fund accounts for the maintenance of the Village's sewer system. Wisconsin State Statutes Section 66.076, permit municipalities to implement sewer fees to recover the costs of operation, maintenance, repair, and depreciation of sewer collection and transportation facilities. Sewer maintenance costs are recovered through a user fee rather than through the property tax.

The Village reports the following non-major governmental funds:

Non-Major Governmental Funds

Special Revenue Funds – used to account for the proceeds of specific revenue sources (other than major capital projects) that is legally restricted to expenditures for specific purposes.

Library Fund	Room Tax
Cable TV Franchise	Canine Fund
Senior Center Fund	Wackman
Preserve Water Tower	TIF #2
Herman Cemetery Trust	TIF #4
Police	Sick Leave
Refuse & Recycling Pickup	Work Force Housing

Capital Projects Funds – used to account for financial resources to be used for the acquisition or construction of major capital facilities and infrastructure (other than those financed by proprietary funds and trust funds). The non-major capital projects funds included in these statements are the following:

Developers Storm Sewer Park Fund	TIF #3
Cemetery Land Purchase Equipment Replacement Bike Path	TIF #4
Keller/Alpine Meadows Park	TIF #5
	Civic Campus Plan Projects Business Park
	DNR Grants

Permanent Funds – a restricted true endowment fund for governments. Used to generate and disburse money to those entitled to receive payments by qualification or agreement. The non-major permanent funds included in these statements are as follows:

Cemetery Perpetual Care	Wackman Trust Fund
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Additionally, the Village reports the tax agency fund as an agency fund. Agency funds are used to account for assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

1. **Summary of Significant Accounting Policies (Continued)**
- C. **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Measurement focus refers to what is being measured, and basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of the timing of related cash flows. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Unbilled receivables are recorded as revenues when services are provided.

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

Fund Financial Statements

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

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenue in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the Village is entitled to the resources and the amounts are available. Amounts owed to the Village which are not available are recorded as receivables and deferred inflows. Amounts received prior to the entitlement period are also recorded as deferred inflows.

Special assessments are recognized as revenue when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred inflows.

1. **Summary of Significant Accounting Policies (Continued)**
- C. **Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

Fund Financial Statements (Continued)

Revenues susceptible to accrual include property taxes, franchise taxes, public charges for services, special assessments, and interest. Other general revenue, such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

The Village reports deferred inflows on its governmental funds balance sheet. Deferred inflows arise from taxes levied in the current year, which are for subsequent year's operations. For governmental fund financial statements, deferred inflows arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows also arise when resources are received before the Village has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the deferred inflows are removed from the balance sheet and revenue is recognized.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

The proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer utilities are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, Liabilities, and Net Position or Equity

1) Cash and Cash Equivalents

Each fund's portion of total cash and investments is reported as cash and cash equivalents/investments by the Village's individual major funds, and in the aggregate for non-major and agency funds. For purposes of the Statement of Cash Flows, all cash and investments with original maturities 90 days or less of the proprietary fund are considered to be cash equivalents. The Village has certificates of deposit greater than 90 days that are not cash equivalents.

All deposits of the Village are made in board designated official depositories and are secured as required by State Statute. The Village may designate, as an official depository, any bank or savings association. Also, the Village may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Equity (Continued)

1) Cash and Cash Equivalents (Continued)

Investments with remaining maturities at the time of purchase of one year or less are stated at amortized cost which approximates fair value. Investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market prices. In accordance with State law, the Village has invested in securities which are callable and may provide for periodic interest rate increases in specific increments until maturity; these and all other investments are stated at fair value.

See Footnote 2 for additional information.

2) Taxes Receivable

Property taxes are levied prior to the end of the calendar year and are due and collectible in the following year. Property taxes attach as an enforceable lien as of January 1. The Village's portion of taxes is recorded as a receivable in the general fund. Since Village property taxes are not considered available until January 1 of the year following the levy, they are recorded as deferred inflows in the funds budgeted therefore. Taxes are levied in December on the assessed value as of the prior January 1.

Property tax calendar – 2018 tax roll

Lien date and levy date	December, 2018
Tax bills mailed	December, 2018
Payment in full, or	January 31, 2019
First installment due	January 31, 2019
Second installment due	July 31, 2019
Personal property taxes in full	January 31, 2019
Tax sale – 2018 delinquent real estate taxes	October, 2021

3) Accounts Receivable

Accounts receivable have been adjusted for all known uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No allowance is necessary at year end. No provision for uncollectible accounts receivable has been made in the accompanying enterprise fund financial statements because the water and sewer utility has the right by law to place delinquent bills on the tax roll.

4) Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. Special assessments of enterprise funds are recorded as non-operating revenue at the time of assessment, if subject to collection.

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Equity (Continued)

4) Special Assessments (Continued)

Uncollected installments placed on prior year tax rolls are held for collection by the County and are remitted to the Village upon collection by the County. These delinquent installments are financed by the general fund.

5) Inventories and Prepaid Items

Inventories of proprietary funds are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased. Year-end inventory was not material for governmental funds.

Prepaid items represent payments made by the Village for which benefits extend beyond December 31. A nonspendable fund balance has been recognized for these non-liquid assets (inventories and prepaid items) to signify that a portion of fund balance is not available for other subsequent expenditures, except in cases where they are offset by unearned revenue.

6) Advance and Interfund Activities

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as due to and from other funds. Long-term interfund loans (noncurrent portion) are reported as advances from and to other funds. In the governmental fund financial statements, advances to other funds are offset, equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation. Eliminations have been made for amounts due to/from and advance to/from within the same fund type on the government-wide statements.

Non-exchange transactions which are not borrowing/lending (will not be repaid) are recorded as operating transfers, and exchange transactions are recorded as revenues and expenses. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers.

7) Restricted Cash and Investments

Certain proceeds of the Utility revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The "revenue bond construction" account is used to report those proceeds of revenue bond issuances that are restricted for use in construction. The "revenue bond special redemption" account is used to segregate resources accumulated for debt service payments over the next twelve months. The "revenue bond depreciation" account is used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements.

Restricted cash and investments includes a "DNR Replacement Fund" which is required by the Wisconsin Department of Natural Resources for repairs and maintenance on the sewer utility plant and "Debt Reserve and Redemption" accounts restricted under the covenants of the Water Utility Safe Drinking Water Loan.

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Equity (Continued)

8) Capital Assets

Government-Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than \$2,000 for general capital assets including infrastructure assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at their estimated fair value at the date of donation.

General infrastructure assets, such as roads, bridges, curbs, gutters, streets, sidewalks and drainage, and lighting systems, acquired prior to January 1, 2005, are reported at estimated historical cost using prior financial information.

General Fixed Assets - Fixed assets acquired or constructed for general governmental services are recorded as expenditures in the fund from which the disbursements are made. Generally accepted accounting principles require that these fixed assets be capitalized at cost in the government-wide financial statements. Contributed fixed assets are to be recorded in the government-wide financial statements at fair market value at the time received. Interest incurred during construction is not capitalized.

Depreciation on governmental fixed assets is calculated straight-line based on the estimated useful life of assets. The estimated useful life of assets is determined by industry standards as recommended by GASB. Useful lives vary by asset type. Capitalization thresholds and the estimated useful lives are as follows:

Capital Asset Category	Capitalization Threshold	Estimated Useful Life
Infrastructure	\$2,000	33-100
Land	-	N/A
Improvements	\$2,000	7-23
Buildings	\$2,000	40-110
Machinery and Equipment	\$2,000	3-30

Proprietary Fund Fixed Assets - Assets in the proprietary fund are capitalized at cost or fair value at date of contribution or acquisition. Normal repairs and maintenance that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining lives of the related assets. Net interest costs incurred for long-term debt issued for construction purposes is capitalized during the period of construction. Net interest cost consists of interest expense on long-term debt proceeds. No interest was capitalized in 2018.

Depreciation is charged over the estimated service life of the assets using the straight-line method. Annual depreciation charges are determined using the average utility plant in service and rates prescribed by the Wisconsin Public Service Commission.

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Equity (Continued)

9) Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bond payable, and accrued compensated absences.

Proceeds of long-term debt issues not recorded as fund liabilities are reflected as "Other Financing Sources" in the operating statement of the recipient fund. Retirement of these issues is reported as an expenditure of the debt service fund in the year in which the debt matures or is repaid, whichever is earlier. Conduit debt obligations, such as industrial revenue bonds (IRBS), approved for business enterprises, do not constitute debt of the Village. Accordingly, the bonds are not recorded in the Village's financial statements

10) Debt Issuance Costs, Debt Premium and Discount and Loss

In the government-wide and proprietary fund financial statements, debt premiums and discounts are deferred and amortized over the life of the debt. Long-term debt is reported net of the applicable debt premium or discount. Debt issuance gains or losses are reported as deferred inflows or outflows and amortized over the term of the debt issue.

In the fund financial statements, governmental fund types recognize premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

Debt issuance costs are recognized as expenditures in the current period for both the fund financial statements and the government-wide financial statements.

11) Compensated Absences

Vacation pay accumulates and is fully vested. All vacation pay is based upon the employee's anniversary date of hire. Vacation time earned and not taken by an employee's anniversary date must be used within six months or two years of their anniversary date depending on the employee's position. All earned vacation is paid to terminating employees if they give at least two weeks' notice prior to leaving. Employees whose service is being terminated due to discharge, death, or retirement shall receive all earned vacation based upon actual months of service.

Sick leave can be accumulated and carried forward in varying amounts based on an employee's position. All sick leave accumulated is cancelled when an employee leaves the employment of the Village except for department heads and supervisors hired prior to January 1, 2006 who have 20 years of consecutive service as a department head or supervisor (which may accrue up to 2,080 hours).

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Equity (Continued)

11) Compensated Absences (Continued)

The Village provides eligible employees hired before January 1, 2006, the option to convert accumulated sick leave to cash or insurance premium payments. Eligibility is based on Village policies and contractual agreements. The number of participants currently eligible to receive benefits is one. The cost of those premiums is recognized as expenditure as the premiums are paid. Funding for those costs is provided out of the current operating budget of the municipality. Premiums paid during the year totaled \$5,713. There is no governmental amount outstanding at year end to be accrued.

Accumulated unpaid vacation and sick leave for employees is recorded as an expense and liability to the government-wide and proprietary funds. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Compensated absences accrued in the financial statements are calculated at the pay rate in effect as of December 31 of each fiscal year. Upon retirement employees compensated absences are paid based on the rate of pay for an individual at retirement.

12) Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

13) Other Post-Employment Benefits (OPEB)

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

14) Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Equity (Continued)

15) Equity Classifications

Government-Wide Statements

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

- a. *Net Investment in Capital Assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted net position* - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or; 2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* - All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

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

Fund Financial Statements

In the fund financial statements, governmental fund balance is presented in five possible categories:

- a. *Non-spendable* - resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.
- b. *Restricted* - resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.
- c. *Committed* - resources which are subject to limitation the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner.
- a. *Assigned* - resources neither restricted nor committed for which a government has a stated intended use as established by the Board or a body or official of which the Board has delegated the authority to assign amounts for specific purposes.
- b. *Unassigned* - resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2018

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Equity (Continued)

15) Equity Classifications (Continued)

When net losses occur, it is the Village's policy to record the net loss against committed fund balance, then assigned fund balance, and lastly to unassigned fund balance. The Village applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

It is the Village's policy to maintain an unassigned fund balance to meet operational needs. The goal is to maintain a minimum unassigned fund balance equal to 25-35% of the following years total General Fund Expenditures. It has been the practice of the Village to transfer any excess over 30% to other capital and/or special revenue funds as determined by management.

16) Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year-end requiring accrual.

17) Use of Estimates

The financial statements of the Village have been prepared in conformity with generally accepted accounting principles as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

18) Change in Accounting Principle

Effective January 1, 2018, the Village adopted the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Implementation of GASB 75 required beginning net position in the governmental activities to be decreased by \$127,607.

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2018

2. Cash and Cash Equivalents/Investments

At December 31, 2018, the cash and investments consist of the following:

		Risks
Petty Cash/Cash on Hand	\$ 1,051	
Deposits with Financial Institutions	24,975,161	Custodial Credit
Certificates of Deposit	3,243,107	Custodial Credit/Interest Rate
Wisconsin Local Government Investment Pool	675,822	Credit/Interest Rate
Total Cash and Investments	\$ 28,895,141	

Cash and investments as of December 31, 2018 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Cash Equivalents	\$ 14,671,262
Restricted Cash and Cash Equivalents	2,084,070
Component Unit Cash	1,931
Fiduciary Funds:	
Cash and Investments	12,137,878
Total Cash and Cash Equivalents	\$ 28,895,141

Investments Authorized by Wisconsin Statutes

Investment of Village funds is restricted by State statutes. Available investments are limited to:

- 1) Deposits in any credit union, bank, savings bank, trust company or savings and loan which is authorized to transact business in this State;
- 2) Bonds or securities issued or guaranteed as to principal and interest by the federal government, or by a commission, board or other instrumentality of the federal government;
- 3) Bonds or securities of any county, drainage district, VTAE district, village, city, town or school district of this State;
- 4) Any security which matures or which may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired, if that security has a rating which is the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's investor service or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating;
- 5) Bonds or securities issued under the authority of the municipality;
- 6) The local government pooled-investment fund as established under WI Statute Section 25.50.
- 7) Agreements in which a public depository agrees to repay funds advanced to it by the Village, plus interest, if the agreement is secured by bonds or securities issued or guaranteed as to principal and interest by the federal government.
- 8) Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- 9) Repurchase agreements with public depositories, with certain conditions.
- 10) Bonds issued by the University of Wisconsin Hospital and Clinics Authority, and the Wisconsin Aerospace Authority.

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2018

2. Cash and Cash Equivalents/Investments (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Village's investment policy limits investment maturities to be no more than three years.

The LGIP investments have an average maturity of no more than 19 days. Certificates of deposit identified in the table below have an average maturity of 246 days. Investments maturities as of December 31, 2018 are classified as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>		
		<u>Less Than 6 Months</u>	<u>6 Months to 1 Year</u>	<u>1 Year to 3 Years</u>
Certificates of Deposit	\$ 3,243,107	\$ 1,344,896	\$ 901,791	\$ 996,420
Local Government Investment Pool	675,822	675,822	-	-
Total	\$ 3,918,929	\$ 2,020,718	\$ 901,791	\$ 996,420

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The Village's investment policy does not further limit its investments choices. As of December 31, 2018, the Village's investment in the Wisconsin Local Government Investment Pool was not rated, however, the Investments at all times consist solely of securities and instruments in which Municipalities are permitted to invest.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Village would not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial risk for investments is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to a transaction, the Village would not be able to recover the value of its investment of collateral securities that are in the possession of another party. The Village does not have an investment policy for custodial credit risk.

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for demand deposits accounts and \$250,000 for time and savings deposits accounts. Bank accounts and the local government investment pool are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may be significant to individual organizations.

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2018

2. Cash and Cash Equivalents/Investments (Continued)

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board (SWIB). The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. All investments are valued at amortized cost by the SIF for purposes of calculating earnings to each participant. Specifically, the SIF distributes income to pool participants monthly, based on their average daily share balance. Distributions include interest income based on stated rates (both paid and accrued), amortization of discounts and premiums on a straight-line basis, realized investment gains and losses calculated on an amortized cost basis, and investment expenses. This method does not distribute to participants any unrealized gains or losses generated by the pool's investments. Detailed information about the SIF is available in separately issued financial statements available at <https://doa.wi.gov/Pages/StateFinances/LGIP.aspx>. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2018, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount reported above. Information on derivatives was not available to the Village.

SWIB may invest in obligations of the U.S. Treasury and its agencies, Commercial Paper, Bank Time Deposits/Certificates of Deposit, Bankers' Acceptances, Asset Backed Securities and Repurchase Agreements secured by the U.S. Government or its agencies and other instruments authorized under State Investment Fund investment guidelines.

Investment allocation in the LGIP as of December 31, 2018 was: 87.25% in U.S. Government Securities, 2.19% in Certificates of Deposit and Bankers' Acceptances and 10.56% in Commercial Paper and Corporate Notes. The Wisconsin State Treasurer updates the investment allocations on a monthly basis.

The Village's investment policy requires a minimum of \$2,000,000 or collateral from all financial institutions acting as a depository for the Village. As of December 31, 2018 the Village's deposits were exposed to custodial credit risk as follows:

Uninsured, collateral pledged by bank in Village's Name	\$ 24,020,939
Total	<u>\$ 24,020,939</u>

3. Components of Restricted Assets

The following is a list of restricted cash as of December 31, 2018:

	<u>Governmental</u>	<u>Water</u>	<u>Sewer</u>
Depreciation Fund	\$ -	\$ 39,388	\$ -
DNR Replacement Impact Fees	250,132	557,530	-
Total	<u>\$ 250,132</u>	<u>\$ 596,918</u>	<u>\$ 1,237,020</u>

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2018

4. Capital Assets

Capital asset activity in the governmental activities for the year ended December 31, 2018 was as follows:

	Balance 1/1/2018	Additions	Retirements	Transfers	Balance 12/31/2018
Governmental Activities					
Non-depreciable Capital Assets:					
Land	\$ 9,579,359	\$ -	\$ -	\$ -	\$ 9,579,359
Construction in Progress	96,850	1,888,516	-	(1,424,915)	560,451
Total Non-Depreciable Capital Assets	9,676,209	1,888,516	-	(1,424,915)	10,139,810
Capital Assets Being Depreciated:					
Buildings	6,199,173	193,137	(117,653)	-	6,274,657
Infrastructure	35,172,682	2,485,809	-	-	37,658,491
Improvements other than buildings	42,101	-	-	-	42,101
Machinery and equipment	4,302,589	433,524	(98,847)	-	4,637,266
Total Capital Assets Being Depreciated	45,716,545	3,112,470	(216,500)	-	48,612,515
Less: Accumulated Depreciation					
Buildings	3,403,134	159,276	(35,522)	-	3,526,888
Infrastructure	18,341,970	1,047,923	-	-	19,389,893
Improvements other than buildings	30,909	2,140	-	-	33,049
Machinery and equipment	2,811,412	248,555	(134,368)	-	2,925,599
Total Accumulated Depreciation	24,587,425	1,457,894	(169,890)	-	25,875,429
Total Capital Assets being Depreciated, Net	21,129,120	1,654,576	(46,610)	-	22,737,086
Governmental Activities Capital Assets, Net	\$ 30,805,329	\$ 3,543,092	\$ (46,610)	\$ (1,424,915)	\$ 32,876,896

Depreciation expense for the governmental activities was charged to functions as follows:

General Government	\$ 51,470
Public Safety	165,621
Public Works	1,166,709
Health and Human Services	20,261
Culture, Recreation, and Education	53,833
Total Governmental Activities Depreciation Expenses	\$ 1,457,894

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2018

4. Capital Assets (Continued)

Capital asset activity in the business type activities for the year ended December 31, 2018 was as follows:

	Balance 1/1/2018	Additions	Retirements	Balance 12/31/2018
Business-Type Activities				
Non-Depreciable Capital Assets:				
Land and Work in Progress	\$ 258,301	\$ 12,531	\$ -	\$ 270,832
Total Non-Depreciable Capital Assets	258,301	12,531	-	270,832
Capital Assets Being Depreciated:				
Buildings	3,078,570	-	-	3,078,570
Infrastructure/Systems	38,278,650	1,318,770	59,380	39,538,040
Machinery and Equipment	1,068,533	87,849	-	1,156,382
Total Capital Assets Being Depreciated	42,425,753	1,406,619	59,380	43,772,992
Less: Accumulated Depreciation:				
Buildings	1,703,970	84,018	-	1,787,988
Infrastructure/Systems	14,535,309	859,372	59,380	15,335,301
Machinery and Equipment	872,021	95,300	-	967,321
Total Accumulated Depreciation	17,111,300	1,038,690	59,380	18,090,610
Total Capital Assets being Depreciated, Net	25,314,453	367,929	-	25,682,382
Business-Type Activity Capital Assets, Net	\$ 25,572,754	\$ 380,460	\$ -	\$ 25,953,214

Depreciation expense for the business-type activities was charged to functions as follows:

Water Utility	\$ 346,515
Sewer Utility	692,175
Total Business-Type Activities Depreciation Expenses	\$ 1,038,690

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2018

5. Long-Term Receivables

In 2006, the sewer utility entered into an agreement with three developers on the Village's west side to assume their share of the west side sewer interceptor recapture payments from future annexations. The original assignment amount was \$646,469. As of December 31, 2018, the sewer utility had received payments for annexations of \$489,445 applied to the assumed recapture amount. The remaining assumed recapture amount as of December 31, 2018 is \$157,024.

In 2006, the Village entered into an agreement with Gorman Office LLC to take out loans totaling \$2,200,000 which would be passed through to the Developer. The Developer will repay the Village based upon the amortization schedule for each loan. The receivable balance outstanding as of December 31, 2018 is \$1,310,000.

In 2011, the Village entered into an agreement with the Town of Dunn, Town of Oregon, and Town of Rutland, which requires the Towns to make annual payments to the Village for their respective shares of the cost of refunding obligations issued to finance a facility for the Oregon Area Fire-EMS District. The annual payments will be made through 2021. As of December 31, 2018, the Village's total outstanding receivable balance was \$175,562.

6. Long-Term Obligations

All general obligation notes and bonds payable are backed by the full faith and credit of the municipality. Notes and bonds will be retired by future property tax levies. Proprietary fund debt is payable by revenues from user fees of those funds, or if the revenues are not sufficient, by future tax levies. The following is a summary of long-term debt transactions of the Village for the year ended December 31, 2018.

