This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), but is subject to revision, amendment and completion in a Final Official Statement.

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 7, 2020

In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended, under existing law interest on the Bonds is excludable from gross income and is not an item of tax preference for federal income tax purposes. See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Bonds. The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

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

New Issue **Non-Rated**

VILLAGE OF SAUK CITY, WISCONSIN
(Sauk County)

$5,285,000* GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020A

BID OPENING: August 13, 2020, 10:00 A.M., C.T.
CONSIDERATION: Not later than 11:59 P.M., C.T. on August 13, 2020 (PARAMETERS RESOLUTION)

PURPOSE/AUTHORITY/SECURITY: The $5,285,000* General Obligation Refunding Bonds, Series 2020A (the "Bonds") are authorized pursuant to Section 67.04, Wisconsin Statutes, by the Village of Sauk City, Wisconsin (the "Village"), for the purpose of effecting a current refunding of certain outstanding general obligations of the Village as more fully described herein. 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: September 2, 2020

MATURITY: March 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2021	$330,000	2027	$365,000	2033	$275,000
2022	340,000	2028	355,000	2034	160,000
2023	315,000	2029	355,000	2035	150,000
2024	355,000	2030	410,000	2036	150,000
2025	455,000	2031	375,000	2037	130,000
2026	455,000	2032	310,000		

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, up to a maximum of $100,000 per maturity. 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: $5,218,938.

MAXIMUM BID: $5,602,100.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of $105,700 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).

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; and (4) a certificate setting forth facts and expectations of the Village which indicates that the Village does not expect to use the proceeds of the Bonds in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

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BID FORM

VILLAGE OF SAUK CITY
VILLAGE BOARD

		Term Expires
James Anderson	Village President	April 2021
Jeff Boll	Village Trustee	April 2022
Abigail Butson	Village Trustee	April 2022
Amy Krumenauer	Village Trustee	April 2022
Richard Marks	Village Trustee	April 2021
Lynn Rausch	Village Trustee	April 2021
John Schmidt	Village Trustee	April 2021

ADMINISTRATION

Vicki Breunig, Village Administrator/Clerk-Treasurer

PROFESSIONAL SERVICES

Timothy Homar, Geier, Homar & Roy, LLP, Village Attorney, Sauk City, 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*)

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the Village of Sauk City, Wisconsin (the "Village") and the issuance of its $5,285,000* General Obligation Refunding Bonds, Series 2020A (the "Bonds"). **The Village Board adopted a resolution on July 28, 2020 (the "Parameters Resolution"), which authorized the Village Administrator or Village President to accept a bid for the Bonds if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on August 13, 2020, neither the Village Administrator/Clerk-Treasurer or Village President will have the authority to accept a bid for the Bonds, and all bids for the Bonds will be rejected.**

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 September 2, 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"). 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 Parameters 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 on 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 General Obligation Promissory Note, Series 2010A, dated October 8, 2010 (the "2010A Note"), the General Obligation Promissory Note, dated November 14, 2013 (the "2013 Note"), the General Obligation Promissory Note, dated June 6, 2017 (the "2017 Note") and the General Obligation Promissory Note, dated July 31, 2019 (the "2019 Note") as follows:

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded
2010A Note	10/08/10	09/15/20	Par	2020	3.50%	$328,823
Total 2010A Note Being Refunded						**$328,823**

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded
2013 Note	11/14/13	09/15/20	Par	2020	3.19%	$62,916
				2021	3.19%	129,491
				2022	3.19%	133,713
				2023	3.19%	1,830,188
Total 2013 Note Being Refunded						**$2,156,309**

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded
2017 Note	06/06/17	09/15/20	Par	2020	2.39%	$51,630
				2021	2.39%	105,118
				2022	2.39%	107,645
				2023	2.39%	110,233
				2024	2.39%	112,883
				2025	2.39%	115,597
				2026	2.39%	118,377
				2027	2.39%	1,428,566
Total 2017 Note Being Refunded						**$2,150,048**

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded
2019 Note	07/31/19	09/15/20	Par	2021	2.87%	$39,062
				2022	2.87%	40,191
				2023	2.87%	41,353
				2024	2.87%	42,483
				2025	2.87%	43,776
				2026	2.87%	45,041
				2027	2.87%	46,343
				2028	2.87%	47,632
				2029	2.87%	625,232
Total 2019 Note Being Refunded						**$971,111**

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Bonds	$5,285,000	
Transfers from Prior Issue Debt Service Funds	200,260	
Additional Funds on Hand	291,253	
Total Sources		**$5,776,514**
Uses		
Estimated Underwriter's Discount	$66,063	
Costs of Issuance	45,250	
Deposit to Current Refunding Fund	5,664,208	
Rounding Amount	993	
Total Uses		**$5,776,514**

*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 a separate Preliminary Official Statement, the Village will be issuing Taxable General Obligation Refunding Bonds, Series 2020B (the "Concurrent Obligations" or the "Series 2020B Bonds") on September 2, 2020.

RATING

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

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.

In the previous five years, the Village has not had any prior undertakings subject to the Rule and therefore, the Village has not failed to comply in all material respects with any 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 and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the Village, and will be available at the time of delivery of the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding general obligations of the Village; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding).

STATEMENT REGARDING COUNSEL PARTICIPATION

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

TAX EXEMPTION

Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, will deliver a legal opinion with respect to the federal income tax exemption applicable to the interest on the Bonds under existing law substantially in the following form:

> "The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The Village has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Village comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds."

The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors as to collateral federal income tax consequences.

From time to time legislation is proposed, and there are or may be legislative proposals pending in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether, or in what form, any proposal that could alter one or more of the federal tax matters referred to above or adversely affect the market value of the Bonds may be enacted. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

ORIGINAL ISSUE DISCOUNT

To the extent that the initial public offering price of certain of the Bonds is less than the principal amount payable at maturity, such Bonds ("Discounted Bonds") will be considered to be issued with original issue discount. The original issue discount is the excess of the stated redemption price at maturity of a Discounted Bond over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discounted Bonds were sold (issue price). With respect to a taxpayer who purchases a Discounted Bond in the initial public offering at the issue price and who holds such Discounted Bond to maturity, the full amount of original issue discount will constitute interest that is not includible in the gross income of the owner of such Discounted Bond for federal income tax purposes and such owner will not, subject to the caveats and provisions herein described, realize taxable capital gain upon payment of such Discounted Bond upon maturity.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discounted Bond, on days that are determined by reference to the maturity date of such Discounted Bond. The amount treated as original issue discount on a Discounted Bond for a particular semiannual accrual period is generally equal to (a) the product of (i) the yield to maturity for such Discounted Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discounted Bond at the beginning of the particular accrual period if held by the original purchaser; and less (b) the amount of any interest payable for such Discounted Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discounted Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If a Discounted Bond is sold or exchanged between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

For federal income tax purposes, the amount of original issue discount that is treated as having accrued with respect to such Discounted Bond is added to the cost basis of the owner in determining gain or loss upon disposition of a Discounted Bond (including its sale, exchange, redemption, or payment at maturity). Amounts received upon disposition of a Discounted Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain.

The accrual or receipt of original issue discount on the Discounted Bonds may result in certain collateral federal income tax consequences for the owners of such Discounted Bonds. The extent of these collateral tax consequences will depend upon the owner's particular tax status and other items of income or deduction.

The Code contains additional provisions relating to the accrual of original issue discount. Owners who purchase Discounted Bonds at a price other than the issue price or who purchase such Discounted Bonds in the secondary market should consult their own tax advisors with respect to the tax consequences of owning the Discounted Bonds. Under the applicable provisions governing the determination of state and local taxes, accrued interest on the Discounted Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year. Owners of Discounted Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discounted Bonds.

BOND PREMIUM

To the extent that the initial offering price of certain of the Bonds is more than the principal amount payable at maturity, such Bonds ("Premium Bonds") will be considered to have bond premium.

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable premium" within the meaning of Section 171 of the Code. The amortizable premium of each Premium Bond is calculated on a daily basis from the issue date of such Premium Bond until its stated maturity date (or call date, if any) on the basis of a constant

interest rate compounded at each accrual period (with straight line interpolation between the compounding dates). An owner of a Premium Bond that has amortizable premium is not allowed any deduction for the amortizable premium; rather the amortizable premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Bonds. During each taxable year, such an owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable premium that is allocable to the portion of such taxable year during which the holder held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Bond.

Owners of Premium Bonds who did not purchase such Premium Bonds in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of owning such Premium Bonds. Owners of Premium Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Premium Bonds.

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the Village in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. The financial information included in this Preliminary Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor. 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, 2019, have been audited by Baker Tilly Virchow Krause, LLP, Madison, Wisconsin, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Preliminary Official Statement.

RISK FACTORS

Following is a description of possible risks to 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.

Interest Rates: In the future, interest rates for this type of obligation may rise generally, possibly resulting in a reduction in the value of the Bonds for resale prior to maturity.

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

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 12, 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 through April 24, 2020. On April 16, 2020, the "safer at home" order was extended from April 24, 2020 through May 26, 2020. Schools will remain closed for the duration of the 2019-2020 school year and continue distance learning, but certain non-essential businesses will be allowed to open operations on a limited basis during this time, including curbside pickup, delivery, mailings and minimum basic operations.

Also on April 16, 2020, President Trump outlined "Guidelines for Opening Up America Again," a three-phased approach to restarting the economy based on public health experts' advice. The guidelines start with a set of criteria that should be met before starting phases one to three. The criteria include a downward trajectory of people with flu-like and COVID-19-like symptoms for 14 days; a downward trajectory of documented cases for 14 days or a downward trajectory of positive tests as a percentage of total tests over a 14-day period; and hospitals with the ability to treat all patients without crisis care and a robust testing program for at-risk healthcare workers.

On April 20, 2020, Governor Evers announced Wisconsin's three-phased approach to reopening the State's economy, based on President Trump's guidelines, including similar criteria to be met before phase one can begin. On April 21, 2020, Republican legislators in the State filed a lawsuit challenging the legality of the Order. On May 13, 2020, the Wisconsin Supreme Court ruled that the State's "safer at home" order is unlawful, invalid and unenforceable because the emergency rulemaking procedures under Section 227.24 of the Wisconsin Statutes and procedures established by the Wisconsin Legislature for rulemaking if criminal penalties were to follow were not followed in connection with the order. The Supreme Court's decision does not invalidate any local health officials' orders or prevent future local health officials' orders related to the COVID-19 pandemic.

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provides for federal payments from the Coronavirus Relief Fund to the State for the discrete purpose of covering expenses directly incurred as a result of COVID-19 between March 1 and December 30, 2020. On May 27, 2020, Governor Tony Evers announced a program titled, "Routes to Recovery: Local Government Aid Grants," which will distribute $190 million of the State's Coronavirus Relief Fund monies to all counties, cities, villages and towns across Wisconsin for unbudgeted eligible expenditures incurred due to COVID-19 between March 1 and October 31, 2020. The State allocated funds based on population with a guaranteed minimum allocation of $5,000. The Village's allocation is $55,828. These funds will be disbursed up to the amount of the allocation after eligible expenditures are reported through the State's cost tracker application.

On July 30, 2020, Governor Evers issued Executive Order #82, declaring a public health emergency in Wisconsin to combat the spread of COVID-19. In conjunction with Executive Order #82, Governor Evers issued Emergency Order #1, requiring most people to wear face coverings when indoors, with certain exemptions in accordance with CDC guidelines. Executive Order #1 went into effect on August 1, 2020, and expires on September 28, 2020.

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.

The economic impact of COVID-19 may impact assessed and equalized valuations of property in the State, including in the Village. The Village cannot predict the extent of any such changes, but a material decrease in the equalized valuations of property in the Village may materially adversely affect the financial condition of the Village (see "RISK FACTORS - Impact of the Spread of COVID-19" herein).

CURRENT PROPERTY VALUATIONS

2020 Equalized Value[1]	$392,765,400
2020 Equalized Value Reduced by Tax Increment Valuation[1]	$369,257,100
2019 Equalized Value	$375,041,700
2019 Equalized Value Reduced by Tax Increment Valuation	$355,235,100
2019 Assessed Value	$336,311,650

2020 EQUALIZED VALUE BY CLASSIFICATION[1]

	2020 Equalized Value[2]	Percent of Total Equalized Value
Residential	$ 265,625,200	67.629%
Commercial	112,830,300	28.727%
Manufacturing	8,171,000	2.080%
Agricultural	14,200	0.004%
Personal Property	6,124,700	1.559%
Total	$ 392,765,400	100.000%

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value[2]	Percent Increase/Decrease in Equalized Value
2016	295,216,600	320,427,800	4.17%
2017	330,243,150	331,033,000	3.31%
2018	331,975,900	349,044,300	5.44%
2019	336,311,650	375,041,700	7.45%
2020	N/A	392,765,400 [1]	4.73%

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

[1] Preliminary equalized value subject to review and revision. Final amounts will be certified August 15, 2020.

[2] Includes tax increment valuation.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2019 Equalized Value[1]	Percent of Village's Total Equalized Value
McFarlane Manufacturing	Manufacturing	$ 9,962,954	2.66%
Nursing Homes Company	Health Care	9,765,403	2.60%
PJB Corp.	Car Dealership/Real Estate	7,954,827	2.12%
Consumers Coop Oil Company	Gas Station/Convenience Store	5,427,610	1.45%
HMO of Wisconsin Insurance Crp.	Insurance	5,110,971	1.36%
VBC Sauk LLC	Brewery/Restaurant	5,055,434	1.35%
River's Edge Mall LLC	Retail	3,964,058	1.06%
Weaver Investments of SC LLC	Auto Parts/Office/Warehouse	3,931,559	1.05%
Prairie Clinic Physicians LLC	Medical	3,871,347	1.03%
CPI Building LLC	Manufacturing	3,646,305	0.97%
Total		**$ 58,690,468**	**15.65%**
Village's Total 2019 Equalized Value[2]		$375,041,700	

Source: The Village. Information for 2020 is not yet available.

[1] Calculated by dividing the 2019 Assessed Values by the 2019 Aggregate Ratio of assessment for the Town.

[2] Includes tax increment valuation.

DEBT

DIRECT DEBT[1]

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Bonds and the Concurrent Obligations, as defined herein)*	$ 12,089,585

*Preliminary, subject to change.