	Balance 1/1/2018	Additions	Payments	Balance 12/31/2018	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 7,775,351	\$ 3,345,000	\$ 1,055,351	\$ 10,065,000	\$ 941,576
Notes Payable	3,750,000	600,000	500,000	3,850,000	615,000
Premium	282,693	32,921	26,719	288,895	27,542
Vacation, Sick, and Comp Time	462,866	31,800	-	494,666	228,207
Total Governmental Activities	\$12,270,910	\$ 4,009,721	\$ 1,582,070	\$ 14,698,561	\$ 1,812,325
Business-Type Activities:					
General Obligation Notes and Bonds	\$ 2,144,650	\$ 630,000	\$ 199,650	\$ 2,575,000	\$ 205,000
Premium	61,838	-	4,756	57,082	4,757
Vacation, Sick, and Comp Time	74,523	5,367	-	79,890	52,875
Total Business-Type Activities	\$ 2,281,011	\$ 635,367	\$ 204,406	\$ 2,711,972	\$ 262,632

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2018

6. Long-Term Obligations (Continued)

A. General Obligation Debt

Governmental Activities:

Total Governmental General Obligation Debt as of December 31, 2018 consists of:

Issue Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate (%)	Balance 12/31/2018	Due Within One Year
Bonds Payable						
2011 Refunding Bonds	\$ 3,550,000	6/2/2011	3/1/2027	1.00-4.70	\$ 1,740,000	\$ 260,000
2015 Refunding Bonds	\$ 3,945,000	5/6/2015	3/1/2028	2.00-3.00	3,350,000	325,000
2017 General Obligation Bonds	\$ 1,150,000	6/8/2017	3/1/2037	3.00-3.50	1,080,000	55,000
2017 State Trust Fund Loan	\$ 550,000	12/13/2017	3/15/2037	4.0	550,000	14,748
2018 State Trust Fund Loan	\$ 50,000	3/19/2018	3/18/2037	4.0	50,000	1,828
2018 General Obligation Bonds	\$ 3,295,000	6/20/2018	3/1/2038	3.0-3.25	3,295,000	285,000
Total Bonds Payable					10,065,000	941,576
Notes Payable						
2013 General Obligation Notes	\$ 1,805,000	5/23/2013	3/1/2023	3.0-1.65	620,000	195,000
2016 General Obligation Notes	\$ 1,755,000	7/13/2016	9/1/2026	.75-1.875	1,315,000	180,000
2017 General Obligation Notes	\$ 1,550,000	6/8/2017	3/1/2027	3.00	1,315,000	200,000
2018 General Obligation Notes	\$ 600,000	6/20/2018	3/1/2028	2.0-2.9	600,000	40,000
Total Notes Payable					3,850,000	615,000
Total Governmental Activities General Obligation Debt					\$ 13,915,000	\$ 1,556,576

Business-Type Activities:

The Proprietary Fund General Obligation Debt as of December 31, 2018 consists of:

Issue Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate (%)	Balance 12/31/2018	Due Within One Year
Bonds Payable						
2015 Refunding Bonds	\$ 860,000	5/6/2015	3/1/2028	2.00-3.00	\$ 740,000	\$ 65,000
2017 General Obligation Bonds	\$ 800,000	6/8/2017	3/1/2037	3.00-3.50	740,000	45,000
2018 General Obligation Bonds	\$ 585,000	6/20/2018	3/1/2038	3.0-3.25	585,000	25,000
Total Bonds Payable					2,065,000	135,000
Notes Payable						
2016 General Obligation Notes	\$ 585,000	7/13/2016	9/1/2026	.75-1.875	465,000	60,000
2018 General Obligation Notes	\$ 45,000	6/20/2018	3/1/2023	2.0-2.9	45,000	10,000
Total Notes Payable					510,000	70,000
Total Business-Type Activities General Obligation Debt					\$ 2,575,000	\$ 205,000

6. Long-Term Obligations (Continued)

B. Maturities

Debt service requirements to maturity including general obligation debt are as follows:

Years	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2019	\$ 1,556,576	\$ 405,932	\$ 205,000	\$ 68,915
2020	1,422,698	340,002	205,000	60,317
2021	1,308,670	303,532	205,000	55,339
2022	1,184,617	266,352	210,000	50,197
2023	1,140,601	233,403	215,000	44,807
2024-2028	4,909,108	717,668	945,000	150,915
2029-2033	1,240,405	295,767	320,000	69,765
2034-2038	1,152,325	94,283	270,000	19,932
Total	\$ 13,915,000	\$ 2,656,939	\$ 2,575,000	\$ 520,187

C. Legal Debt Limit

The 2018 equalized valuation of the Village is certified by the Wisconsin Department of Revenue. The legal debt limit and margin of indebtedness as of December 31, 2018, is as follows:

Total Equalized Value	\$ 1,154,984,200
Debt Limit (5%)	5%
	\$ 57,749,210
Less: General Obligation Debt	(16,490,000)
Unused Borrowing Capacity	\$ 41,259,210

7. Wisconsin Retirement System

Plan Description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://ef.wi.gov/publications/cafr.htm>.

Vesting. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits Provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor; their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

7. Wisconsin Retirement System (Continued)

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2007	3%	10%
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2	4

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

During the reporting period, the WRS recognized \$248,776 in contributions from the employer.

Contribution rates as of December 31, 2018 are:

Employee Category	Employee	Employer
General (including executives and elected officials)	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%

7. Wisconsin Retirement System (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At December 31, 2018, the Village reported an asset of \$697,429 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension asset was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017, the Village's proportion was 0.02348942%, which was an increase of 0.00067185% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Village recognized pension expense of \$299,979.

At December 31, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 886,099	\$ (414,488)
Changes of assumptions	137,798	-
Net difference between projected and actual earnings on pension plan investments	-	(958,552)
Changes in proportion and difference between Employer contributions and proportionate share of contributions	-	(6,305)
Employer contributions subsequent to the measurement date	270,109	-
Total	\$ 1,294,006	\$ (1,379,345)

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2018

7. Wisconsin Retirement System (Continued)

\$270,109 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2019	\$ 72,912
2020	(8,183)
2021	(240,432)
2022	(181,415)
2023	1,670
	<u>\$ (355,448)</u>

Actuarial Assumptions: The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2016
Measurement Date of Net Pension Liability (Asset):	December 31, 2017
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-Retirement Adjustments*	2.1%

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

The total pension liability for December 31, 2017 is based upon a roll-forward of the liability calculated from the December 31, 2016 actuarial valuation.

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2018

7. Wisconsin Retirement System (Continued)

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

Asset Allocation Targets and Expected Returns
As of December 31, 2017

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	50	8.2	5.3
Fixed Income	24.5	4.2	1.4
Inflation Sensitive Assets	15.5	3.8	1.0
Real Estate	8	6.5	3.6
Private Equity/Debt	8	9.4	6.5
Multi-Asset	4	6.5	3.6
Total Core Fund	110	7.3	4.4
Variable Fund Asset Class			
U.S. Equities	70	7.5	4.6
International Equities	30	7.8	4.9
Total Variable Fund	100	7.9	5.0

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%
Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations.

Single Discount Rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.31%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1 % will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

7. Wisconsin Retirement System (Continued)

Sensitivity of the Village's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the Village's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20 percent, as well as what the Village's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
Village's proportionate share of the net pension liability (asset)	\$ 1,804,486	\$ (697,429)	\$ (2,598,961)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

Allocation of Pension Plan Disclosures. Pension amounts are allocated between governmental and proprietary funds based on the percentage of required contributions or retirement expenses accounted for in each fund.

8. Other Postemployment Benefits – Multi-Employer Life Insurance Plan

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

OPEB Plan Fiduciary Net Position. ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

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

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

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

Contribution rates as of December 31, 2018, are:

Coverage Type	Employer Contribution
25% Post Retirement Coverage	20% of employee contribution

8. Other Postemployment Benefits – Multi-Employer Life Insurance Plan (Continued)

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2018 are as listed below:

Attained Age	Life Insurance	
	Employee Contribution Rates	
	For the year ended December 31, 2017	
Under 30	Basic	\$0.05
30-34		0.06
35-39		0.07
40-44		0.08
45-49		0.12
50-54		0.22
55-59		0.39
60-64		0.49
65-69		0.57

During the reporting period, the LRLIF recognized \$998 in contributions from the employer.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At December 31, 2018, the LRLIF Employer reported a liability (asset) of \$158,128 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net OPEB liability (asset) was based on the Village's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2017, the Village's proportion was .052559%, which was an increase of .001298% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Village recognized OPEB expense of \$17,150.

8. Other Postemployment Benefits – Multi-Employer Life Insurance Plan (Continued)

At December 31, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,280	\$ -
Changes of assumptions	1,821	-
Net differences between projected and actual earnings on OPEB plan investments	2,733	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,037	-
Employer contributions subsequent to the measurement date	20,871	(2,228)
Totals	<u>\$ 41,742</u>	<u>\$ (2,228)</u>

\$1,037 reported as deferred outflows related to OPEB resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended	Net Outflows (Inflows) of Resources
December 31:	
2019	\$ 2,872
2020	2,872
2021	2,872
2022	2,872
2023	2,417
Thereafter	3,701
Total	<u>\$ 17,606</u>

Actuarial assumptions. The total OPEB liability in the January 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2017
Measurement Date of Net OPEB Liability (Asset)	December 31, 2017
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	3.44%
Long-Term Expected Rate of Return:	5.00%
Discount Rate:	3.63%
Salary Increases	3.20%
Inflation:	0.2% - 5.6%
Seniority/Merit:	Wisconsin 2012 Mortality Table
Mortality:	

8. Other Postemployment Benefits – Multi-Employer Life Insurance Plan (Continued)

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

Local OPEB Life Insurance			Long-Term Expected Geometric Real Rate of Return
Asset Allocation Targets and Expected Returns As of December 31, 2017			
Asset Class	Index	Target Allocation	
US Government Bonds	Barelays Government	1%	1.13%
US Credit Bonds	Barelays Credit	65%	2.61%
US Long Credit Bonds	Barelays Long Credit	3%	3.08%
US Mortgages	Barelays MBS	31%	2.19%
Inflation			2.30%
Long-Term Expected Rate of Return			5.00%

Single Discount Rate. A single discount rate of 3.63% was used to measure the total OPEB liability. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient.

8. Other Postemployment Benefits – Multi-Employer Life Insurance Plan (Continued)

Sensitivity of the Village's Proportionate Share of the Net OPEB Liability (asset) to Changes in the Discount Rate. The following presents the Village's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 3.63 percent, as well as what the Village's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.63 percent) or 1-percentage-point higher (4.63 percent) than the current rate:

	1% Decrease to Discount Rate (2.63%)	Current Discount Rate (3.63%)	1% Increase to Discount Rate (4.63%)
Village's proportionate share of the net OPEB liability (asset)	\$ 223,495	\$ 158,128	\$ 107,966

OPEB Plan Fiduciary Net Position. Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial statements available at <http://efi.wi.gov/publications/cafr.htm>.