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

Village of Sauk City, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 09/02/2020)

	Promissory Notes Series 2013A		Promissory Notes Series 2017B		Promissory Notes Series 2019A		Promissory Notes Series 2019B	
Dated	04/04/2013		11/15/2017		02/19/2019		06/16/2019	
Amount	$360,000		$1,220,000		$500,000		$500,000	
Maturity	04/04 & 10/04		05/15 & 11/15		02/19		06/26	
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2020	10,244	1,234	57,675	11,301	0	0	0	5,214
2021	20,902	2,082	117,435	20,517	100,000	11,213	100,000	9,096
2022	21,427	1,556	120,271	17,681	100,000	8,013	100,000	6,496
2023	46,136	577	123,175	14,778	100,000	4,813	100,000	3,896
2024			126,149	11,804	100,000	1,613	100,000	1,304
2025			129,194	8,758				
2026			132,314	5,639				
2027			135,508	2,444				
2028								
2029								
2030								
2031								
2032								
2033								
2034								
2035								
2036								
2037								
	98,710	5,448	941,721	92,920	400,000	25,653	400,000	26,007

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Village of Sauk City, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 09/02/2020)

	Promissory Notes Series 2019D		Refunding Bonds Series 2020A		Refunding Bonds Series 2020B							
Dated	07/31/2019		09/02/2020		09/02/2020							
Amount	$800,000		$5,285,000*		$4,200,000*							
Maturity	01/31 & 07/31		03/01		03/01							
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Estimated Interest**	**Principal**	**Estimated Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2020	36,298	8,597	0	0	0	0	104,218	26,346	130,564	11,985,367	.86%	**2020**
2021	73,826	15,964	330,000	80,928	240,000	81,202	982,163	221,002	1,203,165	11,003,204	8.99%	**2021**
2022	75,497	14,293	340,000	78,058	250,000	78,615	1,007,195	204,713	1,211,907	9,996,009	17.32%	**2022**
2023	77,205	12,585	315,000	74,789	260,000	75,488	1,021,516	186,925	1,208,441	8,974,493	25.77%	**2023**
2024	78,952	10,838	355,000	71,094	265,000	72,075	1,025,100	168,727	1,193,828	7,949,393	34.25%	**2024**
2025	80,738	9,052	455,000	66,209	270,000	68,260	934,932	152,278	1,087,211	7,014,461	41.98%	**2025**
2026	82,565	7,225	455,000	60,180	265,000	64,114	934,879	137,157	1,072,036	6,079,582	49.71%	**2026**
2027	84,433	5,357	365,000	54,258	300,000	59,285	884,941	121,343	1,006,285	5,194,641	57.03%	**2027**
2028	86,344	3,446	355,000	48,680	275,000	53,966	716,344	106,093	822,436	4,478,297	62.96%	**2028**
2029	88,297	1,493	355,000	42,823	285,000	48,359	728,297	92,674	820,971	3,750,000	68.98%	**2029**
2030			410,000	36,115	285,000	42,231	695,000	78,346	773,346	3,055,000	74.73%	**2030**
2031			375,000	28,675	210,000	36,700	585,000	65,375	650,375	2,470,000	79.57%	**2031**
2032			310,000	21,825	205,000	31,824	515,000	53,649	568,649	1,955,000	83.83%	**2032**
2033			275,000	15,838	215,000	26,674	490,000	42,511	532,511	1,465,000	87.88%	**2033**
2034			160,000	11,270	235,000	20,936	395,000	32,206	427,206	1,070,000	91.15%	**2034**
2035			150,000	7,940	235,000	14,709	385,000	22,649	407,649	685,000	94.33%	**2035**
2036			150,000	4,640	235,000	8,246	385,000	12,886	397,886	300,000	97.52%	**2036**
2037			130,000	1,495	170,000	2,508	300,000	4,003	304,003	0	100.00%	**2037**
	764,155	88,850	5,285,000	704,814	4,200,000	785,191	12,089,585	1,728,884	13,818,469			

* 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	$392,765,400[1]
Multiply by 5%	0.05
Statutory Debt Limit	$ 19,638,270
Less: General Obligation Debt*	(12,089,585)
Unused Debt Limit*	$ 7,548,685

*Preliminary, subject to change.

OVERLAPPING DEBT[2]

Taxing District	2019 Equalized Value[3]	% In Village	Total G.O. Debt[4]	Village's Proportionate Share
Sauk County	$ 7,715,950,200	5.09%	$ 11,310,000	$ 575,713
Madison Area Technical College	94,997,912,017	0.41%	166,390,000	687,856
Sauk Prairie School District	2,138,702,161	18.36%	88,637,781	16,278,063
Village's Share of Total Overlapping Debt				$ 17,541,632

[1] Preliminary equalized value subject to review and revision. Final amounts will be certified August 15, 2020.

[2] 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.

[3] Includes tax increment valuation.

[4] Outstanding debt based on information obtained on EMMA and the Municipal Advisor's records.

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value $392,765,400[1]	Debt/ Per Capita 3,434[2]
Total General Obligation Debt (includes the Bonds and the Concurrent Obligations)*	$ 12,089,585	3.08%	$ 3,520.55
Village's Share of Total Overlapping Debt	17,541,632	4.47%	5,108.22
Total*	$ 29,631,217	7.54%	$ 8,628.78

*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

In addition to the Concurrent Obligations, the Village is planning on issuing approximately $3.3 million for a police facility in early 2021.

[1] Preliminary equalized value subject to review and revision. Final amounts will be certified August 15, 2020.

[2] 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	$1,856,114	100%	$6.26
2016/17	1,867,849	100%	6.04
2017/18	1,911,420	100%	6.07
2018/19	1,940,714	100%	5.84
2019/20	2,142,058	In Process	6.03

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. On April 15, 2020, Governor Tony Evers signed into law 2020 Wisconsin Act 185, which provides that for property taxes payable in 2020, a taxation district may, after making a general or case-by-case finding of hardship, choose to waive interest or penalties on property tax installment payments paid after April 1, 2020 but on or before October 1, 2020. In order to take such action, the county board of supervisors must first adopt a resolution authorizing such waiver and determining criteria for determining hardship and the taxation district must subsequently adopt a similar resolution. In the case of a county adopting such a resolution, the county shall proportionally settle with the taxation districts any taxes, interest and penalties collected on or before July 31, 2020 on August 20, 2020, and settle the remaining unpaid taxes, interest, and penalties on

September 20, 2020. The County and the Village have not yet adopted such resolutions. The Village cannot predict whether and how much payment of property taxes will be impacted by COVID-19. 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	$11.25	$4.60	$6.26	$0.18	$22.29
2016/17	10.48	4.57	6.04	0.18	21.27
2017/18	10.47	4.52	6.07	0.00	21.06
2018/19	10.42	4.38	5.84	0.00	20.64
2019/20	10.40	4.28	6.03	0.00	20.71

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

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[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.

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% 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 is governed by a seven-member Common Council. All Council Members are elected to two-year terms. The appointed Village Administrator/Clerk-Treasurer is responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The Village employs a staff of 15 full-time, 16 part-time, and 10 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, 2017 ("Fiscal Year 2017"), the fiscal year ended December 31, 2018 ("Fiscal Year 2018") and the fiscal year ended December 31, 2019 ("Fiscal Year 2019"), the Village's portion of contributions to WRS (not including any employee contributions) totaled $59,661, $64,427 and $65,484 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, 2018, the total pension liability of the WRS was calculated as $100.3 billion and the fiduciary net position of the WRS was calculated as $96.7 billion, resulting in a net pension liability of $3.6 billion. The spread of COVID-19 has significantly impacted investment markets, which may impact the funded status of the WRS and future contribution requirements as a result (see "RISK FACTORS - Impact of the Spread of COVID-19" herein).

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 2019, the Village reported an liability of $225,267 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2018 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 0.00633184 of the aggregate WRS net pension asset as of December 31, 2018.

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

Recognized and Certified Bargaining Units

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

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

Under the changes to MERA, impasse resolution procedures were removed from the law for municipal employees of the type employed by the Village, including binding interest arbitration. Strikes by any municipal employee or labor organization are expressly prohibited. As a practical matter, it is anticipated that strikes will be rare. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is the base wage rates, all bargaining over items such as just cause, benefits, and terms of conditions of employment are prohibited and cannot be included in a collective bargaining agreement. Impasse resolution for public safety employees and transit employees is subject to final and binding arbitration procedures, which do not include a right to strike. Interest arbitration is available for transit employees if certain conditions are met.

The Village does not work with any bargaining units that represent employees of the Village.

OTHER POST EMPLOYMENT BENEFITS

The Village provides "other post-employment benefits" ("OPEB") (i.e., post-employment benefits, other than pension benefits, owed to its employees and former employees) to employees who have terminated their employment with the Village and have satisfied specified eligibility standards through a single-employer defined benefit plan. Eligible retirees may remain on the Village's group health plan but are responsible for payment of premiums, resulting in an implicit rate subsidy. Membership of the plan consisted of 1 retiree receiving benefits and 16 active eligible plan members as of December 31, 2019, the date of the latest actuarial valuation.

OPEB calculations are required to be updated every three years. Prior to fiscal years beginning after June 15, 2017, OPEB calculations were required to be prepared in accordance with Statement No. 45 of the Governmental Accounting Standards Board ("GASB 45") regarding retiree health and life insurance benefits, and related standards. For fiscal years beginning after June 15, 2017, OPEB calculations are required to be prepared in accordance with Statements No. 74 and No. 75 of the Governmental Accounting Standards Board ("GASB 74/75"). An actuarial study for the plan prepared in accordance with GASB 74/75 was most recently completed by Key Benefits Concepts, LLC in April, 2019 with an actuarial valuation date of December 31, 2017 (the "Actuarial Report").

For Fiscal Year 2019, benefit payments for the plan totaled $5,700. The Village's current funding practice is to pay the amount of benefits due in a given year on a "pay-as-you-go" basis.

Under GASB 75, a net OPEB liability (or asset) is calculated as the difference between the plan's total OPEB liability and the plan's fiduciary net position, which terms have similar meanings as under GASB 68 for pension plans.

As of December 31, 2019, the plan's total OPEB liability was $82,315 and the plan fiduciary net position was $0, resulting in a net OPEB liability of $82,315.

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. For more detailed information, see "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

In addition, 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 2019, the Village's portion of contributions to the LRLIF totaled $880. For Fiscal Year 2019, the Village reported a liability of $117,909 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2018 based on the Village's share of contributions to the LRLIF relative to the contributions of all participating employers. The Village's proportion was 0.04569500% of the aggregate LRLIF net OPEB liability as of December 31, 2018.

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 3.J in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

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 June 30, 2020)

Fund	Total Cash and Investments
General Fund	$ 1,665,242
Library	219,949
Park Fund	64,201
Room Tax	49,663
Debt Service	198,032
TID #6	112,822
Capital Improvements	840,930
Equipment Replacement	286,950
Electric and Water Utility	1,610,822
Sewer Utility	508,434
Total Funds on Hand	$ 5,557,044

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
Electric and Water			
Total Operating Revenues	$ 4,241,035	$ 4,363,632	$ 4,301,239
Less: Operating Expenses	(3,943,962)	(4,003,646)	(4,089,050)
Operating Income	$ 297,073	$ 359,986	$ 212,189
Plus: Depreciation	505,352	520,008	545,294
Interest Income	4,760	10,407	18,221
Revenues Available for Debt Service	$ 807,185	$ 890,401	$ 775,704
Sewer			
Total Operating Revenues	$ 358,905	$ 409,572	$ 400,916
Less: Operating Expenses	(431,276)	(456,515)	(545,942)
Operating Income	$ (72,371)	$ (46,943)	$ (145,026)
Plus: Depreciation	21,898	25,166	28,119
Interest Income	776	1,141	2,129
Revenues Available for Debt Service	$ (49,697)	$ (20,636)	$ (114,778)

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 2019 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2016 Audited	2017 Audited	2018 Audited	2019 Audited	2020 Adopted Budget[1]
Revenues					
Taxes	$ 1,088,022	$ 1,097,467	$ 1,106,625	$ 1,091,642	$ 1,331,935
Intergovernmental	472,093	392,655	413,652	421,725	446,494
Licenses and permits	93,917	87,144	85,401	93,012	118,167
Public charges for services	151,536	165,419	175,181	186,989	4,035
Investment income	53,633	75,306	135,724	85,543	27,133
Miscellaneous	63,607	55,252	50,207	29,524	32,000
Total Revenues	$ 1,922,808	$ 1,873,243	$ 1,966,790	$ 1,908,435	$ 1,959,764
Expenditures					
Current:					
General government	$ 353,288	$ 419,207	$ 383,171	$ 407,669	$ 419,140
Public safety	931,841	890,362	901,949	946,283	943,483
Public works	676,360	686,580	713,813	749,548	422,743
Culture, recreation and education	144,404	137,441	174,228	184,768	177,898
Conservation and development	22,946	18,818	24,379	15,743	11,500
Total Expenditures	$ 2,128,839	$ 2,152,408	$ 2,197,540	$ 2,304,011	$ 1,974,764
Excess of revenues over (under) expenditures	$ (206,031)	$ (279,165)	$ (230,750)	$ (395,576)	$ (15,000)
Other Financing Sources (Uses)					
Transfers in - tax equivalent	208,864	213,184	217,824	249,428	0
Transfers in	48,007	30,342	69,357	72,973	15,000
Transfers out	0	0	(4,954)	(317,706)	0
Total Other Financing Sources (Uses)	$ 256,871	$ 243,526	$ 282,227	$ 4,695	$ 15,000
Excess of revenues and other financing sources over (under) expenditures and other financing uses	$ 50,840	$ (35,639)	$ 51,477	$ (390,881)	$ 0
General Fund Balance January 1	3,588,237	3,639,077	3,603,438	3,654,915	3,264,034
General Fund Balance December 31	$ 3,639,077	$ 3,603,438	$ 3,654,915	$ 3,264,034	$ 3,264,034
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	1,184,421	2,046,573	2,920,884	1,548,730	
Assigned	640,644	643,899	649,130	658,770	
Unassigned	1,814,012	912,966	84,901	1,056,534	
Total	$ 3,639,077	$ 3,603,438	$ 3,654,915	$ 3,264,034	

[1] The 2020 budget was adopted on November 26, 2019.

GENERAL INFORMATION

LOCATION

The Village, with a 2010 U.S. Census population of 3,410 and a current estimated population of 3,434 comprises an area of 1.72 square miles and is located approximately 18 miles northwest of Madison, Wisconsin.

LARGER EMPLOYERS[1]

Larger employers in the Village include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Sauk Prairie School District	Elementary and secondary education	425
Maplewood of Sauk Prairie	Nursing & convalescent homes	225
Mc Farlane's True Value	Hardware store	200
Fuchs Trucking Company	Trucking	100
Consumers Cooperative	Gasoline & oil bulk stations	100
Culver's	Restaurant	75
Piggly Wiggly	Grocery store	75
Ramaker & Associated Inc.	Engineers	60
Ace Sauk Prairie	Hardware store	60
Village of Sauk City	Municipal government and services	41

Source: *ReferenceUSA, written and telephone survey (July 2020), 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 identified 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").

BUILDING PERMITS

	2016	2017	2018	2019	2020[1]
New Single Family Homes					
No. of building permits	4	6	10	8	8
Valuation	$860,000	$1,466,177	$2,897,351	$2,333,000	$2,556,741
New Multiple Family Buildings					
No. of building permits	0	0	0	0	0
Valuation	$0	$0	$0	$0	$0
New Commercial/Industrial					
No. of building permits	3	4	1	0	0
Valuation	$6,564,000	$1,528,000	$750,000	$0	$0
All Building Permits *(including additions and remodelings)*					
No. of building permits	32	21	19	20	6
Valuation	$7,512,350	$6,113,656	$1,127,174	$919,000	$1,377,000

Source: The Village.

[1] As of July 10, 2020.

U.S. CENSUS DATA

Population Trend: The Village

2000 U.S. Census	3,109
2010 U.S. Census	3,410
2019 Estimated Population	3,434
Percent of Change 2000 - 2010	9.68%

Income and Age Statistics

	The Village	Sauk County	State of Wisconsin	United States
2018 per capita income	$33,499	$29,608	$32,018	$32,621
2018 median household income	$63,484	$56,732	$59,209	$60,293
2018 median family income	$79,406	$71,827	$75,313	$73,965
2018 median gross rent	$680	$780	$837	$1,023
2018 median value owner occupied units	$191,500	$174,500	$173,600	$204,900
2018 median age	44.5 yrs.	41.2 yrs.	39.3 yrs.	37.9 yrs.

	State of Wisconsin	United States
Village % of 2018 per capita income	104.63%	102.69%
Village % of 2018 median family income	105.43%	107.36%

Housing Statistics

	The Village		
	2010	2018	Percent of Change
All Housing Units	1,809	1,669	-7.74%

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.

	Average Employment	Average Unemployment	
Year	Sauk County	Sauk County	State of Wisconsin
2016	34,033	3.6%	4.0%
2017	34,516	2.9%	3.3%
2018	34,648	2.6%	3.0%
2019	34,533	2.9%	3.3%
2020, June[1]	32,451	10.2%	8.7%

Source: *Wisconsin Department of Workforce Development*.

[1] Preliminary.

APPENDIX A

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 Preliminary Official Statement, nor has the Village requested that the Auditor consent to the use of such financial statements in this Preliminary Official Statement. Although the inclusion of the financial statements in this Preliminary Official Statement is not intended to demonstrate the fiscal condition of the Village since the date of the financial statements, in connection with the issuance of the Bonds, the Village represents that there have been no material adverse change in the financial position or results of operations of the Village, nor has the Village incurred any material liabilities, which would make such financial statements misleading.