9. Interfund Receivables, Payables, Advances and Transfers

Individual fund interfund receivable and payable balances at December 31, 2018, are as follows:

Receivable Fund	Payable Fund	Amount	Purpose
Water Utility	General Fund	\$ 3,555	Delinquent Taxes
Sewer Utility	General Fund	4,069	Delinquent Taxes
Refuse & Recycling	General Fund	1,643	Delinquent Taxes
General Fund	Civic Campus	14,716	Cash Shortfall
Subtotal - Fund Financial Statements		23,983	
Less: Fund Eliminations		(16,359)	
Total - Government-Wide Statement of Net Position		\$ 7,624	

Balances resulted from the timing differences between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, (3) payments between funds are made, (4) and funds overdraw their share of pooled cash or when there are transactions between funds where one fund does not participate in the Village's pooled cash.

9. Interfund Receivables, Payables, Advances and Transfers (Continued)

Transfers

Individual fund operating transfers during 2018 are as follows:

Fund Transferred To	Fund Transferred From	Amount	Principal Purposes
General Fund	Water Utility	\$ 282,489	Tax Equivalent
General Fund	Equipment Replacement	8,390	Operations
General Fund	Cable TV Franchise Fund	3,500	Operations
Alpine Meadows Fund	General Fund	8,344	Operations
Alpine Meadows Fund	Developers Storm Sewer Fund	4,000	Operations
Alpine Meadows Fund	Park Fund	30,570	Operations
Civic Campus Plan Project	Library	117,640	Land Purchase
Civic Campus Plan Project	TIF #2 Special Revenue Fund	5,000	TIF#2 Closing Allocation
Civic Campus Plan Project	TIF #4 Capital Projects Fund	60,000	Capital Outlay
Debt Service Fund	TIF #3 Special Revenue Fund	135,000	Debt Payment
Debt Service Fund	TIF #2 Special Revenue Fund	228,452	Debt Payment and Future Debt
Debt Service Fund	TIF #4 Special Revenue Fund	12,428	Debt Payment
Debt Service Fund	Sewer Utility	1,550	Debt Payment
Debt Service Fund	Water Utility	11,212	Debt Payment
DNR Grants	Developers Storm Sewer Fund	36,486	Reimbursement
Equipment Replacement	General Fund	100,000	Excess Fund Balance
Library	Equipment Replacement	41,809	Capital Outlay
Preserve Water Tower	General Fund	2,000	Excess Fund Balance
Sewer Utility	Alpine Meadows Fund	5,000	Operations
Sick Leave Fund	General Fund	80,000	Excess Fund Balance
Southeast Business Park Fund	TIF #2 Special Revenue Fund	34,400	TIF Closeout Transfer
Southeast Business Park Fund	General Fund	26,000	Operations, Excess Fund Balance
TIF #3 Capital Projects	TIF #3 Special Revenue Fund	26	Debt Service Fees
TIF #3 Capital Projects	TIF #5 Fund	38,514	Capital Outlay
TIF #4 Capital Projects	TIF #4 Special Revenue Fund	23,484	Operations
TIF #4 Capital Projects	General Fund	52,500	Operations
TIF #4 Special Revenue Fund	General Fund	7,000	Operations, Excess Fund Balance
TIF #5 Fund	TIF #3 Special Revenue Fund	25,000	Increment Sharing
Work Force Housing	TIF #2 Special Revenue Fund	483,749	Affordable Housing TIF Transfer
Subtotal - Fund Financial Statements		\$ 1,864,543	
Less: Fund Eliminations		(1,564,292)	
Total - Government-Wide Statement of Activities		\$ 300,251	

Transfers are used to: (1) move revenue from the fund that statute or budget requires collection from to the fund that statute or budget required to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenue collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2018

9. Interfund Receivables, Payables, Advances and Transfers (Continued)

Advances

The advances balances as of December 31, 2018 are as follows:

Advance Receivable	Advance Payable	Interest Rate	Principal Amount	Accrued Interest	Amount
General Fund	Room Tax Fund	0.5-1.50%	\$ 2,415	\$ 162	\$ 2,757
General Fund	DNR Grants Fund	2.75-.50%	281,224	26,079	307,303
General Fund	TIF #4 Special Revenue Fund	2.75-.50%	112,149	6,875	119,024
					<u>\$ 429,084</u>

The advance to the Room Tax fund is anticipated to be repaid in 2019 from room tax collections now that the hotel has opened. The advance to the DNR fund will be repaid with future developer fees. The advance to TIF #4 will be repaid with future TIF increment.

10. Net Position and Fund Balances

The following is a detailed schedule of governmental ending fund balances by category:

	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total
General Fund	\$ 429,084	\$ -	\$ -	\$ -	\$ -	\$ 429,084
Delinquent Tax Amounts	9,801	-	-	-	-	9,801
Prepaid Expenses & Inventory	142,411	-	-	-	-	142,411
Excessive Medical	-	-	4,558	-	-	4,558
Historical Preservation	-	-	-	250	-	250
Police Uniforms	-	-	-	2,859	-	2,859
Case Management	-	-	-	795	-	795
Crime Information Reward	-	-	-	753	-	753
Unassigned	-	-	-	-	1,819,445	1,819,445
Subtotal General Fund	581,296	-	4,558	4,657	1,819,445	2,409,956
Debt Service Fund	-	-	-	-	-	-
Debt Payments	-	310,830	-	-	-	310,830
Impact Fees	-	44,374	-	-	-	44,374
Subtotal Debt Service Fund	-	355,204	-	-	-	355,204
Street Improvements	-	-	-	-	-	-
Capital Projects	-	-	-	2,309,761	-	2,309,761
Unspent Debt Proceeds	-	678,808	-	-	-	678,808
Subtotal TIF #3 Special Revenue Fund	-	678,808	-	2,309,761	-	2,988,569

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2018

10. Net Position and Fund Balances (Continued)

	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total
TIF #3 Special Revenue Fund	-	96,759	-	-	-	96,759
Capital Projects	-	96,759	-	-	-	96,759
Subtotal TIF #3 Special Revenue Fund	-	96,759	-	-	-	96,759
Non-Major Funds						
Library Fund	14,958	205,758	234,499	-	-	455,215
Cable TV Franchise	-	-	106,465	-	-	106,465
Senior Center Fund	-	68,148	-	-	-	68,148
Preserve Water Tower	-	1,460	-	-	-	1,460
Herman Cemetery Trust	500	182	-	-	-	682
Police	-	-	44,884	-	-	44,884
Refuse & Recycling Pickup	-	-	12,376	-	-	12,376
Room Tax	-	-	-	-	(2,917)	(2,917)
Wackman Special Revenue	-	918	-	-	-	918
Canine Fund	-	-	38,400	-	-	38,400
TIF #2 Special Revenue	-	52,780	-	-	-	52,780
TIF #4 Special Revenue	-	-	-	-	(52,825)	(52,825)
Sick Leave	-	-	-	155,207	-	155,207
Work Force Housing	-	488,898	-	-	-	488,898
Developers Storm Sewer	-	38,584	-	-	-	38,584
Park Fund	-	168,334	-	-	-	168,334
Cemetery Land Purchase	-	-	-	59,847	-	59,847
Equipment Replacement	-	-	-	454,191	-	454,191
Bike Path	-	-	-	8,042	-	8,042
Keller / Alpine Meadows Park	-	485,844	-	-	-	485,844
TIF #4 Capital Projects	-	271,229	-	-	-	271,229
TIF #5 Capital Projects	-	69,669	-	-	-	69,669
DNR Grants	-	-	-	-	(307,303)	(307,303)
Civic Campus Plan Projects	-	-	-	-	(14,716)	(14,716)
Business Park	-	-	-	46,062	-	46,062
Cemetery Perpetual Care	68,841	-	-	-	-	68,841
Wackman Trust Fund	10,000	-	-	-	-	10,000
Subtotal Non-Major Funds	94,299	1,851,804	436,624	723,349	(377,761)	2,728,315
Grand Total - All Funds	\$ 675,595	\$ 2,982,575	\$ 441,182	\$ 3,037,767	\$ 1,441,684	\$ 8,578,803

Governmental funds with deficit balances as of December 31, 2018 are as follows:

Fund	Amount	Description
Room Tax	\$ 2,917	To be replenished with future room tax
TIF #4 Special Revenue	52,825	To be replenished with future tax increment
DNR Grants	307,303	To be replenished with future stormwater annexation fees
Civic Campus Plan Projects	14,716	To be replenished with future borrowing

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2018

10. Net Position and Fund Balances (Continued)

Net position as of December 31, 2018, is as follows:

Net Investment in Capital Assets

	Governmental	Water	Sewer	Total
Capital Assets	\$ 32,876,896	\$ 12,317,613	\$ 13,635,601	\$ 25,953,214
Less: Current Portion Debt	(1,584,118)	(144,757)	(65,000)	(209,757)
Less: Long-Term Debt	(12,619,777)	(1,707,325)	(715,000)	(2,422,325)
Plus: Non-Capital Related Debt	2,374,000	-	-	-
Plus: Unspent Bond Proceeds	1,445,399	55,000	270,000	325,000
Net Investment in Capital Assets	<u>\$ 22,492,400</u>	<u>\$ 10,520,531</u>	<u>\$ 13,125,601</u>	<u>\$ 23,646,132</u>

Restricted Net Position

	Governmental	Water	Sewer	Total
Restricted for:				
Debt Service - Impact Fees	\$ 44,374	\$ -	\$ -	\$ -
Library Impact Fees	205,758	-	-	-
Senior Center	68,148	-	-	-
Herman Cemetery	182	-	-	-
Wackman Special Revenue	918	-	-	-
TIF #2	52,780	-	-	-
Developers Storm Sewer	38,584	-	-	-
Park	654,178	-	-	-
TIF #4	271,229	-	-	-
TIF #5	69,669	-	-	-
Work Force Housing	488,898	39,388	-	39,388
Depreciation Fund	-	-	-	-
DNR Replacement Fund	-	-	1,237,020	1,237,020
Impact Fees	-	557,530	-	557,530
Restricted Net Position	<u>\$ 1,894,718</u>	<u>\$ 596,918</u>	<u>\$ 1,237,020</u>	<u>\$ 1,833,938</u>

Prior Period Adjustment

Prior period adjustments have been recorded effective January 1, 2018, as follows:

Governmental Activities:	
Net Position - beginning, as previously reported	\$ 28,840,042
GASB Statement No. 75 - Local Retiree Life Insurance	<u>(127,607)</u>
Net Position - beginning, as restated	<u>\$ 28,712,435</u>

Implementation of GASB Statement No. 75 required net position in the governmental activities to be decreased. The decrease in net position was to reflect the OPEB liability balance as of January 1, 2018 (December 31, 2017 actuarial measurement date).

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2018

11. Joint Venture

The Village of Oregon and the Townships of Dunn, Oregon and Rutland jointly operate the local fire department and local EMS District, which is called the Oregon Area Fire-EMS District, and provides fire, rescue protection and emergency medical services. The communities share in the operation of the District based on an amount equivalent to their proportionate share of the total budget based upon the equalized assessed valuation of the total property located within the District and total population within the District.

The following is each Community's proportionate share for 2018.

Village of Oregon	63.50%
Town of Dunn	11.46%
Town of Oregon	19.83%
Town of Rutland	5.21%

The District is administered by a five-member board of trustees, two from the Village and one from each township. The board has authority to adopt its own budget and control the financial affairs of the District. The Village made a payment to the District in 2018 of \$790,889 which included additional payments for capital equipment. The Village believes that the District will continue to provide services in the future at similar rates.

Audited financial information of the District is available upon request.

Debt is being repaid with resources of the District and is secured by the taxing power of the participants. The transactions of the District are not reflected in these financial statements. The debt outstanding as of December 31, 2018 was \$430,000.

In 2019, the Village approved an additional contribution to the District for the Village's portion of a new Fire Truck. The Village's portion is expected to be approximately \$128,000.

12. Tax Incremental Financing District

Tax increment financing, as authorized by Section 66.1105 of the Wisconsin Statutes, is a method by which the Village can recover its development and public improvement costs in Tax Incremental Finance District (TIF) designated areas. These costs are recovered from the increased valuation in the designated area. The Village has financed development and public improvement costs in its TIF through general fund advances. Project costs have been reported as Capital Projects Fund expenditures. Tax increments will be used to repay general fund advances and to meet any future debt obligations incurred to provide financing for development and public improvements costs within the tax incremental district. The District is allowed to collect tax increments until its termination date. Any over collections are returned to the various taxing entities of the District. The Village becomes liable for any costs not recovered by the termination date.

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2018

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2018

12. Tax Incremental Financing District (Continued)

The Village has five Tax Incremental Financing Districts. The following is a project summary of the activity and status of the districts through December 31, 2018:

	TIF #2	TIF #3	TIF #4	TIF #5
Project Revenue				
Proceeds from Long-Term Debt	\$ 1,795,500	\$ 10,330,000	\$ 765,000	\$ 355,000
Premium on Long-Term Debt	-	193,224	638	-
General Property Taxes	-	1,479,015	-	-
Intergovernmental	30,163	858,091	19,572	-
Tax Increment	5,938,493	1,699,836	137,999	-
Public Charges	-	1,450,373	-	-
Developer Contributions	1,900,000	537,568	3,502	-
Increment Sharing with TIF #2	-	365,000	-	-
Miscellaneous (includes interest income)	232,337	48,618	24,386	1,661
Transfer from Other Funds	121,475	104,926	268,777	57,784
Total Project Revenue	10,017,968	17,266,651	1,219,874	414,445
Project Expense				
Developer Incentive	82,052	470,661	68,000	-
Administration	335,386	346,779	342,207	94,526
Transfer to Debt Service	-	-	-	-
Principal on Long-Term Debt	1,627,821	5,816,740	30,000	9,548
Interest and Fiscal Charges	308,673	2,499,841	11,278	-
Loan to Developer	-	2,200,000	-	-
Increment Sharing	615,000	25,000	-	-
Transfer for Village Housing Stock	483,749	-	-	-
Debt Issuance Cost	14,469	414,629	3,206	-
Payments to Refunding Agents	185,392	-	-	-
Capital Outlay	5,794,517	5,385,408	546,779	240,702
Payments to Other Districts	517,340	-	-	-
Total Project Expenditures	9,964,399	17,159,058	1,001,470	344,776
Fund Balance as of December 31, 2018	53,569	107,593	218,404	69,669
Future Debt Service Requirements	-	3,415,000	735,000	355,000
BALANCE TO BE COLLECTED ON TIF DISTRICT	\$ (53,569)	\$ 3,307,407	\$ 516,596	\$ 285,331
Maximum Termination Date	9/30/2020	8/16/2032	9/15/2035	8/7/2044
2018 Increment Payable 2019	\$ -	\$ 235,047	\$ 46,099	\$ 43,378

On November 20, 2017, the Village Board passed the resolution closing TIF District #2. The excess increment recovered of \$205,032 will be allocated the applicable taxing jurisdictions in 2019. Additionally, TIF #5 summarized above was primarily created as an overlay district to TIF #3 and has the authority to donate excess increment to pay off existing debt in TIF #3.

13. Tax Abatements

From time to time the Village may enter into agreements with developers or businesses that are considered tax abatements, or the use of tax revenues to promote economic development. For the year ended December 31, 2018, the Village paid the following developer incentives considered to be tax abatements under GASB Statement No. 77:

- On October 26, 2006, the Village entered into a developer agreement that included proposed development with the TIF District. The Village agrees to reimburse the Company for costs incurred for the construction project agreed to in an amount of \$683,100 from 2007 to 2020. A payment of \$55,618 was made during 2018.
- The Village also had a developer commitment of up to \$75,000 disclosed in prior years. The conditions of this commitment were met in 2018 and the Village made a payment in 2018 of \$71,876 out of the equipment capital fund.

14. Contingencies and Commitments

The Village participates in a number of Intergovernmental grant programs, which have various requirements, and are subject to audit by the awarding agencies. Such audits may result in reimbursements of funds advanced or disallowance of program expenditures. The amount, if any, of grant funds which may be disallowed by the grantor at future dates cannot be determined.

15. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village manages these risks through the purchase of various forms of commercial insurance. Certain of the commercial insurance policies have established deductible amounts whereby the Village would be responsible for the portion of claims, losses and damages under the deductible limits. All funds participate in the coverages provided by the commercial insurance carriers. Each fund would be responsible for its share of losses either below the deductible amounts or for losses exceeding the coverage limits of the commercial policies.

There were no significant reductions in insurance coverages from the prior year. There were no settlements that exceeded insurance coverages in any of the last three years.

16. Effect of New Accounting Standards on Current Period Financial Statements

Governmental Accounting Standards Board (GASB) has adopted GASB Statement No. 83, *Certain Asset Retirement Obligations*, GASB Statement No. 84, *Fiduciary Activities*, GASB Statement No. 87, *Leases*, and GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. When these become effective, application of these standards may restate portions of these financial statements.

VILLAGE OF OREGON
Notes to Financial Statements
December 31, 2018

17. Subsequent Events and Commitments

Developer Commitments

The Village has approximately \$97,642 remaining on a direct incentive to a developer. No accrual has been made in the fund or government-wide statements for these commitments. This are anticipated to be financed out of TIF District #3.

The Village has a developer agreement that specifies that the Village is to provide development incentive grants of \$183,150 and municipal revenue obligation of \$800,000 upon the developer meeting conditions. Currently the conditions have not been met and no accrual has been made in the fund or government-wide financial statements. It is anticipated these will occur in 2019 and financed through TIF District #3.

The Village has an additional developer agreement that specifies that the Village is to provide municipal revenue obligation of \$800,000 upon the developer meeting conditions. Currently the conditions have not been met and no accrual has been made in the fund or government-wide financial statements.

In 2019, the Village entered into an additional developer agreement to provide an incentive payment of up to \$1,000,000. The Village issued debt in 2019 to pay this incentive as disclosed below.

Capital Purchases and Construction Commitments

As of December 31, 2018, the Village had the following construction commitments:

- Perry Parkway - \$40,500 remaining on contract
- Public Works cold storage – approximately \$50,000 remaining on contract

Subsequent to yearend, the Village approved a construction contract for the Jefferson Street and South Main Street parking lot lighting and electric project in an estimated amount of \$306,200.

In 2019 the Village has also approved the following capital improvements and equipment purchases:

- Engineering for Janesville and Park Street intersection - \$61,200
- Standpipe repainting project - \$102,900
- Leaf Vacuum Truck - \$203,000

Additionally, the Village approved an affordable housing funding assistance award to a local low income housing complex in an amount of \$168,000.

Subsequent Debt

In April and May 2019, the Village issued resolutions to issue the following debt obligations:

- \$1,000,000 State Trust Fund Loan for a TIF development project.
- \$2,655,000 general obligation bonds for various capital projects, equipment and improvements.
- \$860,000 general obligation promissory notes for capital projects, equipment and improvements.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (with Variances)
TIF District #3 - Special Revenue Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 185,000	\$ 185,000	\$ 209,853	\$ 24,853
Intergovernmental	1,400	1,400	1,510	110
Interest Income	50	50	1,040	990
Miscellaneous Income	177,365	177,365	178,593	1,228
Total Revenues	363,815	363,815	390,996	27,181
EXPENDITURES				
Current:				
General Government	2,050	2,050	2,340	(290)
Capital Outlay	55,000	55,000	55,618	(618)
Debt Service:				
Principal Repayment	120,000	120,000	120,000	-
Interest Expense	57,365	57,365	57,365	-
Total Expenditures	234,415	234,415	233,323	(908)
Excess (Deficiency) of Revenues Over Expenditures	129,400	129,400	155,673	26,273
OTHER FINANCING SOURCES (USES)				
Transfers Out	(160,000)	(160,000)	(160,026)	(26)
Total Other Financing Sources and Uses	(160,000)	(160,000)	(160,026)	(26)
Net Change in Fund Balances	(30,600)	(30,600)	(4,353)	26,247
Fund Balances - Beginning	101,112	101,112	101,112	-
Fund Balances - Ending	\$ 70,512	\$ 70,512	\$ 96,759	\$ 26,247

VILLAGE OF OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (with Variances)
General Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variances with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 3,951,557	\$ 3,951,557	\$ 3,951,810	\$ 253
Other Taxes	42,800	42,800	43,046	246
Intergovernmental	787,689	799,436	804,961	5,525
License and Permits	236,395	194,703	194,703	(41,692)
Fines, Forfeits and Penalties	92,300	92,300	139,377	47,077
Public Charges for Services	55,099	70,099	87,276	17,177
Intergovernmental Charges for Services	161,711	178,711	178,248	(463)
Interest Income	15,000	49,000	59,387	10,387
Miscellaneous Income	80,273	86,273	92,755	6,482
Total Revenues	5,422,824	5,506,571	5,551,563	44,992
EXPENDITURES				
Current:				
General Government	998,870	964,319	961,847	2,472
Public Safety	3,025,714	3,328,123	3,317,721	10,402
Public Works	855,416	888,676	899,201	(10,525)
Health and Human Services	269,872	260,188	238,485	21,703
Culture, Recreation and Education	536,133	522,496	517,830	4,666
Conservation and Development	33,300	54,300	53,440	860
Total Expenditures	5,719,305	6,018,102	5,988,524	29,578
Excess (Deficiency) of Revenues Over Expenditures	(296,481)	(511,531)	(436,961)	74,570
OTHER FINANCING SOURCES (USES)				
Proceeds from Long-Term Debt	-	275,550	275,550	-
Transfers In	304,825	304,825	294,379	(10,446)
Transfers Out	(8,344)	(68,844)	(275,844)	(207,000)
Total Other Financing Sources and Uses	296,481	511,531	294,085	(21,446)
Net Change in Fund Balances	-	-	(142,876)	(142,876)
Fund Balances - Beginning	2,552,832	2,552,832	2,552,832	-
Fund Balances - Ending	\$ 2,552,832	\$ 2,552,832	\$ 2,409,956	\$ (142,876)

See accompanying notes to the required supplementary information.