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

VILLAGE OF SAUK CITY

Sauk City, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2019

VILLAGE OF SAUK CITY

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INDEPENDENT AUDITORS' REPORT

To the Village Board
Village of Sauk City
Sauk City, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Sauk City, Wisconsin, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Village of Sauk City's basic financial statements as listed in the table of contents.

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 control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditors' 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 over financial reporting relevant to the Village of Sauk City'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 Village of Sauk City'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.

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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, each major fund, and the aggregate remaining fund information of the Village of Sauk City, Wisconsin, as of December 31, 2019 and the respective changes in financial position and, where applicable, 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 I, the Village of Sauk City adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, effective January 1, 2019. 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 required supplementary information as listed 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Sauk City's basic financial statements. The 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will issue a report on our consideration of the Village of Sauk City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Sauk City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Sauk City's internal control over financial reporting and compliance.

Madison, Wisconsin
July 9, 2020

VILLAGE OF SAUK CITY'S
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
As of and for the Year Ended December 31, 2019

As management of the Village of Sauk City ("the Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended December 31, 2019. This Management's Discusion and Analysis (MD&A) is based upon currently known facts, decisions, and conditions that existed as of the date of the independent auditors' report.

THE FINANCIAL HIGHLIGHTS

When revenues exceed expenses, the result is an increase in net position. When expenses exceed revenues, the result is a decrease in net position. You can think of this relationship between revenues and expenses as the Village's operating results. You can think of the Village's net position, as measured in the Statement of Net Position, as one way to measure the Village's financial health, or financial position. Over time, increases or decreases in the Village's net position, as measured in the Statement of Activities, are one indicator of whether its financial health is improving or deteriorating. However, the Village's goal is to provide services that improve the quality of life for our residents, not to generate profits as companies do. For this reason, you will need to consider many other nonfinancial factors, such as the condition of our roads, in assessing the overall health of our Village.

- The Village's total assets increased $3,665,382 from $43,572,095 to $47,237,477 or 8.4% from the prior year.
- The Village's total liabilities increased $2,467,942 from $11,974,363 to $14,442,305 or 20.6% from the prior year. The primary causes for the increase in total liabilities was due to current year debt issuances.
- The assets and deferred outflows of resources of the Village exceeded its liabilities and deferred inflows of resources as of December 31, 2019, by $30,531,871 *(net position)*. Of this amount, $3,188,079 *(unrestricted net position)* may be used to meet the government's ongoing obligations to citizens and creditors. Total net position includes all infrastructure of the governmental funds.
- The Village's total net position increased by $1,227,302.
- As of December 31, 2019, the Village's governmental funds reported combined ending fund balances of $5,807,683, an increase of $204,312 in comparison with the prior year.
  - $1,548,730 is *Nonspendable* and relates mostly to the advances from the General Fund to the Tax Incremental Districts. This category also includes prepaid items, delinquent personal property taxes, and a loan to the Ambulance District.
  - $3,943,035 is *Restricted* and mostly includes library special purpose funds and unspent bond proceeds.
  - $228,501 is *Committed* and relates to Equipment Replacement Fund constrained due to formal action of the governing body.
  - $658,770 is *Assigned* and relates to amounts set aside due to financial purposes established by the governing body.
  - Finally, the deficit balance of ($571,353) is labeled *Unassigned* and includes residual positive and negative fund balance amounts. Within this balance in the general fund, the Village Board has set aside an amount as its "Rainy Day Fund." The amount set aside is $1,056,534.
- The Village's total general obligation debt increased by $2,372,738 (22%) during 2019 due to three new debt issuances.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. These basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Village's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The statement of activities presents information showing how the governments net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e. g., uncollected taxes and earned but unused vacation and sick leave).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, public safety, public works, culture, recreation and education, and conservation and development. The business-type activities of the Village include the Sauk City Electric & Water Utility and the Sewer Utility.

The government-wide financial statements can be found on pages 1 through 3 of this report.

Fund financial statements

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Fund financial statements (cont.)

The Village maintains sixteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service, Capital Projects – TIF District No. 6, Capital Projects – TIF District No. 7, Capital Projects – TIF District No. 8, Capital Projects – TIF District No. 9 and Capital Projects funds. Data from the remaining nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements later in this report.

The basic governmental fund financial statements can be found on pages 4 through 9 of this report.

Proprietary funds

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. 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 electric and water utilities and the sewer utility, which are considered to be major funds of the Village.

The basic proprietary fund financial statements can be found on pages 10 through 14 of this report.

Custodial fund

Custodial funds are used to account for resources held for the benefit of parties outside the government. Custodial funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's programs. The custodial fund maintained by the Village is the Tax Collection Fund which records the tax roll and tax collections for other taxing jurisdictions within the Village.

The basic fund financial statements for the Custodial fund can be found on pages 15 and 16 of this report.

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. The notes to the financial statements can be found on pages 17 through 62 of this report.

Required supplemental information

The Village adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. Required supplemental information schedules can be found on pages 63 through 67 of this report. Additional required supplementary information related to pensions and OPEBs can be found on pages 68 and 69.

Other information

The combining statements referred to earlier in connection with nonmajor governmental funds and other information related to the individual funds are presented immediately following the required supplementary information. Individual fund statements and schedules can be found on pages 71 through 74 of this report.

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Village exceeded liabilities and deferred inflows by $30,531,871 as of December 31, 2019. The Village's net position increased by $1,227,302 for the year ended December 31, 2019. However, the largest portion, $24,663,093 or 80.8%, reflects the Village's net investment in capital assets (e.g., land, buildings, improvements other than buildings, machinery and equipment, infrastructure and construction in progress). The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's net investment in 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. The majority of the outstanding debt of the entity was incurred for the installation of infrastructure.

An additional portion of the Village's net position (8.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of $3,188,079 may be used to meet the government's ongoing obligations to citizens or creditors.

VILLAGE OF SAUK CITY'S NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Current and other assets	$ 8,565,165	$ 8,237,565	$ 3,988,203	$ 4,234,907	$ 12,553,368	$ 12,472,472
Capital assets	25,392,403	21,591,722	9,291,706	9,507,901	34,684,109	31,099,623
Total assets	33,957,568	29,829,287	13,279,909	13,742,808	47,237,477	43,572,095
Deferred outflows of resources	272,219	153,332	364,814	203,553	637,033	356,885
Long-term debt outstanding	9,701,344	7,177,506	3,957,449	4,098,265	13,658,793	11,275,771
Other liabilities	357,703	313,911	425,809	384,681	783,512	698,592
Total liabilities	10,059,047	7,491,417	4,383,258	4,482,946	14,442,305	11,974,363
Deferred inflows of resources	2,704,573	2,438,465	195,761	211,583	2,900,334	2,650,048
Net position:						
Net Investment in capital assets	19,066,003	16,965,065	5,597,090	5,939,110	24,663,093	22,904,175
Restricted	2,680,699	2,805,182	-	104,549	2,680,699	2,909,731
Unrestricted (deficit)	(280,535)	282,490	3,468,614	3,208,173	3,188,079	3,490,663
Total net position	$ 21,466,167	$ 20,052,737	$ 9,065,704	$ 9,251,832	$ 30,531,871	$ 29,304,569

The Village's net position increased $1,227,302 during the year. The Governmental activities increased $1,413,430 and business type activities decreased $186,128.

Governmental activities

Governmental activities increased the Village's net position by $1,413,430. Typically, the Village finances some asset purchases through the levy on a pay-as-you-go basis and the Village levies for debt payments. This sets the Village up for having positive results on an ongoing basis.

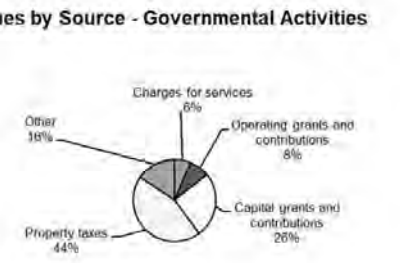
As identified on the next page, property taxes are the largest revenue source for the governmental activities, accounting for approximately 44% of the total revenues. Capital grants, charges for services and operating grants provided approximately 25%, 6% and 8% of total revenues, respectively.

VILLAGE OF SAUK CITY'S CHANGES IN NET POSITION

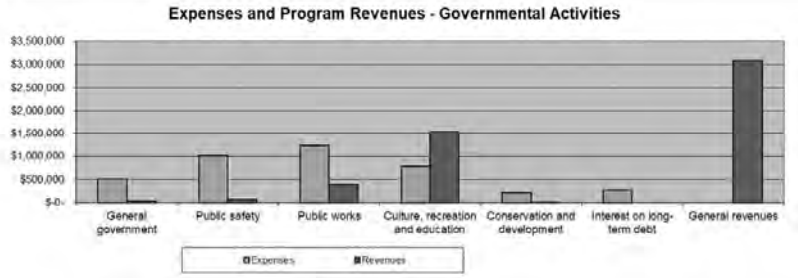
	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues						
Charges for services	$ 329,206	$ 303,189	$ 4,702,155	$ 4,773,204	$ 5,031,361	$ 5,076,393
Operating grants and contributions	412,675	429,354	-	-	412,675	429,354
Capital grants and contributions	1,305,493	380,066	136,865	280,543	1,442,358	660,609
General revenues:						
Property taxes	2,280,812	2,252,154	-	-	2,280,812	2,252,154
Other taxes	61,134	50,008	-	-	61,134	50,008
Other general revenues	744,061	596,527	20,350	11,548	764,411	608,075
Total revenues	5,133,381	4,011,298	4,859,370	5,065,295	9,992,751	9,076,593
Expenses						
General government	504,038	529,823	-	-	504,038	529,823
Public safety	1,011,041	930,607	-	-	1,011,041	930,607
Public works	1,240,599	995,037	-	-	1,240,599	995,037
Culture, recreation and education	787,327	624,413	-	-	787,327	624,413
Conservation and development	217,786	317,238	-	-	217,786	317,238
Interest on long-term debt	266,561	317,227	-	-	266,561	317,227
Electric & Water	-	-	4,183,668	4,108,183	4,183,668	4,108,183
Sewer	-	-	554,429	462,899	554,429	462,899
Total expenses	4,027,352	3,714,345	4,738,097	4,571,082	8,765,449	8,285,427
Increase in net position before transfers	1,106,029	296,953	121,273	494,213	1,227,302	791,166
Transfers	307,401	(32,418)	(307,401)	32,418	-	-
Change in net position	1,413,430	264,535	(186,128)	526,631	1,227,302	791,166
Net position - beginning of year	20,052,737	19,788,202	9,251,832	8,725,201	29,304,569	28,513,403
Net position - end of year	$ 21,466,167	$ 20,052,737	$ 9,065,704	$ 9,251,832	$ 30,531,871	$ 29,304,569

Public works activities account for approximately 31% of the total expenditures within the governmental activities of the Village. Public safety and culture, recreation and education account for approximately 25% and 20%, respectively, of total expenditures for 2019.

Governmental activities (cont.)



As shown by the previous graph and identified by the Statement of Activities on pages 2 and 3, property taxes, capital grants and contributions and other general revenues provide the major revenue sources for governmental activities. The other general revenues increased $147,534 from the previous year.



Business-type activities

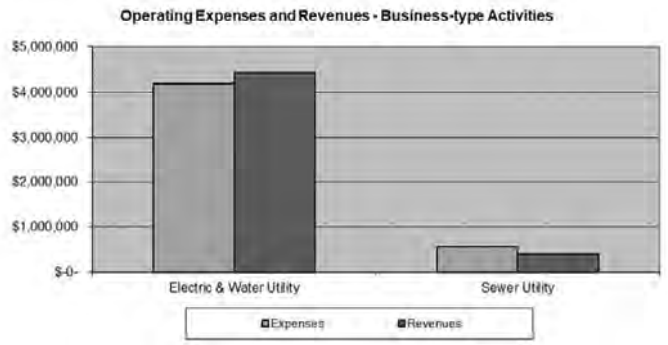
Business-type activities decreased the Village's net position by $186,128. The net investment in capital assets decreased by approximately 5.8% or $342,020, while unrestricted net position increased $260,441. The following graph compares the charges for services to the operating expenses of each utility. Rate increases for the Electric, Water and Sewer Utilities became effective August 13, 2008, June 18, 2014 and June 18, 2017, respectively.

The current electric rate is designed to provide an 7.00% return on rate base.

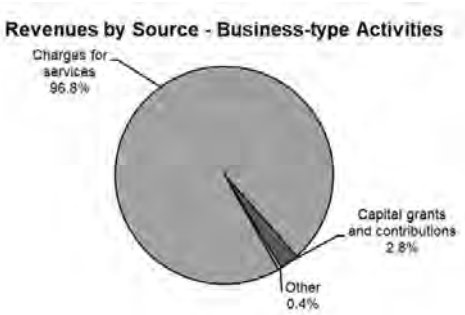
The current water rate is designed to provide a 0.50% return on rate base.

Business-type activities (cont.)

The sewer rate is designed to meet cash requirements, be consistent with existing rate design structure to maintain equitability between different sizes and classes of customers and meet debt coverage requirements.



As shown on the following chart, the revenues of the electric, water, and sewer utilities for 2019 include investment income and miscellaneous revenues in addition to charges for services (operating revenues). Investment income and miscellaneous revenues are not identified specifically to an individual program but to the fund as a whole.



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

Governmental funds

The focus of the Village's governmental funds is to provide information on *near-term inflows, outflows, and balances of spendable resources*. Such information is useful in assessing the Village's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2019, the Village's governmental funds reported combined ending fund balances of $5,807,683, an increase of $204,312 in comparison with the prior year.

- $1,548,730 is *Nonspendable* and relates mostly to the advances from the General Fund to the Tax Incremental Districts. This category also includes prepaid items, delinquent personal property taxes, and a loan to the Ambulance District.
- $3,943,035 is *Restricted* and mostly includes unspent debt proceeds and library special purpose funds.
- $228,501 is *Committed* and relates to Equipment Replacement Fund constrained due to formal action of the governing body.
- $658,770 is *Assigned* and relates to amounts set aside due to financial purposes established by the governing body.
- Finally, the deficit balance of ($571,353) is labeled *Unassigned* and includes residual positive and negative fund balance amounts. Within this balance in the general fund, the Village Board has set aside an amount as its "Rainy Day Fund." The amount set aside is $1,056,534.

General Fund. The General Fund is the chief operating fund of the village. As of December 31, 2019, the total fund balance of the general fund was $3,264,034.

- 47.4% of the total or $1,548,730 is *Nonspendable* and relates mostly to the advance from the General Fund to the Tax Incremental Districts, prepaid items and a loan to the Ambulance District.
- 20.2% of the total or $658,770 is *Assigned* and relates to amounts set aside by the governing body.
- The fund balance of the general fund decreased $390,881 compared to the prior year. The remainder of the fund balance is *Unassigned* and available for operations.

Debt Service Fund. The Debt Service Fund pays debt service requirements of all governmental fund debt except for TIF District debt service requirements which are paid by the individual TIF districts. The revenues of the fund consist mostly of property tax revenue and investment income. The fund was able to cover all obligations.

Tax Incremental Financing (TIF) District No. 6. The TIF No. 6 Fund pays for capital improvements and development incentives. As of year end, TIF No. 6 had a fund balance of $23,750.

Tax Incremental Financing (TIF) District No. 7. The TIF No. 7 Fund pays for major capital improvements for the development of the village's industrial park. As of year end, TIF No. 7 had a deficit fund balance of $519,472, an increase of $547,688 from the prior year. The deficit is mainly due to the timing of improvements in the district compared to the collection of increments. TIF District No. 7 has been designated as distressed.

Tax Incremental Financing (TIF) District No. 8. The TIF No. 8 Fund pays for major capital improvements planned for redevelopment of the Village's downtown. The district has paid for purchase of right of way, street improvements, parking lot, Riverwalk improvements, and development incentives. As of year end, TIF No. 8 had a deficit fund balance of $563,416, an increase of $151,040 from the prior year.

Tax Incremental Financing (TIF) District No. 9. The TIF No. 9 Fund will pay for major capital improvements planned for redevelopment along Highway 12 or Phillips Boulevard. The district will pay for purchase of property, infrastructure improvements and development incentives. As of year end, TIF No. 9 had a positive fund balance of $1,211,570, which is an increase of $692,571 from the previous year.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (CONT.)