See accompanying notes to the required supplementary information.

VILLAGE OF OREGON
Local Retiree Life Insurance Fund Schedules
December 31, 2018

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
AS OF THE MEASUREMENT DATE**

Year ended December 31,	Proportion of the net OPEB liability (asset)	Covered- employee payroll	Proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability (asset)
2017	0.05255900%	\$ 2,210,256	7.15%	44.81%

**SCHEDULE OF VILLAGE'S CONTRIBUTIONS
FOR THE YEAR ENDED**

Year ended December 31,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered- employee payroll
2018	\$ 1,037	\$ (1,037)	\$ -	\$ 2,778,874	0.04%

VILLAGE OF OREGON
Wisconsin Retirement System Schedules
December 31, 2018

**Schedule of Proportionate Share of the Net Pension Liability (Asset)
As of the Measurement Date**

Year ended December 31,	Proportion of the net pension liability (asset)	Covered- employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2017	0.02348942%	\$ 3,023,801	(23.06%)	102.93%
2016	0.02281757%	2,953,015	6.37%	99.12%
2015	0.02236953%	2,748,815	13.22%	98.20%
2014	0.02240905%	2,749,471	(20.01%)	102.74%

**Schedule of Village's Contributions
For the Year Ended**

Year ended December 31,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered- employee payroll
2018	\$ 270,109	\$ (270,109)	\$ -	\$ 3,220,786	8.39%
2017	251,049	(251,049)	-	3,023,801	8.30%
2016	225,671	(225,671)	-	2,953,015	7.64%
2015	222,226	(222,226)	-	2,748,815	8.08%

See accompanying notes to the required supplementary information.

See accompanying notes to the required supplementary information.

VILLAGE OF OREGON
Notes to Required Supplementary Information
For the Year Ended December 31, 2018

1. Notes to Budgetary Comparison Schedule

A. General Policy

The General Fund budgetary comparison schedule has been presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America. The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

Annual budgets, as required by state statutes, are adopted on a basis consistent with U.S. generally accepted accounting principles for all governmental funds. Appropriations lapse at year-end except those separately identified as designated for subsequent years' expenditures.

- 1) Prior to October 1, the Village Administrator submits to the Village Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) A public hearing is conducted in the Village Hall to obtain taxpayers' comments.
- 3) Prior to December 1, the budget is legally enacted through passage of a resolution.
- 4) Any budget transfer must be approved by a two-thirds Village Board action.
- 5) Formal budgetary integration is employed as a management control device during the year for all governmental funds.
- 6) Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- 7) Budgetary expenditure control is exercised at the departmental level.
- 8) Budgeted amounts are as authorized in the original budget ordinance and subsequent revisions authorized by the Village Board.
- 9) Appropriations lapse at year end, except those specifically carried forward by Board action.

B. Excess of Actual Expenditures over Appropriations

The following expenditure functions had an excess of actual expenditures over budget in excess of \$1,000 for the year ended December 31, 2018:

	Excess
General Fund:	Expenditures
Public Works	\$ 10,525

VILLAGE OF OREGON
Notes to Required Supplementary Information
For the Year Ended December 31, 2018

2. Notes to Wisconsin Retirement System Schedules

Governmental Accounting Standards Board Statement No. 68 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 6 preceding years.

Change of Benefit Terms

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

Changes of Assumptions

There were no changes in the assumptions.

3. Notes to Local Retiree Life Insurance Schedules

Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 9 preceding years.

Changes of benefit terms

There were no changes of benefit terms for any participating employer in LRLIF.

Changes of assumptions

There were no changes in the assumptions.

VILLAGE OF OREGON
Oregon, Wisconsin
Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2018

	Total Non-Major Special Revenue Funds	Non-Major Capital Projects and Permanent Funds	Non-Major Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 1,256,372	\$ 2,127,699	\$ 3,384,071
Receivables:			
Taxes	622,480	43,378	665,858
Accounts	80,633	-	80,633
Due from Other Funds	1,643	-	1,643
Prepaid Expenses	14,958	1,211	16,169
Restricted Cash	205,758	-	205,758
Total Assets	<u>\$ 2,181,844</u>	<u>\$ 2,172,288</u>	<u>\$ 4,354,132</u>

OTHER SUPPLEMENTARY INFORMATION

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES

Liabilities:			
Accounts Payable	\$ 59,243	\$ 448,267	\$ 507,510
Due to Other Funds	-	14,716	14,716
Due to Other Governments	8,649	-	8,649
Advances Payable	121,781	307,303	429,084
Total Liabilities	<u>189,673</u>	<u>770,286</u>	<u>959,959</u>
Deferred Inflows of Resources:			
Deferred Taxes and Special Assessments	622,480	43,378	665,858
Total Deferred Inflows of Resources	<u>622,480</u>	<u>43,378</u>	<u>665,858</u>
Fund Balances (Deficit):			
Nonspendable	15,458	78,841	94,299
Restricted	818,144	1,033,660	1,851,804
Committed	436,624	-	436,624
Assigned	155,207	568,142	723,349
Unassigned (Deficit)	(55,742)	(322,019)	(377,761)
Total Fund Balance	<u>1,369,691</u>	<u>1,358,624</u>	<u>2,728,315</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 2,181,844</u>	<u>\$ 2,172,288</u>	<u>\$ 4,354,132</u>

VILLAGE OF OREGON
Oregon, Wisconsin

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended December 31, 2018

	Non-Major Special Revenue Funds	Non-Major Capital Projects and Permanent Funds	Non-Major Governmental Funds
REVENUES			
Property Taxes	\$ 1,106,860	\$ -	\$ 1,106,860
Intergovernmental	219,408	-	219,408
License and Permits	153,868	-	153,868
Fines, Forfeits and Penalties	20,333	-	20,333
Public Charges for Services	466,563	91,614	558,177
Intergovernmental Charges for Services	24,592	-	24,592
Interest Income	21,664	24,095	45,759
Miscellaneous Income	85,408	50,208	135,616
Total Revenues	2,098,696	165,917	2,264,613
EXPENDITURES			
Current:			
General Government	48,296	77,019	125,315
Public Safety	19,097	-	19,097
Public Works	465,899	28,170	494,069
Culture, Recreation and Education	1,000,971	1,463	1,002,434
Conservation and Development	1,407	84,959	86,366
Capital Outlay	27,573	1,767,470	1,795,043
Debt Service:			
Interest Expense and Fiscal Changes	1,365	54,523	55,888
Total Expenditures	1,564,608	2,013,604	3,578,212
Excess (Deficiency) of Revenues Over Expenditures	534,088	(1,847,687)	(1,313,599)
OTHER FINANCING SOURCES (USES)			
Proceeds from Long-Term Debt	5,193	1,585,764	1,590,957
Other Sources	-	14,331	14,331
Transfers In	614,558	506,964	1,121,522
Transfers Out	(908,653)	(159,769)	(1,068,422)
Total Other Financing Sources and Uses	(288,902)	1,947,290	1,658,388
Net Change in Fund Balances	245,186	99,603	344,789
Fund Balances - Beginning	1,124,505	1,259,021	2,383,526
Fund Balances - Ending	\$ 1,369,691	\$ 1,358,624	\$ 2,728,315

VILLAGE OF OREGON
Oregon, Wisconsin

Combining Balance Sheet
Non-Major Special Revenue Funds
December 31, 2018

	Library Fund	Cable TV Franchise	Senior Center Fund	Preserve Water Tower	Herman Cemetery Trust	Police	Refuse & Recycling Pickup
ASSETS							
Cash and Cash Equivalents	\$ 243,930	\$ 82,461	\$ 76,797	\$ 1,460	\$ 682	\$ 45,384	\$ 3,217
Receivables:							
Taxes	586,928	-	-	-	-	-	-
Accounts	-	34,085	-	-	-	-	46,548
Due from Other Funds	-	-	-	-	-	-	1,643
Prepaid Expenditures	14,958	-	-	-	-	-	-
Restricted Cash	205,758	-	-	-	-	-	-
Total Assets	\$ 1,051,574	\$ 116,546	\$ 76,797	\$ 1,460	\$ 682	\$ 45,384	\$ 51,408

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)

Liabilities:							
Accounts Payable	\$ 9,431	\$ 10,081	\$ -	\$ -	\$ -	\$ 500	\$ 39,032
Due to Other Governments	-	-	8,649	-	-	-	-
Advances Payable	-	-	-	-	-	-	-
Total Liabilities	9,431	10,081	8,649	-	-	500	39,032
Deferred Inflows of Resources:							
Deferred Revenue	586,928	-	-	-	-	-	-
Total Deferred Inflows of Resources	586,928	-	-	-	-	-	-
Fund Balances (Deficit):							
Nonspendable	14,958	-	-	-	500	-	-
Restricted	205,758	-	68,148	1,460	182	-	-
Committed	234,499	106,465	-	-	-	44,884	12,376
Assigned	-	-	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-	-	-
Total Fund Balances (Deficit)	455,215	106,465	68,148	1,460	682	44,884	12,376
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	\$ 1,051,574	\$ 116,546	\$ 76,797	\$ 1,460	\$ 682	\$ 45,384	\$ 51,408

VILLAGE OF OREGON
Oregon, Wisconsin

Combining Balance Sheet
Non-Major Special Revenue Funds
December 31, 2018

	Room Tax	Wackman Special Revenue	Canine Fund	TIF #2	TIF #4	Sick Leave	Work Force Housing	Total Non-Major Special Revenue Funds
ASSETS								
Cash and Cash Equivalents	\$ -	\$ 918	\$ 38,407	\$ 52,780	\$ 66,231	\$ 155,207	\$ 488,898	\$ 1,256,372
Receivables:								
Taxes	-	-	-	-	13,052	22,500	-	622,480
Accounts	-	-	-	-	-	-	-	80,633
Due from Other Funds	-	-	-	-	-	-	-	1,643
Prepaid Expenditures	-	-	-	-	-	-	-	14,958
Restricted Cash	-	-	-	-	-	-	-	205,758
Total Assets	\$ -	\$ 918	\$ 38,407	\$ 52,780	\$ 79,283	\$ 177,707	\$ 488,898	\$ 2,181,844

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)

Liabilities:								
Accounts Payable	\$ 160	\$ -	\$ 7	\$ -	\$ 32	\$ -	\$ -	\$ 59,243
Due to Other Governments	-	-	-	-	-	-	-	8,649
Advances Payable	2,757	-	-	-	119,024	-	-	121,781
Total Liabilities	2,917	-	7	-	119,056	-	-	189,673
Deferred Inflows of Resources:								
Deferred Revenue	-	-	-	-	13,052	22,500	-	622,480
Total Deferred Inflows of Resources	-	-	-	-	13,052	22,500	-	622,480
Fund Balances (Deficit):								
Nonspendable	-	-	-	-	-	-	-	15,458
Restricted	-	918	-	52,780	-	-	488,898	818,144
Committed	-	-	38,400	-	-	-	-	436,624
Assigned	-	-	-	-	-	155,207	-	155,207
Unassigned (Deficit)	(2,917)	-	-	-	(52,825)	-	-	(55,742)
Total Fund Balances (Deficit)	(2,917)	918	38,400	52,780	(52,825)	155,207	488,898	1,369,691
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	\$ -	\$ 918	\$ 38,407	\$ 52,780	\$ 79,283	\$ 177,707	\$ 488,898	\$ 2,181,844

VILLAGE OF OREGON
Oregon, Wisconsin

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended December 31, 2018

	Library Fund	Cable TV Franchise	Senior Center Fund	Preserve Water Tower	Herman Cemetery Trust	Police	Refuse & Recycling Pickup
REVENUES							
Property Taxes	\$ 572,041	-	\$ -	\$ -	\$ -	-	\$ -
Intergovernmental	216,361	-	-	-	-	-	-
License and Permits	23,262	130,606	-	-	-	-	-
Fines, Forfeits and Penalties	20,333	-	-	-	-	-	-
Public Charges for Services	-	-	-	-	-	-	466,563
Intergovernmental Charges for Services	24,592	-	-	-	-	-	-
Interest Income	6,072	1,282	950	-	9	457	1,264
Miscellaneous Income	19,040	-	2,694	640	-	18,865	-
Total Revenues	881,701	131,888	3,644	640	9	19,322	467,827
EXPENDITURES							
Current:							
General Government	-	120	-	-	-	-	-
Public Safety	-	-	-	-	-	8,092	-
Public Works	-	-	-	-	-	-	465,899
Culture, Recreation and Education	831,349	169,622	-	-	-	-	-
Conservation and Development	-	-	-	1,375	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Service:							
Interest Expense and Fiscal Charges	198	-	-	-	-	-	-
Total Expenditures	831,547	169,742	-	1,375	-	8,092	465,899
Excess (Deficiency) of Revenues Over Expenditures	50,154	(37,854)	3,644	(735)	9	11,230	1,928
OTHER FINANCING SOURCES (USES)							
Proceeds from Long-Term Debt	5,193	-	-	-	-	-	-
Transfers In	41,809	-	-	2,000	-	-	-
Transfers Out	(117,640)	(3,500)	-	-	-	-	-
Total Other Financing Sources and Uses	(70,638)	(3,500)	-	2,000	-	-	-
Net Change in Fund Balances	(20,484)	(41,354)	3,644	1,265	9	11,230	1,928
Fund Balances (Deficit) - Beginning	475,699	147,819	64,504	195	673	33,654	10,448
Fund Balances (Deficit) - Ending	\$ 455,215	\$ 106,465	\$ 68,148	\$ 1,460	\$ 682	\$ 44,884	\$ 12,376

VILLAGE OF OREGON
Oregon, Wisconsin

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended December 31, 2018

	Room Tax	Wackman Special Revenue	Canine Fund	TIF #2	TIF #4	Sick Leave	Work Force Housing	Non-Major Special Revenue Funds
REVENUES								
Property Taxes	\$ -	\$ -	\$ -	\$ 483,749	\$ 20,150	\$ 30,920	\$ -	\$ 1,106,860
Intergovernmental	-	-	-	1,095	1,952	-	-	219,408
License and Permits	-	-	-	-	-	-	-	153,868
Fines, Forfeits and Penalties	-	-	-	-	-	-	-	20,333
Public Charges for Services	-	-	-	-	-	-	-	466,563
Intergovernmental Charges for Services	-	-	-	-	-	-	-	24,592
Interest Income	-	55	702	2,037	3,687	-	5,149	21,664
Miscellaneous Income	-	-	30,026	-	14,143	-	-	85,408
Total Revenues	-	55	30,728	486,881	39,932	30,920	5,149	2,098,696
EXPENDITURES								
Current:								
General Government	340	-	-	5,640	36,483	5,713	-	48,296
Public Safety	-	-	11,005	-	-	-	-	19,097
Public Works	-	-	-	-	-	-	-	465,899
Culture, Recreation and Education	-	-	-	-	-	-	-	1,000,971
Conservation and Development	-	-	-	-	32	-	-	1,407
Capital Outlay	-	-	27,573	-	-	-	-	27,573
Debt Service:								
Interest Expense and Fiscal Charges	26	-	-	-	1,141	-	-	1,365
Total Expenditures	366	-	38,578	5,640	37,656	5,713	-	1,564,608
Excess (Deficiency) of Revenues Over Expenditures	(366)	55	(7,850)	481,241	2,276	25,207	5,149	534,088
OTHER FINANCING SOURCES (USES)								
Proceeds from Long-Term Debt	-	-	-	-	-	-	-	5,193
Transfers In	-	-	-	-	7,000	80,000	483,749	614,558
Transfers Out	-	-	-	(751,601)	(35,912)	-	-	(908,653)
Total Other Financing Sources and Uses	-	-	-	(751,601)	(28,912)	80,000	483,749	(288,902)
Net Change in Fund Balances	(366)	55	(7,850)	(270,360)	(26,636)	105,207	488,898	245,186
Fund Balances (Deficit) - Beginning	(2,551)	863	46,250	323,140	(26,189)	50,000	-	1,124,505
Fund Balances (Deficit) - Ending	\$ (2,917)	\$ 918	\$ 38,400	\$ 52,780	\$ (52,825)	\$ 155,207	\$ 488,898	\$ 1,369,691

VILLAGE OF OREGON
Oregon, Wisconsin

Combining Balance Sheet
Non-Major Capital Projects and Permanent Funds
December 31, 2018

	Capital Projects						
	Developers Sewer	Park Fund	Cemetery Land Purchase	Equipment Replacement	Bike Path	Keller / Alpine Meadows Park	TIF #3
ASSETS							
Cash and Cash Equivalents	\$ 38,584	\$ 168,334	\$ 59,847	\$ 897,990	\$ 9,288	\$ 486,524	\$ -
Receivables:							
Taxes	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-
Total Assets	\$ 38,584	\$ 168,334	\$ 59,847	\$ 897,990	\$ 9,288	\$ 486,524	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)							
Liabilities:							
Accounts Payable	\$ -	\$ -	\$ -	\$ 443,799	\$ 1,246	\$ 680	\$ -
Due to Other Funds	-	-	-	-	-	-	-
Advances Payable	-	-	-	-	-	-	-
Total Liabilities	-	-	-	443,799	1,246	680	-
Deferred Inflows of Resources:							
Deferred Taxes and Special Assessments	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
Fund Balances (Deficit):							
Nonspendable	-	-	-	-	-	-	-
Restricted	38,584	168,334	-	-	-	485,844	-
Assigned	-	-	59,847	454,191	8,042	-	-
Unassigned (Deficit)	-	-	-	-	-	-	-
Total Fund Balances (Deficit)	\$ 38,584	\$ 168,334	\$ 59,847	\$ 454,191	\$ 8,042	\$ 485,844	\$ -
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	\$ 38,584	\$ 168,334	\$ 59,847	\$ 897,990	\$ 9,288	\$ 486,524	\$ -

VILLAGE OF OREGON
Oregon, Wisconsin

Combining Balance Sheet
Non-Major Capital Projects and Permanent Funds
December 31, 2018

	Capital Projects					Permanent Funds			Total Non-Major Capital Projects and Permanent Funds
	TIF #4	TIF #5	DNR Grants	Civic Campus Plan Projects	Business Park	Cemetery Perpetual Care	Wackman Trust Fund		
ASSETS									
Cash and Cash Equivalents	\$ 270,632	\$ 71,597	\$ -	\$ -	\$ 46,062	\$ 68,841	\$ 10,000	\$	2,127,699
Receivables:									
Taxes	-	43,378	-	-	-	-	-	-	43,378
Prepaid Expenses	597	614	-	-	-	-	-	-	1,211
Total Assets	\$ 271,229	\$ 115,589	\$ -	\$ -	\$ 46,062	\$ 68,841	\$ 10,000	\$	2,172,288
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)									
Liabilities:									
Accounts Payable	\$ -	\$ 2,542	\$ -	\$ -	\$ -	\$ -	\$ -	\$	448,267
Due to Other Funds	-	-	-	14,716	-	-	-	-	14,716
Advances Payable	-	-	307,303	-	-	-	-	-	307,303
Total Liabilities	-	2,542	307,303	14,716	-	-	-	-	770,286
Deferred Inflows of Resources:									
Deferred Revenue	-	43,378	-	-	-	-	-	-	43,378
Total Deferred Inflows of Resources	-	43,378	-	-	-	-	-	-	43,378
Fund Balances (Deficit):									
Nonspendable	-	-	-	-	-	68,841	10,000	78,841	
Restricted	271,229	69,669	-	-	-	-	-	1,033,660	
Assigned	-	-	-	-	46,062	-	-	568,142	
Unassigned (Deficit)	-	-	(307,303)	(14,716)	-	-	-	(322,019)	
Total Fund Balances	271,229	69,669	(307,303)	(14,716)	46,062	68,841	10,000	1,358,624	
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	\$ 271,229	\$ 115,589	\$ -	\$ -	\$ 46,062	\$ 68,841	\$ 10,000	\$	2,172,288

VILLAGE OF OREGON
Oregon, Wisconsin

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Capital Projects and Permanent Funds
For the Year Ended December 31, 2018