Capital Projects Fund. The Capital Projects Fund pays for major capital improvements. This fund pays mostly for the Village's annual street reconstructions. At the present time, the Capital Projects fund has a positive fund balance of $348,713 due to unspent debt proceeds at year end.

Proprietary funds

The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Electric and Water Utility and Sewer Utility at the end of the year amounted to $1,969,961 and $1,498,653, respectively. The total change in net position for the Electric and Water Utility decreased by $34,744 and decreased for the Sewer Utility by $151,384. Other factors concerning the finances of these funds have already been addressed in the discussion of the Village's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The 2019 annual program budget for the Village's general fund identified a balanced budget, and there were no budget amendments to the original budget. Actual expenditures and other financing uses were greater than budgeted expenditures by approximately 27.9% or $572,293. Actual revenues and other financing sources exceeded budgeted revenues in the general fund by $181,412 or approximately 8.9%.

The increase in revenues was primarily associated with interest charged on advances.

The variance with the final budgeted expenditures was primarily related to additional parks and public safety expenditures during 2019.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets

The Village's investment in capital assets for its governmental and business-type activities as of December 31, 2019, amounted to $34,684,109 net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, infrastructure, and construction in progress. The total increase in the Village's investment in capital assets for the current fiscal year was a total of approximately $3,584,496 net of depreciation or an 11.5% increase.

Major capital asset events that occurred during the year included the following:

- Capital assets financed by developers in the business-type activities of $136,865.
- Governmental activities additions related to infrastructure of $653,231 including streets, storm sewers, and sidewalks.

Village of Sauk City's Capital Assets

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	$ 7,185,638	$ 5,302,337	$ 220,677	$ 220,677	$ 7,406,315	$ 5,523,014
Construction in progress	40,284	598,465	479,144	1,413,435	519,428	2,011,900
Buildings	3,816,010	2,741,068	-	-	3,816,010	2,741,068
Improvements other than buildings	1,683,300	720,005	-	-	1,683,300	720,005
Machinery and equipment	2,160,884	1,939,584	-	-	2,160,884	1,939,584
Intangibles	8,852	8,852	-	-	8,852	8,852
Infrastructure	17,908,182	17,254,951	18,117,165	16,990,918	36,025,347	34,245,869
Total capital assets	32,803,150	28,565,262	18,816,986	18,625,030	51,620,136	47,190,292
Less accumulated depreciation	(7,410,747)	(6,973,540)	(9,525,280)	(9,117,139)	(16,936,027)	(16,090,679)
Capital assets net of depreciation	$ 25,392,403	$ 21,591,722	$ 9,291,706	$ 9,507,891	$ 34,684,109	$ 31,099,613

CAPITAL ASSET AND DEBT ADMINISTRATION (CONT.)

Capital assets (cont.)

Additional information of the Village's capital assets can be found in Note III. C. on pages 34 through 37.

Long-term obligations

At the end of the current fiscal year, the Village has total general obligation debt outstanding of $13,163,609 entirely backed by the full faith and credit of the government.

State statutes limit the amount of general obligation debt a governmental entity may issue to 5 percent of its total equalized value of taxable property within the Village's jurisdiction. The debt limitation for the Village in 2019 was $18,752,085, which exceeds the Village's current outstanding general obligation debt by $5,588,476. As of December 31, 2019, the Village's outstanding debt was 70.2% of the state authorized debt limit.

Village of Sauk City's Long-Term Obligations

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
General obligation bonds and notes	$ 9,468,993	$ 6,973,675	$ 3,694,616	$ 3,817,195	$ 13,163,609	$ 10,790,870
Compensated absences	135,354	125,007	159,607	147,602	294,961	272,609
OPEB liability	96,997	78,824	103,227	133,468	200,224	212,292
Total	$ 9,701,344	$ 7,177,506	$ 3,957,450	$ 4,098,265	$ 13,658,794	$ 11,275,771

Additional information of the Village's long-term obligations can be found in Note III. E. on pages 40 through 42.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The unemployment rate as of December 31, 2019, for Sauk County, which includes the Village, is 3.1%. This compares with an unemployment rate of 3.3% for the State of Wisconsin and a national unemployment rate of 3.5% percent.
- The rate of inflation for Midwest urban consumers was 2.3% for December 2019, which is an increase from December 2018 of 1.3%.
- The In December 2019, a novel strain of coronavirus was reported in Wuhan, Hubei province, China. In the first several months of 2020, the virus, SARS-CoV-2, and resulting disease, COVID-19, spread to the United States, including to areas impacting the Village. As of the date above, the Village's evaluation of the effects of these events is ongoing. The extent of the impact of COVID-19 on the Village's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Village Administrator, 726 Water Street, Sauk City, WI 53583.

General information relating to the Village of Sauk City, Wisconsin, can be found at the village's website, http://www.saukcity.net.

VILLAGE OF SAUK CITY

STATEMENT OF NET POSITION
As of December 31, 2019

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	$ 4,245,915	$ 1,834,392	$ 6,080,307
Receivables (net)			
Taxes	2,554,785	-	2,554,785
Delinquent personal property taxes	718	-	718
Accounts	3,411	757,541	760,952
Accrued interest	23,769	4,755	28,524
Loans	245,281	-	245,281
Internal balances	29,176	(29,176)	-
Prepaid items and inventories	25,252	278,689	303,941
Land held for resale	1,436,858	-	1,436,858
Commitment to community	-	80,437	80,437
Joint sewer plant investment (net of accumulated amortization)	-	1,061,565	1,061,565
Capital Assets			
Land	7,185,638	220,677	7,406,315
Construction in progress	40,284	479,144	519,428
Capital assets, net of depreciation	18,166,481	8,591,885	26,758,366
Total Assets	33,957,568	13,279,909	47,237,477
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts	262,102	348,376	610,478
OPEB related amounts	10,117	16,438	26,555
Total Deferred Outflows of Resources	272,219	364,814	637,033
LIABILITIES			
Accounts payable and accrued liabilities	240,625	295,270	535,895
Deposits	22,350	-	22,350
Noncurrent Liabilities			
Due within one year	1,371,442	654,635	2,026,077
Due in more than one year	8,329,902	3,302,814	11,632,716
Net pension liability	94,728	130,539	225,267
Total Liabilities	10,059,047	4,383,258	14,442,305
DEFERRED INFLOWS OF RESOURCES			
Unearned revenues	2,552,356	-	2,552,356
Pension related amounts	135,957	176,690	312,647
OPEB related amounts	16,260	19,071	35,331
Total Deferred Inflows of Resources	2,704,573	195,761	2,900,334
NET POSITION			
Net investment in capital assets	19,066,003	5,597,090	24,663,093
Restricted for			
Debt service	140,082	-	140,082
Library	1,520,273	-	1,520,273
Tourism	35,184	-	35,184
Parks	64,071	-	64,071
TIF Districts	921,089	-	921,089
Unrestricted (deficit)	(280,535)	3,468,614	3,188,079
TOTAL NET POSITION	$ 21,466,167	$ 9,065,704	$ 30,531,871

See accompanying notes to financial statements.

VILLAGE OF SAUK CITY

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities				
General government	$ 504,038	$ 41,774	$ -	$ -
Public safety	1,011,041	32,419	28,045	-
Public works	1,240,599	197,055	203,431	-
Culture, recreation and education	787,327	56,115	181,199	1,305,493
Conservation and development	217,786	1,843	-	-
Interest and fiscal charges	266,561	-	-	-
Total Governmental Activities	4,027,352	329,206	412,675	1,305,493
Business-type Activities				
Electric and water	4,183,668	4,301,239	-	136,865
Sewer	554,429	400,916	-	-
Total Business-type Activities	4,738,097	4,702,155	-	136,865
Totals	$ 8,765,449	$ 5,031,361	$ 412,675	$ 1,442,358
General Revenues				
Taxes				
Property taxes, levied for general purposes				
Property taxes, levied for debt service				
Property taxes, levied for capital assets				
Property taxes, levied for TIF districts				
Property taxes, levied for the library				
Other taxes				
Intergovernmental revenues not restricted to specific programs				
Investment income				
Miscellaneous				
Total General Revenues				
Transfers				
Change in net position				
NET POSITION - Beginning of Year				
NET POSITION - END OF YEAR				

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position		
Governmental Activities	Business-type Activities	Totals
$ (462,264)	$ -	$ (462,264)
(950,577)	-	(950,577)
(840,113)	-	(840,113)
755,480	-	755,480
(215,943)	-	(215,943)
(266,561)	-	(266,561)
(1,979,978)	-	(1,979,978)
-	254,436	254,436
-	(153,513)	(153,513)
-	100,923	100,923
(1,979,978)	100,923	(1,879,055)
1,075,837	-	1,075,837
27,569	-	27,569
629,308	-	629,308
340,098	-	340,098
208,000	-	208,000
61,134	-	61,134
200,067	-	200,067
325,104	20,350	345,454
218,890	-	218,890
3,086,007	20,350	3,106,357
307,401	(307,401)	-
1,413,430	(186,128)	1,227,302
20,052,737	9,251,832	29,304,569
$ 21,466,167	$ 9,065,704	$ 30,531,871

See accompanying notes to financial statements.

VILLAGE OF SAUK CITY

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2019

	General Fund	Library Memorial Fund	Debt Service Fund	TIF District No. 6
ASSETS				
Cash and investments	$ 1,725,327	$ 1,322,890	$ 197,931	$ 25,000
Receivables (net)				
Taxes	1,094,974	-	223,583	128,077
Delinquent personal property taxes	718	-	-	-
Accounts	3,411	-	-	-
Accrued interest	19,897	-	-	-
Loans	18,031	-	-	-
Due from other funds	31,604	-	-	-
Advances to other funds	1,504,729	-	-	-
Prepaid items	25,252	-	-	-
Land held for resale	-	-	-	-
TOTAL ASSETS	$ 4,423,943	$ 1,322,890	$ 421,514	$ 153,077
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	$ 33,513	$ 492	$ -	$ 1,250
Accrued liabilities	21,173	-	-	-
Due to other funds	2,428	-	-	-
Deposits	10,250	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	67,364	492	-	1,250
Deferred Inflows of Resources				
Unearned revenues	1,092,545	-	223,583	128,077
Total Deferred Inflows of Resources	1,092,545	-	223,583	128,077
Fund Balances (Deficit)				
Nonspendable	1,548,730	-	-	-
Restricted	-	1,322,398	197,931	23,750
Committed	-	-	-	-
Assigned	658,770	-	-	-
Unassigned (deficit)	1,056,534	-	-	-
Total Fund Balances (Deficit)	3,264,034	1,322,398	197,931	23,750
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 4,423,943	$ 1,322,890	$ 421,514	$ 153,077

See accompanying notes to financial statements.

TIF District No. 7	TIF District No. 8	TIF District No. 9	Capital Projects Fund	Nonmajor Governmental Funds	Totals
$ -	$ -	$ -	$ 429,686	$ 545,081	$ 4,245,915
59,770	222,341	-	501,550	324,490	2,554,785
-	-	-	-	-	718
-	-	-	-	-	3,411
-	-	-	-	3,872	23,769
-	227,250	-	-	-	245,281
-	-	-	-	-	31,604
-	-	-	-	-	1,504,729
-	-	-	-	-	25,252
-	-	1,436,858	-	-	1,436,858
$ 59,770	$ 449,591	$ 1,436,858	$ 931,236	$ 873,443	$ 10,072,322
$ 1,299	$ 4,299	$ 12,999	$ 80,973	$ 22,006	$ 156,831
-	-	-	-	4,772	25,945
-	-	-	-	-	2,428
-	-	12,100	-	-	22,350
518,173	786,367	200,189	-	-	1,504,729
519,472	790,666	225,288	80,973	26,778	1,712,283
59,770	222,341	-	501,550	324,490	2,552,356
59,770	222,341	-	501,550	324,490	2,552,356
-	-	-	-	-	1,548,730
-	-	1,211,570	890,256	297,130	3,943,035
-	-	-	-	228,501	228,501
-	-	-	-	-	658,770
(519,472)	(563,416)	-	(541,543)	(3,456)	(571,353)
(519,472)	(563,416)	1,211,570	348,713	522,175	5,807,683
$ 59,770	$ 449,591	$ 1,436,858	$ 931,236	$ 873,443	$ 10,072,322

See accompanying notes to financial statements.

VILLAGE OF SAUK CITY

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
As of December 31, 2019

Total Fund Balances - Governmental Funds	$	5,807,683
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.		
Land		7,185,638
Construction in progress		40,284
Other capital assets		25,577,227
Less: Accumulated depreciation		(7,410,746)
Deferred outflows of resources related to pensions and OPEBs do not relate to current financial resources and are not reported in the governmental funds.		272,219
Deferred inflows of resources related to pensions and OPEBs do not relate to current financial resources and are not reported in the governmental funds.		(152,217)
Some liabilities, including long-term debt, are not due and payable in the current period and therefore, are not reported in the funds.		
Bonds and notes payable		(9,468,993)
Compensated absences		(135,354)
Accrued interest		(57,849)
Net pension liability		(94,728)
OPEB liability		(96,997)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$	21,466,167

See accompanying notes to financial statements.

VILLAGE OF SAUK CITY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2019

	General Fund	Library Memorial Fund	Debt Service Fund	TIF District No. 6
REVENUES				
Taxes	$ 1,091,642	$ -	$ 27,569	$ 131,541
Intergovernmental	421,725	-	-	7,805
Licenses and permits	93,012	-	-	-
Public charges for services	186,989	-	-	-
Investment income	85,543	173,246	-	-
Miscellaneous revenues	29,524	11,087	-	-
Total Revenues	1,908,435	184,333	27,569	139,346
EXPENDITURES				
Current				
General government	407,669	-	-	-
Public safety	946,283	-	-	-
Public works	749,548	-	-	-
Culture, recreation and education	184,768	33,990	-	-
Conservation and development	15,743	-	-	6,633
Capital Outlay	-	74,579	-	-
Debt Service				
Principal	-	-	59,192	-
Interest and fiscal charges	-	-	32,988	-
Total Expenditures	2,304,011	108,569	92,180	6,633
Excess (deficiency) of revenues over expenditures	(395,576)	75,764	(64,611)	132,713
OTHER FINANCING SOURCES (USES)				
General obligation debt issued	-	-	-	-
Property sales	-	-	-	-
Transfers in	72,973	236,892	11,492	52,692
Transfer in - tax equivalent	249,428	-	-	-
Transfers out	(317,706)	(11,492)	(52,692)	(724,794)
Total Other Financing Sources (Uses)	4,695	225,400	(41,200)	(672,102)
Net Change in Fund Balances	(390,881)	301,164	(105,811)	(539,389)
FUND BALANCES (DEFICIT) - Beginning of Year	3,654,915	1,021,234	303,742	563,139
FUND BALANCES (DEFICIT) - END OF YEAR	$ 3,264,034	$ 1,322,398	$ 197,931	$ 23,750

See accompanying notes to financial statements.

TIF District No. 7	TIF District No. 8	TIF District No. 9	Capital Projects Fund	Nonmajor Governmental Funds	Totals
$ 55,766	$ 152,791	$ -	$ 501,550	$ 381,087	$ 2,341,946
496	1,399	118	-	170,002	601,545
-	-	-	-	-	93,012
-	-	-	-	21,052	208,041
-	10,210	-	-	56,105	325,104
-	-	15,049	1,157,818	5,269	1,218,747
56,262	164,400	15,167	1,659,368	633,515	4,788,395
-	-	-	-	-	407,669
-	-	-	-	-	946,283
-	-	-	-	19,726	769,274
-	-	-	-	372,554	591,312
4,408	3,348	57,297	-	37,344	124,773
-	9,858	109,949	4,195,182	106,565	4,496,133
428,229	333,176	84,085	-	-	904,682
66,494	89,611	59,826	-	-	248,919
499,131	435,993	311,157	4,195,182	536,189	8,489,045
(442,869)	(271,593)	(295,990)	(2,535,814)	97,326	(3,700,650)
310,000	190,000	791,000	2,109,000	-	3,400,000
-	-	197,561	-	-	197,561
680,557	232,633	-	153,644	-	1,440,883
-	-	-	-	-	249,428
-	-	-	-	(276,226)	(1,382,910)
990,557	422,633	988,561	2,262,644	(276,226)	3,904,962
547,688	151,040	692,571	(273,170)	(178,900)	204,312
(1,067,160)	(714,456)	518,999	621,883	701,075	5,603,371
$ (519,472)	$ (563,416)	$ 1,211,570	$ 348,713	$ 522,175	$ 5,807,683

See accompanying notes to financial statements.