	Capital Projects						
	Developers Storm Sewer	Park Fund	Cemetery Land Purchase	Equipment Replacement	Bike Path	Keller / Alpine Meadows Park	TIF #3
REVENUES							
Public Charges for Services	\$ 38,359	\$ 52,821	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income	730	2,983	659	10,592	109	4,040	-
Miscellaneous Income	-	15,211	-	17,967	1,000	16,030	-
Total Revenues	39,089	71,015	659	28,559	1,109	20,070	-
EXPENDITURES							
Current:							
General Government	-	-	-	9,619	-	-	26
Public Works	-	-	-	-	-	-	-
Culture, Recreation and Education	-	-	-	-	-	1,463	-
Conservation and Development	-	-	-	71,876	-	-	-
Capital Outlay	28,115	115,076	-	1,036,340	1,246	10,452	-
Debt Service:							
Interest Expense and Fiscal Charges	-	-	-	38,220	-	13,261	-
Total Expenditures	28,115	115,076	-	1,156,055	1,246	25,176	26
Excess (Deficiency) of Revenues Over Expenditures	10,974	(44,061)	659	(1,127,496)	(137)	(5,106)	(26)
OTHER FINANCING SOURCES (USES)							
Proceeds from Long-Term Debt	-	-	-	1,025,764	-	510,000	-
Other Source	-	-	-	9,268	-	5,063	-
Transfers In	-	-	-	100,000	-	47,914	38,540
Transfers Out	(40,486)	(30,570)	-	(50,199)	-	-	-
Total Other Financing Sources and Uses	(40,486)	(30,570)	-	1,084,833	-	562,977	38,540
Net Change in Fund Balances	(29,512)	(74,631)	659	(42,663)	(137)	557,871	38,514
Fund Balances (Deficit) - Beginning	68,096	242,965	59,188	496,854	8,179	(72,027)	(38,514)
Fund Balances (Deficit) - Ending	\$ 38,584	\$ 168,334	\$ 59,847	\$ 454,191	\$ 8,042	\$ 485,844	\$ -

VILLAGE OF OREGON
Oregon, Wisconsin

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Capital Projects and Permanent Funds
For the Year Ended December 31, 2018

	Capital Projects				Permanent Funds			Total Non-Major Capital Projects and Permanent Funds
	TIF #4	TIF #5	DNR Grants	Civic Campus Plan Projects	Business Park	Cemetery Perpetual Care	Wackman Trust Fund	
REVENUES								
Public Charges for Services	\$ -	-	\$ -	-	\$ -	434	\$ -	\$ 91,614
Interest Income	2,312	1,348	-	440	45	837	-	24,095
Miscellaneous Income	-	-	-	-	-	-	-	50,208
Total Revenues	2,312	1,348	-	440	45	1,271	-	165,917
EXPENDITURES								
Current:								
General Government	23,193	44,149	-	-	32	-	-	77,019
Public Works	14,602	13,551	-	-	17	-	-	28,170
Culture, Recreation and Education	-	-	-	-	-	-	-	1,463
Conservation and Development	5,240	-	-	1,362	6,481	-	-	84,959
Capital Outlay	546,779	29,462	-	-	-	-	-	1,767,470
Debt Service:								
Interest Expense and Fiscal Charges	-	-	3,042	-	-	-	-	54,523
Total Expenditures	589,814	87,162	3,042	1,362	6,530	-	-	2,013,604
Excess (Deficiency) of Revenues Over Expenditures	(587,502)	(85,814)	(3,042)	(922)	(6,485)	1,271	-	(1,847,687)
OTHER FINANCING SOURCES (USES)								
Proceeds from Long-Term Debt	50,000	-	-	-	-	-	-	1,585,764
Other Source	-	-	-	-	-	-	-	14,331
Transfers In	135,984	25,000	36,486	62,640	60,400	-	-	506,964
Transfers Out	-	(38,514)	-	-	-	-	-	(159,769)
Total Other Financing Sources and Uses	185,984	(13,514)	36,486	62,640	60,400	-	-	1,947,290
Net Change in Fund Balances	(401,518)	(99,328)	33,444	61,718	53,915	1,271	-	99,603
Fund Balances (Deficit) - Beginning	672,747	168,997	(340,747)	(76,434)	(7,853)	67,570	10,000	1,259,021
Fund Balances (Deficit) - Ending	\$ 271,229	\$ 69,669	\$ (307,303)	\$ (14,716)	\$ 46,062	\$ 68,841	\$ 10,000	\$ 1,358,624

FORM OF LEGAL OPINION

(See following pages)

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

May 6, 2020

Re: Village of Oregon, Wisconsin ("Issuer")
\$1,055,000 Taxable General Obligation Refunding Bonds, Series 2020C,
dated May 6, 2020 ("Bonds")

We have acted as bond counsel to the Issuer in connection with the issuance of the Bonds. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Bonds are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on March 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2022	\$45,000	___%
2023	50,000	___
2024	50,000	___
2025	50,000	___
2026	50,000	___
2027	50,000	___
2028	55,000	___
2029	55,000	___
2030	55,000	___
2031	60,000	___
2032	60,000	___
2033	60,000	___
2034	65,000	___
2035	65,000	___
2036	70,000	___
2037	70,000	___
2038	70,000	___
2039	75,000	___

Interest is payable semi-annually on March 1 and September 1 of each year commencing on March 1, 2021.

The Bonds maturing on March 1, 2029 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on March 1, 2028 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within

each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

【The Bonds maturing in the years _____ are subject to mandatory redemption by lot as provided in the Bonds, at the redemption price of par plus accrued interest to the date of redemption and without premium.】

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

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

1. The Bonds have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.
2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Bonds, without limitation as to rate or amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds except to the extent that necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Bonds.
3. The interest on the Bonds is included for federal income tax purposes in the gross income of the owners of the Bonds.

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

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

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

QUARLES & BRADY LLP

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
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.
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. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Village or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
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 CERTIFICATE

(See following pages)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Village of Oregon, Dane County, Wisconsin (the "Issuer") in connection with the issuance of \$1,055,000 Taxable General Obligation Refunding Bonds, Series 2020C, dated May 6, 2020 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on April 20, 2020 (the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the Final Official Statement dated April 21, 2020 delivered in connection with the Securities, which is available from the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the Village Board of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means the Village of Oregon, Dane County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Finance Director/Treasurer of the Issuer who can be contacted at 117 Spring Street, Oregon, Wisconsin 53575, phone (608) 835-6281, fax (608) 835-6503.

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year ended December 31, 2019, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

1. DEBT - Direct Debt
2. DEBT - Debt Limit
3. VALUATIONS - Current Property Valuations
4. TAX LEVIES AND COLLECTIONS - Tax Levies and Collections

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
7. Modification to rights of holders of the Securities, if material;
8. Securities calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Listed Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist

it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the following conditions are met:

(a)(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or the type of business conducted; or

(ii) This Disclosure Certificate, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of beneficial owners of the Securities, as determined and certified to the Issuer by an underwriter, financial advisor, bond counsel or trustee.

In the event this Disclosure Certificate is amended for any reason other than to cure any ambiguities, inconsistencies, or typographical errors that may be contained herein, the Issuer agrees the next Annual Report it submits after such amendment shall include an explanation of the reasons for the amendment and the impact of the change, if any, on the type of financial statements or operating data being provided.

If the amendment concerns the accounting principles to be followed in preparing financial statements, then the Issuer agrees that it will give an event notice and that the next Annual Report it submits after such amendment will include a comparison between financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 6th day of May, 2020.

(SEAL)

Jeanne Carpenter
President

Peggy S. K. Haag
Village Clerk

NOTICE OF SALE

**\$1,055,000* TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020C
VILLAGE OF OREGON, WISCONSIN**

Bids for the purchase of \$1,055,000* Taxable General Obligation Refunding Bonds, Series 2020C (the "Bonds") of the Village of Oregon, 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 PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:00 A.M. Central Time, on April 20, 2020, at which time they will be opened, read and tabulated. The bids will be presented to the Board of Trustees for consideration for award by resolution at a meeting to be held at 5:00 P.M., Central Time, on the same 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, for the public purpose of refunding the 2019 State Trust Fund Loan of the Village. The Bonds are general obligations of the Village, and all the taxable property in the Village is subject to the levy of a tax to pay the principal of and interest on the 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 May 6, 2020, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral 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>
2022	\$45,000	2028	\$55,000	2034	\$65,000
2023	50,000	2029	55,000	2035	65,000
2024	50,000	2030	55,000	2036	70,000
2025	50,000	2031	60,000	2037	70,000
2026	50,000	2032	60,000	2038	70,000
2027	50,000	2033	60,000	2039	75,000

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 redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on March 1 and September 1 of each year, commencing March 1, 2021, 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 and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. **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 2025 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 an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, 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.

PAYING AGENT

The Village has selected Bond Trust Services Corporation, Roseville, Minnesota, to act as paying agent (the "Paying Agent"). Bond Trust Services Corporation and Ehlers are affiliate companies. The Village will pay the charges for Paying Agent services. The Village reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the Village, the Bonds maturing on or after March 1, 2029 shall be subject to optional redemption prior to maturity on March 1, 2028 or on any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, 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 Village or Paying Agent, if any, 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 such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 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.

DELIVERY

On or about May 6, 2020, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the Village will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates 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 date of closing in immediately available funds.

LEGAL OPINION

An opinion as to the validity of the Bonds will be furnished by Quarles & Brady LLP, of Milwaukee, Wisconsin, bond counsel to the Village. 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).

SUBMISSION OF BIDS

Bids must not be for less than \$1,041,812, nor more than \$1,118,300, plus accrued interest on the principal sum of \$1,055,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

- 1) Electronically to bondsale@ehlers-inc.com; or
- 2) 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, 2nd 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 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 ("Deposit") in the amount of \$21,100 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The Village reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received 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 Purchaser fails to comply therewith.

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

No bid can be withdrawn after the time set for receiving bids 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

If the Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the Village requested and received a rating on the Bonds from a rating agency, the Village will pay that rating fee. Any rating agency fees not requested by the Village are 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 correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

NON-QUALIFIED TAX-EXEMPT OBLIGATIONS

The Village will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

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 undertaking for the benefit of the holders of the Bonds. A description of the details and terms of the undertaking is set forth in Appendix D of the Official Statement.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Bonds prior to the bid opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The Syndicate Manager will be provided with an electronic copy of the Final Official Statement within seven business days of the bid acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

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

By Order of the Board of Trustees

Peggy Haag, Village Clerk
Village of Oregon, Wisconsin

BID FORM

The Board of Trustees
Village of Oregon, Wisconsin

April 20, 2020

RE: \$1,055,000* Taxable General Obligation Refunding Bonds, Series 2020C (the "Bonds")

DATED: May 6, 2020

For all or none of the above Bonds, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$_____ (not less than \$1,041,812, nor more than \$1,118,300) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____ % due	2022	_____ % due	2028	_____ % due	2034
_____ % due	2023	_____ % due	2029	_____ % due	2035
_____ % due	2024	_____ % due	2030	_____ % due	2036
_____ % due	2025	_____ % due	2031	_____ % due	2037
_____ % due	2026	_____ % due	2032	_____ % due	2038
_____ % due	2027	_____ % due	2033	_____ % due	2039

* 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.

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 2025 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 an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of \$21,100 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The Village reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received 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 Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said 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 May 6, 2020.

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 Official Statement, and any addenda thereto, 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 reoffering price of the Bonds within 24 hours of the bid acceptance.

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: ____.

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 May 6, 2020 of the above bid is \$_____ and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted by and on behalf of the Board of Trustees of the Village of Oregon, Wisconsin, on April 20, 2020.

By: _____ By: _____

Title: _____ Title: _____