VILLAGE OF SAUK CITY

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, 2019

Net change in fund balances - total governmental funds	$	204,312
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.		
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements		4,496,133
Some items reported as capital outlay were not capitalized		(259,779)
Depreciation is reported in the government-wide financial statements		(521,667)
Net book value of assets retired		(61,431)
Contributed capital assets are reported as revenues in the government-wide financial statements.		147,425
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Debt issued		(3,400,000)
Principal repaid		904,682
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Compensated absences		(10,347)
Accrued interest on debt		(17,642)
Net pension liability/asset		(174,406)
Deferred outflows/inflows of resources related to pensions		136,852
Deferred outflows/inflows of resources related to OPEBs		(12,529)
OPEB liability		(18,173)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$	1,413,430

See accompanying notes to financial statements.

VILLAGE OF SAUK CITY

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
As of December 31, 2019

	Business-type Activities - Enterprise Funds		
	Electric and Water Utility	Sewer Utility	Totals
ASSETS			
Current Assets			
Cash and investments	$ 1,112,159	$ 195,840	$ 1,307,999
Accrued interest	4,755	-	4,755
Accounts receivable	721,664	35,877	757,541
Inventories	278,689	-	278,689
Due from other funds	2,428	-	2,428
Total Current Assets	2,119,695	231,717	2,351,412
Noncurrent Assets			
Capital Assets			
Land	205,358	15,319	220,677
Construction in progress	479,144	-	479,144
Property and equipment	16,306,689	1,810,476	18,117,165
Less: Accumulated depreciation	(8,976,990)	(548,290)	(9,525,280)
Other Assets			
Joint sewer plant investment	-	2,013,565	2,013,565
Less: Accumulated amortization	-	(952,000)	(952,000)
Replacement account	282,125	244,268	526,393
Commitment to community	80,437	-	80,437
Total Noncurrent Assets	8,376,763	2,583,338	10,960,101
Total Assets	10,496,458	2,815,055	13,311,513
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts	309,452	38,924	348,376
OPEB related amounts	13,235	3,203	16,438
Total Deferred Outflows of Resources	322,687	42,127	364,814

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds		
	Electric and Water Utility	Sewer Utility	Totals
LIABILITIES			
Current Liabilities			
Accounts payable	$ 236,221	$ 15,392	$ 251,613
Accrued liabilities	38,395	5,262	43,657
Due to other funds	31,604	-	31,604
Current portion of compensated absences	6,061	-	6,061
Current portion of general obligation debt	629,738	18,836	648,574
Total Current Liabilities	942,019	39,490	981,509
Noncurrent Liabilities			
Long-Term Debt			
General obligation debt	2,634,579	411,463	3,046,042
Other Liabilities			
Compensated absences	153,545	-	153,545
OPEB liability	85,185	18,042	103,227
Net pension liability	111,818	18,721	130,539
Total Noncurrent Liabilities	2,985,127	448,226	3,433,353
Total Liabilities	3,927,146	487,716	4,414,862
DEFERRED INFLOWS OF RESOURCES			
Pension related amounts	156,383	20,307	176,690
OPEB related amounts	15,771	3,300	19,071
Total Deferred Inflows of Resources	172,154	23,607	195,761
NET POSITION			
Net investment in capital assets	4,749,884	847,206	5,597,090
Unrestricted net position	1,969,961	1,498,653	3,468,614
TOTAL NET POSITION	$ 6,719,845	$ 2,345,859	$ 9,065,704

See accompanying notes to financial statements.

VILLAGE OF SAUK CITY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds		
	Electric and Water Utility	Sewer Utility	Totals
OPERATING REVENUES			
Public charges for services	$ 4,301,239	$ 400,916	$ 4,702,155
Total Operating Revenues	4,301,239	400,916	4,702,155
OPERATING EXPENSES			
Operation and maintenance	3,543,756	446,064	3,989,820
Depreciation	545,294	28,119	573,413
Amortization	-	71,759	71,759
Total Operating Expenses	4,089,050	545,942	4,634,992
Operating Income (Loss)	212,189	(145,026)	67,163
NONOPERATING REVENUES (EXPENSES)			
Investment income	18,221	2,129	20,350
Interest expense	(94,618)	(8,487)	(103,105)
Total Nonoperating Revenues (Expenses)	(76,397)	(6,358)	(82,755)
Income (Loss) Before Contributions and Transfers	135,792	(151,384)	(15,592)
CONTRIBUTIONS AND TRANSFERS			
Capital contributions	136,865	-	136,865
Transfers out	(57,973)	-	(57,973)
Transfers - tax equivalent	(249,428)	-	(249,428)
Total Contributions and Transfers	(170,536)	-	(170,536)
Change in Net Position	(34,744)	(151,384)	(186,128)
NET POSITION - Beginning of Year	6,754,589	2,497,243	9,251,832
NET POSITION - END OF YEAR	$ 6,719,845	$ 2,345,859	$ 9,065,704

See accompanying notes to financial statements.

VILLAGE OF SAUK CITY

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds		
	Electric and Water Utility	Sewer Utility	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from customers	$ 4,154,975	$ 405,638	$ 4,560,613
Received from municipality for services	77,250	-	77,250
Paid to suppliers for goods and services	(3,233,549)	(372,120)	(3,605,669)
Paid to employees for services	(405,086)	(72,631)	(477,717)
Net Cash Flows From Operating Activities	593,590	(39,113)	554,477
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments sold and matured	94,000	-	94,000
Investment income	16,385	2,129	18,514
Investments purchased	(94,000)	-	(94,000)
Net Cash Flows From Investing Activities	16,385	2,129	18,514
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Paid to municipality for tax equivalent	(249,428)	-	(249,428)
Transfers to other funds	(57,973)	-	(57,973)
Net Cash Flows From Noncapital Financing Activities	(307,401)	-	(307,401)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Debt issued	-	200,000	200,000
Debt retired	(311,554)	(11,025)	(322,579)
Interest paid	(96,696)	(6,142)	(102,838)
Capital contributions received	136,865	-	136,865
Acquisition and construction of capital assets	(362,058)	(206,753)	(568,811)
Net Cash Flows From Capital and Related Financing Activities	(633,443)	(23,920)	(657,363)
Net Change in Cash and Cash Equivalents	(330,869)	(60,904)	(391,773)
CASH AND CASH EQUIVALENTS - Beginning of Year	1,582,853	501,012	2,083,865
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,251,984	$ 440,108	$ 1,692,092

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds		
	Electric and Water Utility	Sewer Utility	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	$ 212,189	$ (145,026)	$ 67,163
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities			
Depreciation	545,294	28,119	573,413
Depreciation charged to other funds	11,593	-	11,593
Amortization	-	71,759	71,759
Changes in assets, deferred outflows, liabilities and deferred inflows			
Accounts receivable	(94,123)	1,878	(92,245)
Due from other funds	(868)	-	(868)
Inventories	(22,626)	-	(22,626)
Accounts payable	(96,987)	(273)	(97,260)
Accrued liabilities	-	476	476
Compensated absences	12,004	-	12,004
Other current liabilities	7,962	-	7,962
Pension related amounts	37,790	(1,997)	35,793
Due to other funds	(4,658)	-	(4,658)
OPEB related amounts	(13,980)	5,951	(8,029)
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ 593,590	$ (39,113)	$ 554,477
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS			
Cash and investments	$ 1,112,159	$ 195,840	$ 1,307,999
Other Assets			
Replacement account	282,125	244,268	526,393
Total Cash and Investments	1,394,284	440,108	1,834,392
Less: Noncash equivalents	(142,300)	-	(142,300)
CASH AND CASH EQUIVALENTS	$ 1,251,984	$ 440,108	$ 1,692,092
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
None			

See accompanying notes to financial statements.

VILLAGE OF SAUK CITY

STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
As of December 31, 2019

	Tax Collection Fund
ASSETS	
Cash and investments	$ 3,205,926
Taxes receivable	2,008,823
Total Assets	5,214,749
LIABILITIES	
Accounts payable	18
Due to other governments	5,214,731
Total Liabilities	5,214,749
NET POSITION	
TOTAL NET POSITION	$ -

See accompanying notes to financial statements.

VILLAGE OF SAUK CITY

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND
For the Year Ended December 31, 2019

	Tax Collection Fund
ADDITIONS	
Tax collections for other governments	$ 3,393,735
Total Additions	3,393,735
DEDUCTIONS	
Taxes distributed to other governments	3,393,735
Total Deductions	3,393,735
Change in Fiduciary Net Position	-
NET POSITION - Beginning of Year	-
NET POSITION - END OF YEAR	$ -

See accompanying notes to financial statements.

VILLAGE OF SAUK CITY

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As of and for the Year Ended December 31, 2019

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VILLAGE OF SAUK CITY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Sauk City, Wisconsin (the "Village") conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. Reporting Entity

This report includes all of the funds of the Village. The reporting entity for the Village consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The Village has not identified any organizations that meet this criteria.

B. Government-Wide and Fund Financial Statements

In January 2017, the GASB issued statement No. 84 - *Fiduciary Activities.* This statement establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. This standard was implemented January 1, 2019.

In March 2018, the GASB issued statement No. 88 - *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.* This Statement defines debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings and direct placements. This standard was implemented January 1, 2019.

Government-Wide Financial 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 nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. 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 revenues include 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. Internally dedicated resources are reported as general revenues rather than as program revenues.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements

Financial statements of the Village are organized into 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, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

Funds are organized as major funds or nonmajor 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/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and

b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.

c. In addition, any other governmental or enterprise fund that the Village believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

General Fund - accounts for the Village's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
Library Memorial Fund - used to account for and report donations and other local revenues externally restricted to supporting expenditures for the Village's Library system and related capital expenditures..
Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the payment of general long-term debt principal, interest, and related costs, other than TIF or enterprise debt.
Capital projects fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets for the Village.
Tax Incremental Financing (TIF) District No. 6 Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TID project plan.
Tax Incremental Financing (TIF) District No. 7 Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TIF project plan.

VILLAGE OF SAUK CITY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The Village reports the following major governmental funds: (cont.)

Tax Incremental Financing (TIF) District No. 8 Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TIF project plan.
Tax Incremental Financing (TIF) District No. 9 Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TIF project plan.

The Village reports the following major enterprise funds:

Electric and Water Utility - accounts for operations of the electric and water system
Sewer Utility - accounts for operations of the sewer system

The Village reports the following nonmajor governmental funds:

Special Revenue Funds - used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Library Guett Fund
Library Bruning Fund
Park Fund
Street Lighting Fund
Library Lueders Fund
Library Operations Fund
Room Tax Fund

Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Equipment Replacement

In addition, the Village reports the following fund type:

Custodial Fund - used to account for and report assets controlled by the Village and the assets are for the benefit of individuals, private organizations, and/or other governmental units.

Tax Collection Fund

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities 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. 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 inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. 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 charges between the Village's electric, water and sewer utilities 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 recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues 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 the resources and the amounts are available. Amounts owed to the Village which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues 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.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

VILLAGE OF SAUK CITY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (cont.)

Fund Financial Statements (cont.)

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 electric, water and sewer utilities are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. 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.

All Financial Statements

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, deferred outflows of resources, liabilities, and deferred inflows of resources 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.

D. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments

For purposes of the statement of cash flows, the Village considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

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

a. Time deposits in any credit union, bank, savings bank or trust company.

b. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.

c. Bonds or securities issued or guaranteed by the federal government.

d. The local government investment pool.

e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.

f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.

g. Repurchase agreements with public depositories, with certain conditions.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

1. Deposits and Investments (cont.)

Additional restrictions may arise from local charters, ordinances, resolutions and grant resolutions.

Investment of library trust funds is regulated by Chapter 112 of the Wisconsin State Statutes. Those sections give broad authority to use such funds to acquire various kinds of investments including stocks, bonds, and debentures.

The Village has not adopted an investment policy.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note III. A. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated to the general fund. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

See Note III. A. for further information.

2. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the Village, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of fiduciary net position.

Property tax calendar - 2019 tax roll:

Lien date and levy date	December 2019
Tax bills mailed	December 2019
Payment in full, or	January 31, 2020
First installment due	January 31, 2020
Second installment due	July 31, 2020
Personal property taxes in full	January 31, 2020
Tax sale - 2019 delinquent real estate taxes	October 2022

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the electric, water and sewer utilities because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

VILLAGE OF SAUK CITY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

2. Receivables (cont.)

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." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

3. Inventories and Prepaid Items

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

5. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than $5,000 for general capital assets and $5,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

5. Capital Assets (cont.)

Government-Wide Statements (cont.)

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	25-70 Years
Land Improvements	25 Years
Machinery and Equipment	4-40 Years
Utility System	7-100 Years
Infrastructure	25-100 Years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

6. Other Assets

Land held for resale consists of land and improvements and is valued at the lower of market value or cost of acquisition, demolition, and site improvements. Properties include both land intended for resale and land designated as a public area.

Equipment replacement accounts have been established in the utility funds to be used for significant mechanical equipment replacement. Because there is no external restriction on the use of these cash and investments, the accounts are reported as other assets on the proprietary statement of net position and are included within unrestricted cash and investments on the government-wide statement of net position.

VILLAGE OF SAUK CITY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

7. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

8. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. 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, and are payable with expendable resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2019, are determined on the basis of current salary rates and include salary related payments.

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 bonds payable, accrued compensated absences, and other postemployment benefits.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

10. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

11. 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 (excluding unspent debt proceeds) 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 positions that do not meet the definitions 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 Statements

Governmental fund balances are displayed as follows:

a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.

b. Restricted - Consists of fund balances 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. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the Village Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village Board that originally created the commitment.

VILLAGE OF SAUK CITY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

11. Equity Classifications (cont.)

Fund Statements (cont.)

d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Board may take official action to assign amounts. Assignments may take place after the end of the reporting period.

e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The Village considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Village would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

See Note III. F. for further information.

12. Pension

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.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

13. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the Village health insurance OPEB Plan has been determined on the same basis as they are reported by the plan. For this purpose, the Village OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

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 LRLIFs 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. Basis for Existing Rates

Electric Rates

Current electric rates were approved by the PSCW on August 13, 2008. The rates placed into effect during August 2008 were designed to provide a rate of return of 7.00%.

Water Rates

Current water rates were placed into effect on June 18, 2014 by the Wisconsin Public Service Commission. The rates are designed to earn a 0.50% rate of return.

Sewer Rates

Current sewer rates were approved by the board June 18, 2017.

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

A budget has been adopted for the all funds, except the Street Lighting Fund, which was created during 2019. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

VILLAGE OF SAUK CITY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

B. Excess Expenditures and Other Financing Uses Over Appropriations

Funds	Budgeted Expenditures and Other Financing Uses	Actual Expenditures and Other Financing Uses	Excess Expenditures and Other Financing Uses Over Budget
Library Memorial Fund	$ 45,533	$ 120,061	$ 74,528
Debt Service Fund	50,552	144,872	94,320
TIF District No. 6	236,627	731,427	494,800
TIF District No. 7	469,423	499,131	29,708
TIF District No. 8	407,301	435,993	28,692
TIF District No. 9	149,191	311,157	161,966
Capital Projects Fund	501,550	4,195,182	3,693,632
Library Guett Fund	500	238,664	238,164
Library Operations	388,248	390,582	2,334
Room Tax Fund	45,000	52,344	7,344

The Village controls expenditures at the detail level. Some individual line items experienced expenditures which exceeded appropriations. The detail of those items can be found in the Village's year-end budget to actual report.

C. Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2019, the following individual funds held a deficit balance:

Fund	Amount	Reason
TIF District No. 7	$ 519,472	Expenditures exceeding revenues
TIF District No. 8	563,416	Expenditures exceeding revenues
Street Lighting Fund	3,456	Expenditures exceeding revenues

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases. TIF District No. 7 has been designated as distressed and can collect increment for an additional 10 years past the original life.

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

D. LIMITATIONS ON THE VILLAGE'S TAX LEVY

Wisconsin law limits the Village's future tax levies. Generally the Village is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the Village's equalized value due to new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The Village is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The Village's deposits and investments at year end were comprised of the following:

	Carrying Value	Bank and Investment Balances	Associated Risks
Deposits	$ 8,026,092	$ 8,003,254	Custodial credit
Mutual funds - bond funds	588,884	588,884	Credit, interest rate
Equity securities/stocks	670,850	670,580	Custodial credit
Petty cash	407	-	N/A
Total Deposits and Investments	$ 9,286,233	$ 9,262,718	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	$ 6,080,307		
Per statement of fiduciary net position			
Custodial Fund	3,205,926		
Total Deposits and Investments	$ 9,286,233		

Deposits in each local and area bank are insured by the FDIC in the amount of $250,000 for time and savings accounts (including NOW accounts) and $250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of $250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of $400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

VILLAGE OF SAUK CITY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government).

SIPC membership provides account protection up to a maximum of $500,000 per customer, of which $100,000 may be in cash. $500,000 of the Village's investments are covered by SIPC.

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring fair value measurements are as follows:

> Quoted market prices

	December 31, 2019			
Investment Type	Level 1	Level 2	Level 3	Total
Mutual funds - bond funds	$ 588,884	$ -	$ -	$ 588,884
Equity securities/stocks	670,850	-	-	670,850
Total	$ 1,259,734	$ -	$ -	$ 1,259,734

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the Village's deposits may not be returned to the Village.

As of December 31, 2019, $4,670,474 of the Village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$ 4,670,474

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Village does not have any investments exposed to custodial credit risk.

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2019, the Village's investments were rated as follows:

Investment Type	Standard & Poors
Mutual funds - bond funds	A, BBB

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2019, the Village's investments were as follows:

		Maturity (In Years)		
Investment Type	Fair Value	Less than 1	1-5	5-10
Mutual funds - bond funds	$ 588,884	$ -	$ 393,985	$ 194,899

See Note I.D.1. for further information on deposit and investment policies.

B. RECEIVABLES

All receivable balances are expected to be collected within one year with the exception of $245,281 of loan receivables and $718 of delinquent personal property taxes.

Governmental funds report *unavailable or unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unearned
Property taxes receivable for subsequent year	$ 2,552,356

VILLAGE OF SAUK CITY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	$ 5,302,337	$ 1,883,301	$ -	$ 7,185,638
Construction in progress	598,465	40,284	598,465	40,284
Total Capital Assets Not Being Depreciated	5,900,802	1,923,585	598,465	7,225,922
Capital assets being depreciated				
Buildings	2,741,068	1,074,942	-	3,816,010
Machinery and equipment	1,939,584	336,212	114,912	2,160,884
Streets	13,330,693	566,490	26,103	13,871,080
Intangibles	8,852	-	-	8,852
Improvements other than buildings	720,005	963,295	-	1,683,300
Storm sewers	2,409,224	43,965	1,583	2,451,606
Sidewalks	1,515,034	73,755	3,293	1,585,496
Total Capital Assets Being Depreciated	22,664,460	3,058,659	145,891	25,577,228
Total Capital Assets	28,565,262	4,982,244	744,356	32,803,150
Less: Accumulated depreciation for				
Buildings	(1,261,190)	(77,596)	-	(1,338,786)
Machinery and equipment	(1,114,860)	(107,177)	61,312	(1,160,725)
Streets	(3,630,780)	(213,615)	18,272	(3,826,123)
Intangibles	(1,770)	(886)	-	(2,656)
Improvements other than buildings	(265,458)	(66,167)	-	(331,625)
Storm sewers	(518,858)	(24,516)	1,583	(541,791)
Sidewalks	(180,624)	(31,710)	3,293	(209,041)
Total Accumulated Depreciation	(6,973,540)	(521,667)	84,460	(7,410,747)
Net Capital Assets Being Depreciated	15,690,920	2,536,992	61,431	18,166,481
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	$ 21,591,722	$ 4,460,577	$ 659,896	$ 25,392,403

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	$ 28,805
Public works, which includes the depreciation of infrastructure	354,019
Culture, recreation and education	138,843
Total Governmental Activities Depreciation Expense	$ 521,667

Business-type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
Electric				
Capital assets not being depreciated				
Land and land rights	$ 130,564	$ -	$ -	$ 130,564
Construction in progress	158,386	20,792	146,252	32,926
Total Capital Assets Not Being Depreciated	288,950	20,792	146,252	163,490
Capital assets being depreciated				
Distribution	7,450,720	267,397	12,113	7,706,004
General	1,138,863	36,240	-	1,175,103
Total Capital Assets Being Depreciated	8,589,583	303,637	12,113	8,881,107
Total Capital Assets	8,878,533	324,429	158,365	9,044,597
Less: Accumulated depreciation for Electric	(5,876,199)	(374,472)	3,629	(6,247,042)
Total Accumulated Depreciation	(5,876,199)	(374,472)	3,629	(6,247,042)
Net Capital Assets Being Depreciated	2,713,384	(70,835)	8,484	2,634,065
Net Electric Capital Assets	$ 3,002,334	$ (50,043)	$ 154,736	$ 2,797,555

VILLAGE OF SAUK CITY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Water				
Capital assets not being depreciated				
Land and land rights	$ 74,794	$ -	$ -	$ 74,794
Construction in progress	1,223,084	26,897	803,763	446,218
Total Capital Assets Not Being Depreciated	1,297,878	26,897	803,763	521,012
Capital assets being depreciated				
Intangible	488	-	-	488
Source of supply	211,100	-	-	211,100
Pumping	754,956	786,974	153,618	1,388,312
Water treatment	26,022	-	-	26,022
Transmission and Distribution	5,184,707	143,539	19,608	5,308,638
General	452,304	38,718	-	491,022
Total Capital Assets Being Depreciated	6,629,577	969,231	173,226	7,425,582
Total Capital Assets	7,927,455	996,128	976,989	7,946,594
Less: Accumulated depreciation/amortization for Water	(2,720,759)	(182,415)	173,226	(2,729,948)
Total Accumulated Depreciation/Amortization	(2,720,759)	(182,415)	173,226	(2,729,948)
Net Capital Assets Being Depreciated	3,908,818	786,816	-	4,695,634
Net Water Capital Assets	$ 5,206,696	$ 813,713	$ 803,763	$ 5,216,646

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Sewer				
Capital assets not being depreciated				
Land and land rights	$ 15,319	$ -	$ -	$ 15,319
Construction in progress	31,965	-	31,965	-
Total Capital Assets Not Being Depreciated	47,284	-	31,965	15,319
Capital assets being depreciated				
Collecting system	1,537,786	-	-	1,537,786
General	233,972	38,718	-	272,690
Total Capital Assets Being Depreciated	1,771,758	38,718	-	1,810,476
Total Capital Assets	1,819,042	38,718	31,965	1,825,795
Less: Accumulated depreciation for				
Sewer	(520,171)	(28,119)	-	(548,290)
Total Accumulated Depreciation	(520,171)	(28,119)	-	(548,290)
Net Capital Assets Being Depreciated	1,251,587	10,599	-	1,262,186
Net Sewer Capital Assets	$ 1,298,871	$ 10,599	$ 31,965	$ 1,277,505
Business-type Capital Assets, Net of Accumulated Depreciation	$ 9,507,901	$ 774,269	$ 990,464	$ 9,291,706

Depreciation expense was charged to functions as follows:

Business-type Activities	
Electric	$ 374,472
Water	170,822
Sewer	28,119
Total Business-type Activities Depreciation Expense	$ 573,413

Depreciation expense may be different from business-type activity accumulated depreciation additions because of joint metering, salvage, cost of removal, internal allocations, or costs associated with the disposal of assets.

VILLAGE OF SAUK CITY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
Electric and Water Utility	General Fund	$ 2,428
General Fund	Electric and Water Utility	31,604
Total - Fund Financial Statements		34,032
Less: Fund eliminations		(4,856)
Total Internal Balances - Government-Wide Statement of Net Position		$ 29,176

All amounts are due within one year.

The principal purpose of these interfunds is to account for timing differences in the revenues and expenditures owed between funds. All remaining balances resulted from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Advances

The general fund is advancing funds to TIF Districts No. 7, No. 8, and No. 9. The purpose of the advances are to fund the construction infrastructure as well as administrative and planning costs. The general fund charges interest based on the average outstanding advance balance during the year at a rate of 2%. No repayment schedule has been established.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General Fund	TIF District No. 7	$ 518,173	$ 518,173
General Fund	TIF District No. 8	786,367	786,367
General Fund	TIF District No. 9	200,189	200,189
Total - Fund Financial Statements		1,504,729	
Less: Fund eliminations		(1,504,729)	
Total - Interfund Advances - Government-Wide Statement of Net Position		$ -	

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General Fund	Electric and Water Utility	$ 249,428	Tax equivalent
General Fund	Electric and Water Utility	57,973	Utility wages for municipal activities
General Fund	Room Tax Fund	15,000	Funding for development projects
Capital Projects Fund	TIF District No. 6	129,310	Park project
Debt Service Fund	Library Memorial Fund	11,492	Debt service payment
Capital Projects Fund	Library Operating Fund	24,334	Building taxes
TIF District No. 7	General Fund	85,073	Previous interest on advance written off
TIF District No. 7	TIF District No. 6	595,484	Donation from TIF District No. 6
TIF District No. 8	General Fund	232,633	Previous interest on advance written off
TIF District No. 6	Debt Service Fund	52,692	Reimbursement of debt service payments
Library Memorial Fund	Library Guett Fund	236,892	To close out fund
Total - Fund Financial Statements		1,690,311	
Less: Fund eliminations		(1,382,910)	
Total Transfers - Government-Wide Statement of Activities		$ 307,401	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

VILLAGE OF SAUK CITY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt from direct borrowings and direct placements	$ 6,973,675	$ 3,400,000	$ 904,682	$ 9,468,993	$ 1,366,600
Other Liabilities					
Vested compensated absences	125,007	15,239	4,892	135,354	4,842
OPEB liability	78,824	18,173	-	96,997	-
Total Other Liabilities	203,831	33,412	4,892	232,351	4,842
Total Governmental Activities Long-Term Liabilities	$ 7,177,506	$ 3,433,412	$ 909,574	$ 9,701,344	$ 1,371,442
Business-type Activities					
Bonds and Notes Payable					
General obligation debt from direct borrowings and direct placements	$ 3,817,195	$ 200,000	$ 322,579	$ 3,694,616	$ 648,574
Other Liabilities					
Vested compensated absences	147,602	18,581	6,577	159,606	6,061
OPEB liability	133,468	-	30,241	103,227	-
Total Other Liabilities	281,070	18,581	36,818	262,833	6,061
Total Business-type Activities Long-Term Liabilities	$ 4,098,265	$ 218,581	$ 359,397	$ 3,957,449	$ 654,635

In addition to the liabilities above, the information on the net pension liability (asset) is provided in Note IV.A.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed 5% of the equalized value of taxable property within the Village's jurisdiction. The debt limit as of December 31, 2019, was $18,752,085. Total general obligation debt outstanding at year end was $13,163,609.

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the Village. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

All general obligation notes and bonds payable held by the Governmental and Business-type Activities at year end were direct borrowings. Each note contains a clause that upon occurrence of any one or more events of default listed in the agreement, then the unpaid balance shall, at the option of the lender, without notice, mature and become immediately payable.

Governmental Activities

General Obligation Debt from Direct Borrowings and Direct Placements	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
G.O. Promissory Note	10/01/10	10/08/20	3.50%	$ 1,109,000	$ 755,000
G.O. Promissory Note	04/04/13	04/04/23	2.50%	360,000	109,036
G.O. Promissory Note	11/14/13	09/15/23	3.19%	2,344,000	1,789,686
G.O. Promissory Note	06/06/17	06/05/27	2.39%	3,797,306	3,415,271
G.O. Promissory Note	02/19/19	02/19/24	3.20%	500,000	500,000
G.O. Promissory Note	06/26/19	06/26/24	2.6%	500,000	500,000
G.O. Promissory Note	07/31/19	07/31/29	2.87%	1,600,000	1,600,000
G.O. Promissory Note	10/31/19	10/31/29	2.25%	800,000	800,000
Total Governmental Activities - General Obligation Debt					$ 9,468,993

Business-type Activities

General Obligation Debt from Direct Borrowings and Direct Placements	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
G.O. Promissory Note	10/08/10	10/07/20	3.50%	$ 945,000	$ 420,000
G.O. Promissory Note	11/14/13	09/15/23	3.19%	956,000	724,407
G.O. Promissory Note	06/06/17	06/05/27	2.39%	1,502,694	1,351,518
G.O. Promissory Note	11/15/17	11/15/27	2.40%	1,220,000	998,691
G.O. Promissory Note	07/31/19	07/31/29	2.87%	200,000	200,000
Total Business-type Activities - General Obligation Debt					$ 3,694,616

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt from Direct Borrowings and Direct Placements Principal	Interest	Business-type Activities General Obligation Debt from Direct Borrowings and Direct Placements Principal	Interest
2020	$ 1,366,600	$ 256,870	$ 648,574	$ 98,668
2021	622,764	212,825	230,004	77,876
2022	634,030	195,752	238,961	71,875
2023	2,040,909	177,922	795,188	65,717
2024	521,473	116,891	203,897	42,224
2025-2029	4,283,217	330,782	1,577,992	93,715
Totals	$ 9,468,993	$ 1,291,042	$ 3,694,616	$ 450,075

Other Debt Information

Estimated payments of accumulated employee benefits are not included in the debt service requirement schedules. The compensated absences liability attributable to governmental activities will be liquidated primarily by the general fund.

F. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2019, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	$ 7,185,638
Construction in progress	40,284
Other capital assets, net of accumulated depreciation	18,166,481
Less: Capital related long-term debt outstanding	(7,589,322)
Plus: Unspent capital related debt proceeds	1,262,922
Total Net Investment in Capital Assets	$ 19,066,003

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. NET POSITION/FUND BALANCES (cont.)

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2019, include the following:

Fund Balances	General Fund	Library Memorial Fund	Debt Service Fund	TIF District No. 6	TIF District No. 7	TIF District No. 8	TIF District No. 9	Capital Projects Fund	Nonmajor Funds	Totals
Nonspendable:										
Delinquent personal property taxes	$ 718	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 718
Advances	1,504,729	-	-	-	-	-	-	-	-	1,504,729
Prepaid items	25,252	-	-	-	-	-	-	-	-	25,252
Loans receivable	18,031	-	-	-	-	-	-	-	-	18,031
Sub-total	1,548,730	-	-	-	-	-	-	-	-	1,548,730
Restricted for:										
Debt service	-	-	197,931	-	-	-	-	-	-	197,931
TIF district projects	-	-	-	23,750	-	-	1,211,570	-	-	1,235,320
Library purposes	-	1,322,398	-	-	-	-	-	-	197,875	1,520,273
Parks	-	-	-	-	-	-	-	-	64,071	64,071
Tourism, promotion and development	-	-	-	-	-	-	-	-	35,184	35,184
Capital projects (unspent debt)	-	-	-	-	-	-	-	890,256	-	890,256
Sub-total	-	1,322,398	197,931	23,750	-	-	1,211,570	890,256	297,130	3,943,035
Committed to:										
Capital projects	-	-	-	-	-	-	-	-	228,501	228,501
Sub-total	-	-	-	-	-	-	-	-	228,501	228,501
Assigned to:										
Capital projects	218,296	-	-	-	-	-	-	-	-	218,296
Hahn House	4,118	-	-	-	-	-	-	-	-	4,118
Debt service	170,745	-	-	-	-	-	-	-	-	170,745
Accumulated benefits	265,611	-	-	-	-	-	-	-	-	265,611
Sub-total	658,770	-	-	-	-	-	-	-	-	658,770
Unassigned (deficit):	1,056,534	-	-	-	(519,472)	(563,416)	-	(541,543)	(3,456)	(571,353)
Total Fund Balances (Deficit)	$ 3,264,034	$ 1,322,398	$ 197,931	$ 23,750	$ (519,472)	$ (563,416)	$ 1,211,570	$ 348,713	$ 522,175	$ 5,807,683

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. NET POSITION/FUND BALANCES (cont.)

Business-type Activities

Net Investment in Capital Assets	
Land	$ 220,677
Construction in progress	479,144
Other capital assets, net of accumulated depreciation	8,591,885
Less: Capital related long-term debt outstanding	(3,694,616)
Total Net Investment in Capital Assets	$ 5,597,090

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' 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 1,200 hours a year (880 hours teachers and school district educational support employees) 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://etf.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 participants, if hired on or before 12/31/2016) are entitled to retirement benefit based on a formula factor, their average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings period. 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.

VILLAGE OF SAUK CITY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Vested participants may retire at 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.

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
2009	(2.1)%	(42.0)%
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers 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 $65,484 in contributions from the Village.

Contribution rates for the plan year reported as of December 31, 2019 are:

Employee Category	Employee	Employer
General (Executives & Elected Officials)	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%

Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2019, the Village reported a liability of $225,267 for its proportionate share of the net pension liability . The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. 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 liability was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the Village's proportion was 0.00633184%, which was an increase of 0.00012706% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the Village recognized pension expense of $147,689.

VILLAGE OF SAUK CITY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

At December 31, 2019, 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	$ 175,448	$ 310,130
Changes in assumptions	37,971	-
Net differences between projected and actual earnings on pension plan investments	328,988	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	2,517
Employer contributions subsequent to the measurement date	68,071	-
Totals	$ 610,478	$ 312,647

$68,071 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, 2020. 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:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2020	$ 82,852
2021	20,637
2022	36,412
2023	89,859

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Actuarial assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2017
Measurement Date of Net Pension Liability (Asset):	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*:	1.9%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The Total Pension Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

VILLAGE OF SAUK CITY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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:

Core Fund Asset Class	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	49%	8.1%	5.5%
Fixed Income	24.5	4.0	1.5
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9	6.5	3.9
Private Equity/Debt	8	9.4	6.7
Multi-Asset	4	6.7	4.1
Total Core Fund	110	7.3	4.7
Variable Fund Asset Class			
U.S Equities	70	7.6	5.0
International Equities	30	8.5	5.9
Total Variable Fund	100	8.0	5.4

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

Single discount rate. A single discount rate of 7.00% 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 7.00% and a long term bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% 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.

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
Village's proportionate share of the net pension liability (asset)	$895,234	$225,267	$(272,905)

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.

At December 31, 2019, the Village reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

B. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

C. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the Village is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the Village attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Village's financial position or results of operations.

D. JOINT VENTURES

Investment in Joint Sauk - Prairie Sewer Commission

The Village of Sauk City and the Village of Prairie du Sac jointly operate the sewer treatment facility, which is called the Sauk Prairie Sewer Commission. The communities share in the operation of the Sauk Prairie Sewer Commission based on usage

VILLAGE OF SAUK CITY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

D. JOINT VENTURES (cont.)

Investment in Joint Sauk - Prairie Sewer Commission (cont.)

The governing body is made up of citizens from each community. Local representatives are appointed by the mayor. The governing body has authority to adopt its own budget and control the financial affairs of the The communities share in the operation of the Sauk Prairie Sewer Commission based on usage. The Village is obligated by the joint venture agreement to remit an amount annually to the The communities share in the operation of the Sauk Prairie Sewer Commission based on usage. The Village made a payment to the The communities share in the operation of the Sauk Prairie Sewer Commission based on usage of $169,604 in 2019.

Financial information of the commission as of December 31, 2019 is available directly from the commission's office.

The Village does not have an equity interest in the commission.

Sauk Prairie Ambulance Commission

The Village and the Village of Prairie du Sac and Townships of Sumpter, Honey Creek (5/8), Roxbury, Prairie du Sac, West Point (1/2), Troy (1/2), and Town of Merrimac jointly operate the local EMS District, which is called the Sauk Prairie Ambulance Commission.

The governing body is made up of eight members, each appointed from the individual community. The governing body has authority to adopt its own budget and control the financial affairs of the association. The Village made a payment to the association in 2019 of $28,210.

Financial information of the district is available directly from the district's office.

In 2016, the Village entered into an Inter-municipal Cooperation Agreement with the Village of Prairie du Sac, where both municipalities agreed to loan the commission $100,000 each, for an aggregate total amount of $200,000. The money is to be used for capital improvements. The commission will make annual payments at an interest rate not to exceed 2.5%. All interest and principal is to be paid back to the Village before August 31, 2026.

The Village does not have an equity interest in the commission.

Sauk-Prairie Municipal Court Commission

The Village and the Village of Prairie du Sac jointly operate the local municipal court, which is called the Sauk-Prairie Municipal Court Commission and provides non-criminal citation processing.

The governing committee is made up of citizens from each community. Local representatives are appointed by the chief executive officer of each community. The committee recommends its own budget which is ratified by each community member. The committee also controls the financial affairs of the courts.

NOTE IV - OTHER INFORMATION (cont.)

D. JOINT VENTURES (cont.)

Sauk-Prairie Municipal Court Commission (cont.)

Financial information of the court as of December 31, 2019 is available directly from the municipal court in Sauk City, Wisconsin.

The Village of Sauk City does not have an equity interest in the commission. The Village accounts for its share of the operation in the general fund.

Sauk Fire District

The Village and Townships of Prairie du Sac, Honey Creek (5/8), Sumpter, Troy (1/2), West Point (1/2) and Roxbury jointly operate the local Fire District, and provide fire protection. The communities share in the operation of the district based upon equalized values.

The governing body is made up of 14 representatives, two from each community. The governing body has authority to adopt its own budget and control the financial affairs of the district. The Village made a payment to the district in 2019 of $90,285.

Summary financial information of the district as of December 31, 2019 is not available. Transactions of the district are not reflected in these financial statements.

The Village does not have an equity interest in the district.

Sauk Prairie Police Commission

The Village and Village of Prairie du Sac jointly operate the local Police Department, which is called the Sauk Prairie Police Commission, and provides police protection. The communities share in the operation of the district based on population as follows: Sauk City, 47%, and Prairie du Sac, 53%.

The governing body is made up of six citizens, three from each community, and the police chief. Local representatives are appointed by the President of each village. The governing body has authority to adopt its own budget and control the financial affairs of the commission. The Village made payments to the commission in 2019 totaling $695,776.

Audited financial information of the commission can be obtained directly from the commission.

The Village does not have an equity interest in the commission.

VILLAGE OF SAUK CITY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS

GENERAL INFORMATION ABOUT THE OPEB PLAN

Plan description. The Village's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the Village. RBP is a single-employer defined benefit OPEB plan administered by the Village. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Village Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits provided. RBP provides healthcare coverage to active employees and retirees at blended premium rates. This results in an other postemployment benefit (OPEB) for the retirees, commonly referred to as an implicit rate subsidy. Retirees participating in the plan contribute 100% of the blended premium. The Village, by paying the blended premium for active employees, contributes the difference between the blended premium and the age-adjusted premium towards retiree benefits.

Employees covered by benefit terms. At December 31, 2019, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	1
Active plan members	16
	17

TOTAL OPEB LIABILITY

The Village's total OPEB liability of $82,315 was measured as of December 31, 2018, and was determined by an actuarial valuation as of December 31, 2017.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	
Inflation	3.0%
Merit	0.4 - 3.5%
Healthcare cost trend rates	7.0% initially decreasing by 0.5% per year down to 6.5%, then by 0.1% per year down to 5.0%, and level thereafter
Retirees' share of benefit-related costs	100% of blended premium

The discount rate was 4.00% and based on Bond Beyer 20-Bond GO Index.

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Mortality rates were based on the Wisconsin 2012 Mortality Table.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period 2012-14 conducted in 2015 using Wisconsin Retirement System (WRS).

CHANGES IN THE TOTAL OPEB LIABILITY

	Total OPEB Liability
Balances at December 31, 2018	$ 82,252
Changes for the year:	
Service cost	5,255
Interest	2,871
Changes in assumptions or other inputs	(2,363)
Benefit payments	(5,700)
Net changes	63
Balances at December 31, 2019	$ 82,315

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50% to 4.00%.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.0 percent) or 1-percentage-point higher (5.0 percent) than the current discount rate:

	1% Decrease (3.0%)	Discount Rate (4.0%)	1% Increase (5.0%)
Total OPEB liability	$ 87,110	$ 82,315	$ 77,810

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.0 percent decreasing to 4.0 percent) or 1-percentage-point higher (8.0 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

	1% Decrease (6.0% Decreasing to 4.0%)	Healthcare Cost Trend Rates (7.0% Decreasing to 5.0%)	1% Increase (8.0% Decreasing to 6.0%)
Total OPEB liability	$ 77,045	$ 82,315	$ 88,342

VILLAGE OF SAUK CITY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended December 31, 2019, the Village recognized OPEB expense of $7,863. At December 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions - subsequent to measurement date	$ 5,700	$ -
Changes of assumptions or other inputs	-	2,100
Total	$ 5,700	$ 2,100

$5,700 reported as deferred outflows related to OPEB resulting from contributions subsequent to measurement date will be recognized as a reduction of the OPEB liability in the year December 31, 2020. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:	Deferred Inflows of Resources
2020	$ 263
2021	263
2022	263
2023	263
2024	263
Thereafter	785

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Local Retiree Life Insurance Fund (LRLIF)

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.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at http://etf.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 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. 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 contribution 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 for the plan year reported as of December 31, 2019 are:

Coverage Type	Employer Contribution
50% Post Retirement Coverage	40% of employee contribution
25% Post Retirement Coverage	20% of employee contribution

VILLAGE OF SAUK CITY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

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 plan year are as listed below:

Life Insurance Employee Contribution Rates For the Plan Year

Attained Age	Basic
Under 30	$0.05
30-34	0.06
34-39	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 $880 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, 2019, the Village reported a liability of $117,909 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. 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 was based on the Village's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2018, the Village's proportion was 0.045695500%, which was an increase of 0.00247200% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the Village recognized OPEB expense of $12,826.

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

At December 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 5,981
Net differences between projected and actual earnings on OPEB plan investments	2,818	-
Changes in assumptions	11,250	25,558
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,795	1,692
Employer contributions subsequent to the measurement date	992	-
Total	$ 20,855	$ 33,231

$992 reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a $992 of the net OPEB liability in the year ended December 31, 2020. 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 December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2019	$ (1,684)
2020	(1,684)
2021	(1,684)
2022	(2,080)
2023	(2,488)
Thereafter	(3,748)

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Actuarial assumptions. The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2018
Measurement Date of Net OPEB Liability	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	4.10%
Long-Term Expected Rate of Return:	5.00%
Discount Rate:	4.22%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

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 Securian, 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
Asset Allocation Targets and Expected Returns
As of December 31, 2018

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
US Government Bonds	Barclays Government	1%	1.44%
US Credit Bonds	Barclays Credit	40	2.69
US Long Credit Bonds	Barclays Long Credit	4	3.01
US Mortgages	Barclays MBS	54	2.25
US Municipal Bonds	Bloomberg Barclays Muni	1	1.68
Inflation			2.30
Long-Term Expected Rate of Return			5.00

Single discount rate. A single discount rate of 4.22% 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.

VILLAGE OF SAUK CITY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Sensitivity of the Village's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Village's proportionate share of the net OPEB liability calculated using the discount rate of 4.22 percent, as well as what the Village's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.22 percent) or 1-percentage-point higher (5.22 percent) than the current rate:

	1% Decrease to Discount Rate (3.22%)	Current Discount Rate (4.22%)	1% Increase to Discount Rate (5.22%)
Village's proportionate share of the net OPEB liability	$167,733	$117,909	$79,481

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://etf.wi.gov/publications/cafr.htm.

F. RELATED ORGANIZATION

Housing Authority

The Village's officials are responsible for appointing the board members of the Housing Authority of the Village of Sauk City, but the Village's accountability for this organization does not extend beyond making the appointments.

NOTE IV - OTHER INFORMATION (cont.)

G. Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 87, *Leases*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance*, with the exception of Statement No. 87 which was postponed by one and a half years.

When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF SAUK CITY

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
TAXES			
General property taxes	$ 1,075,837	$ 1,075,837	$ -
Taxes from municipally owned housing authority	14,500	14,981	481
Other taxes	-	696	696
Interest and penalties on taxes	-	128	128
Total Taxes	1,090,337	1,091,642	1,305
INTERGOVERNMENTAL			
State shared revenues	172,408	158,561	(13,847)
Fire insurance tax (2% fire dues)	10,815	13,278	2,463
Other state shared taxes	31,079	31,688	609
State aid - recycling	15,000	15,152	152
State aid - emergency government	-	14,767	14,767
State aid - general transportation aids	187,646	187,560	(86)
Other state payments	4	719	715
Total Intergovernmental	416,952	421,725	4,773
LICENSES AND PERMITS			
Liquor and malt beverage licenses	8,500	8,028	(472)
Operators' license	5,000	1,420	(3,580)
Soda licenses	350	174	(176)
Cigarette licenses	900	842	(58)
Dog and cat licenses	2,300	1,811	(489)
Other licenses	560	415	(145)
Cable television franchise fees	43,000	47,553	4,553
Building permits	10,200	29,459	19,259
Other permits	2,357	2,960	603
Zoning permits and fees	-	350	350
Total Licenses and Permits	73,167	93,012	19,845
PUBLIC CHARGES FOR SERVICES			
Publication fees	315	270	(45)
Photocopies	20	201	181
Parks	2,200	3,780	1,580
Refuse and garbage	169,000	163,937	(5,063)
Other public charges for services	1,500	18,801	17,301
Total Public Charges for Services	173,035	186,989	13,954
INVESTMENT INCOME			
Interest on investments	27,133	40,478	13,345
Interest on advances to other funds	-	45,065	45,065
Total Investment Income	27,133	85,543	58,410

See independent auditors' report and accompanying notes to required supplementary information.

VILLAGE OF SAUK CITY

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance with Final Budget
MISCELLANEOUS			
Donations	$ -	$ 110	$ 110
Rent	20,000	28,153	8,153
Other miscellaneous	12,000	1,261	(10,739)
Total Miscellaneous	32,000	29,524	(2,476)
Total Revenues	1,812,624	1,908,435	95,811
EXPENDITURES			
GENERAL GOVERNMENT			
Board	27,610	25,483	2,127
Administrator	171,783	174,075	(2,292)
Elections	5,350	1,929	3,421
Assessment of property	11,100	11,651	(551)
Finance	41,950	57,208	(15,258)
Legal	15,000	26,639	(11,639)
General buildings/plant/hall	45,450	50,373	(4,923)
Municipal court	4,000	-	4,000
Property and liability insurance	37,000	38,657	(1,657)
Other general government	18,000	21,654	(3,654)
Contingency	28,000	-	28,000
Total General Government	405,243	407,669	(2,426)
PUBLIC SAFETY			
Police	687,494	690,514	(3,020)
Criminal investigation	5,000	5,262	(262)
Fire protection	101,100	103,563	(2,463)
Hydrant rental	50,000	77,250	(27,250)
Ambulance	28,210	28,210	-
Building inspection	11,336	41,484	(30,148)
Total Public Safety	883,140	946,283	(63,143)

See independent auditors' report and accompanying notes to required supplementary information.

VILLAGE OF SAUK CITY

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance with Final Budget
PUBLIC WORKS			
Public works/highway administration	$ 24,934	$ 27,291	$ (2,357)
Machinery operation and maintenance	53,126	34,916	18,210
Buildings and grounds operations	29,848	28,026	1,822
Engineering	12,000	13,925	(1,925)
Sidewalks, with street reconstruction	11,000	20,040	(9,040)
Highway and street maintenance for local	43,099	59,729	(16,630)
Mass transit	5,000	5,000	-
Street cleaning	14,985	14,467	518
Snow and ice control	98,264	165,215	(66,951)
Traffic control	17,960	14,799	3,161
Street lighting	-	54,112	(54,112)
Storm sewer maintenance	20,128	33,560	(13,432)
Refuse and garbage collection	169,000	173,238	(4,238)
Recycling	96,500	101,397	(4,897)
Weed and nuisance control	6,060	3,833	2,227
Total Public Works	601,904	749,548	(147,644)
CULTURE, RECREATION AND EDUCATION			
Museum	2,500	2,837	(337)
Recreation administration	16,311	16,311	-
Celebration and entertainment	7,865	23,285	(15,420)
Parks	97,811	126,048	(28,237)
Recreation facilities	12,400	9,287	3,113
Other summer recreation	7,000	7,000	-
Total Culture, Recreation and Education	143,887	184,768	(40,881)
CONSERVATION AND DEVELOPMENT			
Forestry	4,000	4,000	-
Other conservation and development	11,250	11,743	(493)
Total Conservation and Development	15,250	15,743	(493)
Total Expenditures	2,049,424	2,304,011	(254,587)
Excess (deficiency) of revenues over (under) expenditures	(236,800)	(395,576)	(158,776)

See independent auditors' report and accompanying notes to required supplementary information.

VILLAGE OF SAUK CITY

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance with Final Budget
OTHER FINANCING SOURCES (USES)			
Transfers in	$ 15,000	$ 72,973	$ 57,973
Transfer in - tax equivalent	221,800	249,428	27,628
Transfers out	-	(317,706)	(317,706)
Total Other Financing Sources (Uses)	236,800	4,695	(232,105)
Net Change in Fund Balance	-	(390,881)	(390,881)
FUND BALANCE - Beginning of Year	3,654,915	3,654,915	-
FUND BALANCE - END OF YEAR	$ 3,654,915	$ 3,264,034	$ (390,881)

See independent auditors' report and accompanying notes to required supplementary information.

VILLAGE OF SAUK CITY

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - LIBRARY MEMORIAL FUND
For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Investment income	$ 80,000	$ 173,246	$ 93,246
Donations	10,000	6,417	(3,583)
Other miscellaneous	13,000	4,670	(8,330)
Total Revenues	103,000	184,333	81,333
EXPENDITURES			
Current			
Culture, recreation, and education	22,550	33,990	(11,440)
Capital Outlay	-	74,579	(74,579)
Total Expenditures	22,550	108,569	(86,019)
Excess of revenues over expenditures	80,450	75,764	(4,686)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	236,892	236,892
Transfers out	(22,983)	(11,492)	11,491
Total Other Financing Sources (Uses)	(22,983)	225,400	248,383
Net Change in Fund Balance	57,467	301,164	243,697
FUND BALANCE - Beginning of Year	1,021,234	1,021,234	-
FUND BALANCE - END OF YEAR	$ 1,078,701	$ 1,322,398	$ 243,697

See accountants' report and accompanying notes to required supplementary information.

VILLAGE OF SAUK CITY

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET) -
WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2019

Fiscal Year Ending	Proportion of the Net Pension Liability/ (Asset)	Proportionate Share of the Net Pension Liability/ (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/19	0.00633184%	$ 225,267	$ 977,375	23.05%	96.45%
12/31/18	0.00620478%	(184,227)	947,462	-19.44%	102.93%
12/31/17	0.00607872%	50,103	903,957	5.54%	99.12%
12/31/16	0.00601627%	97,763	848,690	11.52%	98.20%
12/31/15	0.00599035%	(147,099)	841,495	-17.49%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2019

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/19	$ 68,071	$ 68,071	$ -	$ 1,039,277	6.55%
12/31/18	65,484	65,484	-	977,375	6.70%
12/31/17	64,428	64,428	-	947,463	6.80%
12/31/16	59,661	59,661	-	903,957	6.60%
12/31/15	57,711	57,711	-	848,690	6.80%

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY -
LOCAL RETIREE LIFE INSURANCE FUND
For the Year Ended December 31, 2019

Fiscal Year Ending	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability/	Covered Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/19	0.04569500%	$ 117,909	$ 838,000	14.07%	48.69%
12/31/18	0.04322300%	130,040	947,462	13.73%	44.81%

See independent auditors' report and accompanying notes to the required supplementary information.

VILLAGE OF SAUK CITY

SCHEDULE OF CHANGES IN EMPLOYER'S TOTAL OPEB LIABILITY AND RELATED RATIOS
HEALTH INSURANCE
For the Year Ended December 31, 2019

Total OPEB Liability	**2019**	**2018**
Service cost	$ 5,255	$ 5,255
Interest	2,871	2,815
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions	(2,363)	-
Benefit payments	(5,700)	(7,211)
Net Change in Total OPEB Liability	63	859
Total OPEB Liability - Beginning	82,252	81,393
Total OPEB Liability - Ending	$ 82,315	$ 82,252
Covered payroll	$ 871,834	$ 871,834
Total OPEB liability as a percentage of covered payroll	9.44%	9.43%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of the previous calendar year.

Benefit changes. There were no changes to the benefits.

Changes of assumptions. The discount rate of 4.00% was used in calculating the Village's OPEB liabilities. This discount rate is based upon all projected payments discounted at a municipal rate of 4.00%.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

The Village is required to present the last ten fiscal years' data; however, standards allow the presentation of as many years as are available until 10 years are presented.

VILLAGE OF SAUK CITY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2019

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I. C.

The budgeted amounts presented are as presented in the original budget and no amendments were adopted during the year. The Village may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds action.

Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the detail level of expenditure.

WISCONSIN RETIREMENT SYSTEM

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year.

The Village is required to present the last ten years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

Changes in benefit terms. There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

Changes in assumptions. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total Pension Liability changed, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates.

LOCAL RETIREE LIFE INSURANCE FUND

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year.

The Village is required to present the last ten years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

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

Changes in assumptions. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total OPEB Liability changed, including the discount rate, wage inflation rate, and mortality and separation rates.

SUPPLEMENTARY INFORMATION

A-56

VILLAGE OF SAUK CITY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of December 31, 2019

	Special Revenue Funds			
	Library Lueders Fund	Library Bruning Fund	Library Operations Fund	Park Fund
ASSETS				
Cash and investments	$ 3,985	$ 117,671	$ 87,396	$ 64,071
Receivables				
Taxes	-	-	210,000	-
Accrued interest	-	-	-	-
TOTAL ASSETS	$ 3,985	$ 117,671	$ 297,396	$ 64,071
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	$ -	$ 305	$ 6,100	$ -
Accrued liabilities	-	-	4,772	-
Total Liabilities	-	305	10,872	-
Deferred Inflows of Resources				
Unearned revenues	-	-	210,000	-
Fund Balances				
Restricted	3,985	117,366	76,524	64,071
Committed	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total Fund Balances (Deficit)	3,985	117,366	76,524	64,071
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 3,985	$ 117,671	$ 297,396	$ 64,071

	Special Revenue Funds		Capital Projects Fund	
	Room Tax Fund	Street Lighting Fund	Equipment Replacement	Total Nonmajor Governmental Funds
	$ 42,029	$ 3,350	$ 226,579	$ 545,081
	-	-	114,490	324,490
	-	-	3,872	3,872
	$ 42,029	$ 3,350	$ 344,941	$ 873,443
	$ 6,845	$ 6,806	$ 1,950	$ 22,006
	-	-	-	4,772
	6,845	6,806	1,950	26,778
	-	-	114,490	324,490
	35,184	-	-	297,130
	-	-	228,501	228,501
	-	(3,456)	-	(3,456)
	35,184	(3,456)	228,501	522,175
	$ 42,029	$ 3,350	$ 344,941	$ 873,443

VILLAGE OF SAUK CITY

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2019

	Special Revenue Funds			
	Library Guett Fund	Library Lueders Fund	Library Bruning Fund	Library Operations Fund
REVENUES				
Taxes	$ -	$ -	$ -	$ 208,000
Intergovernmental	-	-	-	170,002
Public charges for services	-	-	-	4,782
Investment income	29,354	244	21,389	-
Miscellaneous revenues	-	-	-	5,269
Total Revenues	29,354	244	21,389	388,053
EXPENDITURES				
Current				
Public works	-	-	-	-
Culture, recreation and education	1,772	-	4,534	366,248
Conservation and development	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	1,772	-	4,534	366,248
Excess (deficiency) of revenues over expenditures	27,582	244	16,855	21,805
OTHER FINANCING SOURCES (USES)				
Transfers out	(236,892)	-	-	(24,334)
Net Change in Fund Balances	(209,310)	244	16,855	(2,529)
FUND BALANCES (DEFICIT) - Beginning of Year	209,310	3,741	100,511	79,053
FUND BALANCES - END OF YEAR	$ -	$ 3,985	$ 117,366	$ 76,524

Special Revenue Funds			Capital Projects Fund	
Park Fund	Room Tax Fund	Street Lighting Fund	Equipment Replacement	Total Nonmajor Governmental Funds
$ -	$ 45,329	$ -	$ 127,758	$ 381,087
-	-	-	-	170,002
-	-	16,270	-	21,052
459	-	-	4,659	56,105
-	-	-	-	5,269
459	45,329	16,270	132,417	633,515
-	-	19,726	-	19,726
-	-	-	-	372,554
-	37,344	-	-	37,344
-	-	-	106,565	106,565
-	37,344	19,726	106,565	536,189
459	7,985	(3,456)	25,852	97,326
-	(15,000)	-	-	(276,226)
459	(7,015)	(3,456)	25,852	(178,900)
63,612	42,199	-	202,649	701,075
$ 64,071	$ 35,184	$ (3,456)	$ 228,501	$ 522,175

APPENDIX B

FORM OF LEGAL OPINION

(See following pages.)

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

September 2, 2020

Re: Village of Sauk City, Wisconsin ("Issuer")
$5,285,000 General Obligation Refunding Bonds, Series 2020A,
dated September 2, 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:

Year	Principal Amount	Interest Rate
2021	$330,000	___%
2022	340,000	___
2023	315,000	___
2024	355,000	___
2025	455,000	___
2026	455,000	___
2027	365,000	___
2028	355,000	___
2029	355,000	___
2030	410,000	___
2031	375,000	___
2032	310,000	___
2033	275,000	___
2034	160,000	___
2035	150,000	___
2036	150,000	___
2037	130,000	___

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 Certificate Approving the Preliminary Official Statement and Details of General Obligation Refunding Bonds, Series 2020A, 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 excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to 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

APPENDIX C

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.

APPENDIX D

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 Sauk City, Sauk County, Wisconsin (the "Issuer") in connection with the issuance of $5,285,000 General Obligation Refunding Bonds, Series 2020A, dated September 2, 2020 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on July 28, 2020, as supplemented by a Certificate Approving the Preliminary Official Statement and Details of General Obligation Refunding Bonds, Series 2020A (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 annually 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). The Issuer is an obligated person with respect to not more than $10,000,000 in aggregate amount of outstanding municipal securities (including the Securities but excluding obligations exempt from the Rule). 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 August 14, 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 Sauk City, Sauk County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Village Administrator/Clerk-Treasurer of the Issuer who can be contacted at 726 Water Street, Sauk City, Wisconsin 53583, phone (608) 643-3932, fax (608) 643-2462.

"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 ending December 31, 2020, 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.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference financial information and operating data that is customarily prepared and publicly available, to wit:

1. Audited Financial Statements; and
2. The Issuer's adopted annual budget.

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 2nd day of September, 2020.

_____
James Anderson
President

(SEAL)

_____
Vicki Breunig
Village Administrator/Clerk-Treasurer

APPENDIX E

NOTICE OF SALE

$5,285,000* GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020A
VILLAGE OF SAUK CITY, WISCONSIN

Bids for the purchase of $5,285,000* General Obligation Refunding Bonds, Series 2020A (the "Bonds") of the Village of Sauk City, 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 August 13, 2020, at which time they will be opened, read and tabulated. **The Village Board adopted a resolution on July 28, 2020 (the "Parameters Resolution"), which authorized the Village Administrator/Clerk-Treasurer or Village President to accept a bid for the Bonds if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on August 13, 2020, neither the Village Administrator/Clerk-Treasurer or Village President will have the authority to accept a bid for the Bonds, and all bids for the Bonds will be rejected**.

PURPOSE

The Bonds are authorized pursuant to Section 67.04, Wisconsin Statutes, for the purpose of effecting a current refunding of certain outstanding general obligations of the Village as more fully described herein. The Bonds are general obligations of the Village for which its full faith, credit and taxing powers are pledged.

DATES AND MATURITIES

The Bonds will be dated September 2, 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:

Year	Amount*	Year	Amount*	Year	Amount*
2021	$330,000	2027	$365,000	2033	$275,000
2022	340,000	2028	355,000	2034	160,000
2023	315,000	2029	355,000	2035	150,000
2024	355,000	2030	410,000	2036	150,000
2025	455,000	2031	375,000	2037	130,000
2026	455,000	2032	310,000		

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, up to a maximum of $100,000 per maturity. 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. 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 September 2, 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 and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the Village, and will be available at the time of delivery of the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding general obligations of the Village; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding).

STATEMENT REGARDING COUNSEL PARTICIPATION

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

SUBMISSION OF BIDS

Bids must not be for less than $5,218,938 nor more than $5,602,100 plus accrued interest on the principal sum of $5,285,000 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 $105,700 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. **The Bonds will not be awarded if the TIC (taking the purchaser's compensation into account) exceeds 3.00% or if the other conditions set forth in the Parameters Resolution are not satisfied.**

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.

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the Village will enter into an 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.

NEW ISSUE PRICING

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the Village in establishing the issue price of the Bonds and shall execute and deliver to the Village at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications. All actions to be taken by the Village under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the Village by the Village's municipal advisor identified herein and any notice or report to be provided to the Village may be provided to the Village's municipal advisor.

(b) The Village intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

(1) The Village shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential investors;

(2) all bidders shall have an equal opportunity to bid;

(3) the Village may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(4) the Village anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

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

(c) If all of the requirements of a "competitive sale" are not satisfied, the Village shall advise the winning bidder of such fact prior to the time of award of the sale of the Bonds to the winning bidder. In such event, any bid submitted will not be subject to cancellation or withdrawal and the Village agrees to use the rule selected by the winning bidder on its bid form to determine the issue price for the Bonds. On its bid form, each bidder must select one of the following two rules for determining the issue price of the Bonds: (1) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Bonds (the "hold-the-offering-price rule").

(d) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the fifth (5^{th}) business day after the sale date; or

(2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the Village promptly after the close of the fifth (5^{th}) business day after the sale whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Village acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires,

(ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Village further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Bonds.

(e) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the 10% test, the winning bidder agrees to promptly report to the Village, Bond Counsel and Ehlers the prices at which the Bonds have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Bonds, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Village or bond counsel.

(f) By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Village or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(B) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(g) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Village (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date that the Bonds are awarded by the Village to the winning bidder.

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

Vicki Breunig, Village Administrator/Clerk-Treasurer
Village of Sauk City, Wisconsin

BID FORM

Village of Sauk City, Wisconsin **August 13, 2020**

RE: **$5,285,000* General Obligation Refunding Bonds, Series 2020A (the "Bonds")**
DATED: **September 2, 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 $5,218,938 nor more than $5,602,100) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____	% due	2021	_____	% due	2027	_____	% due	2033
_____	% 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			

* 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, up to a maximum of $100,000 per maturity. 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.

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 $105,700 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 September 2, 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: ____.

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

Account Manager: _____ By: _____

Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from September 2, 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 Village of Sauk City, Wisconsin, on August 13, 2020.

By: _____

Title: _____